(1) Prior law required every registered motor vehicle in the state of La. to be covered by compulsory automobile liability policy with certain limits. Further provides that upon cancellation of this coverage, fees were to be assessed by the office of motor vehicles.

New law provides that no fee will be assessed against a vehicle owner who cancels the compulsory automobile liability policy if he turns in the vehicle's license plate to the office of motor vehicles within 10 days of the date that the office of motor vehicles sends him a notice.

(2) Prior law provided that if the owner or lessee of a registered vehicle wished to discontinue use of the vehicle and cancel the insurance without being assessed the fees by the office of motor vehicles, he should send a written statement and affidavit to the office of motor vehicles within 10 days of the cancellation, stating the intended period of nonuse. Also provided that the owner or lessee could surrender the vehicle's license plates to the office of motor vehicles within the same time period.

New law requires that the owner or lessee of a registered vehicle send the written statement and affidavit of nonuse prior to the cancellation of insurance; otherwise retains prior law.

(3) Prior law provided for fees against a vehicle owner when the compulsory automobile liability insurance cancelled and was not reinstated by the eleventh day after cancellation. Provided that the fees were to be assessed beginning at the eleventh day after cancellation and are as follows: $25 if the vehicle was uninsured for a period of 11 to 30 days; $100 if the vehicle was uninsured for a period of 31 to 90 days; and $200 if the vehicle was uninsured for a period in excess of 90 days. Further provided no fee was to be charged when a vehicle had been uninsured for a period of 10 days or less.

New law changes prior law by assessing the fee against a vehicle owner beginning on the first day after cancellation, unless he surrenders the vehicle's license plate to the office of motor vehicles within 10 days of notice from the office of motor vehicles. Further provides that if the license plate is not surrendered to the office of motor vehicles and the vehicle is still in use, the $25 fee will be assessed when the vehicle is uninsured for a period of one to 30 days. Otherwise retains prior law.

(4) Prior law required the office of motor vehicles to notify any person whose compulsory automobile liability insurance had been cancelled before taking administrative action.

New law requires this notice to inform the subject that he has 10 calendar days from the date of the notice to surrender the vehicle's license plates to the office of motor vehicles in order to avoid the administrative fees.

(5) Existing law provides that legitimate reasons for cancellation of compulsory liability insurance include transfer of ownership of the vehicle.

New law adds the surrender of the license plate as another legitimate reason for cancellation.

Effective August 15, 2011.

(Amends R.S. 32:861(A)(3), 863(A)(3)(a) and (B), and 863.2 (A)(1), (2), and (6), (B), (E)(1) and (2); Adds R.S. 22:885(E))