

2024 Regular Session

HOUSE BILL NO. 706

BY REPRESENTATIVE JORDAN

INSURANCE/AUTOMOBILE: Requires automobile liability insurance policies include uninsured motorist coverage

1 AN ACT

2 To amend and reenact R.S. 22:1295(1)(a) and (d)(introductory paragraph) and (2), relative  
3 to uninsured motorist coverage; to require that all automobile liability insurance  
4 policies issued in this state include uninsured motorist coverage; to repeal provisions  
5 allowing economic-only uninsured motorist coverage; to repeal provisions allowing  
6 uninsured motorist coverage with limits less than bodily injury liability; to make  
7 technical changes; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:1295(1)(a) and (d)(introductory paragraph) and (2) are hereby amended  
10 and reenacted to read as follows:

11 §1295. Uninsured motorist coverage; required

12 The following provisions shall govern the issuance of uninsured motorist  
13 coverage in this state:

14 (1)(a)(i) No automobile liability insurance covering liability arising out of  
15 the ownership, maintenance, or use of any motor vehicle shall be delivered or issued  
16 for delivery in this state with respect to any motor vehicle designed for use on public  
17 highways and required to be registered in this state or as provided in this Section  
18 unless coverage is provided therein or supplemental thereto, in not less than the  
19 limits of bodily injury liability provided by the policy, under provisions filed with  
20 and approved by the commissioner of insurance, for the protection of persons insured

1           thereunder who are legally entitled to recover nonpunitive damages from owners or  
2           operators of uninsured or underinsured motor vehicles because of bodily injury,  
3           sickness, or disease, including death resulting therefrom; ~~however, the coverage~~  
4           ~~required under this Section is not applicable when any insured named in the policy~~  
5           ~~either rejects coverage, selects lower limits, or selects economic-only coverage, in~~  
6           ~~the manner provided in Item (1)(a)(ii) of this Section. In no event shall the policy~~  
7           ~~limits of an uninsured motorist policy be less than the minimum liability limits~~  
8           ~~required under R.S. 32:900, unless economic-only coverage is selected as authorized~~  
9           ~~in this Section. Such coverage need not be provided in or supplemental to a renewal,~~  
10          ~~reinstatement, or substitute policy when the named insured has rejected the coverage~~  
11          ~~or selected lower limits in connection with a policy previously issued to him by the~~  
12          ~~same insurer or any of its affiliates. The coverage provided under this Section may~~  
13          ~~exclude coverage for punitive or exemplary damages by the terms of the policy or~~  
14          ~~contract. Insurers may also make available, at a reduced premium, the coverage~~  
15          ~~provided under this Section with an exclusion for all noneconomic loss. This~~  
16          ~~coverage shall be known as "economic-only" uninsured motorist coverage.~~  
17          ~~Noneconomic loss means any loss other than economic loss and includes but is not~~  
18          ~~limited to pain, suffering, inconvenience, mental anguish, and other noneconomic~~  
19          ~~damages otherwise recoverable under the laws of this state.~~

20                 (ii) ~~Such rejection, selection of lower limits, or selection of economic-only~~  
21          ~~coverage shall be made only on a form prescribed by the commissioner of insurance.~~  
22          ~~The prescribed form shall be provided by the insurer and signed by the named~~  
23          ~~insured or his legal representative. The form signed by the named insured or his~~  
24          ~~legal representative which initially rejects such coverage, selects lower limits, or~~  
25          ~~selects economic-only coverage shall be conclusively presumed to become a part of~~  
26          ~~the policy or contract when issued and delivered, irrespective of whether physically~~  
27          ~~attached thereto. A properly completed and signed form creates a rebuttable~~  
28          ~~presumption that the insured knowingly rejected coverage, selected a lower limit, or~~  
29          ~~selected economic-only coverage. The form signed by the insured or his legal~~

1 ~~representative which initially rejects coverage, selects lower limits, or selects~~  
 2 ~~economic-only coverage shall remain valid for the life of the policy and shall not~~  
 3 ~~require the completion of a new selection form when a renewal, reinstatement,~~  
 4 ~~substitute, or amended policy is issued to the same named insured by the same~~  
 5 ~~insurer or any of its affiliates. An insured may change the original uninsured~~  
 6 ~~motorist selection or rejection on a policy at any time during the life of the policy by~~  
 7 ~~submitting a new uninsured motorist selection form to the insurer on the form~~  
 8 ~~prescribed by the commissioner of insurance. Any changes to an existing policy,~~  
 9 ~~regardless of whether these changes create new coverage, except changes in the~~  
 10 ~~limits of liability, do not create a new policy and do not require the completion of~~  
 11 ~~new uninsured motorist selection forms. For the purpose of this Section, a new~~  
 12 ~~policy shall mean an original contract of insurance which an insured enters into~~  
 13 ~~through the completion of an application on the form required by the insurer.~~

14 (iii) This Subparagraph and its requirement for uninsured motorist coverage  
 15 shall apply to any liability insurance covering any accident which occurs in this state  
 16 and involves a resident of this state.

