

CHAPTER.....

AN ACT relating to insurance; requiring, under certain circumstances, an insurer that requires the inspection or further inspection of a motor vehicle for repair relating to a claim to conduct the inspection or further inspection within a certain period of time; providing an administrative penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires: (1) with certain exceptions, an insurer to approve or deny a claim of its insured relating to a contract of casualty of insurance within 30 days after receiving the claim; and (2) an insurer to notify a policyholder within 20 days after receiving the claim if the insurer requires additional information or time to determine whether to approve or deny the claim. (NRS 690B.012)

Section 1 of this bill provides that if an insurer requires the inspection for repair of a motor vehicle relating to a claim by the insured or a claimant, the insurer shall, within 8 business days after receiving the claim and accepting liability: (1) request that the insured, the claimant or a representative of the selected repair shop, as applicable, make the motor vehicle available for inspection; and (2) with certain exceptions, inspect the motor vehicle. The insurer is required, within 2 business days after the inspection, to transmit the completed estimate which includes, without limitation, an indication of the extent of known damages related to the claim and manner of repair at the time of the inspection. **Section 1** further provides that if, in response to a request for a supplemental estimate, the insurer determines that a motor vehicle requires further inspection, the insurer shall, within 8 business days after making such determination: (1) request that the insured, the claimant or a representative of the selected repair shop, as applicable, make the motor vehicle available for inspection; and (2) with certain exceptions, inspect the motor vehicle. The insurer is required, within 2 business days after the inspection, to transmit the completed estimate which includes, without limitation, an indication of the extent of known damages related to the claim and manner of repair at the time of the inspection. If the insurer fails to inspect or further inspect the vehicle during the time in which it is required to do so or fails to provide the required completed estimate, the insurer waives its right to inspect or further inspect the vehicle and, with certain exceptions, negotiations for payment of the claim are limited to the cost of labor and price of parts. Finally, **section 1** authorizes the Division of Insurance of the Department of Business and Industry to impose an administrative fine of not more than the actual damages or \$1,200, whichever is less, for each violation of **section 1**.



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

Section 1. Chapter 690B of NRS is hereby amended by adding thereto a new section to read as follows:

1. If an insurer requires the inspection for repair of a motor vehicle relating to a claim by the insured or a claimant, the insurer shall, within 8 business days after receiving the claim, accepting liability and confirming coverage:

(a) Request that the insured, the claimant or a representative of the selected repair shop, as applicable, make the motor vehicle available for inspection; and

(b) Except as otherwise provided in subsection 3, inspect the motor vehicle.

↳ Within 2 business days after an inspection, the insurer shall transmit the completed estimate which includes, without limitation, an indication of the extent of known damages related to the claim and manner of repair.

2. If, in response to a request for a supplemental estimate, the insurer determines that a motor vehicle requires further inspection, the insurer shall, within 8 business days after making such determination:

(a) Request that the insured, the claimant or a representative of the selected repair shop, as applicable, make the motor vehicle available for further inspection; and

(b) Except as otherwise provided in subsection 3, conduct such further inspection of the motor vehicle.

↳ Within 2 business days after an inspection, the insurer shall transmit the completed estimate which includes, without limitation, an indication of the extent of known damages related to the claim and manner of repair.

3. If the insured or claimant does not make a motor vehicle available for inspection or further inspection within 8 business days after receiving a request from the insurer pursuant to subsection 1 or 2, the insurer shall inspect or further inspect the vehicle as soon as practicable after the insured or claimant makes the motor vehicle available.

4. If an insurer fails to inspect the motor vehicle during the period required pursuant to subsection 1, 2 or 3, as applicable, or fails to transmit the completed estimate required pursuant to subsection 1 or 2, as applicable, the insurer waives its right to inspect or further inspect the motor vehicle before any repairs are



made to the vehicle. Unless the repair facility or, as applicable, the insured or claimant allows an inspection or further inspection of the vehicle after the period required pursuant to subsection 1, 2 or 3, negotiations for payment of the claim are limited to the cost of labor and the price of parts unless the insurer provides objective evidence to dispute the existence of damage or the chosen manner of repair.

5. The insured or claimant, as applicable, may file a complaint against the insurer with the Division if the insurer waives its right to inspect or further inspect the vehicle and does not limit negotiations for payment of the claim to the cost of labor and the price of parts or provide objective evidence to dispute the existence of the damage or the chosen manner of repair.

6. The Division may impose against an insurer an administrative fine of not more than the actual damages or \$1,200, whichever is less, for a violation of the provisions of this section.

7. As used in this section, "inspection" means:

(a) A physical inspection; or

(b) A digital inspection which includes, without limitation, the provision of digital photographs, videos or any other digital evidence through an electronic processing system authorized by an insurer that conducts the inspection of a motor vehicle.

