

STUDY OF THE FEASIBILITY OF INSURING THE DRIVER INSTEAD OF THE MOTOR VEHICLE



Bulletin No. 87-26

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

August 1986

S T U D Y O F T H E
F E A S I B I L I T Y O F I N S U R I N G
T H E D R I V E R I N S T E A D O F
T H E M O T O R V E H I C L E

Bulletin No. 87-26

LEGISLATIVE COMMISSION
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LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

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Assembly Concurrent Resolution No. 54—Committee on Legislative Functions
FILE NUMBER...107.

ASSEMBLY CONCURRENT RESOLUTION—Directing the legislative commission to study the feasibility of requiring insurance for the driver instead of the motor vehicle

WHEREAS. Nevada has a law requiring every owner of a motor vehicle to provide security as proof of financial responsibility for payment of tort liabilities, but many owners still do not provide such security; and

WHEREAS. The cost of damages caused by uninsured motorists falls upon the person who is insured and his insurance company; and

WHEREAS. This causes the cost of insurance for a motor vehicle to rise sharply; and

WHEREAS. A way must be found to effectively require each person driving a motor vehicle to be financially responsible; now, therefore, be it

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING. That the legislative commission conduct a study into the feasibility of requiring insurance for each person issued a driver's license, rather than for the motor vehicle; and be it further

RESOLVED. That the legislative commission present its report and any recommendations for legislation to the 64th session of the legislature.

10  55

REPORT OF THE LEGISLATIVE COMMISSION
TO THE MEMBERS OF THE 64TH SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Assembly Concurrent Resolution Number 54 of the 63rd Session of the Nevada Legislature. Assembly Concurrent Resolution Number 54 directs the Legislative Commission to study the feasibility of requiring insurance for each person issued a driver's license, rather than for the motor vehicle.

In order to conduct the study the Legislative Commission, under the auspices of the Joint Interim Finance Committee, appointed a subcommittee to recommend appropriate action to the 1987 Session of the Legislature. Legislative members of the subcommittee were:

Assemblyman Bob Thomas, Chairman
Senator Ann O'Connell, Vice Chairman
Senator James H. Bilbray
Assemblyman Bruce R. Bogaert

In this report the subcommittee has attempted to present its findings and recommendations briefly and concisely. The report is intended as a useful guide to legislators. Considerable data was gathered in the course of the study, and much of it was provided in the form of exhibits that became part of the minutes of the subcommittee. The data which relates directly to the subcommittee's recommendations is included in the report. All supporting documents and minutes are on file with the Research Library at the Legislative Counsel Bureau, and are readily available to any member.

This report is transmitted to the Members of the 64th Session of the Nevada Legislature for their consideration and appropriate action.

Respectfully submitted,

Legislative Commission
Legislative Counsel Bureau
State of Nevada

Carson City, Nevada
August 1986

LEGISLATIVE COMMISSION

Assemblyman Louis W. Bergevin, Chairman

Senator James H. Bilbray
Senator Helen A. Foley
Senator Lawrence E. Jacobsen
Senator Kenneth K. Redelsperger
Senator Sue Wagner

Assemblyman Bob L. Kerns
Assemblyman Robert M. Sader
Assemblyman James W. Schofield
Assemblyman Danny L. Thompson
Assemblyman Barbara A. Zimmer

SUMMARY OF RECOMMENDATIONS

This summary represents the major conclusions reached by the subcommittee. These conclusions are based upon (1) suggestions which were made to the subcommittee at public hearings by representatives of the insurance companies and state agencies and interested citizens; (2) other correspondence to the members and staff of the subcommittee; and (3) the experience and knowledge of the members of the subcommittee.

The subcommittee recommends:

1. Making liability insurance covering a person who leases a motor vehicle from a short-term lessor primary and the liability insurance covering the short-term lessor secondary when that vehicle is involved in an incident which results in a claim for damages. (BDR 43-188)
2. Prohibiting misrepresentation of proof of responsibility for motor vehicle under NRS 485.350 and impose a mandatory penalty of a year imprisonment and a \$2,000 fine. (BDR 43-185)
3. Requiring the surrender of license plates if registration is suspended for a violation of the financial responsibility laws. Requiring a peace officer at the scene of an accident involving a motor vehicle to check information concerning suspensions of registration, and to seize the license plates and certificate of registration of any vehicle if the information indicates that the registration has been suspended for a violation of the financial responsibility laws. (BDR 43-186)
4. Requiring a peace officer to issue a traffic citation and seize the license plates and certificate of registration for failure to carry proof of current insurance in a motor vehicle. (BDR 43-187)
5. Allowing the Department of Motor Vehicles and Public Safety the discretion to not suspend registrations if the owner had good cause for his failure to respond to the sample for verification of insurance. (BDR 43-189)
6. Providing an exemption from the requirement of mandatory insurance if a motor vehicle, excluding commercial vehicles, is not being used on the public roads of this state and if a declaration of non-use is filed with the Department of Motor Vehicles and Public Safety. Requiring seizure of the license plates and certificate of registration if the vehicle is driven without proper insurance coverage. (BDR 43-190)
7. Allowing the owner of a noncommercial motor vehicle to have insurance covering himself as the operator of the vehicle in lieu of insurance covering the vehicle. (BDR 43-191)

REPORT OF THE LEGISLATIVE COMMISSION FROM THE
SUBCOMMITTEE TO STUDY THE FEASIBILITY OF INSURING THE
DRIVER INSTEAD OF THE MOTOR VEHICLE

I. INTRODUCTION

In 1985 the 63rd Session of the Legislature adopted Assembly Concurrent Resolution No. 54 which required the Legislative Commission to study the feasibility of requiring insurance for each person issued a driver's license, rather than for the motor vehicle. The Legislative Commission appointed a subcommittee to conduct the study. The members of the subcommittee were:

Assemblyman Bob Thomas, Chairman
Senator Ann O'Connell, Vice Chairman
Senator James H. Bilbray
Assemblyman Bruce R. Bogaert

The subcommittee held two meetings in Carson City. The first meeting consisted of a hearing to gather information concerning the current laws governing the requirement of financial responsibility for owners of motor vehicles. The second meeting was a work session to analyze the information received, consider alternative courses of action and adopt recommendations.

The subcommittee heard testimony from representative of insurance companies, officers and employees of the state and interested citizens. Representatives of the Department of Motor Vehicles and Public Safety provided expertise and greatly aided the subcommittee in its study of this complex and controversial subject.

II. FINDINGS AND RECOMMENDATIONS

A. VEHICLES LEASED FOR SHORT-TERM

A short-term lessor of vehicles is required by law to demonstrate his financial ability to respond to damages when registering those vehicles.¹ There are only a few insurers who are willing to insure such a business, often at very high rates. When an accident occurs in a vehicle leased by a short-term lessor, it is the lessor's liability insurance which is considered primarily liable for the damages incurred, while the lessee's liability insurance is considered excess coverage. Although many lessors now require a lessee to have insurance, and most insurers provide coverage for their policyholders which includes the policyholder's car and a rental car, the status of the liability of the lessor when a claim is filed is not affected. The financial burden on the lessor's

insurer is often passed on to the lessor, resulting in insurance rates which many lessors cannot afford. Since a certain dollar amount of coverage for liability is required by state law, a large claim or a series of claims for damages may put a short-term lessor out of business. The subcommittee, therefore, recommends:

Making the liability insurance covering a person who leases a motor vehicle from a short-term lessor primary and the liability insurance covering the short-term lessor secondary when that vehicle is involved in an accident which results in a claim for damages. (BDR 43-188)

B. SANCTIONS FOR FAILURE TO PROVIDE PROOF OF FINANCIAL RESPONSIBILITY

Proof of financial responsibility must be provided to the Department of Motor Vehicles and Public Safety upon registration², after certain accidents³ and for reinstatement of a driver's license or registration.⁴ An owner of a motor vehicle registered or required to be registered in this state must continuously maintain insurance covering the vehicle when that vehicle is registered or present in this state.⁵

It is a gross misdemeanor for a person to forge or knowingly to provide forged proof of financial responsibility.⁶ There is, however, no provision in the law specifically prohibiting a person from misrepresenting the validity of any required proof of financial responsibility. A person may claim that a particular policy of liability insurance is valid when it has previously expired or that the policy provides coverage for a certain vehicle or person when it does not in fact provide that coverage. To aid the Department of Motor Vehicles and Public Safety in its task of enforcing the policy of this state that every person driving a motor vehicle be financially responsible, the subcommittee recommends:

Prohibiting the misrepresentation of proof of financial responsibility for a motor vehicle under NRS 485.350 and imposing a mandatory penalty of imprisonment for 1 year and a \$2,000 fine. (BDR 43-185)

The Department of Motor Vehicles and Public Safety must suspend the registration and the driver's license of any person who violates the financial responsibility laws.⁷ Upon such a suspension, a person must surrender his license and registration to the department.⁸ It is unlawful in this state for a person to operate a motor vehicle when his license, registration or operating privilege has been revoked or suspended for any reason, including failure to maintain or provide proof of financial responsibility.⁹

A local law enforcement officer at the scene of an accident routinely requests information from the local law enforcement agency on outstanding warrants and other information concerning the drivers and the vehicles involved. The local agency may not, however, have information concerning whether a driver's license, registration or operating privilege has been revoked or suspended. That information is available from the Department of Motor Vehicles and Public Safety and can be obtained through the state computer system by the local agency.

A related problem is the difficulty of ensuring that a motorist does not operate a motor vehicle in violation of the financial responsibility laws. The subcommittee considered impounding a motor vehicle if a person is caught driving that vehicle without valid proof of insurance or registration, but decided against recommending such an extreme action because of the high cost of administration and the difficulty of protecting the interests of any person who holds a lien on the vehicle. It was suggested to the subcommittee that a better method would be to have a peace officer seize the license plates of any motor vehicle operated in violation of the financial responsibility laws since license plates serve as the only noticeable proof of valid registration. A peace officer could then issue a temporary permit to allow the vehicle to be driven to the residence of the registered owner. Although such a method of enforcement would involve additional costs to the state and may result in the situation where an owner of several vehicles rotates one set of plates among his vehicles, the subcommittee determined that such a sanction might serve as another incentive to motorists to comply with the financial responsibility laws. The subcommittee, therefore recommends:

Requiring the surrender of license plates if the registration is suspended for a violation of the financial responsibility laws. Requiring a peace officer at the scene of an accident involving a motor vehicle to request information concerning suspensions of registrations and requiring him to seize the license plates and registration of any vehicle if the information indicates that the registration has been suspended for a violation of the financial responsibility laws. (BDR 43-186)

If a person fails to maintain liability insurance, the suspension of his license and registration may depend, in some cases, upon a prior conviction for that offense,¹⁰ which carries a fine of up to \$300 and not more than \$500.¹¹ In order to obtain such a conviction, a traffic citation must be

issued. Peace officers often use their discretionary authority and do not cite an uninsured driver because of the existence of more serious charges. The subcommittee, therefore, recommends:

Requiring a peace officer to issue a traffic citation and seize the license plates and registration for failure to carry proof of current insurance in a motor vehicle. (BDR 43-187)

The Department of Motor Vehicles and Public Safety conducts a sample of certain registered vehicles in this state to verify insurance coverage.¹² As indicated by this program which was instituted in 1981, the department estimates that 8 to 10 percent of the registered motor vehicles in this state are not insured.

The representatives of insurance companies told the subcommittee that Nevada has an exceptional rate of compliance with the law mandating insurance compared to other states. Under this sample program the department is required to suspend the registration and require the surrender of the license plates of any vehicle if the owner fails to respond to the sample within a short time or if the alleged insurer denies that the vehicle is insured. The department does not have the authority to waive the requirement if there is a good reason, such as the owner's absence from the state, for his failure to respond. The subcommittee, therefore, recommends:

Allowing the Department of Motor Vehicles and Public Safety the discretion to not suspend a registration if the owner shows good reason for his failure to respond to the sample for verification of insurance. (BDR 43-189)

C. MAINTENANCE OF INSURANCE DURING THE PERIOD OF REGISTRATION

Registration of a motor vehicle is required only if the vehicle is to be operated on the public roads of this state.¹³ Current law requires the registered owner to maintain insurance covering the vehicle during the entire 12-month period of registration.¹⁴ This requirement applies even if the vehicle is only operated on a seasonal basis. A registered owner of several vehicles, some of which are used only a few times a year, must still incur the expense of continuously providing liability insurance for each vehicle all year. To provide relief to such an owner, it was suggested to the subcommittee that a procedure be established which would enable a registered owner to insure his vehicle only at the time that vehicle is being operated on the public roads of this state. This would require a change in the laws governing registration to allow a registered owner of a motor vehicle, excluding commercial

vehicles, to file a declaration of nonoperation, made under oath, with the Registration Division in lieu of proof of insurance and to require that owner to provide to the division proof of insurance before that vehicle can be subsequently operated on the public roads of this state. If the vehicle is then driven without proper insurance, the license plates and registration could be seized, in addition to the other penalties imposed by law. The subcommittee, therefore, recommends:

Providing an exemption from the requirement of mandatory insurance if a motor vehicle, excluding commercial vehicles, is not being used on the public roads of this state and if a declaration of non-use is filed with the Department of Motor Vehicles and Public Safety. Requiring seizure of the license plates and certificate of registration if the vehicle is driven without proper insurance coverage.
(BDR 43-190)

D. INSURING THE DRIVER INSTEAD OF THE MOTOR VEHICLE

Legislation which would have required insurance for the driver instead of the motor vehicle was introduced in skeleton form during the 1985 session of the legislature. In Assembly Bill No. 631, the requirement of insurance applied only to operators, not owners, and was made a condition of obtaining or renewing a driver's license instead of registering or renewing the registration for a particular vehicle. A policy of liability insurance covering the operator was substituted for a policy covering the motor vehicle as evidence of satisfying the requirement of financial responsibility. This bill was referred to the Assembly Committee on Commerce but was not reported out of that committee. Assembly Concurrent Resolution No. 54, which established the present study, was adopted in its stead.

