

ASSEMBLY BILL NO. 492—COMMITTEE ON TRANSPORTATION

MARCH 22, 2007

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to casualty insurance for motor vehicles. (BDR 57-452)

FISCAL NOTE: Effect on Local Government: No.
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 motor vehicle insurance; prohibiting an insurer from refusing to pay the full amount of an estimate on the cost to repair damage to a motor vehicle without appraising the damage in person and within a certain time; requiring insurers to pay the entire cost of parts used to repair a motor vehicle and replacement vehicles under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides requirements for casualty insurance for motor vehicles. (NRS 690B.015-690B.042) **Section 5** of this bill prohibits an insurer from refusing to pay the full amount of a repair estimate from a garage or licensed body shop unless it first has the damage to the motor vehicle appraised in person and within 2 business days after receiving the estimate. **Section 6** of this bill requires insurance companies who are covering repair costs to vehicles damaged by drivers insured by the companies to cover the entire costs of replacement vehicles for vehicle owners and replacement parts to the vehicles.

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

- Section 1.** Chapter 686A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.
- Sec. 2.** *As used in NRS 686A.300 and sections 2 to 6, inclusive, of this act, unless the context otherwise requires, the*



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words and terms defined in sections 3 and 4 of this act have the meanings ascribed to them in those sections.

Sec. 3. "Garage" has the meaning ascribed to it in NRS 487.540.

Sec. 4. "Licensed body shop" means a body shop for which a license has been issued pursuant to chapter 487 of NRS.

Sec. 5. 1. An insurer who issues insurance covering damage to a motor vehicle shall make payment to a garage or licensed body shop for any claim involving damage to a motor vehicle in the entire amount of an estimate or a revised estimate of the cost to repair damage to the motor vehicle prepared by the garage or licensed body shop unless the insurer or a representative of the insurer has appraised or reappraised the damage to the motor vehicle:

(a) In person; and

(b) Within 2 business days after being notified by the garage or licensed body shop of the estimate or the change to the estimate.

2. If an insurer or a representative of the insurer has not appraised or reappraised the damage to the motor vehicle pursuant to subsection 1, the garage or licensed body shop may begin or continue repairing the damage to the motor vehicle pursuant to the estimate or the revised estimate.

Sec. 6. 1. An insurer who issues insurance covering damage to a motor vehicle shall make payment to a garage or licensed body shop for any claim for damage to the motor vehicle of a claimant in the entire amount charged by the garage or licensed body shop for any part used to repair the damage to the motor vehicle. An insurer shall not make a payment to a garage or licensed body shop for any claim for damage to a motor vehicle of a claimant for a part used to repair the damage to the motor vehicle based on the value of the part which was replaced at the time the damage occurred.

2. If an insurer who issues insurance covering damage to a motor vehicle is paying the costs for a replacement vehicle for a claimant while the motor vehicle of the claimant is being repaired by a garage or licensed body shop, the insurer shall pay the entire cost of the replacement vehicle while the motor vehicle of the claimant is being repaired by the garage or licensed body shop.

3. As used in this section, "claimant" means a person whose motor vehicle was damaged if the repairs to the damage of the motor vehicle are to be paid by an insurer who issued insurance covering damage to a different motor vehicle.

Sec. 7. NRS 686A.300 is hereby amended to read as follows:

686A.300 1. An insurer who issues insurance covering damage to a motor vehicle shall not delay making payment for any



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1 claim involving damage to a motor vehicle after receiving a
2 statement of charges, pursuant to the provisions of NRS 487.035,
3 from any garage or licensed body shop previously authorized by the
4 insured to perform the repairs required by that claim.

5 2. A delay, within the meaning of this section, is failure to
6 issue a check or draft, payable to the garage or licensed body shop
7 or jointly to the insured and the garage or licensed body shop, within
8 30 days after the insurer's receipt of the statement of charges for
9 repairs which have been satisfactorily completed.

10 3. If the damaged vehicle is subject to a security interest or the
11 legal owner of the damaged vehicle is different from the registered
12 owner, the vehicle must be repaired by a garage or licensed body
13 shop unless:

14 (a) The insurer has declared the vehicle a total loss; or

15 (b) The total charge for the repair of the vehicle, as set forth in
16 the statement of charges presented pursuant to NRS 487.035, is
17 \$300 or less.

18 4. Except as otherwise provided in subsection 3, nothing in this
19 section shall be deemed to prohibit an insurer and insured from
20 settling a claim involving damage to a motor vehicle without
21 providing for the repair of the vehicle.

22 ~~{5. As used in this section, "licensed body shop" means a body~~
23 ~~shop for which a license has been issued pursuant to chapter 487 of~~
24 ~~NRS.}~~