17 (iv)(iii) Notwithstanding any contrary provision of this Section and R.S.  
 18 22:1406, an automobile liability policy written to provide coverage for a school bus  
 19 may limit the scope of uninsured motorist liability to only provide liability coverage  
 20 for damages incurred by reason of an accident or incident involving the school bus,  
 21 or a temporary substitute vehicle, and such limitation shall limit the uninsured  
 22 motorist coverage of a named insured in the policy to only damages incurred by  
 23 reason of such accident or incident.

24 \* \* \*

25 (d) ~~Unless the named insured has rejected uninsured motorist coverage, the~~  
 26 An insurer issuing an automobile liability policy that does not afford collision  
 27 coverage for a vehicle insured thereunder shall, at the written request of a named  
 28 insured, provide coverage in the amount of the actual cash value of such motor  
 29 vehicle described in the policy or the minimum amount of property damage liability

1 insurance required by the Motor Vehicle Safety Responsibility Law, R.S. 32:851 et  
 2 seq., whichever is less, for the protection of persons insured thereunder who are  
 3 legally entitled to recover damages from the owner or operator of an uninsured motor  
 4 vehicle because of property damage to the motor vehicle described in the policy  
 5 arising out of the operation, maintenance, or use of the uninsured motor vehicle. The  
 6 coverage provided ~~under~~ in accordance with this Section shall be subject to a  
 7 deductible in an amount of two hundred fifty dollars for any one accident. The  
 8 coverage provided ~~under~~ in accordance with this Section shall not provide protection  
 9 for any of the following:

10 \* \* \*

11 (2)(a) For the purpose of this coverage, the ~~terms~~ term "uninsured motor  
 12 vehicle" shall, subject to the terms and conditions of such coverage, be deemed to  
 13 include an insured motor vehicle where the liability insurer thereof is unable to make  
 14 payment with respect to the legal liability of its insured within the limits specified  
 15 therein because of insolvency.

16 (b) For the purposes of this coverage, the term "uninsured motor vehicle"  
 17 shall, subject to the terms and conditions of such coverage, also be deemed to include  
 18 an insured motor vehicle when the automobile liability insurance coverage on such  
 19 vehicle is less than the amount of damages suffered by an insured ~~and/or~~ or the  
 20 passengers in the insured's vehicle at the time of an accident, as agreed to by the  
 21 parties and their insurers or as determined by final adjudication.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 706 Original 2024 Regular Session Jordan

**Abstract:** Requires automobile liability insurance policies include uninsured motorist coverage.

Present law provides that automobile liability insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle shall provide coverage in not less than

the limits of bodily injury liability for protection of persons insured thereunder who are entitled to recover nonpunitive damages from owners or operators of uninsured or underinsured motor vehicles, unless the named insured rejects the coverage, selects lower limits but not less than the minimum liability limits required in present law (R.S. 32:900), or selects economic-only coverage.

Present law provides that insurers may make available, at a reduced premium, uninsured motorist coverage with an exclusion for all noneconomic loss. This coverage is known as "economic-only" uninsured motorist coverage.

Present law provides that noneconomic loss means any loss other than economic loss and includes but is not limited to pain, suffering, inconvenience, mental anguish, and other noneconomic damages otherwise recoverable under the laws of this state.

Proposed law provides that automobile liability insurance provided for in present law shall include uninsured motorist coverage as provided in present law.

Proposed law repeals the option in present law for a named insured to reject uninsured motorist coverage or select economic-only coverage.

Present law provides that if an insured rejects uninsured motorist coverage, selects a limit lower than bodily injury liability, or selects economic-only coverage, the selection shall be made on a form prescribed by the commissioner, which shall be considered a part of the policy. Proposed law provides that the insured may thereafter change his uninsured motorist coverage selection by submitting a new selection form to the insurer on the form prescribed by the commissioner.

Proposed law repeals present law.

Present law provides that uninsured motorist coverage shall apply to any liability insurance covering any accident which occurs in this state and involves a resident of this state.

Present law provides that an automobile liability policy written to provide coverage for a school bus may limit the scope of uninsured motorist liability to only provide liability coverage for damages incurred by reason of an accident or incident involving the school bus, or a temporary substitute vehicle, and such limitation shall limit the uninsured motorist coverage of a named insured in the policy to only damages incurred by reason of such accident or incident.

Proposed law retains and recodifies present law.

Present law provides that unless the named insured has rejected uninsured motorist coverage, an insurer issuing an automobile liability policy that does not afford collision coverage shall, at the written request of a named insured, provide coverage in the amount of the actual cash value of such motor vehicle or the minimum amount of property damage liability insurance required by present law (R.S. 32:851 et seq.), whichever is less.

Proposed law applies present law to all uninsured motorist coverage policies.

Present law defines "uninsured motor vehicle" for the purposes of present law.

Proposed law retains and makes technical changes to present law.

(Amends R.S. 22:1295(1)(a) and (d)(intro. para.) and (2))