
SENATE BILL NO. 308—SENATORS HARRIS, FORD, CANCELA, SETTELMAYER, ROBERSON; CANNIZZARO, DENIS, FARLEY, GANSERT, GOICOECHEA, HARDY, KIECKHEFER, MANENDO, PARKS, RATTI, SEGERBLOM, SPEARMAN AND WOODHOUSE

MARCH 17, 2017

JOINT SPONSORS: ASSEMBLYMEN WATKINS, PICKARD, FRIERSON, YEAGER; ARAUJO, BILBRAY-AXELROD, BROOKS, BUSTAMANTE ADAMS, CARLTON, COHEN, DALY, DIAZ, EDWARDS, FLORES, FUMO, HAMBRICK, JAUREGUI, JOINER, KRAMER, MCCURDY II, MONROE-MORENO, OHRENSCHALL, SPIEGEL, SPRINKLE, SWANK, THOMPSON AND TOLLES

Referred to Committee on Transportation

SUMMARY—Revises provisions relating to motor vehicle insurance. (BDR 43-938)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to liability for motor vehicles; increasing the amount of coverage that must be provided by a policy of insurance and certain bonds that are required for a motor vehicle in this State; increasing the minimum amount of money required to satisfy certain judgments relating to a crash involving a motor vehicle; prohibiting a policy of motor vehicle insurance that includes uninsured and underinsured vehicle coverage from including certain limitations of coverage; and providing other matters properly relating thereto.



Legislative Counsel's Digest:

1 Existing law requires every owner of a motor vehicle, other than a moped,
2 which is registered or required to be registered in this State to provide insurance
3 continuously for the payment of tort liabilities arising from the maintenance or use
4 of the motor vehicle in the amount of: (1) \$15,000 for bodily injury to or death of
5 one person in any crash; (2) \$30,000 for bodily injury to or death of two or more
6 persons in any one crash, subject to the limit of \$15,000 for one person; and (3)
7 \$10,000 for injury to or destruction of property of others in any one crash. (NRS
8 485.185) Those minimum amounts of insurance coverage are required for a motor
9 vehicle owned by a short-term lessor of motor vehicles, for an operator of a motor
10 vehicle who obtains an operator's insurance policy, and for the amount of a policy
11 or bond that must be provided in certain circumstances to the Department of Motor
12 Vehicles as security after a report of a crash. (NRS 482.305, 485.186, 485.210,
13 495.3091) **Sections 1-5** of this bill increase those minimum amounts to \$25,000,
14 \$50,000 and \$20,000, respectively. Those increased minimum amounts are also
15 required in determining whether certain judgments relating to a crash involving a
16 motor vehicle have been satisfied. (NRS 485.304)

17 Existing law requires insurance companies transacting motor vehicle insurance
18 in this State to offer uninsured and underinsured vehicle coverage in an amount
19 equal to the limits of coverage for bodily injury sold to an insured under a policy of
20 insurance covering the use of a passenger car. (NRS 687B.145) **Section 6** of this
21 bill revises existing law by prohibiting a policy of motor vehicle insurance that
22 includes uninsured and underinsured vehicle coverage from including an exclusion,
23 reduction or other limitation of coverage where the insured is injured while in the
24 course of his or her employment or pursuing a business activity or purpose.

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

1 **Section 1.** NRS 482.305 is hereby amended to read as follows:
2 482.305 1. The short-term lessor of a motor vehicle who
3 permits the short-term lessee to operate the vehicle upon the
4 highways, and who has not complied with NRS 482.295 insuring or
5 otherwise covering the short-term lessee against liability arising out
6 of his or her negligence in the operation of the rented vehicle in
7 limits of not less than ~~†\$15,000†~~ **\$25,000** for any one person injured
8 or killed and ~~†\$30,000†~~ **\$50,000** for any number more than one,
9 injured or killed in any one crash, and against liability of the short-
10 term lessee for property damage in the limit of not less than
11 ~~†\$10,000†~~ **\$20,000** for one crash, is jointly and severally liable with
12 the short-term lessee for any damages caused by the negligence of
13 the latter in operating the vehicle and for any damages caused by the
14 negligence of any person operating the vehicle by or with the
15 permission of the short-term lessee, except that the foregoing
16 provisions do not confer any right of action upon any passenger in
17 the rented vehicle against the short-term lessor. This section does
18 not prevent the introduction as a defense of contributory negligence
19 to the extent to which this defense is allowed in other cases.



