ASSEMBLY BILL NO. 453–COMMITTEE ON TRANSPORTATION

MARCH 10, 1999

Referred to Committee on Transportation

SUMMARY—Provides that operator's policy of liability insurance does not satisfy requirement for liability insurance for motor vehicle present or registered in Nevada. (BDR 43-1306)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to motor vehicles; providing that an operator's policy of liability insurance does not satisfy the requirement for liability insurance for a motor vehicle present or registered in this state; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 482.215 is hereby amended to read as follows:

482.215 1. All applications for registration, except applications for renewal of registration, must be made as provided in this section.

2. Applications for all registrations, except renewals of registration, must be made in person, if practicable, to any office or agent of the department or to a registered dealer.

3. Each application must be made upon the appropriate form furnished by the department and contain:

(a) The signature of the owner.

(b) His residential address.

(c) His declaration of the county where he intends the vehicle to be based, unless the vehicle is deemed to have no base. The department shall use this declaration to determine the county to which the privilege tax is to be paid.

(d) A brief description of the vehicle to be registered, including the name of the maker, the engine, identification or serial number, whether ***the vehicle is*** new or used and the last license number, if known, and the state in which it was issued, and ~~[upon]~~ ***for*** the registration of a new vehicle, the date of sale by the manufacturer or franchised and licensed dealer in this state for the make to be registered to the person first purchasing or operating the vehicle.

(e) Proof satisfactory to the department or registered dealer that the applicant has provided the insurance required by NRS 485.185 and his signed declaration that he will maintain the insurance during the period of registration.

(f) If the insurance is provided by a contract of insurance, evidence of that insurance provided by the insurer in the form of:

(1) A certificate of insurance on a form approved by the commissioner of insurance; or

(2) A **[~~card~~]** ***form*** issued pursuant to NRS 690B.023 which identifies the vehicle and indicates, at the time of application for registration, coverage which **[~~meets~~]** ***complies with*** the requirements of NRS 485.185.

The department may file that evidence, return it to the applicant or otherwise dispose of it.

(g) If required, evidence of the applicant's compliance with controls over emission.

4. The application must contain such other information as is required by the department or registered dealer, and must be accompanied by proof of ownership satisfactory to the department.

5. For purposes of the proof, declaration and evidence required by paragraphs (e) and (f) of subsection 3:

(a) Vehicles which are subject to the fee for a license and the requirements of registration of the Interstate Highway User Fee Apportionment Act, and which are based in this state, may be declared as a fleet by the registered owner thereof, on his original application for or application for renewal of a proportional registration. The owner may file a single certificate of insurance **[~~covering~~]** ***for*** that fleet.

(b) Other fleets composed of 10 or more vehicles based in this state or vehicles insured under a blanket policy which does not identify individual vehicles may each be declared annually as a fleet by the registered owner thereof for the purposes of an application for his original or any renewed registration. The owner may file a single certificate of insurance **[~~covering~~]** ***for*** that fleet.

(c) A person who qualifies as a self-insurer pursuant to the provisions of NRS 485.380 may file a copy of his certificate of self-insurance.

[~~(d) A person who qualifies for an operator's policy of liability insurance pursuant to the provisions of NRS 485.186 and 485.3091 may file evidence of that insurance.~~**]**

Sec. 2. NRS 485.028 is hereby amended to read as follows:

485.028 "Certificate of financial responsibility" means the certificate issued by an insurance carrier pursuant to NRS 485.308 certifying that there is ~~[a motor vehicle liability]~~ ***an owner's*** policy ***of liability insurance*** in effect for a person who is required to furnish proof of financial responsibility.

Sec. 3. NRS 485.0335 is hereby amended to read as follows:

485.0335 "Dormant vehicle" means a motor vehicle:

1. For which ~~[a]~~ ***an owner's*** policy of liability insurance is required pursuant to this chapter; and

2. That will not be operated for an extended period because of mechanical or seasonal circumstances.

Sec. 4. NRS 485.034 is hereby amended to read as follows:

485.034 "Evidence of insurance" means:

1. The form provided by an insurer pursuant to NRS 690B.023 as evidence of ~~[a contract of insurance for a motor vehicle liability policy;]~~ ***an owner's policy of liability insurance;*** or

2. The certificate of self-insurance issued to a self-insurer by the ~~[department]~~ ***division*** pursuant to NRS 485.380.

