

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 9** HLS 14RS 427

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 25, 2014 2:45 PM	Author: EDWARDS
Dept./Agy.: Louisiana Department of Insurance	Analyst: Alan M. Boxberger
Subject: Provide for liability for damages caused by excluded drivers	

INSURANCE/AUTOMOBILE RE NO IMPACT See Note
Provides for liability for damages caused by an excluded driver

Present law provides that an insurer and insured may agree to exclude named persons from coverage of a policy of motor vehicle liability insurance. Proposed law provides that the named insured of a motor vehicle and the operator who has been excluded from coverage shall be solidarily liable for the damages caused by the operator's negligence or intentional acts that occur as a result of his operation of the vehicle. Proposed law applies only when the named insured provides express permission to the excluded driver to operate the vehicle. Proposed law limits the liability that can be attributed to the named insured to the minimum required as provided by R.S. 23:900, unless that named insured is the parent or tutor of, is vicariously liable for, or is responsible for acts of omission of the excluded driver. Proposed law provides that the insurer shall not be liable for bodily injury, loss or damage under any coverage of the policy if the operator was properly excluded as set forth by present law and that the insurer is not obligated to provide a defense or to pay the costs of defense.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0


EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law provides for solidary liability for damages resulting from an excluded driver's operation of a vehicle when the names insured provides express permission to the excluded driver to operate the vehicle.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


John D. Carpenter
Legislative Fiscal Officer