



NO PAY NO PLAY LEGISLATION (AB 7)

Our Position

We support legislation that would eliminate the payment of noneconomic damages to individuals who have chosen to break the law by not purchasing auto liability insurance.

Talking Points

- **National estimates of the percentage of uninsured motorist are around 14%:** No Pay No Play laws prevent uninsured motorists from collecting compensation for noneconomic damages.
- **Nevada insured drivers should not be forced to pay for these losses:** Drivers who comply with Nevada’s mandatory insurance laws will no longer have to compensate uninsured drivers, who have chosen to break the law and not purchase insurance, for noneconomic, “pain and suffering” damages.
- **Uninsured motorists injured by an insured driver who is subsequently convicted of a DUI, felony or intentional act will not be subject to this statute and can collect noneconomic damages**

Background

Nevada industry and consumers are now required to pay noneconomic damages to those who do not comply with the state’s mandatory state insurance laws. Whether or not this bill passes, uninsured drivers will continue to receive compensation for vehicle damage and medical costs. If enacted, BDR 657 and 825 will promote fairness in compensation and may reduce the number of uninsured motorists driving on Nevada highways.

Uninsured motorists injure responsible Nevada drivers. In 2009, there were approximately 2 injuries caused by uninsured motorists for every 1,000 vehicles insured with Uninsured Motorist coverage.

In 2007, the national average Uninsured Motorist injury claim payment was \$11,000, which included \$9,541 in economic losses (medical expenses and loss of earnings.)

ESTIMATED PERCENTAGE OF UNINSURED MOTORISTS BY STATE, 2009 (1)					
State	Uninsured	Rank (2)	State	Uninsured	Rank (2)
AL	21.80%	5	MT	11.40%	25
AK	13	21	NE	7.8	38
AZ	11.9	23	NV	13.2	20
AR	16	11	NH	10.9	27
CA	15	15	NJ	11.2	26
CO	15.2	14	NM	25.7	2
CT	9.5	33	NY	5.4	41
DE	10.8	28	NC	13.5	19
D.C.	15.3	13	ND	9.1	34
FL (3)	23.5	4	OH	15.7	12
GA	15.7	12	OK	23.9	3
HI	11.2	26	OR	10.4	30
ID	7.9	37	PA	6.6	40
IL	14.9	16	RI	17.6	8
IN	16.3	9	SC	10.7	29
IA	11.5	24	SD	8.6	35
KS	9.8	32	TN	23.9	3
KY	17.8	7	TX	14.9	16
LA	12.9	22	UT	8.2	36
ME	4.5	42	VT	7.1	39
MD	14.9	16	VA	10.8	28
MA	4.5	42	WA	16.1	10
MI	19.5	6	WV	10.8	28
MN	13	21	WI	14.6	17
MS	28	1	WY	10.3	31
MO	13.7	18			

(1) Percentage of uninsured drivers, as measured by the ratio of uninsured motorists (UM) claims to bodily injury (BI) claims frequencies.

(2) Rank calculated from unrounded data.

(3) In Florida, compulsory auto laws apply to personal injury protection (PIP) and physical damage, but not to third party bodily injury coverage.

Source: Insurance Research Council.