

ASSEMBLY BILL NO. 390—ASSEMBLYMEN PRICE, BACHE AND
GIUNCHIGLIANI

MARCH 16, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to policy of insurance for motor vehicle.
(BDR 57-1289)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: 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 insurance; prohibiting an insurer who offers a policy of insurance for a motor vehicle from basing certain decisions relating to the policy on the consumer report of an applicant, policyholder or a member of the household of the applicant or policyholder; providing a penalty; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 686B.060 is hereby amended to read as follows:
2 686B.060 In determining whether rates comply with the standards
3 under NRS 686B.050, the following criteria ~~shall~~ *must* be applied:
4 1. Due consideration ~~shall~~ *must* be given to past and prospective loss
5 and expense experience within and outside of this state, to catastrophe
6 hazards and contingencies, to trends within and outside of this state, to
7 loadings for leveling premium rates over time or for dividends or savings
8 to be allowed or returned by insurers to their policyholders, members or
9 subscribers, and to all other relevant factors, including the judgment of
10 technical personnel.
11 2. Risks may be classified in any reasonable way for the establishment
12 of rates and minimum premiums, except that classifications may not be
13 based on race, color, creed or national origin. ~~Rates~~ *Except as otherwise*
14 *provided in section 2 of this act, rates* thus produced may be modified for
15 individual risks in accordance with rating plans or schedules which
16 establish reasonable standards for measuring probable variations in
17 hazards, expenses, or both.
18 3. The expense provisions included in the rates to be used by an
19 insurer may reflect the operating methods of the insurer and, so far as it is
20 credible, its own expense experience.



1 4. The rates may contain an allowance permitting a profit that is not
2 unreasonable in relation to the riskiness of the class of business.
3 **Sec. 2.** Chapter 690B of NRS is hereby amended by adding thereto a
4 new section to read as follows:
5 **1. An insurer shall not:**
6 **(a) Refuse to issue or renew a policy of insurance or establish or**
7 **increase the premium of such a policy;**
8 **(b) Establish, increase or modify any rate relating to a policy of**
9 **insurance; or**
10 **(c) Use any rate prepared by a rate service organization relating to a**
11 **policy of insurance that was established, increased or**
12 **modified,**
13 **based, in whole or in part, on the consumer report of a policyholder or**
14 **an applicant for such a policy or the consumer report of a member of the**
15 **household of the policyholder or applicant.**
16 **2. As used in this section:**
17 **(a) "Consumer report" has the meaning ascribed to it in NRS**
18 **598C.060.**
19 **(b) "Policy of insurance" means a policy of insurance that insures**
20 **against liability arising out of the ownership, maintenance or use of a**
21 **motor vehicle.**
22 **(c) "Rate service organization" has the meaning ascribed to it in NRS**
23 **686B.020.**
24 **Sec. 3.** The provisions of this act apply to a policy *of insurance that*
25 *insures against liability arising out of the ownership, maintenance or use*
26 *of a motor vehicle* that is issued, renewed or modified on or after
27 October 1, 2001.
28 **Sec. 4.** The provisions of this act do not apply to offenses committed
29 before October 1, 2001.