Proponents of the concept of insuring the driver told the subcommittee that persons who own more than one motor vehicle are paying an exceptionally high price in insurance for the privilege of driving those vehicles. An owner can only operate one vehicle at a time. Since the actual responsibility for an accident is on the driver, not the vehicle, it would be much more equitable to insure an owner based on his driving record rather than on the number of vehicles that he owns.

Representatives of insurance companies told the subcommittee that many insurers already provide discounts for persons who insure several vehicles and different classifications of rates based on mileage. They criticized the concept of requiring insurance on the driver for many reasons. Most policies

covering the motor vehicle currently provide coverage for physical damage to that vehicle, especially since most lienholders require that the vehicle be covered by insurance to protect their interests. To provide comprehensive coverage for damage to the insured's vehicle an insurer may have to issue another policy or an endorsement to the policy insuring the owner as operator. This would result in increased administrative costs for the insurer, which would most likely be passed on to the insured by an increase in rates. There would be a substantial increase in the cost of insurance for a household where the number of drivers exceeds the number of vehicles, especially if there are student drivers or other drivers considered a high risk. A policy insuring the driver would not protect the owner of a vehicle, including an employer, under the legal principle which imputes liability to the owner for the acts of others operating his vehicle with his permission or as his agent. Commercial carriers are required by federal law to have a certain amount of coverage on each vehicle. Owners of vehicles who have insurance covering themselves as operators may encounter difficulties in another state that requires insurance on the vehicle. Of more importance is the fact that there would probably be an increase in the number of uninsured motorists since irresponsible owners would have more opportunity to circumvent the policy behind the financial responsibility laws.

The Department of Motor Vehicles and Public Safety informed the subcommittee that the department would have less control over the uninsured motorist than under the present system if the requirement of insurance is connected to the issuance of a driver's license. Since the period of renewal for a license is 4 years, compared to the annual renewal of registrations, there would be less chance of detecting a driver who terminates his insurance after obtaining or renewing his license.

The subcommittee considered the feasibility of requiring insurers to notify the state of any lapsed or cancelled policy of liability insurance issued to residents of this state. Under current law, an insurer is only required to notify the state under the sample for verification of insurance or when a policy which was issued to a person who has previously been convicted of driving without insurance is terminated.¹⁵ The subcommittee decided against recommending a more extensive system of notification because it was told that the programs in other states which require insurers to notify the state of lapsed insurance have proved to be very expensive due to the additional staff and labor required. There are also serious problems not only in matching any relevant information supplied by the insurers with the department's records, but also in matching the various computer systems used by the insurance companies and the state.

Insurers can now issue a policy of liability insurance to operators of motor vehicles. Under current financial responsibility laws such a policy is issued only to persons who do not own a motor vehicle and therefore provides coverage only for vehicles not owned by the insured.¹⁶ This type of policy does not provide as much protection as a policy covering the motor vehicle because it does not cover members of the insured's family or anyone who has his permission to use the vehicle. It was suggested to the subcommittee that the financial responsibility laws be changed to allow an operator's policy to cover the operation of any vehicle, including one owned by the insured. An operator's policy generally involves high rates and whether the insurance companies can develop a reasonable rate if the law is changed is a matter each insurer will have to evaluate.

The subcommittee decided to recommend that the requirement of insurance continue to be connected to the registration of vehicles but that owners of private, not commercial, motor vehicles be allowed the option of having insurance on the vehicle or on themselves as operators on the condition that a person who chooses an operator's policy be fully informed of the limits of the coverage provided by such a policy. The subcommittee, therefore, recommends:

Allowing the owner of a noncommercial motor vehicle to have insurance covering himself as the operator of the vehicle in lieu of insurance covering the motor vehicle. (BDR 43-191)

III. FOOTNOTES

1. NRS 482.295.
2. NRS 482.215 and 482.280.
3. NRS 485.190.
4. NRS 485.190, 485.230, 485.240, 485.302, 485.306, 485.307, 485.3099, 485.383 and 483.525.
5. NRS 485.185.
6. NRS 485.350.
7. NRS 485.190, 485.230, 485.240, 485.302, 485.3092, 485.326 and 485.383.
8. NRS 485.320.
9. NRS 485.330
10. NRS 485.190, 485.326, 485.383.
11. NRS 484.263.
12. NRS 485.383.
13. NRS 482.205.
14. NRS 482.215 and 485.280.
15. NRS 485.383 and 485.3092.
16. NRS 485.200, 485.308, 485.309 and 485.3091.

IV. SELECTED REFERENCES

Nevada Legislative Counsel Bureau, "Legislative History of Assembly Bill 631 from the 1985 Legislative Session," and "Legislative History of Assembly Concurrent Resolution 54 from the 1985 Legislative Session."

Research Board, Society of Chartered Property and Casualty Underwriters, "Insure the Driver - A Study," Annals of the Society of Chartered Property and Casualty Underwriters, pages 101-136, 1968.

V. APPEARANCES

The following is a list of the names of persons who appeared before the committee:

Virgil P. Anderson
California State Automobile Association
Sacramento, California

Jon Bell
Reno, Nevada

Hale Bennett
Chief, Registration Division
Department of Motor Vehicles and Public Safety
Carson City, Nevada

Terry Burke
Carson City, Nevada

Daryl E. Capurro
Nevada Motor Transport Association
Nevada Franchised Auto Dealers Association
Reno, Nevada

Ralph Crow
Carson City, Nevada

Jerry DeForest
Driver's License Division
Department of Motor Vehicles and Public Safety
Carson City, Nevada

Fred H. Dugger
Director
Department of Data Processing
Carson City, Nevada

Bob Feldman
Insurance Agents Protective Association
Las Vegas, Nevada

John Flanders
Carson City, Nevada

Ron Funk
Genoa, Nevada

Bill Garrison
Genoa, Nevada

V. APPEARANCES (continued)

Richard R. Garrod
Farmers Insurance Group
Sacramento, California

David A. Gates
Commissioner
Insurance Division
Carson City, Nevada

John J. Gordon
State Farm Mutual Auto Insurance Company
Albuquerque, New Mexico

Travis T. Hipp
Silver City, Nevada

Chuck Knaus
Casualty Actuary
Insurance Division
Carson City, Nevada

Ray J. Mitchell
Virginia City, Nevada

George Ough
Carson City, Nevada

Jerald Patterson
Farmers Insurance Group
Phoenix, Arizona

Frank Shesler
Carson City, Nevada

Don Soldani
California State Automobile Association
Sacramento, California

Donna Varin
Chief, Driver's License Division
Department of Motor Vehicles and Public Safety
Carson City, Nevada

Steve Wise
Carson City, Nevada

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APPENDIX A

Statistical report prepared by the
Registration Division of the
Department of Motor Vehicles and
Public Safety, which indicates the
total number of vehicles registered
in Nevada as of January 24, 1986

Program 1694
Run date 1/24/86

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DEPARTMENT OF MOTOR VEHICLES
REGISTRATION DIVISION
STATISTICS BY VEHICLE TYPE BY COUNTY

ACTIVE RECORDS FOR 1987 Expiration

COUNTY OF RESIDENCE	PASS	TRUCK	TRLR H/HGT	MCYCLE	HAM PASS	HAM TRUCK	HAM TRLN	TRAVEL TRLN	SPELL	PERS PASS	PERS TRUCK	PERS TRLN	PERS MCYCLE	EXRS	TOTAL
CHICHESTER	152	85	30	3	0	0	0	7	1	5	3	0	0	0	280
CLARK	16435	4614	1236	451	19	7	0	358	39	863	154	13	10	0	24199
DIMICKS	339	133	45	5	0	0	0	10	2	29	9	0	0	4	572
ELKO	208	144	32	2	0	0	0	12	1	8	4	0	0	0	411
ESMERALDA	7	2	0	0	0	0	0	0	0	0	0	0	0	0	9
FAIRFAX	1	5	2	0	0	0	0	0	0	0	0	0	0	0	8
HUMBOLDT	91	54	16	0	0	0	0	5	1	3	1	0	0	0	171
LATIMER	5	5	2	0	0	0	0	0	1	0	0	0	0	0	13
LEITCH	10	1	1	0	0	0	0	0	0	0	0	0	0	0	12
LYNN	167	87	19	5	0	1	0	4	1	10	5	0	0	0	304
METCAL	60	33	12	0	0	0	0	7	1	4	2	0	0	0	117
MYE	110	54	12	2	0	0	0	6	1	5	1	0	0	0	195
CARSON CITY	1212	452	127	17	2	0	0	24	4	92	34	1	0	0	1770
PENNINGTON	3	2	1	0	0	0	0	0	0	0	0	0	0	0	5
STURGEON	30	8	3	0	0	0	0	1	0	1	0	0	0	0	43
WASHOE	5976	2112	534	167	5	4	0	149	20	364	120	6	4	0	9103
WHITE PINE	50	42	9	0	0	0	0	2	0	2	2	0	0	0	107
FRANKS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	24856	7937	2081	592	26	12	0	595	72	1380	335	22	14	0	37628

Program 1694
Run date 1/24/86

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DEPARTMENT OF MOTOR VEHICLES
REGISTRATION DIVISION
STATISTICS BY VEHICLE TYPE BY COUNTY

ACTIVE RECORDS FROM 1986 Expiration

COUNTY OF RESIDENCE	PASS	TRUCK	TLR	MCYCLE	NAM PASS	NAM TRUCK	NAM TLR	TRAVEL TLR	SPECL	PERS PASS	PERS TRUCK	PERS TLR	PERS MCYCLE	EMNS	TOTAL
BRANCHILL	7692	5288	2296	348	8	1	0	977	0	344	149	6	3	0	17162
CLARK	271396	78591	24978	18206	185	79	0	6461	0	16867	2431	144	174	0	412482
DUNN	13989	6756	2622	575	21	12	0	807	0	1508	460	27	18	0	26715
ELK	9863	7138	2204	391	8	9	0	844	0	398	177	2	3	0	21047
FARMERDALE	563	612	188	53	0	1	0	82	0	17	4	0	0	0	1525
GEORGETOWN	484	689	216	5	0	0	0	62	0	18	15	0	0	0	1443
HUMPHREY	4391	3598	1173	170	6	3	0	464	0	230	128	4	4	0	19171
LAYTON	2816	1633	575	62	2	0	0	226	0	84	53	4	0	0	4655
LEACORN	1577	1312	364	71	3	0	0	221	0	49	29	0	0	0	3626
LYNN	8566	6005	2168	399	17	9	0	1076	0	518	236	11	10	0	19007
MIDLAND	2499	1917	575	171	4	3	0	354	0	145	71	2	4	0	6245
NEL	7317	5182	1446	427	8	7	0	852	0	427	180	4	15	0	15685
OKMONG CITY	20218	8524	3488	979	41	14	0	1088	3	2322	703	51	36	0	37463
PENNING	1388	1498	350	54	2	3	0	159	0	65	35	2	1	0	3037
STONEY	1044	568	179	54	3	3	0	56	0	101	60	0	1	0	2073
WASHOE	114076	44565	15155	4853	132	68	0	5681	0	9050	2130	125	104	0	145664
WHITE PINE	3861	3234	873	160	5	4	0	571	0	163	77	0	1	0	8444
YUMING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	471248	176674	59342	19028	445	216	0	20351	3	32348	7443	382	379	0	767449

Balance from page 1 37828
825727

APPENDIX B

Statistical report prepared by
the Driver's License Division of
the Department of Motor Vehicles
and Public Safety which indicates
the number of drivers licensed in
Nevada as of February 28, 1986

