

Regular Session, 2011

HOUSE BILL NO. 400

BY REPRESENTATIVE CORTEZ

Prefiled pursuant to Article III, Section 2(A)(4)(b)(I) of the Constitution of Louisiana.

INSURANCE/AUTOMOBILE: Provides with respect to automobile liability insurance for rental dealers

1 AN ACT

2 To amend and reenact R.S. 32:793(D), relative to automobile liability insurance; to provide  
3 with respect to such insurance for rental dealers; and to provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 32:793(D) is hereby amended and reenacted to read as follows:

6 §793. Rent with option-to-purchase program

7 \* \* \*

8 D.(1) Every rental dealer shall maintain ~~a contingent automobile liability~~  
9 ~~policy of insurance with minimum limits of one hundred thousand dollars per~~  
10 ~~occurrence, three hundred thousand dollars aggregate, and fifty thousand dollars in~~  
11 ~~property damage~~ insurance covering his place of business and his operation that  
12 complies with the financial responsibility laws of this state and as determined by the  
13 rental dealer and his insurance producer, that is necessary to provide coverage to the  
14 place and nature of the business to protect the rental dealer and the consumers of this  
15 state. Failure to maintain such insurance shall result in the immediate suspension of  
16 the license of the rental dealer, which suspension shall be effective as of the date of  
17 the failure to maintain insurance coverage or until proof of the required insurance is  
18 furnished to the commission. If no proof is furnished to the commission within thirty  
19 days, the license of such rental dealer shall be revoked.

20 (2) It shall not be sufficient for any rental dealer to share in a policy of  
21 insurance, which could, under any circumstance, create ~~a limit~~ limits of less than that  
22 set forth herein. ~~Such policy shall be placed, if available, through~~



insurance that is in compliance with the financial responsibility laws of this state and is necessary to provide coverage to the rental dealer's business and operation.

2. Deleted provisions that allow rental dealers to maintain a contingent automobile liability bond or cash deposit with the state treasurer in lieu of a contingent liability policy.
3. Added alternative provision that allows rental dealers to obtain insurance from an approved nonadmitted insurance company with A.M. Best ratings of B+ or above.