

ASSEMBLY BILL NO. 130—ASSEMBLYMEN FLORES; ANDERSON,
BROWN-MAY, CONSIDINE, DURAN, GONZÁLEZ, MARTINEZ,
SUMMERS-ARMSTRONG, THOMAS AND TORRES

FEBRUARY 15, 2021

JOINT SPONSOR: SENATOR DONATE

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing insurance.
(BDR 57-780)

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 insurance; requiring insurance companies to offer the option of covering certain medical expenses in policies that cover motorcycles; requiring the amount paid by an insurance company for the coverage of certain medical expenses resulting from the crash of a passenger car or motorcycle to be based on the usual and customary charges for the locality where the medical expenses were incurred; clarifying that certain provisions for the reduction in the premium paid for a motor vehicle insurance policy do not apply to motorcycles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires every owner of a motor vehicle which is registered or required to be registered in this State, except an owner of a moped, to continuously provide insurance from a licensed insurance company in certain amounts for the payment of tort liabilities arising from the maintenance or use of the motor vehicle. (NRS 485.185) Existing law requires such insurance companies to offer to insured persons the option of purchasing coverage in an amount of at least \$1,000 for the payment of reasonable and necessary medical expenses resulting from a crash. Under existing law, this option only applies to policies that cover passenger cars. (NRS 687B.145) **Section 1** of this bill requires this option to also apply to policies that cover motorcycles. If an insured person purchases this option, **section 1** requires the amount paid by the insurance company to cover medical expenses



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resulting from the crash of a passenger car or motorcycle be based on the usual and customary charges for the locality where the medical expenses were incurred. **Section 1** defines "usual and customary charges" to mean the usual and customary charges that a provider charges to the general public for reasonable and necessary medical care before the application of certain discounts.

Existing law requires a policy of motor vehicle insurance which includes coverage of medical expenses to contain a provision for the reduction in the premium paid for such coverage if the motor vehicle is equipped with or contains certain safety devices. (NRS 690B.031) **Section 2** of this bill makes a change in conformance with **section 1** by clarifying that such provisions do not apply to motorcycles.

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

Section 1. NRS 687B.145 is hereby amended to read as follows:

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

2. Except as otherwise provided in subsection 5, insurance companies transacting motor vehicle insurance in this State must offer, on a form approved by the Commissioner, 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. The insurer is not required to reoffer the coverage to the insured in any replacement, reinstatement, substitute or amended policy, but the insured may purchase the coverage by requesting it in writing from the insurer. Each renewal must include a copy of the form offering such coverage. Uninsured and underinsured vehicle coverage must include a provision which enables the insured to recover up to the limits of the insured's own coverage any amount of damages for bodily injury from the insured's insurer which the insured is legally entitled to recover from the owner or operator of the other vehicle to



1 the extent that those damages exceed the limits of the coverage for
2 bodily injury carried by that owner or operator. If an insured suffers
3 actual damages subject to the limitation of liability provided
4 pursuant to NRS 41.035, underinsured vehicle coverage must
5 include a provision which enables the insured to recover up to the
6 limits of the insured's own coverage any amount of damages for
7 bodily injury from the insured's insurer for the actual damages
8 suffered by the insured that exceed that limitation of liability.

9 3. An insurance company transacting motor vehicle insurance
10 in this State must offer an insured under a policy covering the use of
11 a passenger car ~~or~~ *or motorcycle*, the option of purchasing coverage
12 in an amount of at least \$1,000 for the payment of reasonable and
13 necessary medical expenses resulting from a crash. The offer must
14 be made on a form approved by the Commissioner. The insurer is
15 not required to reoffer the coverage to the insured in any
16 replacement, reinstatement, substitute or amended policy, but the
17 insured may purchase the coverage by requesting it in writing from
18 the insurer. Each renewal must include a copy of the form offering
19 such coverage. *If an insured purchases coverage in an amount of*
20 *at least \$1,000 for the payment of reasonable and necessary*
21 *medical expenses resulting from a crash and the insured seeks the*
22 *payment of reasonable and necessary medical expenses resulting*
23 *from a crash, the amount paid by the insurance company must be*
24 *based on the usual and customary charges for the locality where*
25 *the medical expenses were incurred.*

26 4. An insurer who makes a payment to an injured person on
27 account of underinsured vehicle coverage as described in subsection
28 2 is not entitled to subrogation against the underinsured motorist
29 who is liable for damages to the injured payee. This subsection does
30 not affect the right or remedy of an insurer under subsection 5 of
31 NRS 690B.020 with respect to uninsured vehicle coverage. As used
32 in this subsection, "damages" means the amount for which the
33 underinsured motorist is alleged to be liable to the claimant in
34 excess of the limits of bodily injury coverage set by the
35 underinsured motorist's policy of casualty insurance.

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

42 6. As used in this section:

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



(b) *“Health care services” has the meaning ascribed to it in NRS 695G.022.*

(c) *“Motorcycle” has the meaning ascribed to it in NRS 482.070.*

(d) “Passenger car” has the meaning ascribed to it in NRS 482.087.

(e) *“Provider of health care” has the meaning ascribed to it in NRS 695G.070.*

~~(e)~~ (f) “Umbrella policy” means a policy that protects a person against losses in excess of the underlying amount required to be covered by other policies.

(g) *“Usual and customary charges” means the usual and customary charges that a provider of health care charges to the general public for reasonable and necessary health care services before the application of any:*

(1) Group insurance discount; or

(2) Discount resulting from payment rates or schedules for Medicare, Medicaid or other similar public welfare programs.

Sec. 2. NRS 690B.031 is hereby amended to read as follows:

690B.031 1. A policy of insurance providing coverage arising out of the ownership, maintenance or use of a motor vehicle, *other than a motorcycle*, which is delivered or issued for delivery in this State and includes coverage for the payment of reasonable and necessary medical expenses or uninsured and underinsured motorists coverage, or both, must contain a provision for the reduction in the premium for such coverage if the motor vehicle:

(a) Is equipped with an air bag on the driver’s side of the front seat or air bags on the driver’s side and passenger’s side of the front seat; and

(b) Contains any other safety device, other than safety belts, which substantially enhances the safety of the occupants of the motor vehicle.

2. The reduction in premiums required by subsection 1 must be based upon the actuarial and loss experience data available to each insurer and must be approved by the Commissioner. The insurer may offer additional reductions in premiums pursuant to the requirements set forth in subsection 1 if they are approved by the Commissioner. Each reduction must be calculated based on the amount of the premium before any reduction in that premium is made pursuant to this section, and not on the amount of the premium once it has been reduced.

3. The Commissioner shall review and approve or disapprove each policy of insurance that offers a reduction in the premiums provided for in this section. An insurer must receive the written



- 1 approval of the Commissioner before delivering or issuing for
- 2 delivery a policy that provides for such a reduction.

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