1 2. The policy of insurance, surety bond or deposit of cash or
2 securities inures to the benefit of any person operating the vehicle
3 by or with the permission of the short-term lessee in the same
4 manner, under the same conditions and to the same extent as to the
5 short-term lessee.

6 3. The insurance policy, surety bond or deposit of cash or
7 securities need not cover any liability incurred by the short-term
8 lessee of any vehicle to any passenger in the vehicle; but the short-
9 term lessor before delivering the vehicle shall give to the short-term
10 lessee a written notice of the fact that such a policy, bond or deposit
11 does not cover the liability which the short-term lessee may incur on
12 account of his or her negligence in the operation of the vehicle to
13 any passenger in the vehicle.

14 4. When any suit or action is brought against the short-term
15 lessor under this section, the judge before whom the case is pending
16 shall hold a preliminary hearing in the absence of the jury to
17 determine whether the short-term lessor has provided insurance or a
18 surety bond or deposit of cash or securities covering the short-term
19 lessee as required by subsection 1. Whenever it appears that the
20 short-term lessor has provided insurance or a surety bond or deposit
21 of cash or securities covering the short-term lessee in the required
22 amount, the judge shall dismiss as to the short-term lessor the action
23 brought under this section.

24 **Sec. 2.** NRS 485.185 is hereby amended to read as follows:

25 485.185 1. Except as otherwise provided in subsection 2,
26 every owner of a motor vehicle which is registered or required to be
27 registered in this State shall continuously provide, while the motor
28 vehicle is present or registered in this State, insurance provided by
29 an insurance company licensed by the Division of Insurance of the
30 Department of Business and Industry and approved to do business in
31 this State:

32 (a) In the amount of ~~15,000~~ **25,000** for bodily injury to or
33 death of one person in any one crash;

34 (b) Subject to the limit for one person, in the amount of
35 ~~30,000~~ **50,000** for bodily injury to or death of two or more
36 persons in any one crash; and

37 (c) In the amount of ~~10,000~~ **20,000** for injury to or
38 destruction of property of others in any one crash,

39 for the payment of tort liabilities arising from the maintenance or
40 use of the motor vehicle.

41 2. The provisions of this section do not apply to a moped.

42 **Sec. 3.** NRS 485.210 is hereby amended to read as follows:

43 485.210 For the purposes of NRS 485.200, a policy or bond is
44 not effective unless:



1 1. The policy or bond is subject, if the crash has resulted in
2 bodily injury or death, to a limit, exclusive of interest and costs, of
3 not less than ~~15,000~~ \$25,000 because of bodily injury to or death
4 of one person in any one crash and, subject to the limit for one
5 person, to a limit of not less than ~~30,000~~ \$50,000 because of
6 bodily injury to or death of two or more persons in any one crash
7 and, if the crash has resulted in injury to or destruction of property,
8 to a limit of not less than ~~10,000~~ \$20,000 because of injury to or
9 destruction of property of others in any one crash; and

10 2. The insurance company or surety company issuing that
11 policy or bond is authorized to do business in this State or, if the
12 company is not authorized to do business in this State, unless it
13 executes a power of attorney authorizing the Director to accept
14 service on its behalf of notice or process in any action upon that
15 policy or bond arising out of a crash.

