



Louisiana Department of Public Safety
Office of Motor Vehicles
Policy 1.00 Cancellation of Insurance

Section: 3. Safety Responsibility Laws

Effective Date: 03/31/1988

Revised Date: 06/12/2018

Authority:

[R.S. 32:861](#)

To view Louisiana Statutes: <http://www.legis.state.la.us/>

General:

- Every self-propelled motor vehicle registered in this State, except those vehicles used as agricultural or forest product vehicles during seasons when they are not used on the highway (see Exemptions) or those used primarily for exhibits or kept primarily for use in parades, exhibits or shows, or lease-bound mobile rig haulers, must be covered by liability insurance or some other type of security.
- The Department must be notified within 15 business days by the insurance company, or by the sales representative, or by the agent of a surety company issuing a motor vehicle liability bond, or by the State Treasurer holding a deposit when liability insurance or security is initiated, recalled, reinstated, terminated, or if there is a changed binder on vehicles registered in Louisiana.
- The Department will be notified by the Commissioner of Insurance when an authorized company ceases to do business in Louisiana due to bankruptcy or liquidation.
- When the Department receives notification from an insurance company that the liability insurance has been cancelled on a vehicle, an Official Notice is mailed to the vehicle owner. If the owner does not submit acceptable compliance within 10 days of the date of the notice, the driving and registering privileges will be blocked.
- A "no insurance" block will be set in the master driver's license and vehicle records if a revocation is in effect and fees are due. The "no insurance" block prevents the renewal or issuance of a driver's license and vehicle registration, but will not block the transfer of the vehicle.
- Cancellations may be reinstated on a vehicle-by-vehicle basis. However, if all vehicles on a single record are cleared in one (1) day, the maximum (cap) reinstatement fee is \$850.00 for persons under 65. Additionally, a \$25.00 administration fee will be charged on all cancellations.
- For persons 65 years of age or older, if all vehicles on a single record are cleared in one (1) day, the maximum fee charged is \$250.00.

- **Office of Debt Recovery (ODR)**
 - If the vehicle owner does not comply within ten days of the original notice of cancellation, the Office of Motor Vehicles will begin the notification process required to transmit the outstanding debt to the Office of Debt Recovery.
 - The initial reinstatement fee will increase (from \$125, \$275 or \$525) to \$656.25. The maximum (cap) reinstatement fee of \$850.00 plus the additional \$25.00 administrative fee per cancellation will not apply at this time.
 - Any monies collected by ODR will be forwarded to OMV for processing.
 - Partial payments will be accepted **only** on cancellations submitted to the ODR.
- **Compliance** - In order to be placed in compliance without having to pay a reinstatement fee you must provide one of the following:
 - An insurance card, declaration page or policy with an effective date within 1 day from the cancellation date, or
 - The registration certificate indicating the vehicle was registered in another state within 10 days from the cancellation date, or
 - A bill of sale/trade in document (to include name and address of purchaser), a junked/salvaged receipt, a repossession statement from the lien holder, proof of loss, a statement from the insurance company (vehicle totaled), a statement from the lessor (leasing company) indicating that the vehicle was surrendered to the lessor within 10 days of the cancellation date, or
 - If the vehicle is in the owner's possession and is inoperable and has been inoperable since the date of cancellation, the plate must be surrendered within ten (10) days of the date of the notice.
 - If the cancellation record has been submitted to the Office of Debt Recovery, none of the above will apply.
- **Ownership** - When a vehicle is sold or otherwise transferred from one owner to another, the new owner will be held responsible under the Compulsory Liability Security law even if the vehicle is not yet registered/titled in his name. In any event, the new owner will be required to properly register/title the vehicle as a condition of reinstatement.
- **Military Deployment Compliance** - As provided by the Military Service Relief Act, if the owner was deployed to active military duty out of the country or to any very distant base such as one located in Alaska or Hawaii, and the vehicle was stored and not being driven, a supervisor or manager may authorize acceptance of the following compliance.
 - A copy of the deployment orders or a copy of the official letter ordering return to active duty status.
 - Proof that the vehicle was stored at a storage facility or a notarized statement of non-use from the owner stating the facts of the vehicle's location while the owner was deployed.
 - Current proof of insurance, vehicle disposition, or the surrendered plate.
- **Note:** If the insurance was cancelled prior to the deployment, this compliance does not apply and owner must comply according to usual policy.

Related Policies:

Section 2, Policy 36.00 [Driver Management Fees](#)

Section 2, Policy 60.00 [Administrative Hearing](#)

Section 3, Policy 21.00 [Acceptable Evidence of Disposal of a Vehicle](#)

Section 3, Policy 25.00 [Acceptable Evidence of Insurance Coverage](#)