Sec. 5. NRS 485.037 is hereby amended to read as follows:

485.037 "Insurance" means:

1. ~~[A motor vehicle liability policy;]~~ ***An owner's policy of liability insurance;*** or

2. The security provided by a self-insurer pursuant to NRS 485.380.

Sec. 6. NRS 485.186 is hereby amended to read as follows:

485.186 ~~[1. Except as otherwise provided in subsection 6, any natural]~~ ***A*** person may ***not*** satisfy the requirements of NRS 485.185 by obtaining, in lieu of an owner's policy of liability insurance, an operator's policy of liability insurance ***.*** ~~[which meets the requirements of this section and NRS 485.3091.~~

~~2. An operator's policy of liability insurance must state, in addition to the requirements of NRS 485.3091, that:~~

~~(a) The insurer is only liable under the policy for liability incurred by the insured while the named insured is the operator of a motor vehicle or while a motor vehicle owned by the insured is not being operated by any person;~~

~~(b) The policy does not provide coverage for any vicarious liability imposed on the owner of the motor vehicle as a result of the operation by another person of a motor vehicle owned by the insured or for any liability imposed by NRS 41.440 or 483.300; and~~

~~(c) The coverage provided by the policy may not meet the requirements of the financial responsibility laws of other states,~~

~~unless such extended coverage is expressly included in the policy. No operator's policy of liability insurance may be delivered or issued for delivery in this state unless the insured has signed an endorsement stating that he has read and understood the policy and its limitations.~~

~~3. An owner of a motor vehicle which is registered or required to be registered in this state and who holds an operator's policy of liability insurance shall not permit another person to operate his motor vehicle if the owner knows or should have known that the person does not have liability insurance to cover his own operation of that motor vehicle.~~

~~4. An operator's policy of liability insurance must not provide coverage for damages incurred while a person other than the named insured is operating a motor vehicle.~~

~~5. An operator's policy of liability insurance must provide coverage for liability incurred by the insured while a motor vehicle owned by the insured is not being operated by any person.~~

~~6. This section does not apply to a lessor, dealer, manufacturer, rebuilder or distributor of a motor vehicle, an owner of a fleet, a common, contract or private motor carrier or any other employer who owns a motor vehicle for use in his business.~~**]**

Sec. 7. NRS 485.187 is hereby amended to read as follows:

485.187 1. Except as otherwise provided in subsection 5, the owner of a motor vehicle shall not:

(a) Operate the motor vehicle, if it is registered or required to be registered in this state, without having insurance as required by NRS 485.185.

(b) Operate or knowingly permit the operation of the motor vehicle without having evidence of insurance of the operator or the vehicle in the vehicle.

(c) Fail or refuse to surrender, upon demand, to a peace officer or to an authorized representative of the department the evidence of insurance.

[~~(d) Knowingly permit the operation of the motor vehicle in violation of subsection 3 of NRS 485.186.~~**]**

2. A person shall not operate the motor vehicle of another person unless:

(a) He first ensures that the required evidence of insurance is present in the motor vehicle; or

(b) He has his own evidence of insurance which **[**~~covers~~**]** ***provides coverage for*** him as the operator of the motor vehicle.

3. Except as otherwise provided in subsection 4, any person who violates subsection 1 or 2 shall be punished by a fine of not less than $600 **[**~~nor~~**]** ***and not*** more than $1,000 for each violation. The fine must be reduced to $100 for the first violation if the person obtains **[**~~a motor vehicle liability~~**]** ***an owner's*** policy ***of liability insurance*** not later than 30 days after the fine is imposed, unless:

(a) The person has registered the vehicle as part of a fleet of vehicles pursuant to subsection 5 of NRS 482.215; or

(b) The person has been issued a certificate of self-insurance pursuant to NRS 485.380.

4. A court:

(a) Shall not fine a person for a violation of paragraph (a), (b) or (c) of subsection 1 or for a violation of subsection 2 if he presents evidence to the court that the insurance required by NRS 485.185 was in effect at the time demand was made for it.