PROGRAM 2850
 RUN DATE 02/28/86

DEPARTMENT OF MOTOR VEHICLES
 DRIVERS LICENSE DIVISION
 STATISTICAL REPORT BY LICENSE TYPE

PAGE 1 OF 2

LICENSE CLASS	1	2	3	4	6	1/4	2/4	3/4	6/4	TOTAL
ACTIVE-----	12035	2987	638282	212	45	3519	458	35550	1	693849
INACTIVE-----	803	243	45310	43	10	144	35	2157	0	48745
SUSPENDED-----	466	120	25740	62	1	40	25	1914	0	28418
REVOKED-----	107	65	11348	8	1	46	5	725	0	12507
CANCELLED-----	107	12	4170	21	2	13	0	145	0	4470
DENIED-----	14	1	653	7	0	1	0	45	0	721
EXPIRED-----	3481	1230	194321	286	21	691	136	10836	1	211003
TOTAL	18013	4658	919824	639	80	4506	659	51372	2	999753
*PERMITS FOR ABOVE										
HANDICAP-----	0	0	1	0	0	0	0	0	0	1
HANDSHIP-----	2	0	107	1	0	0	0	0	0	110
SCUOL-----	0	0	19	1	0	0	0	0	0	20
INSTRUCTION-----	55	19	13940	61	3	0	0	0	0	14078
NORMAL-----	17956	4639	905757	576	77	0	0	0	0	929005
I.D. CARDS										
ACTIVE-----										36926
INACTIVE-----										7952
REVOKED-----										6
SUSPENDED-----										1
CANCELLED-----										0
DENIED-----										0
TOTAL										44879
RECORDS WITH NO LICENSE OR I.D. CARD STATUS ON FILE NOT COUNTED ABOVE-----										
										55243
RECORD WITH MULTIPLE CONFLICTING STATUSES NOT COUNTED ABOVE-----										
										9522
IMPAIRED MALES-----> 36382 IMPAIRED FEMALES-----> 9734 TOTAL IMPAIRED-----> 46116										
TOTAL RECORDS ON FILE-----> 1109437										
MONTHLY ISSUE OF DRIVER'S LICENSE/I.D.CARDS-----> 27541										
YEAR TO DATE ISSUE OF DRIVER'S LICENSE/I.D.CARDS-----> 60726										

PROGRAM 2850
REPORT DATE 02/28/86

DEPARTMENT OF MOTOR VEHICLES
DRIVERS LICENSE DIVISION
STATISTICAL REPORT BY AGE

PAGE 2 OF 2

AGE	MALE	FEMALE	TOTAL
JUNIOR	1184	1051	2235
16 YEARS	4675	4006	8681
17 YEARS	6439	5115	11554
18 YEARS	7557	6022	13579
19 YEARS	8633	7143	15776
20 YEARS	9915	7982	17897
21 YEARS	11574	9426	21000
22 YEARS	12315	10446	22761
23 YEARS	13733	11245	24978
24 YEARS	14597	12323	26920
25-29 YEARS	83597	69321	152918
30-34 YEARS	84493	67635	152128
35-39 YEARS	75930	58433	134363
40-44 YEARS	57827	42829	100656
45-49 YEARS	45883	33646	79529
50-54 YEARS	38165	27956	66121
55-59 YEARS	35497	26975	62472
60-64 YEARS	34178	26458	60636
65-69 YEARS	28554	21671	50225
70 AND OVER	54351	30657	85008
TOTAL	629097	480340	1109437

APPENDIX C

Statement prepared by Farmers
Insurance Group of Companies
showing the effects of the "Insure
the Driver" concept

NEVADA

LICENSED MOTOR VEHICLES			DRIVERS BY CLASS, SEX				
Private Passenger Cars	Trucks	Motorcycles	Class I	Class II	Class III	Male	Female
496,144	184,511	19,522	17,961	4,665	929,594	629,097	480,340

LICENSED DRIVERS BY AGE AND SEX

Ages	0-15	16-17	18-24	25-34	35-44	45-54	55-64	65+
Male	1,184	11,114	78,324	168,090	133,757	84,048	69,675	82,905
Female	1,051	9,121	64,587	136,956	101,262	61,602	53,433	52,328
TOTAL	2,235	20,235	142,911	305,046	235,019	145,650	123,108	135,233

Licensed Drivers (holders of Class I and Class II Driver's License) who would be insuring the employers motor vehicle during course of employment.

Class I	Class II	TOTAL
17,961	4,665	22,626

The private passenger car total should be increased by 154,048 = 625,336 as Nevada records do not differentiate between commercial vehicles and small 4x4's or other small trucks. By using Class I and Class II Licensees (22,626) this could mean about 22,626 large vehicles; 184,511 - 22,626 = 161,885 personal use, or driven with Class III License, this 161,885 should increase the passenger vehicle class from 496,144 to 658,029.

D.M.V. records show 999,753 Licensed Drivers for 658,029 Licensed Vehicles. If all these vehicles are insured, this would mean 658,029 named insured on insurance policies, with 355,772 permissive users who would be required to purchase an insurance policy under "Insure the Driver Only" plan.

999,753	Licensed Drivers
14,048	Instruction Permits
1,013,801	Total
-658,029	Passenger Cars
355,772	Uninsured Drivers

Farmers Insurance Group of Companies records for 1985 show that 65% of their insured carry comprehensive and collision coverage. This is because of financing requirements or prudence. If this figure is indicative of Nevada's average insured, it indicates that 427,718 Nevadans will have to purchase a second policy of insurance because of prudence, or to satisfy a financing requirement under an "Insure the Driver Only" policy.

NEVADA AUTOMOBILE INSURANCE POLICY CONTENTS			
PRESENT POLICY	Bodily Injury Property Damage	Driver Other Non-owned Automobile	Collision, Comprehensive on the Described Automobile
	Meets Financial Responsibility laws of all States	Permissive User Clause covers all members of the family and household	Uninsured Motorist coverage Underinsured Motorist coverage
	Vicarious Liability accrued to owning described automobile	Minor Child Liability while oper- ating owned or non-owned motor vehicle	Medical Insurance for Insured and passengers
"INSURE THE DRIVER ONLY" POLICY	Bodily Injury Property Damage	Drive Other Car coverage	Uninsured and Underinsured motorist
			Medical Insurance for Insured and passengers

All coverages not listed in the "Insure the Driver Only" section would require a separate policy.

The Financial Responsibility laws of the other 49 States require an "Automobile Insurance Policy."

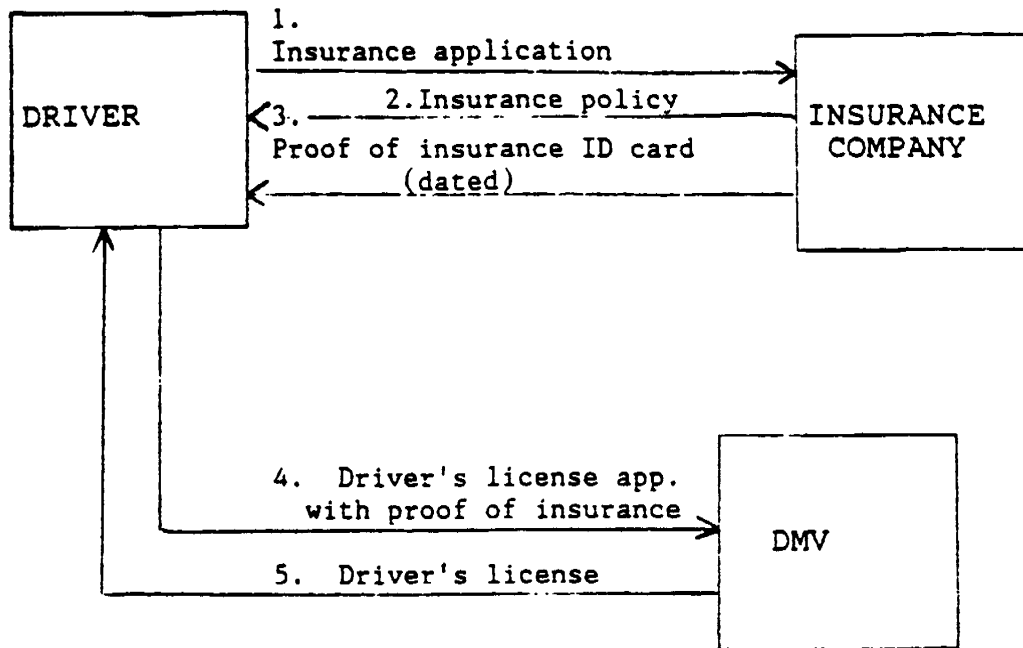
The passage of this type of legislation would require substantial changes in the Insurance Code, Motor Vehicle Code and the Financial Responsibility Act.

In summary, the proposed "Insure the Driver Only" concept would require the automobile-owning-or-driving public to purchase 783,490 additional policies of insurance, or more than double the number of policies on owned automobiles (658,029 policies) at the present time.

APPENDIX D

Analysis, prepared by Fred H.
Dugger, director of Department
of Data Processing, of three
approaches to concept of insuring
the driver

DRIVER LIABILITY INSURANCE -- DRIVER RESPONSIBILITY



Assumptions:

1. Driver is required to carry valid proof of insurance ID card when driving or obtaining license.
2. Driver must show ID card to law enforcement officer in the same manner as driver's license is now required.

Option - Driver Responsibility

Advantages

1. No requirement for DMV to process insurance company data and reports.
2. Simple to administer.
3. ID card is checked for validity upon license renewal or whenever driver is stopped.

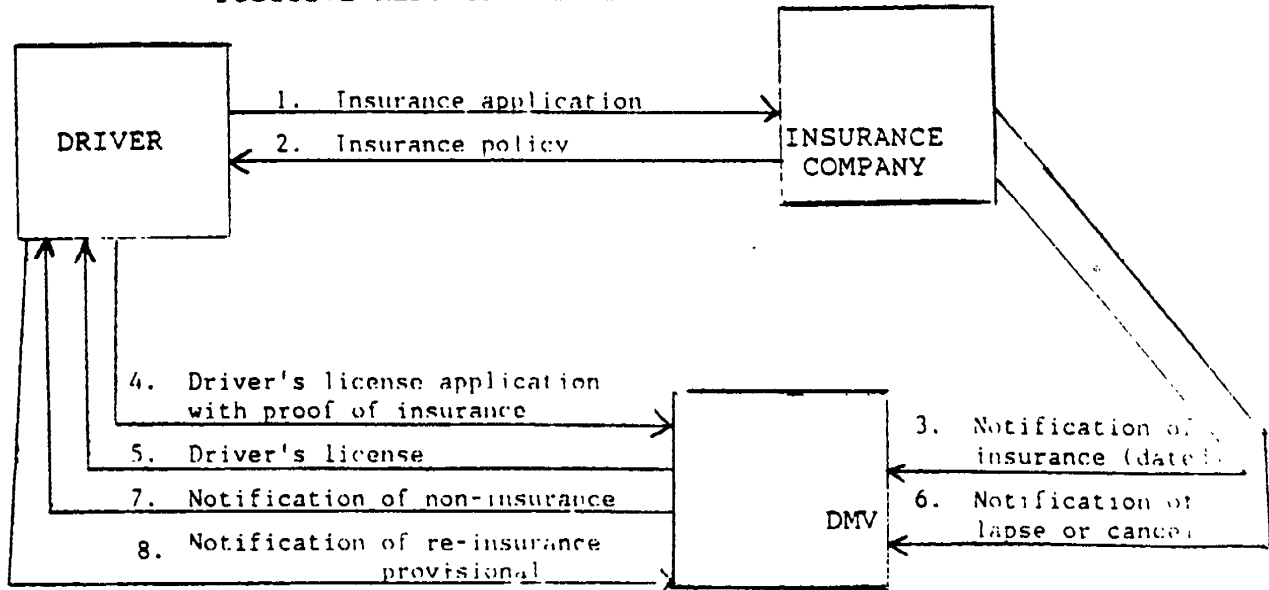
Disadvantages

1. Driver may cancel policy without notification to DMV.

Costs

1. Insurance companies must provide insurance ID cards to driver.

DRIVER LIABILITY INSURANCE
POSITIVE REPORTING BY INSURANCE COMPANY



Assumptions:

1. Driver must provide proof of insurance at license issue or renewal.
2. Insurance companies are required to notify DMV of all policy issues, cancels or lapses.
3. Driver must show proof of insurance to reinstate license provisionally.
4. Insurance company must show new policy issue to fully reinstate.

Option -- Positive Reporting by Insurance Companies

Advantages

1. Evidence of insurance or policy cancellations comes directly from insurance companies.
2. Current status of insurance would be available by on-line inquiry (e.g., NHP dispatch).