16 **Sec. 4.** NRS 485.304 is hereby amended to read as follows:

17 485.304 Judgments must for the purpose of this chapter only,
18 be deemed satisfied:

19 1. When ~~15,000~~ \$25,000 has been credited upon any
20 judgment or judgments rendered in excess of that amount because of
21 bodily injury to or death of one person as the result of any one
22 crash;

23 2. When, subject to the limit of ~~15,000~~ \$25,000 because of
24 bodily injury to or death of one person, the sum of ~~30,000~~
25 \$50,000 has been credited upon any judgment or judgments
26 rendered in excess of that amount because of bodily injury to or
27 death of two or more persons as the result of any one crash; or

28 3. When ~~10,000~~ \$20,000 has been credited upon any
29 judgment or judgments rendered in excess of that amount because of
30 injury to or destruction of property of others as a result of any one
31 crash,

32 ↪ but payments made in settlement of any claims because of bodily
33 injury, death or property damage arising from a motor vehicle crash
34 must be credited in reduction of the amounts provided for in this
35 section.

36 **Sec. 5.** NRS 485.3091 is hereby amended to read as follows:

37 485.3091 1. An owner's policy of liability insurance must:

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

41 (b) Insure the person named therein and any other person, as
42 insured, using any such motor vehicle with the express or implied
43 permission of the named insured, against loss from the liability
44 imposed by law for damages arising out of the ownership,
45 maintenance or use of such motor vehicle within the United States



1 of America or the Dominion of Canada, subject to limits exclusive
2 of interest and costs, with respect to each such motor vehicle, as
3 follows:

4 (1) Because of bodily injury to or death of one person in any
5 one crash, ~~+\$15,000;~~ **+\$25,000;**

6 (2) Subject to the limit for one person, because of bodily
7 injury to or death of two or more persons in any one crash,
8 ~~+\$30,000;~~ **+\$50,000;** and

9 (3) Because of injury to or destruction of property of others
10 in any one crash, ~~+\$10,000;~~ **+\$20,000.**

11 2. An operator's policy of liability insurance must insure the
12 person named as insured therein against loss from the liability
13 imposed upon the person by law for damages arising out of the
14 person's use of any motor vehicle within the same territorial limits
15 and subject to the same limits of liability as are set forth in
16 paragraph (b) of subsection 1.

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

25 4. A motor vehicle liability policy need not insure any liability
26 under any workers' compensation law nor any liability on account
27 of bodily injury to or death of an employee of the insured while
28 engaged in the employment, other than domestic, of the insured, or
29 while engaged in the operation, maintenance or repair of any motor
30 vehicle owned by the insured nor any liability for damage to
31 property owned by, rented to, in charge of or transported by the
32 insured.

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

35 (a) The liability of the insurance carrier with respect to the
36 insurance required by this chapter becomes absolute whenever
37 injury or damage covered by the policy occurs. The policy may not
38 be cancelled or annulled as to such liability by any agreement
39 between the insurance carrier and the insured after the occurrence of
40 the injury or damage. No statement made by the insured or on behalf
41 of the insured and no violation of the policy defeats or voids the
42 policy.

43 (b) The satisfaction by the insured of a judgment for injury or
44 damage is not a condition precedent to the right or duty of the



1 insurance carrier to make payment on account of the injury or
2 damage.

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

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

10 6. Any policy which grants the coverage required for a motor
11 vehicle liability policy may also grant any lawful coverage in excess
12 of or in addition to the coverage specified for a motor vehicle
13 liability policy, and the excess or additional coverage is not subject
14 to the provisions of this chapter.

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

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

21 9. Any binder issued pending the issuance of a motor vehicle
22 liability policy shall be deemed to fulfill the requirements for such a
23 policy.

24 **Sec. 6.** NRS 687B.145 is hereby amended to read as follows:

25 687B.145 1. Any policy of insurance or endorsement
26 providing coverage under the provisions of NRS 690B.020 or other
27 policy of casualty insurance may provide that if the insured has
28 coverage available to the insured under more than one policy or
29 provision of coverage, any recovery or benefits may equal but not
30 exceed the higher of the applicable limits of the respective
31 coverages, and the recovery or benefits must be prorated between
32 the applicable coverages in the proportion that their respective limits
33 bear to the aggregate of their limits. Any provision which limits
34 benefits pursuant to this section must be in clear language and be
35 prominently displayed in the policy, binder or endorsement. Any
36 limiting provision is void if the named insured has purchased
37 separate coverage on the same risk and has paid a premium
38 calculated for full reimbursement under that coverage.