(b) Except as otherwise provided in paragraph (a), may impose a fine of $1,000 for a violation of paragraph (a), (b) or (c) of subsection 1, and suspend the fine on the condition that the person presents proof to the court each month for 12 months that the insurance required by NRS 485.185 is ~~[currently]~~ in effect.

5. The provisions of paragraphs (b) and (c) of subsection 1 do not apply if the motor vehicle in question displays a ~~[valid]~~ permit issued by the department pursuant to subsection 1 or 2 of NRS 482.3955, or NRS 482.396, 482.3965, 482.423 or 482.424 authorizing the movement or operation of that vehicle within ~~[the]~~ ***this*** state for a limited time.

Sec. 8. NRS 485.200 is hereby amended to read as follows:

485.200 1. The requirements ~~[as]~~ ***relating*** to security and suspension in NRS 485.190 to 485.300, inclusive, do not apply:

(a) To the operator or owner if he had in effect at the time of the accident ~~[a motor vehicle liability]~~ ***an owner's*** policy ***of liability insurance*** with respect to the motor vehicle involved in the accident;

(b) To the operator if there was in effect at the time of the accident ~~[a motor vehicle liability]~~ ***an owner's*** policy ***of liability insurance*** with respect to his operation of any motor vehicle;

(c) To the operator or owner if his liability for damages resulting from the accident is, in the judgment of the division, covered by any other form of liability insurance policy or a bond;

(d) To any person qualifying as a self-insurer pursuant to NRS 485.380, or to any person operating a motor vehicle for the self-insured;

(e) To the operator or the owner of a motor vehicle involved in an accident wherein no injury or damage was caused to the person or property of ~~[anyone]~~ ***another person*** other than the operator or owner;

(f) To the operator or the owner of a motor vehicle legally parked at the time of the accident;

(g) To the owner of a motor vehicle if at the time of the accident the vehicle was being operated without his permission, express or implied, or was parked by a person who had been operating the motor vehicle without permission; or

(h) If, before the date that the division would otherwise suspend the license and registration or nonresident's operating privilege pursuant to NRS 485.190, there is filed with the division evidence satisfactory to ~~[it]~~

the division that the person who would otherwise have to file security has been released from liability or has received a determination in his favor at a hearing conducted pursuant to NRS 485.191, or has been finally adjudicated not to be liable or has executed an acknowledged written agreement providing for the payment of an agreed amount in installments, with respect to all claims for injuries or damages resulting from the accident.

2. An owner who is not the operator of the motor vehicle is not exempt from the requirements [~~as~~] ***relating*** to security and suspension in NRS 485.190 to 485.300, inclusive, if he holds a [~~motor vehicle~~] liability policy which provides coverage only when he is operating the motor vehicle and, at the time of the accident, another person is operating the motor vehicle with the express or implied permission of the owner.

Sec. 9. NRS 485.308 is hereby amended to read as follows:

485.308 1. Proof of financial responsibility may be furnished by filing with the division the written certificate of any insurance carrier authorized to do business in this state certifying that there is in effect [~~a motor vehicle liability~~] ***an owner's*** policy ***of liability insurance*** for the benefit of the person required to furnish proof of financial responsibility. The certificate must specify its effective date and [~~:~~

~~(a) If the policy is an owner's policy of liability insurance,~~] designate by appropriate reference all motor vehicles covered by it ***.*** [~~; or~~

~~(b) If the policy is an operator's policy of liability insurance, designate the person covered.~~]

2. The department may authorize the filing of the certificates described in subsection 1 by electronic transmission or any other means deemed appropriate by the department.

3. An insurance carrier that certifies the existence of [~~a motor vehicle liability~~] ***an owner's*** policy ***of liability insurance*** pursuant to subsection 1, must notify the division at least 10 days before the cancellation or termination of the policy.

Sec. 10. NRS 485.309 is hereby amended to read as follows:

485.309 1. The nonresident owner of a motor vehicle not registered in this state or a nonresident operator of a motor vehicle may give proof of financial responsibility by filing with the division a written certificate of an insurance carrier authorized to transact business [~~:~~

~~(a) If the insurance provides coverage for the vehicle,~~] in the state in which the motor vehicle described in the certificate is registered [~~; or~~

~~(b) If the insurance provides coverage for the operator only,~~] ***, or if the nonresident does not own a motor vehicle,*** in the state in which the insured resides, if the certificate otherwise conforms to the provisions of this chapter.

