

ASSEMBLY BILL NO. 172—ASSEMBLYWOMAN SPIEGEL

FEBRUARY 18, 2019

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing the settlement of certain claims under policies of motor vehicle insurance. (BDR 57-129)

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; requiring an insurer that issues a policy of insurance covering damage to a motor vehicle to pay the full replacement value for the total loss of an insured vehicle under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires every owner of certain motor vehicles which are registered or required to be registered in this State to maintain a policy of motor vehicle insurance for payment of tort liability claims arising from the maintenance or use of the motor vehicle. (NRS 485.185) The policy may provide additional coverage beyond coverage specified for a motor vehicle liability policy. (NRS 485.3091) **Section 1** of this bill requires that in settling a claim regarding a motor vehicle which the insurer has declared to be a total loss, the insurer, under certain circumstances, must pay the full replacement value for the motor vehicle if the driver was less than 50 percent at fault in the crash and the insurer has a right of subrogation.

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

Section 1. Chapter 690B of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 2 and unless the insurer issues a policy of insurance agreeing to pay greater benefits, an insurer that issues a policy of insurance covering



1 *damage to a motor vehicle must pay the full replacement value of*
2 *the motor vehicle to the insured for a claim involving damage to*
3 *the motor vehicle if:*

4 (a) *The damage to the motor vehicle occurs in a crash with*
5 *regard to which the driver of the motor vehicle is less than 50*
6 *percent at fault;*

7 (b) *The insurer declares the motor vehicle a total loss; and*

8 (c) *With regard to the claim, the insurer has a right to*
9 *subrogation under the policy.*

10 2. *To determine the amount of a payment required to be made*
11 *pursuant to subsection 1, the insurer shall pay the greater of:*

12 (a) *The limit of coverage applicable to the claim under the*
13 *policy; or*

14 (b) *The maximum amount the insurer obtains through the*
15 *insurer's right to subrogation under the policy.*

16 3. *Upon the request of another insurer that issues a policy of*
17 *insurance covering damage to a motor vehicle, an insurer must*
18 *provide the information necessary to determine the maximum*
19 *amount available from the relevant policy of insurance that may*
20 *be obtained through subrogation.*

21 4. *As used in this section, "full replacement value" means an*
22 *amount equal to the cost to purchase a comparable motor vehicle,*
23 *including all applicable taxes, license fees and other fees incident*
24 *to transfer of evidence of ownership of a comparable motor*
25 *vehicle.*

26 **Sec. 2.** This act becomes effective on July 1, 2019.

