

Amendment No. 320

Senate Amendment to Senate Bill No. 308 (BDR 43-938)

Proposed by: Senate Committee on Transportation

Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

DLJ/JRS



Date: 4/17/2017

S.B. No. 308—Revises provisions relating to motor vehicle insurance.
(BDR 43-938)



SENATE BILL NO. 308—SENATORS HARRIS, FORD, CANCELA, SETTELMAYER, ROBERSON; CANNIZZARO, DENIS, FARLEY, GANSERT, GOICOECHEA, HARDY, KIECKHEFER, MANENDO, PARKS, RATTI, SEGERBLOM, SPEARMAN AND WOODHOUSE

MARCH 17, 2017

JOINT SPONSORS: ASSEMBLYMEN WATKINS, PICKARD, FRIERSON, YEAGER; ARAUJO, BILBRAY-AXELROD, BROOKS, BUSTAMANTE ADAMS, CARLTON, COHEN, DALY, DIAZ, EDWARDS, FLORES, FUMO, HAMBRICK, JAUREGUI, JOINER, KRAMER, MCCURDY II, MONROE-MORENO, OHRENSCHALL, SPIEGEL, SPRINKLE, SWANK, THOMPSON AND TOLLES

Referred to Committee on Transportation

SUMMARY—Revises provisions relating to motor vehicle insurance. (BDR 43-938)

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 ~~for omitted material~~ is material to be omitted.

AN ACT relating to liability for motor vehicles; increasing the amount of coverage that must be provided by a policy of insurance and certain bonds that are required for a motor vehicle in this State; increasing the minimum amount of money required to satisfy certain judgments relating to a crash involving a motor vehicle; ~~prohibiting a policy of motor vehicle insurance that includes uninsured and underinsured vehicle coverage from including certain limitations of coverage;~~ and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires every owner of a motor vehicle, other than a moped, which is registered or required to be registered in this State to provide insurance continuously for the payment of tort liabilities arising from the maintenance or use of the motor vehicle in the amount of: (1) \$15,000 for bodily injury to or death of one person in any crash; (2) \$30,000 for bodily injury to or death of two or more persons in any one crash, subject to the limit of \$15,000 for one person; and (3) \$10,000 for injury to or destruction of property of others in any one crash. (NRS 485.185) Those minimum amounts of insurance coverage are required for a motor vehicle owned by a short-term lessor of motor vehicles, for an operator of a motor vehicle who obtains an operator's insurance policy, and for the amount of a policy or bond that must be provided in certain circumstances to the Department of Motor Vehicles as security after a report of a crash. (NRS 482.305, 485.186, 485.210, 495.3091) **Sections 1-5** of this bill increase those minimum amounts to \$25,000, \$50,000 and \$20,000, respectively.

Those increased minimum amounts are also required in determining whether certain judgments relating to a crash involving a motor vehicle have been satisfied. (NRS 485.304)

~~Existing law requires insurance companies transacting motor vehicle insurance in this State to offer uninsured and underinsured vehicle coverage in an amount equal to the limits of coverage for bodily injury sold to an insured under a policy of insurance covering the use of a passenger car. (NRS 687B.145) Section 6 of this bill revises existing law by prohibiting a policy of motor vehicle insurance that includes uninsured and underinsured vehicle coverage from including an exclusion, reduction or other limitation of coverage where the insured is injured while in the course of his or her employment or pursuing a business activity or purpose.~~

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

Section 1. NRS 482.305 is hereby amended to read as follows:

482.305 1. The short-term lessor of a motor vehicle who permits the short-term lessee to operate the vehicle upon the highways, and who has not complied with NRS 482.295 insuring or otherwise covering the short-term lessee against liability arising out of his or her negligence in the operation of the rented vehicle in limits of not less than ~~\$15,000~~ **\$25,000** for any one person injured or killed and ~~\$30,000~~ **\$50,000** for any number more than one, injured or killed in any one crash, and against liability of the short-term lessee for property damage in the limit of not less than ~~\$10,000~~ **\$20,000** for one crash, is jointly and severally liable with the short-term lessee for any damages caused by the negligence of the latter in operating the vehicle and for any damages caused by the negligence of any person operating the vehicle by or with the permission of the short-term lessee, except that the foregoing provisions do not confer any right of action upon any passenger in the rented vehicle against the short-term lessor. This section does not prevent the introduction as a defense of contributory negligence to the extent to which this defense is allowed in other cases.

2. The policy of insurance, surety bond or deposit of cash or securities inures to the benefit of any person operating the vehicle by or with the permission of the short-term lessee in the same manner, under the same conditions and to the same extent as to the short-term lessee.

3. The insurance policy, surety bond or deposit of cash or securities need not cover any liability incurred by the short-term lessee of any vehicle to any passenger in the vehicle; but the short-term lessor before delivering the vehicle shall give to the short-term lessee a written notice of the fact that such a policy, bond or deposit does not cover the liability which the short-term lessee may incur on account of his or her negligence in the operation of the vehicle to any passenger in the vehicle.

