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Technical Advisory

TA 127

August 19, 1998

SUBJECT: LIRC Bulletin 98-03
Issues Relative to Act 1476, "No Pay No Play"

BACKGROUND: As outlined in IIAL Technical Advisories TA 121, TA 122 and TA 123, Act 1476 of the 1997 Regular Session of the Louisiana Legislature will become effective September 6, 1998. The Louisiana Insurance Rating Commission (LIRC) has issued Bulletin 98-03 to provide assistance to insurers in meeting the requirements of the Act.

MAIN POINTS: Attached is Bulletin LIRC 98-03. Main points include:

1. Insurer confirmation of insured status for claimant;
2. Handling of claims - limits issue;
3. Handling of claims - forfeiture and family members;
4. Handling of claims - bad faith exposure;
5. Handling of claims - validity of release agreement issue;
6. Handling of claims - plaintiff consideration in a release agreement issue;
7. Out of state operator - motor vehicle owner;
8. Out of state operator - non-owner;
9. Uninsured owner who is a guest passenger;
10. Economic only uninsured/underinsured motorist bodily injury coverage;
11. Notice given the Louisiana Department of Motor Vehicles;
12. LIRC form - Determination of claimants' insured status.

NECESSARY ACTION: Please circulate this Technical Advisory to agency personnel who handle personal or commercial automobile coverage. Discuss with your insurance companies how they will handle these issues related to Act 1476, "No Pay No Play." Develop agency procedures to assist customers in selecting proper UM coverages and dealing with claims under the "No Pay No Play" provisions.