

MINUTES OF MEETING - JOINT COMMITTEE ON COMMERCE - 55TH NEVADA SESSION
FEBRUARY 4, 1969

Present: Assemblymen Wood, K. Hafen, Torvinen, Capurro, Mello, Bowler
and Espinoza

Senators White, Bunker and Hecht

Absent: Senators Lamb, Titlow and Swobe

Also Present: Mr. Mastos, Insurance Commissioner of Nevada
Mr. Richard Hannah, Atty. at Law, representative of Life
Insurance Company of America

Senator White convened the Joint Commerce Committee at 10:00 a.m. whereupon he noted that the first item on the agenda would be to elect a chairman. The purpose of the committee was to hear and consider SB 39 enacting new insurance codes; also to establish committee rules and other general procedures.

Senator White then announced that nominations were open for Chairman of the Joint Commerce Committee; Mello nominated Wood who withdrew in favor of White. Hecht then nominated Senator White, Espinoza seconded and motion unanimously passed. Bowler moved that nominations be closed; seconded by Torvinen and motion unanimously passed. Bunker moved that White be unanimously elected as Chairman of the Joint Committee, seconded by Espinoza and unanimously passed.

Mr. Mastos and Mr. Hannah were presented to the committee by Chairman White who then explained that SB 39 was not the original draft, but the second which had been amended to include recommended changes by insurance authorities. He announced that next Monday would be the beginning of the joint meetings and would meet only for the purpose of hearing SB 39. In the event there might be conflicts with other committees, it was determined that both the Senate and the Assembly committees would look into the matter and hold further discussions.

Mr. Mastos stated that he would give notice to all agencies or individuals who might be interested when the meetings would be held.

(Bunker was excused due to another meeting.) Mr. Bowler suggested that the press also be given adequate notice so that the public would be aware of these hearings.

Chairman White asked for a motion approving the Mason's Manual of Legislative Procedure as the Committee's rules of procedure; that the majority vote shall rule and that neither house be able to change an action once it had been acted upon in Joint Committee. Mr. Bowler so moved. Seconded by Torvinen; motion unanimously passed.

Mr. Mastos had set up a format consisting of seven areas to be explored by the sub-committees. The format was provided to the members and Mr. Hecht suggested that Mr. Wood and Mr. White handle the setting of these sub-committees. Immediately thereafter, the Senate committee was excused and Chairman White turned the meeting over to Mr. Wood

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A.B. 17, bill entitling stockholders to inspect, copy or audit financial records, was discussed and Mr. Torvinen stated that he sent the bill to the Chairman of the State Bar Association. Further discussion was deferred until word from him.

A.B. 16, authorizing the formation of limited reciprocal insurers, was discussed and Chairman Wood requested the views of Mr. Hannah and Mr. Mastos. Mr. Hannah stated that he had not studied the bill and therefore had no views. Mr. Mastos said he had discussed the bill with Mr. Kean and that he was hopeful that new matter would be put into the bill since quite a bit was lacking which could create problems for his office.

Mr. Bowler commented that the bill duplicated that contained in SB 39 and therefore was not pertinent. Thereafter Mr. Espinoza moved that the committee indefinitely table A.B. 16. Motion was seconded by Mr. Bowler. At this point Mr. Hannah and Mr. Mastos were excused and the vote was taken; unanimously passed.

A.B. 35, authorizing investment of certain public funds in bonds of International Bank for Reconstruction and Development and the Inter-American Development Bank, was brought before the committee. Mr. Bowler noted that A.B. 35 was a controversial bill and would most likely require several hearings. Chairman Wood concurred and said that the committee would do their best to handle most of this in regular meetings and try to keep the hearings to a minimum. A.B. 35 was deferred for future hearing with the time, place and date to be announced later.

A.B. 92, Limits benefit of official bonds, was presented and Chairman Wood asked for any information the committee may have pertaining to this bill. After discussion it was determined that the bill was drawn for the purpose of making it impossible to sue a County Assessor for monetary sums. Mr. Bowler moved that A.B. 92 be given a Do Pass and placed with the Assembly. Mr. Torvinen suggested that perhaps Mr. Lowman should be requested to appear before the committee to further explain the bill to the committee. Mr. Lowman then appeared and informed the committee that he had introduced A.B. 92 by request of the District Attorney of Clark County, Mr. George Franklin, who would be in town next week. Mr. Bowler then withdrew his motion of Do Pass and Mr. Franklin was to be requested to appear for further clarification of the bill.