39 2. Except as otherwise provided in subsection 5, insurance
40 companies transacting motor vehicle insurance in this State must
41 offer, on a form approved by the Commissioner, uninsured and
42 underinsured vehicle coverage in an amount equal to the limits of
43 coverage for bodily injury sold to an insured under a policy of
44 insurance covering the use of a passenger car. The insurer is not
45 required to reoffer the coverage to the insured in any replacement,



1 reinstatement, substitute or amended policy, but the insured may
2 purchase the coverage by requesting it in writing from the insurer.
3 Each renewal must include a copy of the form offering such
4 coverage. Uninsured and underinsured vehicle coverage must
5 include a provision which enables the insured to recover up to the
6 limits of the insured's own coverage any amount of damages for
7 bodily injury from the insured's insurer which the insured is legally
8 entitled to recover from the owner or operator of the other vehicle to
9 the extent that those damages exceed the limits of the coverage for
10 bodily injury carried by that owner or operator. If an insured suffers
11 actual damages subject to the limitation of liability provided
12 pursuant to NRS 41.035, underinsured vehicle coverage must
13 include a provision which enables the insured to recover up to the
14 limits of the insured's own coverage any amount of damages for
15 bodily injury from the insured's insurer for the actual damages
16 suffered by the insured that exceed that limitation of liability. *A*
17 *policy of motor vehicle insurance that includes uninsured and*
18 *underinsured vehicle coverage must not include an exclusion,*
19 *reduction or other limitation of coverage where the insured is*
20 *injured while in the course of his or her employment or pursuing a*
21 *business activity or purpose.*

22 3. An insurance company transacting motor vehicle insurance
23 in this State must offer an insured under a policy covering the use of
24 a passenger car, the option of purchasing coverage in an amount of
25 at least \$1,000 for the payment of reasonable and necessary medical
26 expenses resulting from a crash. The offer must be made on a form
27 approved by the Commissioner. The insurer is not required to
28 reoffer the coverage to the insured in any replacement,
29 reinstatement, substitute or amended policy, but the insured may
30 purchase the coverage by requesting it in writing from the insurer.
31 Each renewal must include a copy of the form offering such
32 coverage.

33 4. An insurer who makes a payment to an injured person on
34 account of underinsured vehicle coverage as described in subsection
35 2 is not entitled to subrogation against the underinsured motorist
36 who is liable for damages to the injured payee. This subsection does
37 not affect the right or remedy of an insurer under subsection 5 of
38 NRS 690B.020 with respect to uninsured vehicle coverage. As used
39 in this subsection, "damages" means the amount for which the
40 underinsured motorist is alleged to be liable to the claimant in
41 excess of the limits of bodily injury coverage set by the
42 underinsured motorist's policy of casualty insurance.

43 5. An insurer need not offer, provide or make available
44 uninsured or underinsured vehicle coverage in connection with a
45 general commercial liability policy, an excess policy, an umbrella



1 policy or other policy that does not provide primary motor vehicle
2 insurance for liabilities arising out of the ownership, maintenance,
3 operation or use of a specifically insured motor vehicle.

4 6. As used in this section:

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

8 (b) "Passenger car" has the meaning ascribed to it in
9 NRS 482.087.

10 (c) "Umbrella policy" means a policy that protects a person
11 against losses in excess of the underlying amount required to be
12 covered by other policies.

13 **Sec. 7.** The amendatory provisions of this act do not apply to
14 the satisfaction of any judgment entered as a result of a crash
15 involving a motor vehicle before July 1, 2017.

16 **Sec. 8.** This act becomes effective on July 1, 2017.

