

## SENATE JUDICIARY COMMITTEE

## MINUTES

Meeting was called to order on February 14, 1969 at 10:00 a. m. by Chairman Monroe.

Committee members present: Chairman Monroe  
 Senator Swobe  
 Senator Hug  
 Senator Dodge  
 Senator Young  
 Senator Bunker  
 Senator Christensen

Guests: Howard, Barrett, Budget Director,  
 State of Nevada  
 Virgil Anderson, Staff Attorney for  
 AAA  
 Bernie Smith, Manager, AAA Reno  
 office.

Chairman Monroe advised he had been in error by letting SB 19 out of committee yesterday. He had understood there were no objections from the Labor Unions but had later been advised there were. He would ask that a letter be sent to the Committee expressing their stand on this bill.

Chairman Monroe introduced Mr. Virgil Anderson, Staff Attorney for the American Automobile Association who would like to be heard on AB 72.

Mr. Anderson read a proposed amendment to the present legislation changing the wording on subsection 2, line 9 to "insuror may sell and insured may pruchase". He explained there was now a limit (~~minimum~~) in the Nevada Responsibility Law limiting the coverage to \$10/20,000 coverage and he felt with his proposed change it would be a very good bill.

There was considerable discussion directed to Mr. Anderson.

Senator Young asked if one was not permitted now to purchase higher limits than were allowed in the Responsibility Law.

Mr. Anderson replied that it was not allowed in Nevada and the insured was limited to the limits as set forth.

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Senator Young remarked a person could reject the uninsured motorist coverage but if he did not the coverage was automatically included by the insurance company.

Chairman Monroe asked Mr. Anderson if he felt it would leave the option to offer the increased coverage up to the insurance company with his amendment.

Mr. Anderson felt the insurance company should have the right to offer it or not. He could not give any idea as to the amount of increase in premium for the higher limits as there was not sufficient evidence as yet to give the companies a chance to establish a rate. He felt this coverage would definitely be for the benefit of the public.

Senator Hug asked if there were many states that made it a law that you must carry liability insurance.

Senator Dodge stated there were only a few states that made it mandatory.

Mr. Anderson explained the Nevada Responsible Law does not mandate but states that any person having an accident and doing damage to his property or another persons property in excess of \$250.00 must either carry the minimum amount of bodily injury and property damage, at least, or would have to surrender his drivers license.

Senator Bunker advised they had to file an SR 22 with the motor vehicle department which proves evidence of insurance before they could get their drivers license back at the end of the suspension period.

Senator Dodge stated he could see nothing wrong with the bill but felt the language needed to be clarified. He asked if there were objections from the insurance companies to offering the increased limits. He felt we should not mandate in our laws what the conapnies have to furnish.

Senator Young felt that if the rates were too high the public could always take their objections to the insurance commissioner. He also felt there were those that would pay for the additional premium regardless of the cost.

Mr. Anderson remarked the insurance industry felt the uninsured motorist coverage was very important. Only about 50% of all insureds carry the minimum limits and it was very difficult for a Company to try to figure additional premium charges in advance when they had no way to know how many would take advantage of it.

Senator Young would like to hear from an actuary of insurance premiums.

Chairman Monroe suggested this be discussed further before there was any definite action taken.

Chairman Monroe called upon Mr. Barrett to discuss SB 119.

Mr. Barrett: AB 177 definitely does have an effect on SB 119. They are two separate changes. Our major concern is to exempt an employee from liability (if he were acting in a reasonable manner). A number of the state employees have a side exposure for suit such as the Spillers case that involved a prisoner leaving an honor camp and raped a Reno woman. There was a suit filed against the state in the amount of \$850,000. This case was turned down by the Board of Examiners. They could not have paid it as there is a limit of \$1,000 that can be paid for filing against the state. There were three employees involved and if the court should award sufficient judgment there would be a \$25,000 limit paid by the state and the employees would have to make up the balance. The state does not have insurance to cover the employees and they should act in a reasonable manner at all times. The state does have a malpractice policy covering the doctors at the State Hospital but we want to provide protection so that employees can not be sued.

Senator Dodge: Before we waived the sovereign immunity the exposure was the same.

Mr. Barrett: There were a number of cases filed before we waived sovereign immunity however since that then there have been about one hundred filed, of which only one or two have gone into court.

Senator Dodge: I know the state does carry a policy on their state owned vehicles and the employees driving the cars are covered when they are on state business. We have no insurance for the employees for less than \$25,000..

Mr. Barrett: On page 2, Section 4, Subsection 2. The Board has authority to pay up to \$1,000 but there is no authority to pay between \$1,000 and \$25,000. There is no provision as to money to be paid out if the court should hand down a decision against the state up to \$1,000. There is no way to get the money to pay for the judgment until the next session of the legislature. The language will have to be put in or leave the decision up to the court to see where we get the money.

Senator Dodge: It has bothered me that we forbid the State to cover its employees.

Senator Young: Is there any chance to require the State to protect the employees in the event of a suit?

Mr. Barrett: We would get into a conflict. The Attorney General would be the one to defend the State and the employees would have to have their individual attorneys.

Senator Dodge: Another part of the proposed amendment is the "retro-active". I have not discussed this with Russ but I do not think we can get away with this.

Senator Swobe: I think we should ask Frank Daykin to come in and draft something that will take care of all of the problems.

Senator Dodge: Howard, have you talked to other states about this problem? How do they handle it?

Mr. Barrett: No. Actually this problem was turned over to another individual and it came to me much later.

Senator Dodge: I think we should check other states and see what can be done.

Mr. Barrett: I will check other sources and find out and will contact you.

This concluded the meeting. Meeting adjourned until 2:00 p. m.