

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Eighty-First Session
March 1, 2021**

The Committee on Commerce and Labor was called to order by Chair Sandra Jauregui at 1:34 p.m. on Monday, March 1, 2021, Online. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Sandra Jauregui, Chair
Assemblywoman Maggie Carlton, Vice Chair
Assemblywoman Venicia Considine
Assemblywoman Jill Dickman
Assemblywoman Bea Duran
Assemblyman Edgar Flores
Assemblyman Jason Frierson
Assemblywoman Melissa Hardy
Assemblywoman Heidi Kasama
Assemblywoman Susie Martinez
Assemblywoman Elaine Marzola
Assemblyman P.K. O'Neill
Assemblywoman Jill Tolles

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Marjorie Paslov-Thomas, Committee Policy Analyst
Terri McBride, Committee Manager
Louis Magriel, Committee Secretary
Cheryl Williams, Committee Assistant



OTHERS PRESENT:

Justin Watkins, representing Nevada Justice Association
Jesse Wadhams, representing Nevada Insurance Council
Joseph Guild, representing State Farm Insurance Companies

Chair Sandra Jauregui:

[Roll was called. Committee protocol and virtual rules were discussed.] I want to let everyone know that we have a slight change to our agenda. We will not be hearing Assembly Bill 128 today. Our first agenda item is Assembly Bill 130. I will now open the hearing on A.B. 130.

Assembly Bill 130: Revises provisions governing insurance. (BDR 57-780)

Assemblyman Edgar Flores, Assembly District No. 28:

Today, I am here to present Assembly Bill 130. I want to offer the Committee a quick roadmap on how I intend to proceed. First, I would like to have a conversation about what medical pay is using a hypothetical that I think will help explain it. Within that same hypothetical, I would like to explain an issue I have identified that I think we can address. After, I will walk through the bill language line by line to explain how I believe we are addressing that concern. Lastly, I am going to discuss the amendment [[Exhibit C](#)]. When we started this conversation, it was going to be a much broader and more encompassing bill. Now, it is a much smaller fix.

I would like to first talk about medical pay. I am going to refer to it as the industry often does, as Medpay. To put Medpay into context, liability does not come into this conversation. In other words, the alpha driver is not a topic to be discussed. If I could use a hypothetical, imagine you are driving a minivan on an icy road and inadvertently run into a vehicle. If you have it, Medpay will come in as the first party payment for reasonable and necessary medical expenses. It does not matter that you are the one who collided into the vehicle in front of you, or even if you ran into a light pole or something like that; Medpay would trigger if you have it.

Presently, under *Nevada Revised Statutes* (NRS) 687B.145, there is a requirement that an insurance company offer payment in the amount of at least \$1,000 for reasonable and necessary medical expenses. However, the particular issue that I have identified and that we are trying to fix today is that there is a reference to a passenger car in the statute. Per the NRS as written presently, if in that exact same hypothetical I was driving a motorcycle instead of a minivan on that icy road, and I ran into a vehicle and incurred some damage which resulted in an ambulance showing up to transport me to a hospital, it is not necessary that the insurance company provide me, the insured, the option to purchase Medpay of at least \$1,000. What I seek to do with this bill now is to simply expand the NRS so that rather than it just reading "passenger car," we also have it so that motorcycles are included and offered Medpay.

To put what Medpay covers into context, it does not matter if you are at fault. Typically, you could use it to cover things like ambulance expenses, professional nursing services, surgeries, X-rays, doctor visits, et cetera. That is what you would want it for. A lot of people opt out. As the NRS is written now, it has to be offered, but you can waive Medpay by signing a document which is approved by the Commissioner of Insurance, Division of Insurance of the Department of Business and Industry.

I want to walk you through the bill because there are changes that I am making to it. A lot of the conversation prior to today has been in regard to the term "usual and customary charges" which I previously had. If you go to section 1, subsection 3, which is on page 3, line 11, we are adding the language of "motorcycle" where previously it was just "passenger car." We want to make sure that it encapsulates motorcycles and that insurance companies have to offer the option of purchasing coverage in the amount of at least \$1,000. Now, other folks may choose to purchase more, but we want to make sure that we extend that option.

If you go to lines 19 through 25 on page 3, I will be removing the entirety of that new language. I do intend to tackle this conversation in the interim; I will work on it with a coalition of stakeholders and come back in two years to try and resolve this concern that I have. I do not want to muddy the record by getting into the issue we are trying to fix there. I will do that in a separate bill in two years.

If you continue down the bill to page 4, there is a definition of "health care services" added on lines 1 and 2, and then there is a definition of "provider of health care" added on lines 7 and 8. As I am not tackling that question anymore, those are no longer necessary and will be removed from this bill. Lastly, on page 4, lines 12 through 18, there is a definition of "usual and customary charges." Again, that will be removed and is no longer part of this bill.

All this bill is seeking to do now is to ensure that Medpay is offered to an insured who rides a motorcycle when they go to try and purchase a policy for their motorcycle, and that at least \$1,000 needs to be offered. With that, I am open for any questions or discussions that Committee members may have.

Chair Jauregui:

Committee members, do you have any questions?

Assemblyman O'Neill:

I have one question on page 3, line 11, concerning the definition of the term "passenger car." I know you said it includes a van in your example; does it also include such things as trucks? I want to make sure that "passenger car" includes other vehicles.

Assemblyman Flores:

Yes, it does. Most passenger vehicles including trucks, sedans, et cetera, are all covered under that definition. Inadvertently, motorcycles had not been covered.