4. When any suit or action is brought against the short-term lessor under this section, the judge before whom the case is pending shall hold a preliminary hearing in the absence of the jury to determine whether the short-term lessor has provided insurance or a surety bond or deposit of cash or securities covering the short-term lessee as required by subsection 1. Whenever it appears that the short-term lessor has provided insurance or a surety bond or deposit of cash or securities covering the short-term lessee in the required amount, the judge shall dismiss as to the short-term lessor the action brought under this section.

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

485.185 1. Except as otherwise provided in subsection 2, every owner of a motor vehicle which is registered or required to be registered in this State shall continuously provide, while the motor vehicle is present or registered in this State,

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:

(a) In the amount of ~~15,000~~ \$25,000 for bodily injury to or death of one person in any one crash;

(b) Subject to the limit for one person, in the amount of ~~30,000~~ \$50,000 for bodily injury to or death of two or more persons in any one crash; and

(c) In the amount of ~~10,000~~ \$20,000 for injury to or destruction of property of others in any one crash,

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

2. The provisions of this section do not apply to a moped.

Sec. 3. NRS 485.210 is hereby amended to read as follows:

485.210 For the purposes of NRS 485.200, a policy or bond is not effective unless:

1. The policy or bond is subject, if the crash has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than ~~15,000~~ \$25,000 because of bodily injury to or death of one person in any one crash and, subject to the limit for one person, to a limit of not less than ~~30,000~~ \$50,000 because of bodily injury to or death of two or more persons in any one crash and, if the crash has resulted in injury to or destruction of property, to a limit of not less than ~~10,000~~ \$20,000 because of injury to or destruction of property of others in any one crash; and

2. The insurance company or surety company issuing that policy or bond is authorized to do business in this State or, if the company is not authorized to do business in this State, unless it executes a power of attorney authorizing the Director to accept service on its behalf of notice or process in any action upon that policy or bond arising out of a crash.

Sec. 4. NRS 485.304 is hereby amended to read as follows:

485.304 Judgments must for the purpose of this chapter only, be deemed satisfied:

1. When ~~15,000~~ \$25,000 has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one crash;

2. When, subject to the limit of ~~15,000~~ \$25,000 because of bodily injury to or death of one person, the sum of ~~30,000~~ \$50,000 has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one crash; or

3. When ~~10,000~~ \$20,000 has been credited upon any judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one crash,

➤ but payments made in settlement of any claims because of bodily injury, death or property damage arising from a motor vehicle crash must be credited in reduction of the amounts provided for in this section.

Sec. 5. 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 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

1 America or the Dominion of Canada, subject to limits exclusive of interest and
2 costs, with respect to each such motor vehicle, as follows:

3 (1) Because of bodily injury to or death of one person in any one crash,
4 ~~15,000~~ **25,000**;

5 (2) Subject to the limit for one person, because of bodily injury to or death
6 of two or more persons in any one crash, ~~30,000~~ **50,000**; and

7 (3) Because of injury to or destruction of property of others in any one
8 crash, ~~10,000~~ **20,000**.

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

14 3. A motor vehicle liability policy must state the name and address of the
15 named insured, the coverage afforded by the policy, the premium charged therefor,
16 the period of effectiveness and the limits of liability, and must contain an agreement
17 or be endorsed that insurance is provided thereunder in accordance with the
18 coverage defined in this chapter as respects bodily injury and death or property
19 damage, or both, and is subject to all the provisions of this chapter.

20 4. A motor vehicle liability policy need not insure any liability under any
21 workers' compensation law nor any liability on account of bodily injury to or death
22 of an employee of the insured while engaged in the employment, other than
23 domestic, of the insured, or while engaged in the operation, maintenance or repair
24 of any motor vehicle owned by the insured nor any liability for damage to property
25 owned by, rented to, in charge of or transported by the insured.

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

28 (a) The liability of the insurance carrier with respect to the insurance required
29 by this chapter becomes absolute whenever injury or damage covered by the policy
30 occurs. The policy may not be cancelled or annulled as to such liability by any
31 agreement between the insurance carrier and the insured after the occurrence of the
32 injury or damage. No statement made by the insured or on behalf of the insured and
33 no violation of the policy defeats or voids the policy.

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

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

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

43 6. Any policy which grants the coverage required for a motor vehicle liability
44 policy may also grant any lawful coverage in excess of or in addition to the
45 coverage specified for a motor vehicle liability policy, and the excess or additional
46 coverage is not subject to the provisions of this chapter.