2. The division shall accept the proof upon condition that the insurance carrier complies with the following provisions with respect to the policies so certified:

(a) The insurance carrier shall execute a power of attorney authorizing the director to accept service on its behalf of notice or process in any action arising out of an accident involving a motor vehicle in this state; and

(b) The insurance carrier shall agree in writing that the policies shall be deemed to conform with the laws of this state relating to the terms of liability policies for owners of motor vehicles.

3. If any insurance carrier not authorized to transact business in this state, which has qualified to furnish proof of financial responsibility, defaults in any undertakings or agreements, the division shall not thereafter accept as proof any certificate of that carrier whether theretofore filed or thereafter tendered as proof, so long as the default continues.

Sec. 11. NRS 485.3091 is hereby amended to read as follows:

485.3091 1. An owner's policy of liability insurance must:

(a) Designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is thereby to be granted ***.*** [~~; and~~]

(b) Insure the person named therein and any other person, as insured, using [~~any such~~] ***the*** motor vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of [~~such~~] ***the*** motor vehicle within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each [~~such~~] motor vehicle, as follows:

(1) Because of bodily injury to or death of one person in any one accident, $15,000;

(2) Subject to the limit for one person, because of bodily injury to or death of two or more persons in any one accident, $30,000; and

(3) Because of injury to or destruction of property of others in any one accident, $10,000.

[~~2. An operator's policy of liability insurance must insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle within the same territorial limits and subject to the same limits of liability as are set forth in paragraph (b) of subsection 1.~~

~~3. A motor vehicle liability policy must state~~]

(c) Set forth the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the period of effectiveness and the limits of liability, and must contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this chapter as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this chapter.

~~[4. A motor vehicle liability]~~

2. An owner's policy ***of liability insurance*** need not insure any liability under any workmen's compensation law ~~[nor]~~ ***or*** any liability on account of bodily injury to or ***the*** death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance or repair of any motor vehicle owned by the insured ~~[nor]~~ ***or*** any liability for damage to property owned by, rented to, in ***the*** charge of or transported by the insured.

~~[5. Every motor vehicle liability]~~

3. An owner's policy ***of liability insurance*** is subject to the following provisions which need not be contained ~~[therein:]~~ ***in the policy:***

(a) The liability of the insurance carrier with respect to the insurance required by this chapter becomes absolute whenever injury or damage covered by the policy occurs. The policy may not be canceled or annulled as to ~~[such]~~ ***that*** liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage. No statement made by the insured or on his behalf and no violation of the policy defeats or voids the policy.

(b) The satisfaction by the insured of a judgment for injury or damage is not a condition precedent to the right or duty of the insurance carrier to make payment on account of the injury or damage.

(c) The insurance carrier may settle any claim covered by the policy, and if such a settlement is made in good faith, the amount ~~[thereof]~~ ***of the settlement*** is deductible from the limits of liability specified in paragraph (b) of subsection 1.

(d) The policy, the written application therefor, if any, and any rider or endorsement which does not conflict with the provisions of this chapter constitute the entire contract between the parties.

~~[6.]~~ ***4.*** Any policy which grants the coverage required for ~~[a motor vehicle liability]~~ ***an owner's*** policy ***of liability insurance*** may also grant any lawful coverage in excess of or in addition to the coverage specified for ~~[a motor vehicle liability policy,]~~ ***an owner's policy of liability insurance,*** and the excess or additional coverage is not subject to the provisions of this chapter.

~~[7. Any motor vehicle liability]~~

5. An owner's policy ***of liability insurance*** may provide for the prorating of the insurance thereunder with other ~~[valid and]~~ collectible insurance.

~~[8.]~~ ***6.*** The requirements for ~~[a motor vehicle liability]~~ ***an owner's*** policy ***of liability insurance*** may be fulfilled by the policies of one or more insurance carriers, which policies together **~~[meet]~~** ***comply with*** those requirements.

~~[9.]~~ ***7.*** Any binder issued pending the issuance of **~~[a motor vehicle liability]~~** ***an owner's*** policy ***of liability insurance*** shall be deemed to fulfill the requirements for such a policy.