I had an opportunity to speak with the Commissioner of Insurance, Barbara Richardson, and I do know that a lot of insurance companies, particularly our larger insurance companies in the state of Nevada, now offer Medpay for motorcycles. It is a de facto practice. However, the concern is that not all insurance companies have to do it.

I want to use a different hypothetical to show why it is relevant to have this insurance be offered. Say you are involved in an accident and you want to use Medpay, but it was never offered to you. Later, you become involved in a lawsuit with an attorney to collect on a claim and it is found out that the insurance company never offered you, the insured, the option to purchase Medpay. They will then have to automatically make \$1,000 available towards that claim. If I go to Farmers Insurance and tell them that I drive a motorcycle and would like to be insured under their policy and get Medpay, and it is offered, that is great; I have the option to purchase it. But there are some insurance companies that may not be offering it now. We want to make sure that we are protecting those motorcyclists that want to have Medpay.

Usually, the insurance company will keep the form where the insured may have waived their right to Medpay at the beginning of the contract. It is an option offered to you; you do not have to purchase it. However, if you are a motorcyclist, that option may have never even been offered to you. Down the road, if you want that added protection, the insurance company will be on the hook for at least \$1,000 for having failed to offer Medpay.

Assemblyman O'Neill:

Thank you for doing this. I ride motorcycles and used to instruct motorcycle safety courses. I thought this was already in practice, so thank you for bringing this forward and encoding it into our statutes as a requirement.

Assemblywoman Hardy:

I think this is a very good piece of legislation and it is a good idea to include motorcycles. Was there a reason that motorcycles were not included to begin with? Was it just an oversight, or do we not know?

Assemblyman Flores:

We went back about 20 years to try and figure out where the conversation either accidentally or purposefully escaped motorcycles. I was unable to successfully find the minutes on why it was done in that manner. I know that other states do not offer Medpay for motorcycles. It may be a conversation to be had directly with the insurance companies; I do not know the exact reason. We do know that this type of protection is very important, and we just wanted to make sure that we were extending it to our motorcycle drivers.

Assemblywoman Hardy:

I, too, think it is important. I like the amendment, so thank you for including that as well. The term "usual and customary charges" can be a little complicated.

Chair Jauregui:

Committee members, any other further questions? [There were none.] We will move on to testimony in support of Assembly Bill 130.

Justin Watkins, representing Nevada Justice Association:

I am testifying in support of Assembly Bill 130. This is important because Medpay is often the first line of defense for hospitals to get paid for copays and deductibles that might arise in catastrophic cases and might not be covered by health insurance. Obviously, we know that when people on motorcycles are involved in accidents, it can often be catastrophic. It is important for those motorcyclists to not come out of the hospital with collection actions against them if they elect to use Medpay to cover themselves. We think it is good policy all around.

Chair Jauregui:

Can we check to see if there is anyone on the telephone line to testify in support? [There was no one.] We will now move on to testimony in opposition.

Jesse Wadhams, representing Nevada Insurance Council:

With Assemblyman Flores' amendment, I can probably withdraw our opposition because it changes the nature of our opposition entirely. Allow me to simply say that I appreciate Assemblyman Flores' work on this and that we stand ready to work with him on any conversations he has over the interim.

Chair Jauregui:

Can we check the telephone line to see if there is anyone wishing to testify in opposition?

Joseph Guild, representing State Farm Insurance Companies:

We were in opposition to this bill, but I will echo what Mr. Wadhams just said. With the deletions on page 4, lines 1 through 18 of the bill, we have no opposition to it and would offer our services to work with Assemblyman Flores during the interim to craft a bill which would be agreeable to all.

Chair Jauregui:

Are there any other callers signed up to testify in opposition? [There were none.] Can we check the telephone line for anyone wishing to testify in neutral? [There was no one.] Assemblyman Flores, would you like to give any closing remarks?

Assemblyman Flores:

I would like to thank Mr. Guild and Mr. Wadhams for reaching out and expressing their concerns. I do look forward to working with them during the interim along with a coalition of folks who are on the other side of that conversation to ensure that we can resolve that matter.

However, as it pertains to Assembly Bill 130, I did want to put on the record now that I intend to reach out to stakeholders in regard to section 1, subsection 2, on page 2, lines 17 through 24, where it says:

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.

Again, the term "passenger car" is only used for uninsured and underinsured motorists; there is no usage of motorcycle. Upon the conclusion of this bill, I intend to reach out to Mr. Guild, Mr. Wadhams, and other stakeholders to get their feedback on expanding the protections of uninsured and underinsured coverage to motorcycles as well. Should I have no opposition from them or the Committee members, I intend to come back and simply extend those protections to motorcycle drivers.

Chair Jauregui:

I will close the hearing on Assembly Bill 130. Our next item on the agenda is public comment. I am going to give the public a minute to call in. [Protocol concerning public comment was discussed.]

Do we have anyone on the line for public comment? [There was no one.] Committee members, our next meeting will be on Wednesday, March 2 at 1:30 p.m. This concludes our meeting; we are adjourned [at 1:57 p.m.].

RESPECTFULLY SUBMITTED:

Louis Magriel
Committee Secretary

APPROVED BY:

Assemblywoman Sandra Jauregui, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a proposed conceptual amendment to Assembly Bill 130, dated March 1, 2021, presented and submitted by Assemblyman Edgar Flores, Assembly District No. 28.