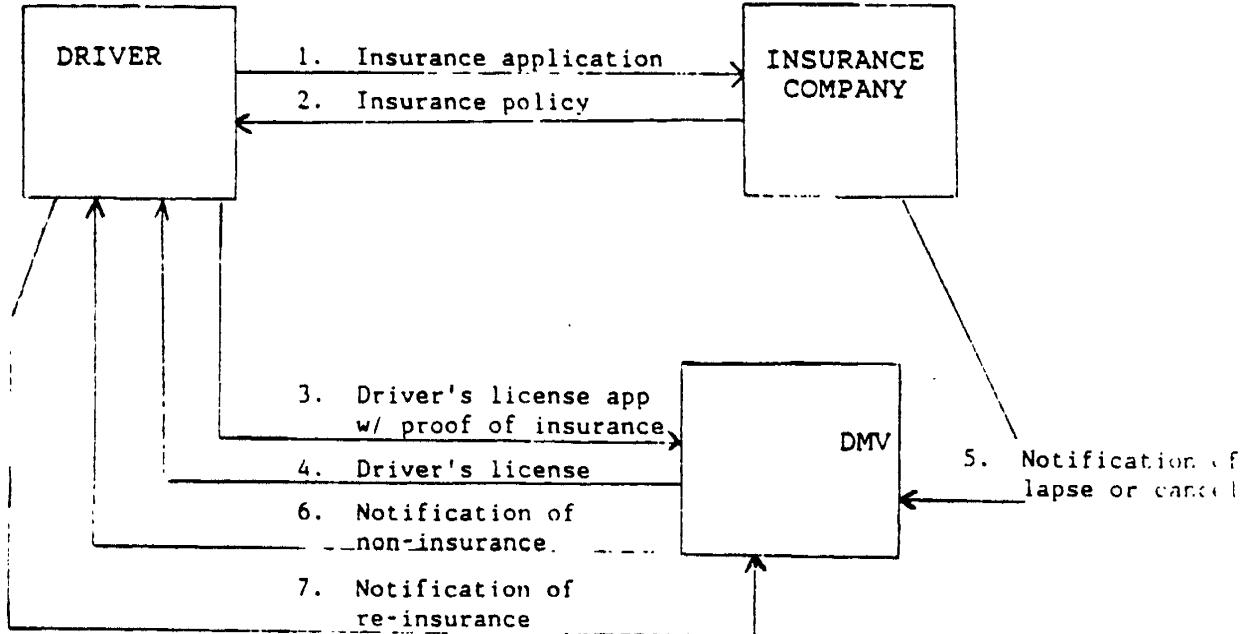
Disadvantages

1. Requires over one million transactions per year to be processed by DMV, possibly much more.
2. Would have to allow for many forms of input from the insurance companies, such as magnetic tape, printed reports, telecommunications, etc. Could not require a common telecommunications standard because of the wide diversity of transmission protocols and formats existing among the various computer manufacturers.
3. Would be difficult to keep data current. Would have to allow for processing of applications within the companies. How long should each company have to report a lapsed policy?
4. Would require much dialogue between DMV and the companies to resolve disputes and effective dates.
5. Assume some legal liability questions. What is the company's liability if a license is cancelled in error?

Costs

1. If it cost one dollar per transaction to process each transaction at DMV, data processing operating costs would exceed one million dollars a year. Other associated operating costs would probably exceed that figure.
2. Similar costs would be incurred by the insurance companies.
3. Programs would have to be developed at DMV and at each insurance company to generate and process the data.
4. Staffing would have to be increased to handle exchange between DMV and insurance companies.

DRIVER LIABILITY INSURANCE
EXCEPTION REPORTING BY INSURANCE COMPANIES



Assumptions:

1. Driver must provide proof of insurance at license issue or renewal.
2. Insurance companies are required to notify DMV of all policy cancels or lapses.
3. Driver must show proof of insurance to reinstate license after any policy cancels or lapses.

Option -- Exception Reporting by Insurance Company

Advantages

1. Evidence of policy cancellations comes directly from the insurance companies.
2. Current status of insurance would be available by on-line inquiry (e.g., NHP dispatch).

Disadvantages

1. Requires all cancellation/termination transactions to be processed by DMV. Volume unknown.
2. Would have to allow for many forms of input from the insurance companies, such as magnetic tape, printed reports, telecommunications, etc. Could not require a common telecommunications standard because of the wide diversity of transmission protocols and formats existing among the various computer manufacturers.
3. Would be difficult to keep data current. Would have to allow for processing of applications within the companies. How long should each company have to report a lapsed policy?
4. Would require much dialogue between DMV and the companies to resolve disputes and effective dates.
5. Assume some legal liability questions. What is the company's liability if a license is cancelled in error?
6. Must rely on driver for evidence of initial insurance and re-insurance in the event of cancellation, just as if full responsibility were on the driver.

Costs

1. If it cost one dollar per transaction to process each transaction at DMV, and if there were 200,000 transactions per year, the data processing cost would be \$200,000 per year. Other operating costs would probably exceed that figure.
2. Similar costs would be incurred by the insurance companies.
3. Programs would have to be developed at DMV and at each insurance company to generate and process the data.

4. Staffing would have to be increased to handle exchange between DMV and the insurance companies.

APPENDIX E

Suggested Legislation

	<u>Page</u>
BDR 43-188.... Assigns primary and secondary liability of insurers for damage caused by motor vehicle under short-term lease.....	41
BDR 43-185.... Prohibits misrepresentation of proof of financial responsibility for motor vehicle.....	43
BDR 43-186.... Requires surrender of license plates when registration suspended for failure to maintain proof of financial responsibility.....	45
BDR 43-187.... Requires peace officer to issue citation and take possession of registration and license plates for failure to provide proof of financial responsibility.....	47
BDR 43-189.... Provides exception to mandatory suspension of registration of motor vehicle for failure of owner to submit form for verification of insurance coverage.....	51
BDR 43-190.... Removes requirements for maintaining proof of financial responsibility if motor vehicle not operated in state.....	53
BDR 43-191.... Allows insurance covering operator of motor vehicle in lieu of insurance covering motor vehicle.....	65

SUMMARY---Assigns primary and secondary liability of insurers for damage caused by motor vehicle under short-term lease. (BDR 43-188)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to motor vehicles; making the insurer of the lessee primarily liable and the insurer of the lessor secondarily liable for damages resulting from an accident involving a motor vehicle under a short-term lease; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 482.295 is hereby amended to read as follows:

482.295 1. The department shall not register a vehicle intended to be leased by a short-term lessor until the owner [shall demonstrate] demonstrates to the department his financial ability to respond to damages [as follows:

(a) By carrying] by:

(a) Carrying insurance in an insurance company [or companies] approved by the insurance commissioner of this state as provided in subsection 2 and NRS 482.305;

(b) [By filing] Filing with the department a surety bond in the principal sum of \$100,000 with an admitted insurer as surety for the protection of the lessee of the vehicle; or

(c) [By making and thereafter] Depositing with the director and continuously maintaining on deposit [in this state through the director,] cash or securities , such as may be legally purchased by savings banks or for trust funds, of a fair market value of not less than \$100,000 for the protection of the lessee of the vehicle.

2. If the owner's demonstration of financial ability is pursuant to paragraph (a) of subsection 1, it [shall] must be as follows:

(a) If he [apply] applies for registration of one motor vehicle, insurance in the sum of at least \$15,000 for any person injured or killed and in the sum of \$30,000 for any number more than one injured or killed in any one accident.

(b) If he [apply] applies for the registration of more than one motor vehicle, then the insurance in the foregoing sums for one motor vehicle [and] plus \$5,000 additional for each motor vehicle in excess of one.

3. In any case, the owner's demonstration of financial ability is sufficient if he carries insurance or provides a surety bond or deposits cash or securities in the sum of \$100,000 for any number of motor vehicles.

4. If the short-term lessor carries insurance pursuant to paragraph (a) of subsection 1 and a short-term lessee is involved in an accident while operating a leased vehicle, the insurer of the short-term lessee is primarily liable and the insurer of the short-term lessor is secondarily liable for any damages caused by the negligence of:

(a) The short-term lessee in operating the vehicle; or

(b) Any person operating the vehicle by or with the permission of the short-term lessee.

unless a different assignment of liability is specified in the lease. This subsection applies only to policies of liability insurance issued or renewed on or after July 1, 1987.

SUMMARY---Prohibits misrepresentation of proof of financial responsibility for motor vehicle. (BDR 43-185)

FISCAL NOTE: Effect on Local Government: Yes.

Effect on the State or on Industrial Insurance: No.

AN ACT relating to motor vehicles; prohibiting the misrepresentation of proof of financial responsibility; providing a mandatory penalty for misrepresentation or forgery of proof of financial responsibility; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 485.350 is hereby amended to read as follows:

485.350 1. Any person who [forges] ;

(a) Forges or, without authority, signs any notice provided for under this chapter that a policy or bond is in effect, or any evidence of proof of financial responsibility [, or who files] ;

(b) Files or offers for filing any such notice or evidence of proof knowing or having reason to believe that it is forged or signed without authority [, shall be] ; or

(c) Misrepresents the validity of any policy, bond or other evidence of proof of financial responsibility required under this chapter,
is guilty of a gross misdemeanor.

2. The court shall sentence any person convicted of violating the provisions of this section to imprisonment in the county jail for 1 year and fine him \$2,000. The person convicted may not be granted probation and the sentence may not be suspended.

SUMMARY---Requires surrender of license plates when registration suspended for failure to maintain proof of financial responsibility. (BDR 43-186)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to motor vehicles; requiring the surrender of license plates when registration is suspended for failure to maintain proof of financial responsibility; requiring a peace officer at the scene of an accident to request information concerning validity of registration; requiring the seizure of the registration and the license plates if the registration is determined to be suspended for certain reasons; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 484 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A peace officer at the scene of an accident involving a motor vehicle shall, by radio, request that the information on file with the department be checked regarding the validity of the registration for each motor vehicle involved in the accident. If he is informed that the registration of a motor vehicle involved in the accident has been suspended pursuant to any provision of chapter 485 of NRS, he shall determine whether the license plates and certificate of registration for the motor vehicle have been surrendered as required by NRS 485.320. If the license plates and certificate have not been surrendered, the peace officer shall:

(a) Issue a traffic citation in the manner provided in NRS 484.799 charging the registered owner with a violation of NRS 485.320 and 485.330; and

(b) Seize the license plates and certificate of registration.

2. If the motor vehicle is in such a condition that it can be driven safely, the peace

officer shall issue to the operator a temporary permit to operate the motor vehicle, valid for 24 hours, to allow the motor vehicle to be driven to the residence of the registered owner.

3. The peace officer shall return to the department any certificate of registration and license plates he so seizes.

Sec. 2. NRS 485.320 is hereby amended to read as follows:

485.320 1. [Any person whose license or registration shall have been suspended as provided in this chapter, or whose policy of insurance or bond, when required under this chapter, shall have been canceled or terminated; or who shall neglect to furnish other proof upon request of the division, shall immediately return his license and registration to the division.

2. If any person shall fail to return to the division the license or registration as provided herein,] If the license of any person is suspended as provided in this chapter, he shall immediately return the license to the division. If his registration is suspended, he shall immediately return the certificate of registration and the license plates to the division.

2. If any person fails to return any item as required by subsection 1, the division shall forthwith direct any peace officer to secure possession thereof and to return the [same] item to the division.

Sec. 3. NRS 485.340 is hereby amended to read as follows:

485.340 Any person willfully failing to return a license [or] , certificate of registration or license plate as required in NRS 485.320 [shall be] is guilty of a misdemeanor.

SUMMARY---Requires peace officer to issue citation and take possession of registration and license plates for failure to provide proof of financial responsibility. (BDR 43-187)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to motor vehicles; requiring a peace officer to request proof of financial responsibility; requiring him to issue a traffic citation and take possession of the motor vehicle's registration and license plates if such proof is not provided; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 484.813 is hereby amended to read as follows:

484.813 1. Every peace officer upon issuing a traffic citation to an alleged violator of any provision of the motor vehicle laws of this state or of any traffic ordinance of any city or town shall deposit the original or a copy of the traffic citation and any certificate of registration and license plates surrendered pursuant to section 3 of this act with a court having jurisdiction over the alleged offense or with its bureau of traffic violations . [bureau.]

2. Upon the deposit of the original or a copy of the traffic citation with a court having jurisdiction over the alleged offense or with its bureau of traffic violations , [bureau.] the traffic citation may be disposed of only by trial in that court or other official action by a judge of that court, including forfeiture of the bail, or by the deposit of sufficient bail with, or payment of a fine to, the bureau of traffic violations [bureau] by the person to whom the traffic citation has been issued by the peace officer.

3. [It is unlawful and official misconduct for any peace officer or other officer or

public employee to dispose of a traffic citation or copies of it or of the record of the issuance of a traffic citation in a manner other than as required in this section.

4.] The chief administrative officer of every [traffic enforcement] agency for the enforcement of traffic laws shall require the return to him of a copy of every traffic citation issued by an officer under his supervision to an alleged violator of any traffic law or ordinance and of all copies of every traffic citation which has been spoiled or upon which any entry has been made and not issued to an alleged violator.

[5.] 4. The chief administrative officer shall also maintain or cause to be maintained a record of every traffic citation issued by officers under his supervision. The record must be retained for at least 2 years after issuance of the citation.

5. It is unlawful and official misconduct for any peace officer or other public employee to dispose of:

(a) A traffic citation or copy thereof;

(b) The record of the traffic citations issued; or

(c) A certificate of registration or license plate which has been surrendered to him.

in a manner other than as required in this section.

Sec. 2. Chapter 485 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this act.

Sec. 3. When in the performance of his duty a peace officer has cause to stop a motor vehicle or otherwise approach the operator of a motor vehicle which is registered or required to be registered in this state, in addition to performing any actions that relate to the primary purpose for which he has stopped the motor vehicle or approached the operator, the peace officer shall demand proof of the security required by NRS 485.185. If the proof is not provided upon his demand, the peace officer shall issue to the operator a traffic citation in the manner provided in NRS 484.799 charging him with a violation of subsection 1 of section 4 of this act. Upon the issuance of the citation, the operator shall surrender and the peace officer shall

take possession of the certificate of registration and the license plates of that motor vehicle. The peace officer shall, if the motor vehicle is in such a condition that it can be driven safely, issue to the operator a temporary permit for the operation of the motor vehicle, valid for 24 hours, to allow the motor vehicle to be driven to the residence of the registered owner.

