

Amendment No. 288

Assembly Amendment to Assembly Bill No. 398	(BDR 57-1045)
Proposed by: Assembly Committee on Commerce and Labor	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

SLD/HAC



Date: 4/13/2023

A.B. No. 398—Makes various changes relating to insurance. (BDR 57-1045)



ASSEMBLY BILL NO. 398—COMMITTEE
ON COMMERCE AND LABOR

MARCH 24, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to insurance. (BDR 57-1045)

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 insurance; prohibiting an insurer from issuing or renewing a policy of liability insurance that contains certain provisions; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law establishes the Nevada Insurance Code which governs contracts of
2 insurance. (Title 57 of NRS) This bill prohibits an insurer from issuing or renewing a policy
3 of liability insurance that contains a provision that: (1) reduces the limit of liability stated in
4 the policy by the costs of defense, legal costs and fees and other expenses for claims; or (2)
5 ~~authorizes the costs of defense, legal costs and fees and other expenses for claims to be~~
6 ~~applied to the deductible; or (3)~~ otherwise limits the availability of coverage for the costs of
7 defense, legal costs and fees and other expenses for claims.

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

1 **Section 1.** Chapter 679A of NRS is hereby amended by adding thereto a new
2 section to read as follows:

3 *Notwithstanding any other provision of law, an insurer, including, without*
4 *limitation, an insurer listed in NRS 679A.160, shall not issue or renew a policy of*
5 *liability insurance that contains a provision that:*

6 1. *Reduces the limit of liability stated in the policy by the costs of defense,*
7 *legal costs and fees and other expenses for claims; or*

8 2. ~~*Authorizes the costs of defense, legal costs and fees and other expenses*~~
9 ~~*for claims to be applied to the deductible; or*~~

10 ~~*3. Otherwise limits the availability of coverage for the costs of defense,*~~
11 ~~*legal costs and fees and other expenses for claims.*~~

12 **Sec. 2.** The provisions of this act do not apply to any contract for liability
13 insurance existing on October 1, 2023, but apply to any renewal of such a contract.