Chairman Wood informed the members that A.B. 105, 106, 107, 108, 109, 110 and 111 would be heard at the same time as he wished the drafter of these bills to appear for hearing on them. They were scheduled for the next meeting on Thursday.

Mr. Mello moved for a 20 minute recess, meeting to reconvene at 11:00 a.m. Mr. Bowler seconded and motion was unanimously passed.

Mr. Bowler then requested that he be excused from further deliberations due to another meeting.

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Chairman Wood reconvened at 11:00 and interested persons were introduced: Mr. Douglas Erickson, Chief Deputy Commissioner of Insurance, Mr. T.L. Hutchings, Chairman of Nevada Industrial Commission and Mr. Mastos, Nevada Insurance Commissioner.

All members present with the exception of Mr. Bowler, who had been excused.

Chairman Wood requested Mello to give details on the proposed legislation whereupon Mello stated that the bill would have to do with uninsured motorist coverage payments regardless of NIC awards. He then asked Mr. Erickson if it were possible under Nevada law to collect from both of these agencies in the event of accident and Mr. Erickson replied in the negative. Mr. Mastos informed the committee that as it is set up now, the amount awarded under Nevada Industrial Commission is deducted from that amount of uninsured motorist coverage. He stated that this is tied in with financial and liability laws and the purpose of the coverage is to offer compensation when accident occurs with an uninsured motorist. The premium for this coverage is considered low.

Discussion was then held as to the personal liability requirements and it was noted that bills have been introduced this session to both raise and lower these requirements. It was pointed out that most states have 10-20 coverage and that upon research by the Committee on Federation of Insurance Companies, conclusion was reached that there is a small percentage of motorists who do not have this coverage. A few states have passed mandatory insurance coverage acts in this regard.

Mr. Hutchings on being asked how the death benefit was decided under NIC, said it was based on the total earnings of the decedent during his lifetime. They then took 50% of this figure and that amount is distributed through open-end payments to the widow and surviving children. He stated that NIC pays this amount regardless of any other coverage. It is possible under their rules, however, to take action against a third party and if successful could demand reimbursement. NIC does not allow lump sum payments at the time of death.

Mr. Hafen asked if by allowing both benefits to be paid the rates of the uninsured motorist coverage would be affected. Mr. Erickson said that the rates would most likely go up commensurate with the open-end coverage. The conditions under which this condition would occur, however, are perhaps a 50,000 to 1 chance and therefore the premium could not be raised excessively.

When asked if the insurance companies would be violently opposed to the exclusion of the NIC award provision, Mr. Erickson said in view of the benefit of this to the individual covered, there would be no opposition.

Discussion was then had on payments to beneficiaries whereupon it was determined that a widow draws the monthly benefits until she remarries. At that time, she could receive a lump sum equivalent to the amount she would have received in two years on the basis of the monthly payments being received. Children would draw their monthly benefits until age 18, unless they were incapacitated in any way and then they would draw for their lifetime.

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Mr. Capurro moved that the committee introduce the bill to assembly and Mello seconded the motion. Mr. Torvinen suggested that perhaps the bill should be held in committee for consideration to include it with SB 39 which the proposed bill would affect.

Mr. Capurro's motion that the bill be drafted, which bill would provide for uninsured motorist coverage payments in spite of NIC awards, was then voted upon and unanimously passed.

Mr. Capurro, Mello and Torvinen will consult with Mr. Erickson and Mr. T.L. Hutchings during the drafting of the bill.

BDR 52-669, prohibiting wholesale and retail sales below cost, was introduced to the committee and discussion was held, after which it was unanimously agreed not to introduce the bill to Assembly.

BDR 52-668, prohibiting false, deceptive and misleading advertising, was introduced to committee. Mr. Torvinen stated that there had been a similar bill introduced. Mello moved that the bill be introduced to Assembly and returned to Committee for further action. Motion seconded by Capurro and unanimously passed.

Chairman Wood announced that the new legislation to be prepared on uninsured motorist coverage would be presented before the Joint Commerce Committee in the event the bill is to be included with the new SB 39.

Next meeting scheduled for Thursday morning, February 6, 9:45.

Meeting adjourned.