Sec. 4. 1. Except as otherwise provided in subsection 5, a person shall not:

(a) Operate a motor vehicle registered or required to be registered in this state without having security covering the vehicle as required by NRS 485.185.

(b) Operate or knowingly permit the operation of a motor vehicle without having evidence of current insurance in the vehicle.

(c) Fail or refuse to surrender, upon demand, to a peace officer or to an authorized representative of the department proof of security.

2. Except as otherwise provided in subsection 3, any person who violates subsection 1 shall be fined not less than \$300 nor more than \$500. If a fine is imposed, the court shall return to the department the registration and license plates surrendered pursuant to section 3 of this act pending the expiration or reinstatement of the registration.

3. If the person who violated subsection 1 presents evidence to the court that the security required by NRS 485.185 was in effect at the time demand was made for it:

(a) The registration and license plates surrendered pursuant to section 3 of this act must be returned to the registered owner; and

(b) No fine may be imposed for the violation.

4. Failure to deposit security if so required by the provisions of NRS 485.190 is prima facie evidence of violation of the provisions of this section.

5. The provisions of paragraphs (b) and (c) of subsection 1 do not apply if the motor vehicle in question displays a valid permit issued by the department pursuant to NRS 482.3212, 482.396, 482.423 or 482.424 authorizing the movement or operation of that vehicle within the state for a limited time.

Sec. 5. NRS 485.326 is hereby amended to read as follows:

485.326 The department shall suspend the license of any person convicted of violating [NRS 485.185] subsection 1 of section 4 of this act and the registration of the vehicle described on the report of conviction. The license and registration must remain suspended until he shows proof of financial responsibility as set forth in NRS 485.307. He shall maintain proof of financial responsibility for 3 years after the reinstatement of his license and registration in accordance with the provisions of this chapter, and if he fails to do so, the division shall suspend his license and registration.

Sec. 6. NRS 484.263 is hereby repealed.

SUMMARY---Provides exception to mandatory suspension of registration of motor vehicle for failure of owner to submit form for verification of insurance coverage. (BDR 43-189)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to motor vehicles; providing an exception to the provision requiring the mandatory suspension of the registration upon the owner's failure to submit a completed form for the verification of insurance coverage; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 485.383 is hereby amended to read as follows:

485.383 1. The department shall annually select a sample of not less than 10 percent of all motor vehicles registered in this state, except motorcycles and motor homes, on which the security is a contract of insurance for a verification of motor vehicle insurance.

2. The department shall [send] mail a form for verification to the owner of each vehicle selected for verification of insurance. The owner shall complete the form with all the information which is requested by the department and return the form and evidence of the insurance within 15 days [.] after the date on which the form was mailed by the department.

3. When the department receives a completed form for verification it shall [send] mail the form to the named insurer.

4. Upon receipt of a form for verification of insurance from the department, the insurer shall verify the information on the form and return it to the department only if the insurer does not have a current contract of insurance covering the vehicle.

5. [The] Except as otherwise provided in subsection 6, the department shall suspend the registration of the vehicle and require the return to the department of the license plates of any vehicle for which a form for verification is not returned to the department by the owner within 15 days or for which the form for verification is returned by the insurer with a denial of coverage.

6. If an owner who did not return a completed form for verification within the specified period:

(a) Proves to the satisfaction of the department that there was a justifiable cause for his failure to do so; and

(b) Submits a completed form and evidence of insurance immediately thereafter.
the department shall accept the form and evidence and mail it to the named insurer.
If the form is not returned by the insurer with a denial of coverage, the department shall not suspend the registration or require the return of the license plates.

7. Except as otherwise provided in subsection [10,] 11, the department shall reinstate the registration of a vehicle and reissue the license plates only upon filing by the owner of proof of financial responsibility for a period of 3 years.

[7.] 8. A denial of coverage, signed by an officer or agent of an insurer, is prima facie evidence of a false certification.

[8.] 9. If the department believes a person has violated the provisions of NRS 485.185, it shall notify the district attorney of the county in which the person resides.

[9.] 10. An insurer, its agents, the department and its employees who act pursuant to this section in good faith and without gross negligence are immune from civil liability for those acts.

[10.] 11. If an owner proves to the satisfaction of the department that his vehicle was not used in this state for a 30-day period, including the date on which the sample was taken, the department shall not require him to file proof of financial responsibility as a prerequisite to reinstating his registration and reissuing his license plates.

SUMMARY---Removes requirements for maintaining proof of financial responsibility if motor vehicle not operated in state. (BDR 43-190)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to motor vehicles; removing the requirement for maintaining proof of financial responsibility if a vehicle is not operated in this state; providing procedures for placing registration on inactive status during a period of non-operation; requiring a police officer to seize the registration and the license plates if the vehicle is operated without evidence of security; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

1. An applicant for the registration of a motor vehicle or the renewal of the registration may, in lieu of submitting to the department the proof of security required in paragraph (e) or (f) of subsection 1 of NRS 482.215 or the declaration of security required in NRS 482.280, file with the department a declaration made under oath on a form provided by the department which states that the vehicle is not currently being operated on the public roads of this state and that the required proof of security will be provided to the department before the motor vehicle is operated on the public roads of this state. Such a declaration may also be filed at any time during the period of registration. The declaration must be accompanied by a fee set by the department and a statement of the estimated period during which the motor vehicle will not be operated on the public roads of this state.

2. Upon receipt of the declaration, fee and statement, the department shall place the

registration on inactive status and shall indicate on the certificate of registration possessed by the registered owner that the registration is inactive.

3. Once the registration is placed on inactive status, the motor vehicle must not be operated on the public roads of this state until the registered owner presents to the department proof satisfactory to the department that the owner has provided the security required by NRS 485.185 and pays a fee set by the department. Upon receipt of the proof of security and the fee, the department shall remove the registration from inactive status.

4. No credit may be allowed on the portion of the fee for registration or the privilege tax attributable to the period during which the vehicle's registration is inactive.

5. Any fee collected pursuant to this section must be deposited with the state treasurer for credit to the motor vehicle fund and allocated to the department to defray the costs of administering this section.

6. The provisions of this section do not apply to a contract, common or private motor carrier, a fleet, a lessor, dealer, manufacturer, distributor or rebuilder of a motor vehicle or to a person ordered to maintain security pursuant to NRS 485.230, 485.302, 485.306, 485.3099, 485.326 or 485.383.

Sec. 2. NRS 482.215 is hereby amended to read as follows:

482.215 1. All applications for registration, except applications for renewal of registration, must be made as provided in this section.

2. Applications for all registrations, except renewals of registration, must be made in person, if practicable, to any office or agent of the department.

3. Each application must be made upon the appropriate form furnished by the department and contain:

(a) The signature of the owner.

(b) His residence address.

(c) His declaration of the county where he intends the vehicle to be based, unless

the vehicle is deemed to have no base. The department shall use this declaration to determine the county to which the privilege tax is to be paid.

(d) A brief description of the vehicle to be registered, including the name of the maker, the engine, identification or serial number, whether new or used, and the last license number, if known, and the state in which issued, and upon the registration of a new vehicle, the date of sale by the manufacturer or franchised and licensed dealer in this state for the make to be registered to the person first purchasing or operating the vehicle.

(e) [Proof] Except as otherwise provided in section 1 of this act, proof satisfactory to the department that the applicant has provided the security required by NRS 485.185 covering the vehicle to be registered and his signed declaration that he will maintain the security during the period of registration.

(f) If the security is provided by a contract of insurance, the insurer shall provide evidence of that insurance on a form approved by the commissioner of insurance, which identifies the vehicle and indicates, at the time of application for registration, coverage which meets the requirements of NRS 485.185. The department may file that evidence, return it to the applicant or otherwise dispose of it.

(g) If required, evidence of the applicant's compliance with controls over emission.

4. The application must contain such other information as may be required by the department, and must be accompanied by proof of ownership satisfactory to the department.

5. For purposes of the proof, declaration and evidence required by paragraphs (e) and (f) of subsection 3:

(a) Vehicles which are subject to the license fee and registration requirements of the Interstate Highway User Fee Apportionment Act, and which are based in this

state, may be declared as a fleet by the registered owner thereof, on his original application for or application for renewal of a proportional registration. The owner may file a single certificate of insurance covering that fleet.

(b) Other fleets composed of ten or more vehicles based in this state or vehicles insured under a blanket policy which does not identify individual vehicles may each be declared as a fleet by the registered owner thereof annually for the purposes of an application for his original or any renewed registration. The owner may file a single certificate of insurance covering that fleet.

(c) A person who has qualified as a self-insurer pursuant to NRS 485.380 may file a copy of his certificate of self-insurance.

Sec. 3. NRS 482.280 is hereby amended to read as follows:

482.280 1. The registration of every vehicle expires at midnight on the day specified on the receipt of registration. The department shall mail to each holder of a valid certificate of registration , active or inactive, an application for renewal of registration for the following period of registration. The applications must be mailed by the department in sufficient time to allow all applicants to mail the applications to the department and to receive new certificates of registration and license plates, stickers, tabs or other suitable devices by mail before the expiration of subsisting registrations. An applicant may present the application to any agent or office of the department.

2. An application mailed or presented to the department or to a county assessor under the provisions of this section must include:

(a) [A] Except as otherwise provided in section 1 of this act, a signed declaration by the applicant that he has and will maintain, during the period of registration, security as required by NRS 485.185 covering the motor vehicle to be registered.

(b) If required, evidence of compliance with standards for control of emissions.

3. The department shall [insert] set forth in each application mailed as required by

subsection 1 the amount of privilege tax to be collected for the county under the provisions of NRS 482.260.

4. An owner who has made proper application for renewal of registration before the expiration of the current registration but who has not received the license plate or plates or card of registration for the ensuing period of registration is entitled to operate or permit the operation of that vehicle upon the highways upon displaying thereon the license plate or plates issued for the preceding period of registration for such time as may be prescribed by the department as it may find necessary for the issuance of the new plate or plates or card of registration.

Sec. 4. NRS 482.380 is hereby amended to read as follows:

482.380 1. The department [is authorized to provide for the issuance of] may issue special motor vehicle license plates [on a yearly basis to persons who have] from year to year to a person who has resided in the State of Nevada for a period of 6 months preceding the date of application for the license plates and who [own] owns a motor vehicle, 1915 model or prior thereto.

2. [For the purposes of administering] To administer the provisions of this section, the department [is authorized to] may recognize the Horseless Carriage Club of Nevada as presently constituted as the official Horseless Carriage Club of Nevada and [to] designate and appoint one member of the board of directors of the Horseless Carriage Club of Nevada to act as and be an ex officio deputy of the department and to perform the duties and functions prescribed by this section without compensation, per diem [expense] allowance or travel expenses.

3. [All applicants] An applicant for license plates pursuant to the provisions of this section [shall:] must:

(a) Fill out and sign an application for license plates on a form prescribed and furnished by the ex officio deputy for licensing antique motor vehicles.

(b) Present evidence of his eligibility for license plates by showing, to the satisfaction of the ex officio deputy, residence in this state for 6 months preceding the date of application and ownership of an antique motor vehicle, 1915 model or prior thereto.

(c) Present a certificate of inspection issued by a committee, or member thereof, appointed by the board of directors of the Horseless Carriage Club of Nevada verifying that the antique motor vehicle is in safe and satisfactory mechanical condition, is in good condition and state of repair, is well equipped and , when operated on the public roads of this state, is covered by a policy of insurance covering public liability and property damage [insurance] written by an insurance company qualified to do business in this state with limits of not less than \$10,000 for each person nor less than \$20,000 for each accident, and not less than \$5,000 for property damage . [liability.]

(d) Exhibit a valid driver's license authorizing the applicant to drive a motor vehicle on the highways of this state.

(e) Pay the fee prescribed by the laws of this state for the operation of a passenger car, [regardless of] without regard to the weight or [number of passenger capacity.] the capacity for passengers.

(f) Pay such other fee as prescribed by the board of directors of the Horseless Carriage Club of Nevada necessary to defray all cost of manufacture, transportation and issuance of the special license plates.

4. The ex officio deputy for licensing antique motor vehicles shall [annually on a] each calendar year [basis] issue license plates, approved by the department, for each motor vehicle owned by an applicant who meets the requirements of subsection 3, [in compliance with] subject to the following conditions:

(a) The license plates [shall] must be numbered and issued consecutively each year beginning with "Horseless Carriage 1."

(b) The license plates [shall] must conform, as nearly as possible, to the color and type of license plate issued in this state for regular passenger cars.

(c) The special license plates issued under the provisions of this section [shall] must be specified, procured, transported and issued solely at the expense and cost of the Horseless Carriage Club of Nevada and without any expense to the State of Nevada.

5. The ex officio deputy for licensing antique motor vehicles shall pay quarterly to the department the prescribed fee for the licensing of passenger cars as provided in paragraph (e) of subsection 3. The fees so received [shall] must be used, disbursed or deposited by the department in the same manner as provided by law for other [motor vehicle] fees for registration and licensing . [fees.] All other fees collected to defray expenses [shall] must be retained by the board of directors of the Horseless Carriage Club of Nevada.

