

Regular Session, 2003

# ACT No. 790

SENATE BILL NO. 1110

BY SENATOR BOISSIERE AND REPRESENTATIVE MURRAY

## AN ACT

To amend and reenact R.S. 22:658(A)(4) and (B)(1) and to enact Part I-B of Chapter 1 of Title 22 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 22:25.1 through 25.2, relative to motor vehicle insurance; to provide for penalties for failure to make a written offer to settle to third-party claimants; to authorize creation of a database to determine compliance with the Motor Vehicle Safety Responsibility Law; to provide for procurement of a system to track compliance; to provide for enforcement; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:658(A)(4) and (B)(1) are hereby amended and reenacted and Part I-B of Chapter 1 of Title 22 of the Louisiana Revised Statutes of 1950, comprised of R.S. 22:25.1 through 25.2, is hereby enacted to read as follows:

### PART I-B. UNINSURED MOTORIST

#### IDENTIFICATION DATABASE

Part I-B is all new law.

§25.1. Database development; authorization; request for proposals

R.S. 22:25.1 is all new law.

A. The commissioner of the Department of Insurance shall formulate criteria to develop and initiate a request for proposals to procure and implement a real-time system to quickly and accurately identify and verify the existence of motor vehicle insurance or other security required in compliance with the Motor Vehicle Safety Responsibility Law using advanced telecommunications and computer technology.

B. The request for proposal shall require participants to perform the following:

(1) Create and maintain a database, at no cost to the state, of motor vehicles registered in this state which are covered by that security required to operate a motor vehicle in this state as provided in the Motor Vehicle Safety Responsibility Law.

(2) Provide real-time access to state and local law enforcement officials responsible for enforcing the traffic laws of this state which shall be available twenty-four hours a day, seven days a week.

C. The database may be initially implemented by the commissioner of the Department of Insurance as a two-year pilot program to be developed and implemented statewide upon expiration of the two-year period.

D. The commissioner shall require such information as may be necessary from automobile insurers or their representatives, and the state treasurer as is needed to assist the contractor in creating and developing the database as such relates to the cancellation or issuance

of motor vehicle liability security required in R.S. 32:863.2 or the deposit of sufficient security with the state treasurer in order to operate a motor vehicle in this state.

E. The commissioner of the Department of Insurance shall promulgate rules and regulations to implement the provisions of this Part.

§25.2. Disclosure of insurance information

**R.S. 22:25.2 is all new law.**

A. Information in the database shall not be disclosed to any person or entity except as provided in this Section. Information in the database shall be disclosed by the contractor only in the following situations:

(1) To the individual operator or owner of a vehicle concerning information about him or her in the database.

(2) To state or local law enforcement officials involved in investigating or enforcing the traffic laws of this state to determine compliance with the Motor Vehicle Safety Responsibility Law.

(3) To any state or local governmental official investigating a motor vehicle accident but only to determine whether a party involved in such accident is in compliance with the Motor Vehicle Safety Responsibility Law.

(4) To any person designated in a notarized affidavit signed by the individual about whom the information is sought granting his or her consent to the release of such information.

B. No insurer or person acting on behalf of a motor vehicle liability insurer shall be liable to an insured for information submitted in compliance with the requirements of this Part.

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§658. Payment and adjustment of claims, policies other than life and health and accident; personal vehicle damage claims; penalties; arson-related claims suspension

A.

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(4) All insurers shall make a written offer to settle any property damage claim, **including a third-party claim**, within thirty days after receipt of satisfactory proofs of loss of that claim.

B.(1) Failure to make such payment within thirty days after receipt of such satisfactory written proofs and demand therefor **or failure to make a written offer to settle any property damage claim, including a third-party claim, within thirty days after receipt of satisfactory proofs of loss of that claim**, as provided in R.S. 22:658(A)(1) **Paragraphs (A)(1) and (4), respectively**, or **failure to make such payment** within thirty days after written agreement or settlement as provided in R.S. 22:658(A)(2) **Paragraph (A)(2)**, when such failure is found to be arbitrary, capricious, or without probable cause, shall subject the insurer to a penalty, in addition to the amount of the loss, of ~~ten~~ **twenty-five** percent damages on the amount found to be due from the insurer to the insured, or one thousand dollars, whichever is greater, payable to the insured, or to any of said employees, ~~together with all reasonable attorney fees for the prosecution and collection of such loss~~, or in the event a partial payment or tender has been made, ~~ten~~ **twenty-five** percent of the difference between the amount paid or tendered and the amount found to be due ~~and all reasonable attorney fees for the prosecution and~~

collection of such amount.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_