

Assembly Bill No. 130—Assemblymen Flores; Anderson, Brown-May, Considine, Duran, González, Martinez, Summers-Armstrong, Thomas and Torres

Joint Sponsor: Senator Donate

## CHAPTER.....

AN ACT relating to insurance; requiring insurance companies to offer uninsured and underinsured vehicle coverage in policies that cover motorcycles; requiring insurance companies to offer the option of covering certain medical expenses in policies that cover motorcycles; 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 uninsured and underinsured vehicle coverage in an amount equal to the limits of coverage for bodily injury sold to an insured person. Under existing law, this option only applies to policies that cover passenger cars. (NRS 687B.145) **Section 1** of this bill requires such uninsured and underinsured vehicle coverage to also apply to policies that cover motorcycles.

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** requires this option to also apply to policies that cover motorcycles.

Existing law requires a policy of motor vehicle insurance which includes coverage of medical expenses or uninsured and underinsured motorists coverage, or both, 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.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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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 ~~or~~ **or motorcycle**. 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 the extent that those damages exceed the limits of the coverage for bodily injury carried by that owner or operator. If an insured suffers actual damages subject to the limitation of liability provided pursuant to NRS 41.035, 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 for the actual damages suffered by the insured that exceed that limitation of liability.

3. An insurance company transacting motor vehicle insurance in this State must offer an insured under a policy covering the use of a passenger car ~~or~~ **or motorcycle**, 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. The offer must be made on a form approved by the Commissioner. 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.

4. An insurer who makes a payment to an injured person on account of underinsured vehicle coverage as described in subsection 2 is not entitled to subrogation against the underinsured motorist who is liable for damages to the injured payee. This subsection does not affect the right or remedy of an insurer under subsection 5 of NRS 690B.020 with respect to uninsured vehicle coverage. As used in this subsection, “damages” means the amount for which the underinsured motorist is alleged to be liable to the claimant in excess of the limits of bodily injury coverage set by the underinsured motorist’s policy of casualty 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) *“Motorcycle” has the meaning ascribed to it in NRS 482.070.*

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

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

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