6. [Licenses] The license plates obtained under this section [shall be] are in lieu of the license plates otherwise provided for in this chapter and [shall be] are valid for the calendar year in which they are issued.

Sec. 5. Chapter 485 of NRS is hereby amended by adding thereto the provisions set forth as sections 6 and 7 of this act.

Sec. 6. 1. Except as otherwise provided in subsection 5, a person shall not:

(a) Operate or knowingly permit the operation of a motor vehicle registered or required to be registered in this state, including a motor vehicle which has an inactive registration pursuant to section 1 of this act, without having security covering the vehicle as required by NRS 485.185.

(b) Operate or knowingly permit the operation of a motor vehicle without having evidence of current insurance in the vehicle.

(c) Fail or refuse to surrender, upon demand, to a peace officer or to an authorized representative of the department proof of security.

2. Except as otherwise provided in subsection 3, any person who violates subsection 1 shall be fined not less than \$300 nor more than \$500. If a fine is imposed, the court shall return to the department the certificate of registration and license plates surrendered pursuant to section 7 of this act pending the expiration or reinstatement of the registration.

3. If a person who violated subsection 1 presents evidence to the court that the security required by NRS 485.185 was in effect at the time the motor vehicle was being operated:

(a) The certificate of registration and license plates surrendered pursuant to section 7 of this act must be returned to the registered owner; and

(b) No fine may be imposed for the violation.

4. Failure to deposit security if so required by the provisions of NRS 485.190 is prima facie evidence of violation of the provisions of this section.

5. The provisions of paragraphs (b) and (c) of subsection 1 do not apply if the motor vehicle in question displays a valid permit issued by the department pursuant to NRS 482.3212, 482.396, 482.423 or 482.424 authorizing the movement or operation of that vehicle within the state for a limited time.

Sec. 7. At the time of arrest or issuance of a traffic citation for a violation of subsection 1 of section 6 of this act, the operator of the motor vehicle shall surrender and the peace officer shall take possession of the certificate of registration and the license plates of that motor vehicle. The peace officer shall, if the motor vehicle is in such a condition that it can be driven safely, issue to the operator a temporary

permit for operation of the motor vehicle, valid for 24 hours, to allow the motor vehicle to be driven to the residence of the registered owner. The certificate of registration and the license plates must be deposited with the court having jurisdiction over the alleged offense.

Sec. 8. NRS 485.185 is hereby amended to read as follows:

485.185 1. Every registered owner of a motor vehicle registered in this state and every owner of a motor vehicle which is not registered in this state as required, shall [continuously] provide with respect to the motor vehicle while it is [either present or registered in this state,] being operated on the public roads of this state, by a contract of insurance or by qualifying as a self-insurer, security in the amounts set forth in NRS 485.105 as proof of financial responsibility for payment of tort liabilities, arising from maintenance or use of the motor vehicle.

2. Security may be provided by a contract of insurance or by qualifying as a self-insurer in compliance with this chapter.

3. Whenever an application for a driver's license or for registration of a vehicle is made by a person required to maintain proof of financial responsibility by the state of his prior residency, he must file proof with the division of his financial responsibility before he may obtain a license [.] or registration, and maintain it for the period [of time which that state requires.] required in this state. If he does not so maintain it, his license and registration must be suspended.

Sec. 9. NRS 485.326 is hereby amended to read as follows:

485.326 The department shall suspend the license of any person convicted of violating [NRS 485.185] subsection 1 of section 6 of this act and the registration of the vehicle described on the report of conviction. The license and registration must remain suspended until he shows proof of financial responsibility as set forth in NRS 485.307. He shall maintain proof of financial responsibility for 3 years after the reinstatement of his license and registration in accordance with the provisions of this chapter, and if he fails to do so, the division shall suspend his license and registration.

Sec. 10. NRS 485.383 is hereby amended to read as follows:

485.383 1. The department shall annually select a sample of not less than 10 percent of all motor vehicles registered in this state, except motorcycles , [and] motor homes [,] and any motor vehicles which have an inactive registration pursuant to section 1 of this act, on which the security is a contract of insurance for a verification of motor vehicle insurance.

2. The department shall send a form for verification to the owner of each vehicle selected for verification of insurance. The owner shall complete the form with all the information which is requested by the department and return the form and evidence of the insurance within 15 days.

3. When the department receives a completed form for verification it shall send the form to the named insurer.

4. Upon receipt of a form for verification of insurance from the department, the insurer shall verify the information on the form and return it to the department only if the insurer does not have a current contract of insurance covering the vehicle.

5. The department shall suspend the registration of the vehicle and require the return to the department of the license plates of any vehicle for which a form for verification is not returned to the department by the owner within 15 days or for which the form for verification is returned by the insurer with a denial of coverage.

6. Except as provided in subsection 10, the department shall reinstate the registration of a vehicle and reissue the license plates only upon filing by the owner of proof of financial responsibility for a period of 3 years.

7. A denial of coverage, signed by an officer or agent of an insurer, is prima facie evidence of a false certification.

8. If the department believes a person has violated the provisions of NRS 485.185, it shall notify the district attorney of the county in which the person resides.

9. An insurer, its agents, the department and its employees who act pursuant to this section in good faith and without gross negligence are immune from civil liability for those acts.

10. If an owner proves to the satisfaction of the department that his vehicle was not used in this state for a 30-day period, including the date on which the sample was taken, the department shall not require him to file proof of financial responsibility as a prerequisite to reinstating his registration and reissuing his license plates.

Sec. 11. NRS 484.263 is hereby repealed.

SUMMARY---Allows insurance covering operator of motor vehicle in lieu of insurance covering motor vehicle. (BDR 43-191)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to motor vehicles; allowing a person to establish proof of financial responsibility by a policy of insurance covering the operator of the motor vehicle in lieu of insurance covering the vehicle; providing limitations on the coverage provided by such insurance; prohibiting certain owners from allowing persons who do not carry insurance from operating their motor vehicles; revising the provisions governing registration; providing a penalty; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 482.215 is hereby amended to read as follows:

482.215 1. All applications for registration, except applications for renewal of registration, must be made as provided in this section.

2. Applications for all registrations, except renewals of registration, must be made in person, if practicable, to any office or agent of the department.

3. Each application must be made upon the appropriate form furnished by the department and contain:

(a) The signature of the owner.

(b) His [residence] residential address.

(c) His declaration of the county where he intends the vehicle to be based, unless the vehicle is deemed to have no base. The department shall use this declaration to determine the county to which the privilege tax is to be paid.

(d) A brief description of the vehicle to be registered, including the name of the maker, the engine, identification or serial number, whether new or used, and the last

license number, if known, and the state in which issued, and upon the registration of a new vehicle, the date of sale by the manufacturer or franchised and licensed dealer in this state for the make to be registered to the person first purchasing or operating the vehicle.

(e) Proof satisfactory to the department that the applicant has provided the security required by NRS 485.185 [covering the vehicle to be registered] and his signed declaration that he will maintain the security during the period of registration.

(f) If the security is provided by a contract of insurance, the insurer shall provide evidence of that insurance on a form approved by the commissioner of insurance, which identifies the vehicle and indicates, at the time of application for registration, coverage which meets the requirements of NRS 485.185. The department may file that evidence, return it to the applicant or otherwise dispose of it.

(g) If required, evidence of the applicant's compliance with controls over emission.

4. The application must contain such other information as may be required by the department, and must be accompanied by proof of ownership satisfactory to the department.

5. For purposes of the proof, declaration and evidence required by paragraphs (e) and (f) of subsection 3:

(a) Vehicles which are subject to the [license] fee for a license and the requirements of registration [requirements] of the Interstate Highway User Fee Apportionment Act, and which are based in this state, may be declared as a fleet by the registered owner thereof, on his original application for or application for renewal of a proportional registration. The owner may file a single certificate of insurance covering that fleet.

(b) Other fleets composed of ten or more vehicles based in this state or vehicles insured under a blanket policy which does not identify individual vehicles may each

be declared annually as a fleet by the registered owner thereof [annually] for the purposes of an application for his original or any renewed registration. The owner may file a single certificate of insurance covering that fleet.

(c) A person who [has qualified] qualifies as a self-insurer pursuant to NRS 485.380 may file a copy of his certificate of self-insurance.

(d) A person who qualifies for an operator's policy of liability insurance pursuant to NRS 485.3091 and section 8 of this act may file evidence of that insurance.

Sec. 2. NRS 482.235 is hereby amended to read as follows:

482.235 The department shall file each application received and register the vehicle therein described and the owner thereof in suitable books or on index cards as follows:

1. Under a distinctive registration number assigned to the vehicle and to the owner thereof, referred to in this chapter as the registration number.
2. Alphabetically under the legal name of the owner.
3. Numerically under the serial or vehicle identification number of the vehicle or a permanent identifying number, as may be determined by the department.

Sec. 3. NRS 482.245 is hereby amended to read as follows:

482.245 1. The certificate of registration must contain upon the face thereof the date issued, the registration number assigned to the vehicle, the legal name and address of the registered owner, the county where the vehicle is to be based unless it is deemed to have no base, a description of the registered vehicle and such other statement of facts as may be determined by the department.

2. The certificate of ownership must contain upon the face thereof the date issued, the name and address of the registered owner and the owner or lienholder, if any,

a description of the vehicle, any entries required by NRS 482.423 to 482.428, inclusive, a reading of the vehicles's odometer as provided to the department by the person making the sale or transfer, and such other statement of facts as may be determined by the department. The reverse side of the certificate of ownership must contain forms for notice to the department of a transfer of the title or interest of the owner or lienholder and application for registration by the transferee.

Sec. 4. NRS 482.280 is hereby amended to read as follows:

482.280 1. The registration of every vehicle expires at midnight on the day specified on the receipt of registration. The department shall mail to each holder of a valid certificate of registration an application for renewal of registration for the following period of registration. The applications must be mailed by the department in sufficient time to allow all applicants to mail the applications to the department and to receive new certificates of registration and license plates, stickers, tabs or other suitable devices by mail before the expiration of [subsisting] their registrations. An applicant may present the application to any agent or office of the department.

2. An application mailed or presented to the department or to a county assessor under the provisions of this section must include:

(a) A signed declaration by the applicant that he has and will maintain, during the period of registration, security as required by NRS 485.185 ; [covering the motor vehicle to be registered.] Security may be provided by an operator's policy of liability insurance if the applicant and the policy meet the requirements of NRS 485.3091 and section 8 of this act.

(b) If required, evidence of compliance with standards for control of emissions.

3. The department shall insert in each application mailed [as required by] pursuant to subsection 1 the amount of privilege tax to be collected for the county under the provisions of NRS 482.260.

4. An owner who has made proper application for renewal of registration before the

expiration of the current registration but who has not received the license plate or plates or card of registration for the ensuing period of registration is entitled to operate or permit the operation of that vehicle upon the highways upon displaying thereon the license plate or plates issued for the preceding period of registration for such time as may be prescribed by the department as it may find necessary for the issuance of the new plate or plates or card of registration.

Sec. 5. NRS 482.380 is hereby amended to read as follows:

482.380 1. The department [is authorized to provide for the issuance of] may issue special motor vehicle license plates [on a yearly basis to persons who have] from year to year to a person who has resided in the State of Nevada for a period of 6 months preceding the date of application for the license plates and who [own] owns a motor vehicle, 1915 model or prior thereto.

2. [For the purposes of administering] To administer the provisions of this section, the department [is authorized to] may recognize the Horseless Carriage Club of Nevada as presently constituted as the official Horseless Carriage Club of Nevada and to designate and appoint one member of the board of directors of the Horseless Carriage Club of Nevada to act as and be an ex officio deputy of the department and to perform the duties and functions prescribed by this section without compensation, per diem [expense] allowance or travel expenses.

3. [All applicants] An applicant for license plates pursuant to the provisions of this section [shall:] must:

(a) Fill out and sign an application for license plates on a form prescribed and furnished by the ex officio deputy for licensing antique motor vehicles.

(b) Present evidence of his eligibility for license plates by showing, to the satisfaction of the ex officio deputy, residence in this state for 6 months preceding the date of application and ownership of an antique motor vehicle, 1915 model or prior thereto.

(c) Present a certificate of inspection issued by a committee, or member thereof, appointed by the board of directors of the Horseless Carriage Club of Nevada verifying that the antique motor vehicle is in safe and satisfactory mechanical condition, is in good condition and state of repair, is well equipped and is covered by a policy of insurance covering public liability and property damage [insurance] written by an insurance company qualified to do business in this state with limits of not less than \$10,000 for each person nor less than \$20,000 for each accident, and not less than \$5,000 for property damage [liability.] and which otherwise meets the requirements of chapter 485 of NRS.

(d) Exhibit a valid driver's license authorizing the applicant to drive a motor vehicle on the highways of this state.

(e) Pay the fee prescribed by the laws of this state for the operation of a passenger car, [regardless of] without regard to the weight or [number of passenger capacity.] the capacity for passengers.