Sec. 12. NRS 485.3092 is hereby amended to read as follows:

485.3092 When an insurance carrier has issued **~~[a motor vehicle liability policy,]~~** ***an owner's policy of liability insurance,*** the insurance **~~[so issued]~~** must not be canceled or terminated until at least 10 days after a notice of cancellation or termination of the insurance has been mailed first class or delivered to the insured and, if the insurance carrier has certified the policy under NRS 485.308 or 485.309, a notice has also been filed in the office of the division. A policy subsequently procured and certified, on the effective date of its certification, terminates the insurance previously certified with respect to any motor vehicle designated or the person named as the insured operator in both certificates. If the effective date of the termination is within 3 years after the date of reinstatement of a license, registration or privilege, the division shall suspend the license and registration or privilege.

Sec. 13. NRS 485.314 is hereby amended to read as follows:

485.314 1. On or before the 15th calendar day of each month, each insurer that has executed a contract of insurance for **~~[a motor vehicle liability]~~** ***an owner's*** policy ***of liability insurance*** which may be used to **~~[meet]~~** ***comply with*** the requirements of NRS 485.185 shall provide the department with a record of each such policy issued, amended or terminated in the previous month on the date the record is provided. The record must include:

(a) The name or identification number of each insured named in the policy of insurance;

(b) The make, year and vehicle identification number of each motor vehicle included in the policy of insurance;

(c) The number, effective date and expiration date of the policy of insurance; and

(d) Any other information required by the department.

2. The record provided pursuant to subsection 1 must be submitted in a form approved by the department and may include, without limitation, magnetic tape or any other electronic medium deemed acceptable by the department.

3. The department shall notify the commissioner of insurance if an insurer:

(a) Fails to comply with subsection 1 or 2; or

(b) In complying with subsection 1 or 2, provides to the department information that is false, incomplete or misleading.

Sec. 14. NRS 485.317 is hereby amended to read as follows:

485.317 1. The department shall, at least monthly, compare the current registrations of motor vehicles to the information in the data base created pursuant to NRS 485.313 to verify that each motor vehicle:

(a) Which is newly registered in this state; or

(b) For which a policy of liability insurance has been issued, amended or terminated,

is covered by ~~[a policy of liability]~~ insurance as required by NRS 485.185. In identifying a motor vehicle for verification pursuant to this subsection, the department shall, if the motor vehicle was manufactured during or after 1981, use only the vehicle identification number, in whole or in part.

2. The department shall send a form for verification by first-class mail to each registered owner that it determines has not maintained the insurance required by NRS 485.185. The owner shall complete the form with all the information which is requested by the department, including whether he carries an owner's ~~[or operator's]~~ policy of liability insurance or a certificate of self-insurance, and return the completed form within 20 days after the date on which the form was mailed by the department. If the department does not receive the completed form within 20 days after it mailed the form to the owner, the department shall send to the owner a second form for verification by certified mail. The owner shall complete the form and return it to the department within 15 days after the date on which it was sent by the department. ~~[This subsection does]~~ ***The provisions of this subsection do*** not prohibit an authorized agent of the owner from providing to the department:

(a) The information requested by the department pursuant to this subsection.

(b) Additional information to amend or correct information already submitted to the department pursuant to this subsection.

3. When the department receives a completed form for verification it shall verify the information on the form.

4. The department shall suspend the registration and require the return to the department of the license plates of any vehicle for which:

(a) Neither of the forms for verification set forth in subsection 2 is returned to the department by the registered owner or his authorized agent within the period specified in that subsection;

(b) Either of the forms for verification set forth in subsection 2 is returned to the department by the registered owner or his authorized agent and the department is not able to verify the information on the form; or

(c) Either of the forms for verification set forth in subsection 2 is returned by the registered owner or his authorized agent with an admission of having no insurance or without indicating an insurer or the number of a motor vehicle liability policy or a certificate of self-insurance.

