

(Reprinted with amendments adopted on April 14, 2021)

FIRST REPRINT

A.B. 130

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 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:

- 1 Existing law requires every owner of a motor vehicle which is registered or
- 2 required to be registered in this State, except an owner of a moped, to continuously
- 3 provide insurance from a licensed insurance company in certain amounts for the
- 4 payment of tort liabilities arising from the maintenance or use of the motor vehicle.
- 5 (NRS 485.185) Existing law requires such insurance companies to offer uninsured
- 6 and underinsured vehicle coverage in an amount equal to the limits of coverage for
- 7 bodily injury sold to an insured person. Under existing law, this option only applies
- 8 to policies that cover passenger cars. (NRS 687B.145) **Section 1** of this bill requires
- 9 such uninsured and underinsured vehicle coverage to also apply to policies that
- 10 cover motorcycles.
- 11 Existing law requires such insurance companies to offer to insured persons the
- 12 option of purchasing coverage in an amount of at least \$1,000 for the payment of
- 13 reasonable and necessary medical expenses resulting from a crash. Under existing



14 law, this option only applies to policies that cover passenger cars. (NRS 687B.145)
15 **Section 1** requires this option to also apply to policies that cover motorcycles.
16 Existing law requires a policy of motor vehicle insurance which includes
17 coverage of medical expenses or uninsured and underinsured motorists coverage, or
18 both, to contain a provision for the reduction in the premium paid for such coverage
19 if the motor vehicle is equipped with or contains certain safety devices. (NRS
20 690B.031) **Section 2** of this bill makes a change in conformance with **section 1** by
21 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:

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

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

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



1 pursuant to NRS 41.035, underinsured vehicle coverage must
2 include a provision which enables the insured to recover up to the
3 limits of the insured's own coverage any amount of damages for
4 bodily injury from the insured's insurer for the actual damages
5 suffered by the insured that exceed that limitation of liability.

6 3. An insurance company transacting motor vehicle insurance
7 in this State must offer an insured under a policy covering the use of
8 a passenger car ~~or~~ *or motorcycle*, the option of purchasing coverage
9 in an amount of at least \$1,000 for the payment of reasonable and
10 necessary medical expenses resulting from a crash. The offer must
11 be made on a form approved by the Commissioner. The insurer is
12 not required to reoffer the coverage to the insured in any
13 replacement, reinstatement, substitute or amended policy, but the
14 insured may purchase the coverage by requesting it in writing from
15 the insurer. Each renewal must include a copy of the form offering
16 such coverage.

17 4. An insurer who makes a payment to an injured person on
18 account of underinsured vehicle coverage as described in subsection
19 2 is not entitled to subrogation against the underinsured motorist
20 who is liable for damages to the injured payee. This subsection does
21 not affect the right or remedy of an insurer under subsection 5 of
22 NRS 690B.020 with respect to uninsured vehicle coverage. As used
23 in this subsection, "damages" means the amount for which the
24 underinsured motorist is alleged to be liable to the claimant in
25 excess of the limits of bodily injury coverage set by the
26 underinsured motorist's policy of casualty insurance.

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

33 6. As used in this section:

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

37 (b) *"Motorcycle" has the meaning ascribed to it in*
38 *NRS 482.070.*

39 (c) "Passenger car" has the meaning ascribed to it in
40 NRS 482.087.

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



1 **Sec. 2.** NRS 690B.031 is hereby amended to read as follows:
2 690B.031 1. A policy of insurance providing coverage
3 arising out of the ownership, maintenance or use of a motor vehicle,
4 *other than a motorcycle*, which is delivered or issued for delivery in
5 this State and includes coverage for the payment of reasonable and
6 necessary medical expenses or uninsured and underinsured
7 motorists coverage, or both, must contain a provision for the
8 reduction in the premium for such coverage if the motor vehicle:

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

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

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

24 3. The Commissioner shall review and approve or disapprove
25 each policy of insurance that offers a reduction in the premiums
26 provided for in this section. An insurer must receive the written
27 approval of the Commissioner before delivering or issuing for
28 delivery a policy that provides for such a reduction.