(f) Pay such other fee as prescribed by the board of directors of the Horseless Carriage Club of Nevada necessary to defray all cost of manufacture, transportation and issuance of the special license plates.

4. The ex officio deputy for licensing antique motor vehicles shall [annually on a] each calendar year [basis] issue license plates, approved by the department, for each motor vehicle owned by an applicant who meets the requirements of subsection 3, [in compliance with] subject to the following conditions:

(a) The license plates [shall] must be numbered and issued consecutively each year beginning with "Horseless Carriage 1."

(b) The license plates [shall] must conform, as nearly as possible, to the color and type of license plate issued in this state for regular passenger cars.

(c) The special license plates issued under the provisions of this section [shall] must

be specified, procured, transported and issued solely at the expense and cost of the Horseless Carriage Club of Nevada and without any expense to the State of Nevada.

5. The ex officio deputy for licensing antique motor vehicles shall pay quarterly to the department the prescribed fee [for the licensing of passenger cars] as provided in paragraph (e) of subsection 3. The fees so received [shall] must be used, disbursed or deposited by the department in the same manner as provided by law for other [motor vehicle] fees for registration and licensing . [fees.] All other fees collected to defray expenses [shall] must be retained by the board of directors of the Horseless Carriage Club of Nevada.

6. [Licenses] The license plates obtained under this section [shall be] are in lieu of the license plates otherwise provided for in this chapter and [shall be] are valid for the calendar year in which they are issued.

Sec. 6. Chapter 485 of NRS is hereby amended by adding thereto the provisions set forth as sections 7, 8 and 9 of this act.

Sec. 7. 1. "Motor vehicle liability policy" means an owner's policy of liability insurance or an operator's policy of liability insurance issued, except as otherwise provided in NRS 485.309, by an insurer authorized to transact business in this state, to or for the benefit of the person named therein as insured.

2. With respect to a policy which grants excess or additional coverage over that required by NRS 485.3091, the term "motor vehicle liability policy" applies only to that part of the coverage which is required by NRS 485.3091.

Sec. 8. 1. Except as otherwise provided in subsection 4, any natural person may satisfy the requirements of NRS 485.185 by obtaining, in lieu of an owner's policy of liability insurance, an operator's policy of liability insurance which meets the requirements of this section and NRS 485.3091.

2. An operator's policy of liability insurance must state, in addition to the requirements of NRS 485.3091, that:

(a) The insurer is only liable under the policy for damages incurred while the named insured is the operator of a motor vehicle;

(b) The policy does not provide coverage for any vicarious liability imposed on the owner of the motor vehicle as a result of the operation by another person of a motor vehicle owned by the insured or for any liability imposed by NRS 41.440 or 483.300; and

(c) The coverage provided by the policy may not meet the requirements of the financial responsibility laws of other states, unless such extended coverage is expressly included in the policy. No such policy may be delivered or issued for delivery in this state unless the insured has signed an endorsement stating that he has read and understood the policy and its limitations.

3. An owner of a motor vehicle which is registered or required to be registered in this state and who holds an operator's policy of liability insurance shall not permit another person to operate his motor vehicle if the owner knows or should have known that the person does not have insurance to cover his own operation of that motor vehicle.

4. This section does not apply to a lessor, dealer, manufacturer, rebuilder or distributor of a motor vehicle, an owner of a fleet, a common, contract or private motor carrier or any other employer who owns a motor vehicle for use in his business.

Sec. 9. 1. Except as otherwise provided in subsection 5, a person shall not:

(a) Operate a motor vehicle registered or required to be registered in this state without having security covering the vehicle as required by NRS 485.185.

(b) Operate or knowingly permit the operation of a motor vehicle without having evidence of current insurance in the vehicle.

(c) Fail or refuse to surrender, upon demand, to a peace officer or to an authorized representative of the department proof of security.

(d) Knowingly permit the operation of a motor vehicle in violation of subsection 3 of section 8 of this act.

2. Except as otherwise provided in subsection 3, any person who violates subsection 1 shall be fined not less than \$300 nor more than \$500.

3. A person may not be fined for a violation of paragraph (a), (b) or (c) of subsection 1 if he presents evidence to the court that the security required by NRS 485.185 was in effect at the time demand was made for it.

4. Failure to deposit security if so required by the provisions of NRS 485.190 is prima facie evidence of violation of the provisions of this section.

5. The provisions of paragraphs (b) and (c) of subsection 1 do not apply if the motor vehicle in question displays a valid permit issued by the department pursuant to NRS 482.3212, 482.396, 482.423 or 482.424 authorizing the movement or operation of that vehicle within the state for a limited time.

Sec. 10. NRS 485.020 is hereby amended to read as follows:

485.020 As used in this chapter, unless the context otherwise requires, the words and phrases in NRS 485.033 to 485.120, inclusive, and section 7 of this act have the meanings ascribed to them in those sections.

Sec. 11. NRS 485.185 is hereby amended to read as follows:

485.185 1. Every registered owner of a motor vehicle registered in this state and every owner of a motor vehicle which is not registered in this state as required, shall continuously provide [with respect to the motor vehicle while it is either] , while the motor vehicle is present or registered in this state, by a contract of insurance for a motor vehicle policy or by qualifying as a self-insurer [,] in compliance with this chapter, security in the amounts set forth in NRS 485.105 as proof of financial responsibility for payment of tort liabilities [,] arising from maintenance or use of the motor vehicle.

2. [Security may be provided by a contract of insurance or by qualifying as a self-insurer in compliance with this chapter.

3.] Whenever an application for a driver's license or for registration of a vehicle is made by a person required to maintain proof of financial responsibility by the state of his prior residency, he must file proof with the division of his financial responsibility before he may [obtain] be issued a license [,] or registration, and maintain it for the period [of time] which that state requires. If he does not so maintain it, his license and registration must be suspended.

Sec. 12. NRS 485.190 is hereby amended to read as follows:

485.190 1. If 20 days after the receipt of a report of [a] an accident involving a motor vehicle [accident] within this state which has resulted in bodily injury or death, or damage to the property of any one person in excess of \$350, the division does not have on file evidence satisfactory to it that the person who would otherwise be required to file security under subsection 2 of this section has been released from liability, [or] has been finally adjudicated not to be liable [,] or has executed [a duly] an acknowledged written agreement providing for the payment of an agreed amount in installments with respect to all claims for injuries or damages resulting from the accident, the division shall upon request set the matter for a hearing as provided in NRS 485.191.

2. The division shall, at any time after a determination adverse to an operator or owner pursuant to NRS 485.191, suspend the license of each operator and all registrations of each owner of a motor vehicle [in any manner] involved in such an accident, and, if the operator is a nonresident, the privilege of operating a motor vehicle within this state, and, if the owner is a nonresident, the privilege of the use within this state [,] of any motor vehicle owned by him, unless the operator or owner , or both , deposit security in the sum so determined by the division. Notice of such a suspension

must be sent by the division to the operator and owner not less than 10 days before the effective date of the suspension and must state the amount required as security. Where erroneous information is given the division with respect to the matters set forth in [subsections 1, 2 or 3] paragraph (a), (b) or (c) of subsection 1 of NRS 485.200, the division shall take appropriate action as provided in this section after it receives correct information with respect to those matters.

Sec. 13. NRS 485.191 is hereby amended to read as follows:

485.191 1. Any operator or owner of a motor vehicle who was involved in an accident [, and at the time of the accident did not have a liability insurance policy in effect for the motor vehicle involved, or] and who is not [otherwise] exempt from the requirements of depositing security by the provisions of NRS 485.200, is entitled to a hearing before the director or his representative before a determination of the amount of security required pursuant to NRS 485.190, and before the suspension of his operator's license or registration as provided in subsection 2 of NRS 485.190. The hearing must be held in the county of residence of the operator. If the operator and owner reside in different counties and the hearing would involve both of them, the hearing must be held in the county which will be the most convenient for the summoning of witnesses.

2. The owner or operator must be given at least 30 days' notice of the hearing in writing with a brief explanation of the proceedings to be taken against him and the possible consequences of a determination adverse to him.

3. If the operator or owner desires a hearing, he shall, within 15 days, notify the division in writing of his intention. If he does not send this notice within the 15 days, he waives his right to a hearing; [provided,] except that, the director may for good cause shown permit the owner a later opportunity for a hearing.

Sec. 14. NRS 485.200 is hereby amended to read as follows:

485.200 1. The requirements as to security and suspension in NRS 485.190 to 485.300, inclusive, do not apply:

[1.] (a) To the operator or owner if he had in effect at the time of the accident a liability policy with respect to the motor vehicle involved in the accident:

[2.] (b) To the operator [, if not the owner of the motor vehicle.] if there was in effect at the time of the accident a liability policy or bond with respect to his operation of [motor vehicles not owned by him;

3.] any motor vehicle;

(c) To the operator or owner if his liability for damages resulting from the accident is, in the judgment of the division, covered by any other form of liability insurance policy or bond;

[4.] (d) To any person qualifying as a self-insurer under NRS 485.380, or to any person operating a motor vehicle for the self-insured;

[5.] (e) To the operator or the owner of a motor vehicle involved in an accident wherein no injury or damage was caused to the person or property of anyone other than the operator or owner;

[6.] (f) To the operator or the owner of a motor vehicle legally parked at the time of the accident;

[7.] (g) To the owner of a motor vehicle if at the time of the accident the vehicle was being operated without his permission, express or implied, or was parked by a person who had been operating the motor vehicle without permission; or

[8.] (h) If, before the date that the division would otherwise suspend the license and registration or nonresident's operating privilege under NRS 485.190, there is filed with the division evidence satisfactory to it that the person who would otherwise have to file security has been released from liability or has received a determination in

his favor at a hearing conducted pursuant to NRS 485.191, or has been finally adjudicated not to be liable or has executed [a duly] an acknowledged written agreement providing for the payment of an agreed amount in installments, with respect to all claims for injuries or damages resulting from the accident.

2. An owner who is not the operator of the motor vehicle is not exempt from the requirements as to security and suspension in NRS 485.190 to 485.300, inclusive, if he holds a policy of liability insurance which provides coverage only when he is operating the motor vehicle and, at the time of the accident, another person is operating the motor vehicle with the express or implied permission of the owner.

Sec. 15. NRS 485.210 is hereby amended to read as follows:

485.210 [1.] No policy or bond is effective under NRS 485.190 unless [issued by an insurance company or surety company authorized to do business in this state, except as provided in subsection 2 of this section, or unless the] :

1. The policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than \$15,000 because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, to a limit of not less than \$30,000 because of bodily injury to or death of two or more persons in any one accident and, if the accident has resulted in injury to or destruction of property, to a limit of not less than \$10,000 because of injury to or destruction of property of others in any one accident [.

2. No policy or bond is effective under NRS 485.190 with respect to any vehicle which was not registered in this state or to any vehicle which was registered elsewhere than in this state at the effective date of the policy or bond or the most recent renewal thereof, unless the] ; and

2. The insurance company or surety company issuing that policy or bond is authorized to do business in this state or, if the company is not authorized to do business in this state, unless it executes a power of attorney authorizing the director to accept

service on its behalf of notice or process in any action upon that policy or bond arising out of an accident.

Sec. 16. NRS 485.280 is hereby amended to read as follows:

485.280 A deposit or any balance thereof must be returned to the depositor or his personal representative [when] :

1. When evidence satisfactory to the division has been filed with it that there has been a release from liability, [or] a final adjudication of nonliability [, or a duly] or an acknowledged agreement, in accordance with paragraph (h) of subsection [8] 1 of NRS 485.200 [, or if] ; or

2. If 2 years after the date of the accident or 1 year from the date of deposit of any security under NRS 485.230, whichever period is longer, the division is given reasonable evidence that there is no action pending and no judgment rendered in such an action left unpaid.

Sec. 17. NRS 485.307 is hereby amended to read as follows:

485.307 1. [Proof] Except as otherwise required in NRS 485.185, proof of financial responsibility when required under this chapter [with respect to a motor vehicle or with respect to a person who is not the owner of a motor vehicle] may be given by filing:

- (a) A certificate of insurance as provided in NRS 485.308 or 485.309;
- (b) A bond as provided in NRS 485.3094;
- (c) A certificate of deposit of money or securities as provided in NRS 485.3095; or
- (d) A certificate of self-insurance, as provided in NRS 485.380, supplemented by an agreement by the self-insurer that, with respect to accidents occurring while the certificate is in force, he will pay the same judgments and in the same amounts that an insurer would have been obligated to pay under an owner's [motor vehicle liability] policy of liability insurance if it had issued such a policy to the self-insurer.

2. If the department suspends a license or registration pursuant to NRS 485.010 to

485.3099, inclusive, and proof of financial responsibility is a condition of reinstatement, no motor vehicle may be or continue to be registered in the name of the person whose license or registration was suspended unless proof of financial responsibility is furnished [for each motor vehicle registered.] by that person.

3. Whenever the department restores a license, permit or privilege of driving a vehicle in this state which has been revoked, no motor vehicle may be or continue to be registered in the name of the person whose license, permit or privilege was revoked unless proof of financial responsibility is furnished [for each motor vehicle registered.] by that person.