5. If the department suspends a registration pursuant to subsection 4 because:

(a) Neither the owner nor his authorized agent returned a form for verification within the specified period or the owner or his authorized agent returned a form for verification that was not completed sufficiently, and the owner or his authorized agent, thereafter:

(1) Proves to the satisfaction of the department that there was a justifiable cause for his failure to do so;

(2) Submits a completed form regarding his insurance on the date stated in the form mailed by the department pursuant to subsection 2; and

(3) Presents evidence of current insurance; or

(b) The owner or his authorized agent submitted to the department a form for verification containing information that the department was unable to verify and, thereafter, the owner or his authorized agent presents to the department:

(1) A corrected form or otherwise verifiable evidence setting forth that the owner possessed insurance on the date stated in the form; and

(2) Evidence of current insurance,

the department shall rescind its suspension of the registration if it is able to verify the information on the form or the other evidence presented. The department shall not charge a fee to reinstate a registration, the suspension of which was rescinded pursuant to this subsection. For the purposes of this subsection, "justifiable cause" may include, but is not limited to, the fact that the owner did not receive the form mailed by the department pursuant to subsection 2.

6. Except as otherwise provided in subsection 7, if a registered owner whose registration is suspended pursuant to subsection 4, failed to have insurance on the date specified in the form for verification, the department shall reinstate the registration of the vehicle and reissue the license plates only upon filing by the registered owner of evidence of current insurance and payment of the fee for reinstatement of registration prescribed in paragraph (a) of subsection 6 of NRS 482.480.

7. If a registered owner proves to the satisfaction of the department that his vehicle was a dormant vehicle during the period in which the information provided pursuant to NRS 485.314 indicated that there was no insurance for the vehicle, the department shall reinstate his registration and, if applicable, reissue his license plates. If such an owner of a dormant vehicle failed to cancel the registration for the vehicle in accordance with subsection 3 of NRS 485.320, the department shall not reinstate his registration or reissue his license plates unless the owner pays the fee set forth in paragraph (b) of subsection 6 of NRS 482.480.

8. For the purposes of verification of insurance by the department pursuant to this section, a registered owner shall not be deemed to have

failed to maintain ~~[liability]~~ insurance for a motor vehicle unless the vehicle is without coverage for a period of more than 7 days.

Sec. 15. NRS 690B.020 is hereby amended to read as follows:

690B.020 1. Except as otherwise provided in this section ~~[and NRS 690B.035, no]~~ ***, a*** policy insuring against liability arising out of the ownership, maintenance or use of any motor vehicle may ***not*** be delivered or issued for delivery in this state unless coverage is provided therein or supplemental thereto for the protection of persons insured thereunder who are legally entitled to recover damages, from owners or operators of uninsured or hit-and-run motor vehicles, for bodily injury, sickness or disease, including death, resulting from the ownership, maintenance or use of the uninsured or hit-and-run motor vehicle. No such coverage is required in or supplemental to a policy issued to the State of Nevada or any political subdivision thereof, or where rejected in writing, on a form furnished by the insurer describing the coverage being rejected, by an insured named therein, or upon any renewal of such a policy unless the coverage is then requested in writing by the named insured. The coverage required in this section may be referred to as "uninsured vehicle coverage."

2. The amount of coverage to be provided must be not less than the minimum limits for liability insurance for bodily injury provided for under chapter 485 of NRS, but may be in an amount not to exceed the coverage for bodily injury purchased by the policyholder.

3. ~~[For the purposes of]~~ ***As used in*** this section the term "uninsured motor vehicle" means a motor vehicle:

(a) With respect to which there is not available at the department of motor vehicles and public safety evidence of financial responsibility as required by chapter 485 of NRS;

(b) With respect to the ownership, maintenance or use of which there is no liability insurance for bodily injury or bond applicable at the time of the accident, or, to the extent of ~~[such]~~ ***the*** deficiency, any liability insurance for bodily injury or bond in force is less than the amount required by NRS 485.210;

(c) With respect to the ownership, maintenance or use of which the company writing any applicable liability insurance for bodily injury or bond denies coverage or is insolvent;

(d) Used without the permission of its owner if there is no liability insurance for bodily injury or bond applicable to the operator;

(e) Used with the permission of its owner who has insurance which does not provide coverage for the operation of the motor vehicle by any person other than the owner if there is no liability insurance for bodily injury or bond applicable to the operator; or

(f) The owner or operator of which is unknown or after reasonable diligence cannot be found if:

(1) The bodily injury or death has resulted from physical contact of the automobile with the named insured or the person claiming under him or with an automobile which the named insured or such a person is occupying; and

(2) The named insured or someone on his behalf has reported the accident within the time required by NRS 484.223, 484.225 or 484.227 to the police department of the city where it occurred, or if it occurred in an unincorporated area, to the sheriff of the county or to the Nevada highway patrol.

