Section:  3. Safety Responsibility Laws
Effective Date:  08/01/2012
Revised Date:  08/01/2018

Authority:
R.S. 32:872 - 877
R.S. 32:903
R.S. 32:904
To view Louisiana Statutes: http://www.legis.state.la.us/

General:
- The Safety Responsibility Law allows the filing of negotiable security of surety bonds in lieu of evidence of insurance for vehicle(s) that have been involved in a motor vehicle accident within this state, which has resulted in bodily injury or death, or damage to property of any one person. Security must be posted in an amount equal to damages indicated on the Order of Security.
- **Negotiable Securities**
  - Money orders, cashier’s checks, or certified checks can be deposited with the Department to be used as payment of settlement agreement resulting from the accident.
  - The person depositing security must specify in writing the person(s) on whose behalf the deposit is made. At any time while the deposit is in the custody of the Department, the depositor may in writing amend his/her written request to include an additional person(s); provided, the security deposit shall be applicable only on behalf of person(s) involved in the same accident.
- **Surety Bond**
  - A surety bond is a bond guaranteeing the payment of a debt. The bond is issued by a bonding agency duly authorized to transact business within this state. The insurance company becomes legally liable for the debt or any default arising as a result of an accident.
  - The surety bond does not have to be on forms prepared by the Department; however, it must carry the necessary information to indicate that it is a financial bond deposited in reference to the accident in question giving date and location of the accident as identification. The surety bond must be accompanied by a numbered power of attorney giving the agent or representative such authority to post the bond.
  - Surety bonds can only be applicable to the payment of a judgment or judgments rendered against the person(s) on whose behalf the deposit was made for damages resulting from the accident.
• Cash security may be disbursed or the surety bond may be cancelled only under certain conditions. The following documentation must be filed and accepted by the Department to meet those conditions.
  o A written request from person(s) who deposited security or filed a surety bond, requesting disbursement of security or cancellation of surety bond along with one of the following:
    ▪ A full release from liability
    ▪ A final adjudication (judicial decision/statement) of non-liability
    ▪ An acceptable installment agreement or promissory note
    ▪ A statement from person(s) where security has been deposited or a surety bond filed in their behalf stating that one year and one day has expired from the date of said accident and there are no suits pending and no judgment rendered against them for damages resulting from the accident in question.
    ▪ A settlement agreement - a notarized letter of authorization from the depositor giving the Department authority to release the funds. The department will not require the depositor to obtain a release(s) prior to the disbursements of the funds to the other person(s).
    ▪ Proof of Insurance in effect on the date, such as insurance information on RU01, or a letter from insurance company on letterhead stationary giving insurance information
  o A certified copy of a final judgment along with a certificate from the clerk of court that the judgment is final and no appeals have been taken.
• Note: Effective 08/01/2018, if the motor vehicle was registered elsewhere than in this state at effective date of the policy, or the most recent renewal, the policy shall not be effective under section 32:872D(1) unless the insurance company issuing the policy, if not authorized to do business in this state, executes a power of attorney authorizing the commission to accept service on its behalf of notice of process in any action upon the policy arising out of the accident. The liability coverage should be no less than 15/30/25. In addition, a personal injury protection card issued from an insurer in another state or jurisdiction without a bodily injury endorsement shall not be sufficient proof of liability security.