Sec. 18. NRS 485.308 is hereby amended to read as follows:

485.308 Proof of financial responsibility may be furnished by filing with the division the written certificate of any insurance carrier authorized to do business in this state certifying that there is in effect a motor vehicle liability policy for the benefit of the person required to furnish proof of financial responsibility. The certificate must specify its effective date and :

1. If the policy is an owner's policy of liability insurance, designate by appropriate reference all motor vehicles covered by it [, unless the policy is issued to a person who is not the owner of a motor vehicle.] ; or

2. If the policy is an operator's policy of liability insurance, designate the person covered.

Sec. 19. NRS 485.309 is hereby amended to read as follows:

485.309 1. The nonresident owner of a motor vehicle not registered in this state or a nonresident operator of a motor vehicle may give proof of financial responsibility by filing with the division a written certificate of an insurance carrier authorized to transact business :

(a) If the insurance provides coverage for the vehicle, in the state in which the

motor vehicle described in the certificate is registered [, or if the nonresident does not own a motor vehicle.] ; or

(b) If the insurance provides coverage for the operator only, in the state in which the insured resides,

if the certificate otherwise conforms to the provisions of this chapter . [, and the]

2. The division shall accept [it] the proof upon condition that the insurance carrier complies with the following provisions with respect to the policies so certified:

(a) The insurance carrier shall execute a power of attorney authorizing the director to accept service on its behalf of notice or process in any action arising out of an accident involving a motor vehicle [accident] in this state; and

(b) The insurance carrier shall agree in writing that the policies shall be deemed to conform with the laws of this state relating to the terms of liability policies for owners of motor vehicles.

[2.] 3. If any insurance carrier not authorized to transact business in this state, which has qualified to furnish proof of financial responsibility, defaults in any [such] undertakings or agreements, the division shall not thereafter accept as proof any certificate of that carrier whether theretofore filed or thereafter tendered as proof, so long as the default continues.

Sec. 20. NRS 485.3091 is hereby amended to read as follows:

485.3091 1. [A "motor vehicle liability policy" as the term is used in this chapter means an owner's or an operator's policy of liability insurance issued, except as otherwise provided in NRS 485.309, by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named therein as insured.

2. Such an] An owner's policy of liability insurance must:

(a) Designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is thereby to be granted; and

(b) Insure the person named therein and any other person, as insured, using any

such motor vehicle [or motor vehicles] with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of such motor vehicle [or motor vehicles] within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each such motor vehicle, as follows: [\$15,000 because]

(1) Because of bodily injury to or death of one person in any one accident, [and, subject] \$15,000;

(2) Subject to the limit for one person, [\$30,000] because of bodily injury to or death of two or more persons in any one accident [, and \$10,000 because] \$30,000; and

(3) Because of injury to or destruction of property of others in any one accident [.

3. Such an] , \$10,000.

2. An operator's policy of liability insurance must insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle [not owned by him,] within the same territorial limits and subject to the same limits of liability as are set forth [above with respect to an owner's policy of liability insurance.

4. Such a] in paragraph (b) of subsection 1 and in section 8 of this act.

3. A motor vehicle liability policy must state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the [policy] period of effectiveness and the limits of liability, and must contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this chapter as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this chapter.

[5. Such a]

4. A motor vehicle liability policy need not insure any liability under any workmen's compensation law nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance or repair of any [such] motor vehicle [,] owned by the insured nor any liability for damage to property owned by, rented to, in charge of or transported by the insured.

[6.] 5. Every motor vehicle liability policy is subject to the following provisions which need not be contained therein:

(a) The liability of the insurance carrier with respect to the insurance required by this chapter becomes absolute whenever injury or damage covered by the [motor vehicle liability] policy occurs . [; the] The policy may not be canceled or annulled as to such liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage . [; no] No statement made by the insured or on his behalf and no violation of the policy defeats or voids the policy.

(b) The satisfaction by the insured of a judgment for [such] injury or damage is not a condition precedent to the right or duty of the insurance carrier to make payment on account of the injury or damage.

(c) The insurance carrier may settle any claim covered by the policy, and if such a settlement is made in good faith, the amount thereof is deductible from the limits of liability specified in paragraph (b) of subsection [2 of this section.] 1.

(d) The policy, the written application therefor, if any, and any rider or endorsement which does not conflict with the provisions of this chapter constitute the entire contract between the parties.

[7.] 6. Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy, and the excess or additional coverage

is not subject to the provisions of this chapter. [With respect to a policy which grants such excess or additional coverage the term "motor vehicle liability policy" applies only to that part of the coverage which is required by this section.

8.] 7. Any motor vehicle liability policy may provide for the prorating of the insurance thereunder with other valid and collectible insurance.

[9.] 8. The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers, which policies together meet those requirements.

[10.] 9. Any binder issued pending the issuance of a motor vehicle liability policy shall be deemed to fulfill the requirements for such a policy.

Sec. 21. NRS 485.3092 is hereby amended to read as follows:

485.3092 When an insurance carrier has issued a motor vehicle liability policy, the insurance so issued must not be canceled or terminated until at least 10 days after a notice of cancellation or termination of the insurance has been mailed first class or delivered to the insured and, if the insurance carrier has certified the policy under NRS 485.308 or 485.309, a notice has also been filed in the office of the division. A policy subsequently procured and certified, on the effective date of its certification, terminates the insurance previously certified with respect to any motor vehicle designated or the person named as the insured operator in both certificates. If the effective date of the termination is within 3 years after the date of reinstatement of a license, registration or privilege, the division shall suspend the license and registration or privilege.

Sec. 22. NRS 485.3096 is hereby amended to read as follows:

485.3096 Whenever any person required to give proof of financial responsibility hereunder is or later becomes an operator in the employ of any owner [,] of a motor vehicle, or is or later becomes a member of the immediate family or household of the owner, the division shall accept proof of financial responsibility given by [such]

the owner , excluding an operator's policy of liability insurance, in lieu of proof by [such] the other person to permit [such] the other person to operate a motor vehicle for which the owner has given proof as herein provided. The division shall designate the restrictions imposed by this section on the face of [such person's] that operator's license.

Sec. 23. NRS 485.326 is hereby amended to read as follows:

485.326 The department shall suspend the license of any person convicted of violating [NRS 485.185] section 9 of this act and the registration of the vehicle described on the report of conviction. The license and registration must remain suspended until he shows proof of financial responsibility as set forth in NRS 485.307. He shall maintain proof of financial responsibility for 3 years after the reinstatement of his license and registration in accordance with the provisions of this chapter, and if he fails to do so, the division shall suspend his license and registration.

Sec. 24. NRS 485.383 is hereby amended to read as follows:

485.383 1. The department shall annually select a sample of not less than 10 percent of all [motor vehicles] registered owners in this state, except registered owners of motorcycles and motor homes, on which the security is a contract of insurance for a verification of [motor vehicle] liability insurance.

2. The department shall send a form for verification to the registered owner [of each vehicle] selected for verification of insurance. The owner shall complete the form with all the information which is requested by the department , including whether he carries an owner's or operator's policy of liability insurance, and return the form and evidence of the insurance within 15 days.

3. When the department receives a completed form for verification it shall send the form to the named insurer.

4. Upon receipt of a form for verification of insurance from the department, the insurer shall verify the information on the form and return it to the department only

if the insurer does not have a current contract of insurance [covering the vehicle.] as indicated on the form by the registered owner.

5. The department shall suspend the registration of the vehicle and require the return to the department of the license plates of any vehicle for which a form for verification is not returned to the department by the registered owner within 15 days or for which the form for verification is returned by the insurer with a denial of coverage.

6. Except as provided in subsection 10, the department shall reinstate the registration of a vehicle and reissue the license plates only upon filing by the registered owner of proof of financial responsibility for a period of 3 years.

7. A denial of coverage, signed by an officer or agent of an insurer, is prima facie evidence of a false certification.

8. If the department believes a person has violated the provisions of NRS 485.185, it shall notify the district attorney of the county in which the person resides.

9. An insurer, its agents, the department and its employees who act pursuant to this section in good faith and without gross negligence are immune from civil liability for those acts.

10. If [an] a registered owner proves to the satisfaction of the department that his vehicle was not used in this state for a 30-day period, including the date on which the sample was taken, the department shall not require him to file proof of financial responsibility as a prerequisite to reinstating his registration and reissuing his license plates.

Sec. 25. NRS 686A.300 is hereby amended to read as follows:

686A.300 1. An insurer who issues [vehicle] insurance covering damage to a motor vehicle shall not delay making payment for any claim involving damage to a

motor vehicle [physical damage claim] after receiving a statement of charges, pursuant to the provisions of NRS 487.035, from any person or garage previously authorized by the insurer to perform the [repair work] repairs required by [such physical damage] that claim.

2. A delay, within the meaning of this section, is failure to issue a check or draft, payable to the person repairing or to the insured and person repairing jointly, within 30 days after the insurer's receipt of the statement of charges for [repair work which has] repairs which have been satisfactorily completed.

Sec. 26. NRS 690B.020 is hereby amended to read as follows:

690B.020 1. [No] Except as otherwise provided in this section, no policy insuring against liability arising out of the ownership, maintenance or use of any motor vehicle may be delivered or issued for delivery in this state [with respect to any motor vehicle registered or principally garaged in this state] unless coverage is provided therein or supplemental thereto for the protection of persons insured thereunder who are legally entitled to recover damages, from owners or operators of uninsured or hit-and-run motor vehicles, for bodily injury, sickness or disease, including death, resulting from the ownership, maintenance or use of the uninsured or hit-and-run motor vehicle . [; but no] No such coverage is required in or supplemental to a policy issued to the State of Nevada or any political subdivision thereof, or where rejected in writing, on a form furnished by the insurer describing the coverage being rejected, by an insured named therein, or upon any renewal of such a policy unless the coverage is then requested in writing by the named insured. The coverage required in this section may be referred to as "uninsured vehicle coverage."

2. The amount of coverage to be provided must be not less than the minimum limits for liability insurance for bodily injury [liability insurance] provided for under chapter 485 of NRS, but may be in an amount not to exceed the coverage for bodily injury [coverage] purchased by the policyholder.

3. For the purposes of this section the term "uninsured motor vehicle" means a motor vehicle:

(a) With respect to which there is not available at the department of motor vehicles and public safety evidence of financial responsibility as required by chapter 485 of NRS;

(b) With respect to the ownership, maintenance or use of which there is no liability insurance for bodily injury [liability insurance] or bond applicable at the time of the accident, or, to the extent of such deficiency, any liability insurance for bodily injury [liability insurance] or bond in force is less than the amount required by NRS 485.210;

(c) With respect to the ownership, maintenance or use of which the company writing any applicable liability insurance for bodily injury [liability insurance] or bond denies coverage or is insolvent;

(d) Used without the permission of its owner if there is no liability insurance for bodily injury [liability insurance] or bond applicable to the operator; [or]

(e) Used with the permission of its owner who has insurance which does not provide coverage for the operation of the motor vehicle by any person other than the owner if there is no liability insurance for bodily injury or bond applicable to the operator; or

(f) The owner or operator of which is unknown or after reasonable diligence cannot be found if:

(1) The bodily injury or death has resulted from physical contact of the automobile with the named insured or the person claiming under him or with an automobile which the named insured or such a person is occupying; and

(2) The named insured or someone on his behalf has reported the accident

within the time required by NRS 484.223, 484.225 or 484.227 to the police department of the city where it occurred, or if it occurred in an unincorporated area, to the sheriff of the county or to the Nevada highway patrol.

4. For the purposes of this section the term "uninsured motor vehicle" also includes, subject to the terms and conditions of coverage, an insured other motor vehicle where:

(a) The liability insurer of the other motor vehicle is unable because of its insolvency to make payment with respect to the legal liability of its insured within the limits specified in its policy;

(b) The occurrence out of which legal liability arose took place while the uninsured [motor] vehicle coverage required under paragraph (a) was in effect; and

(c) The insolvency of the liability insurer of the other motor vehicle existed at the time of, or within 2 years after, the occurrence.

Nothing contained in this subsection prevents any insurer from providing protection from insolvency [protection] to its insureds under more favorable terms.

5. If payment is made to any person under uninsured [motor] vehicle coverage, and subject to the terms of the coverage, to the extent of such payment the insurer is entitled to the proceeds of any settlement or recovery from any person legally responsible for the bodily injury as to which payment was made, and to amounts recoverable from the assets of the insolvent insurer of the other motor vehicle.

6. A vehicle involved in a collision which results in bodily injury or death shall be presumed to be an uninsured motor vehicle if no evidence of financial responsibility is supplied to the department of motor vehicles and public safety in the manner required by chapter 485 of NRS within 60 days after the collision occurs.

Sec. 27. NRS 690B.023 is hereby amended to read as follows:

690B.023 If security for the operation of a motor vehicle is approved by a contract

of insurance, the insurer shall provide evidence of insurance to the insured on a form provided by the commissioner. The evidence of insurance must show:

1. The name and address of the policyholder;
2. The insured vehicle or vehicles [;] , if applicable;
3. The term of the insurance; and
4. That the coverage meets the requirements set forth in NRS 485.185.

Sec. 28. NRS 484.263 is hereby repealed.