4. ~~[For the purposes of]~~ ***As used in*** this section the term "uninsured motor vehicle" ~~[also]~~ includes, subject to the terms and conditions of coverage, an insured other motor vehicle where:

(a) The liability insurer of the other motor vehicle is unable because of its insolvency to make payment with respect to the legal liability of its insured within the limits specified in its policy;

(b) The occurrence out of which legal liability arose took place while the uninsured vehicle coverage required under paragraph (a) was in effect; and

(c) The insolvency of the liability insurer of the other motor vehicle existed at the time of, or within 2 years after, the occurrence.

~~[Nothing contained in this subsection prevents]~~ ***The provisions of this subsection do not prevent*** any insurer from providing protection from insolvency to its insureds under more favorable terms.

5. If payment is made to any person under uninsured vehicle coverage, and subject to the terms of the coverage, to the extent of ~~[such]~~ ***that*** payment the insurer is entitled to the proceeds of any settlement or recovery from any person legally responsible for the bodily injury as to which payment was made, and to amounts recoverable from the assets of the insolvent insurer of the other motor vehicle.

6. A vehicle involved in a collision which results in bodily injury or death ~~[shall]~~ ***must*** be presumed to be an uninsured motor vehicle if no evidence of financial responsibility is supplied to the department of motor vehicles and public safety in the manner required by chapter 485 of NRS within 60 days after the collision occurs.

Sec. 16. NRS 690B.023 is hereby amended to read as follows:

690B.023 If insurance for the operation of a motor vehicle required pursuant to NRS 485.185 is provided by ~~[a contract]~~ ***an owner's policy*** of ***liability*** insurance, the insurer shall:

1. Provide evidence of insurance to the insured on a form approved by the commissioner. The evidence of insurance must include:

(a) The name and address of the policyholder;

(b) The name and address of the insurer;

(c) The year, make and complete identification number of the insured vehicle or vehicles;

(d) The term of the insurance, including the day, month and year on which the policy:

(1) Becomes effective; and

(2) Expires;

(e) The number of the policy;

(f) A statement that the coverage ~~[meets]~~ ***complies with*** the requirements set forth in NRS 485.185; and

(g) The statement "This card must be carried in the insured motor vehicle for production upon demand." The statement must be prominently displayed.

2. Provide new evidence of insurance if:

(a) The information regarding the insured vehicle or vehicles required pursuant to paragraph (c) of subsection 1 no longer is accurate;

(b) An additional motor vehicle is added to the policy;

(c) A new number is assigned to the policy; or

(d) The insured notifies the insurer that the original evidence of insurance has been lost.

Sec. 17. 1. NRS 485.055 is hereby repealed.

2. NRS 690B.035 is hereby repealed.

Sec. 18. Each insurer who has issued operators' policies of liability insurance pursuant to NRS 485.186 which are in effect on July 1, 1999, shall:

1. Not renew an operator's policy of liability insurance; and

2. Not later than October 1, 1999, send a written notice to each holder of an operator's policy of liability insurance issued by the insurer which states that the policy will not satisfy the requirements for insurance for the payment of liability arising from the maintenance or use of a motor vehicle set forth in NRS 485.185 after December 31, 1999.

Sec. 19. 1. This section, subsection 2 of section 17 and section 18 of this act become effective on July 1, 1999.

2. Sections 1 to 16, inclusive, and subsection 1 of section 17 become effective on January 1, 2000.

TEXT OF REPEALED SECTIONS

485.055 "Motor vehicle liability policy" defined.

1. "Motor vehicle liability policy" means an owner's policy of liability insurance or an operator's policy of liability insurance issued by an insurer

authorized to transact business in this state, to or for the benefit of the person named therein as insured.

2. With respect to a policy which grants excess or additional coverage over that required by NRS 485.3091, the term "motor vehicle liability policy" applies only to that part of the coverage which is required by NRS 485.3091.

690B.035 Policy covering damage to one or more of operator's vehicles. An insurer may issue to a holder of an operator's policy of liability insurance a policy covering damage to one or more of the operator's vehicles. The policy is not required to provide liability insurance or uninsured vehicle coverage.

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