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

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

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

1 **Sec. 6. ~~NRS 687B.145 is hereby amended to read as follows:~~**

2 ~~687B.145 1. Any policy of insurance or endorsement providing coverage~~
3 ~~under the provisions of NRS 690B.020 or other policy of casualty insurance may~~
4 ~~provide that if the insured has coverage available to the insured under more than~~
5 ~~one policy or provision of coverage, any recovery or benefits may equal but not~~
6 ~~exceed the higher of the applicable limits of the respective coverages, and the~~
7 ~~recovery or benefits must be prorated between the applicable coverages in the~~
8 ~~proportion that their respective limits bear to the aggregate of their limits. Any~~
9 ~~provision which limits benefits pursuant to this section must be in clear language~~
10 ~~and be prominently displayed in the policy, binder or endorsement. Any limiting~~
11 ~~provision is void if the named insured has purchased separate coverage on the same~~
12 ~~risk and has paid a premium calculated for full reimbursement under that coverage.~~

13 ~~2. Except as otherwise provided in subsection 5, insurance companies~~
14 ~~transacting motor vehicle insurance in this State must offer, on a form approved by~~
15 ~~the Commissioner, uninsured and underinsured vehicle coverage in an amount~~
16 ~~equal to the limits of coverage for bodily injury sold to an insured under a policy of~~
17 ~~insurance covering the use of a passenger car. The insurer is not required to reoffer~~
18 ~~the coverage to the insured in any replacement, reinstatement, substitute or~~
19 ~~amended policy, but the insured may purchase the coverage by requesting it in~~
20 ~~writing from the insurer. Each renewal must include a copy of the form offering~~
21 ~~such coverage. Uninsured and underinsured vehicle coverage must include a~~
22 ~~provision which enables the insured to recover up to the limits of the insured's own~~
23 ~~coverage any amount of damages for bodily injury from the insured's insurer which~~
24 ~~the insured is legally entitled to recover from the owner or operator of the other~~
25 ~~vehicle to the extent that those damages exceed the limits of the coverage for bodily~~
26 ~~injury carried by that owner or operator. If an insured suffers actual damages~~
27 ~~subject to the limitation of liability provided pursuant to NRS 41.035, underinsured~~
28 ~~vehicle coverage must include a provision which enables the insured to recover up~~
29 ~~to the limits of the insured's own coverage any amount of damages for bodily~~
30 ~~injury from the insured's insurer for the actual damages suffered by the insured that~~
31 ~~exceed that limitation of liability. *A policy of motor vehicle insurance that*~~
32 ~~*includes uninsured and underinsured vehicle coverage must not include an*~~
33 ~~*exclusion, reduction or other limitation of coverage where the insured is injured*~~
34 ~~*while in the course of his or her employment or pursuing a business activity or*~~
35 ~~*purpose.*~~

36 ~~3. An insurance company transacting motor vehicle insurance in this State~~
37 ~~must offer an insured under a policy covering the use of a passenger car, the option~~
38 ~~of purchasing coverage in an amount of at least \$1,000 for the payment of~~
39 ~~reasonable and necessary medical expenses resulting from a crash. The offer must~~
40 ~~be made on a form approved by the Commissioner. The insurer is not required to~~
41 ~~reoffer the coverage to the insured in any replacement, reinstatement, substitute or~~
42 ~~amended policy, but the insured may purchase the coverage by requesting it in~~
43 ~~writing from the insurer. Each renewal must include a copy of the form offering~~
44 ~~such coverage.~~

45 ~~4. An insurer who makes a payment to an injured person on account of~~
46 ~~underinsured vehicle coverage as described in subsection 2 is not entitled to~~
47 ~~subrogation against the underinsured motorist who is liable for damages to the~~
48 ~~injured payee. This subsection does not affect the right or remedy of an insurer~~
49 ~~under subsection 5 of NRS 690B.020 with respect to uninsured vehicle coverage.~~
50 ~~As used in this subsection, "damages" means the amount for which the~~
51 ~~underinsured motorist is alleged to be liable to the claimant in excess of the limits~~
52 ~~of bodily injury coverage set by the underinsured motorist's policy of casualty~~
53 ~~insurance.~~

~~5. An insurer need not offer, provide or make available uninsured or underinsured vehicle coverage in connection with a general commercial liability policy, an excess policy, an umbrella policy or other policy that does not provide primary motor vehicle insurance for liabilities arising out of the ownership, maintenance, operation or use of a specifically insured motor vehicle.~~

~~6. As used in this section:~~

~~(a) "Excess policy" means a policy that protects a person against loss in excess of a stated amount or in excess of coverage provided pursuant to another insurance contract.~~

~~(b) "Passenger car" has the meaning ascribed to it in NRS 482.087.~~

~~(c) "Umbrella policy" means a policy that protects a person against losses in excess of the underlying amount required to be covered by other policies.~~ **(Deleted by amendment.)**

Sec. 7. The amendatory provisions of this act do not apply to the satisfaction of any judgment entered as a result of a crash involving a motor vehicle before July 1, ~~2017,~~ **2018.**

Sec. 8. This act becomes effective on July 1, ~~2017,~~ **2018.**