ASSEMBLY BILL NO. 26–COMMITTEE ON TRANSPORTATION

(ON BEHALF OF THE DEPARTMENT OF MOTOR VEHICLES)

PREFILED DECEMBER 14, 2010

Referred to Committee on Transportation

SUMMARY—Revises provisions to clarify that motor vehicle liability policies must be written specifically for Nevada. (BDR 43-488)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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AN ACT relating to insurance; providing that a motor vehicle liability policy issued in this State must be written specifically to meet the requirements for insurance in this State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the owner of every motor vehicle which is registered or required to be registered in this State to continuously provide, while the motor vehicle is present or registered in this State, liability insurance provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State. (NRS 485.185) This bill specifies that such insurance must be written specifically to meet the requirements for such insurance in this State, and that both the producer of the insurance policy and the insurer must be authorized to transact casualty insurance in this State.

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

Section 1. NRS 485.055 is hereby amended to read as follows:

485.055 1. "Motor vehicle liability policy" means an owner's policy of liability insurance or an operator's policy of liability insurance ~~[issued by]~~ ***that:***

(a) Meets the applicable requirements of NRS 485.185 and 485.3091;

(b) Is provided by a duly appointed producer of casualty insurance, licensed in this State, on behalf of an insurer authorized to transact ~~[business]~~ ***casualty insurance*** in this State ~~[,]~~ ***; and***

(c) Is issued 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.

Sec. 2. NRS 485.185 is hereby amended to read as follows:

485.185 ***1.*** Every owner of a motor vehicle which is registered or required to be registered in this State shall continuously ~~[provide,]~~ ***maintain,*** while the motor vehicle is present or registered in this State, insurance ~~[provided]~~ ***that is:***

(a) Written specifically to meet the requirements of the State of Nevada with respect to motor vehicle liability policies; and

(b) Provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State ***.*** ~~[:~~

~~1. In the]~~

2. The insurance required by subsection 1 must be in the following amounts:

(a) The amount of $15,000 for bodily injury to or death of one person in any one accident;

~~[2.]~~ ***(b)*** Subject to the limit for one person, ~~[in]~~ the amount of $30,000 for bodily injury to or death of two or more persons in any one accident; and

~~[3. In the]~~

(c) The amount of $10,000 for injury to or destruction of property of others in any one accident,

➥ for the payment of tort liabilities arising from the maintenance or use of the motor vehicle.

Sec. 3. NRS 485.3091 is hereby amended to read as follows:

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

(a) ***Be written specifically to meet the requirements of the State of Nevada with respect to motor vehicle liability policies;***

(b) Designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is thereby to be granted; and

~~[(b)]~~ ***(c)*** Insure the person named therein and any other person, as insured, using any such 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 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]~~ ***:***

(a) Be written specifically to meet the requirements of the State of Nevada with respect to motor vehicle liability policies; and

(b) Insure the person named as insured therein against loss from the liability imposed upon the person by law for damages arising out of the person's use of any motor vehicle within the same territorial limits and subject to the same limits of liability as are set forth in paragraph ~~[(b)]~~ ***(c)*** of subsection 1.

3. A motor vehicle liability policy must state 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 policy need not insure any liability under any workers' compensation law nor any liability on account of bodily injury to or 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 any liability for damage to property owned by, rented to, in charge of or transported by the insured.

5. Every motor vehicle liability policy is subject to the following provisions which need not be contained therein:

(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 cancelled or annulled as to such 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 behalf of the insured 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 is deductible from the limits of liability specified in paragraph ~~[(b)]~~ ***(c)*** 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. Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy, and the excess or additional coverage is not subject to the provisions of this chapter.

7. Any motor vehicle liability policy may provide for the prorating of the insurance thereunder with other valid and collectible insurance.

8. The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers, which policies together meet those requirements.

9. Any binder issued pending the issuance of a motor vehicle liability policy shall be deemed to fulfill the requirements for such a policy.

Sec. 4. This act becomes effective upon passage and approval.