

MINUTES

Meeting was called to order by Chairman Monroe at 10:10 a. m. on February 25, 1968.

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

AJR 13 - Memorializes Congress to initiate constitutional amendment to increase terms of Congressmen.

Senator Young remarked that Nevada is one of four states that has only one representative in Congress and he felt they were well paid at \$42,500 annually plus the fringe benefits, telephone expenses, travel expenses, etc. He thought it was good to have them appear before their public every two years as it was stimulating and kept them in contact with the voters. It was not too expensive to run for the office as there was television and radio now to contact the voters.

Chairman Monroe remarked that there had not been much of a fight for the Congressmen running lately and if there were a tight election for the candidates it would cost at least \$100,000 to campaign.

Senator Bunker stated if the Congressmen were changed every two years there would be no chance for them to gain any experience and become valuable. This would apply to the state assemblymen as well.

Senator Christensen felt it would be more important to elect an assemblyman every four years rather than a Congressman.

Senator Young stated you missed a lot of good men that might run for four years but would not run for just a two year term.

Chairman Monroe stated he had heard from a lot of different people that the general opinion of the Congressman had sunk pretty far down and that they could be "bought" a lot faster than a Senator. Senator Young disagreed immediately and stated there might be one or two that would give them all a bad name but when he was a Congressman he found that they were a hard working group.

Senator Dodge stated he felt the people that set up the regulations for the elections of the Assemblymen and the Congressman knew what they wanted and he would hate to see these laws tampered with. He appreciated both sides of the arguments but was very reluctant to make any changes. He felt the present system would

keep the representative responsive.

Senator Swobe moved to "bucket" the bill.

Ayes: Senators Hug, Dodge and Young and Swobe.

Nays: Senators Bunker and Christensen.

Motion carried.

Chairman Monroe asked that Frank Daykin be asked in to the meeting.

SB 243 - Establishes procedure for settlement of adverse claims to townsite property located on public lands.

Frank Daykin explained this went back to a situation that now exists in Jarbidge, Nevada but could possible exist in many places in Nevada. Years ago when titles were established in townsites on Federal public land the judge never issued or the owners did not record the deeds. This statute provides for the settlement of the adverse claims.

Senator Dodge moved this be passed.

Senator Young seconded the motion.

Motion carried.

Mr. Torvinen, Chairman of the Assembly Judiciary Committee, came into the meeting. Chairman Monroe had requested he come in to explain a couple of his bills.

AB 56 - Conforms Nevada law to Uniform Business Records as Evidence Act.

Mr. Torvinen explained he had an occasion to do some research work of the Uniform Business Records act but could not find any support of evidence to conform to the Evidence Act. This change now provides "the custodian or other qualified witness testifies to its identity and the mode of its preparation." This was not provided for before.

Senator Young moved this be passed.

Senator Dodge seconded the motion.

Motion carried.

AB 294 - Provides method for appointment of temporary guardian for minor.

Mr. Torvinen stated this was requested by the Legal Aid Society of Reno. There had been situations arise where a grandmother, aunt or just a close friend was taking care of children and an emergency arose that would need her signature, as admittance to a hospital or even signing as a legal guardian

for joining a Boy Scout Group. Only the legal guardian who would be the parent in most cases could sign. This would be as a guardian of the person only, and not the estate. This would not entitle the guardian to any money.

Mr. Torvinen explained there was now a forty page bill in his committee in the Assembly that was a revision of the Guardianship statute but this was not included in those revisions.

Mr. Daykin explained that if both this bill and the new revision bill was passed this would show up in the law in its proper place. He stated that in most practical purposes if you have a parent you do not need a legal guardian, however we have a much more formalistic society now and hospitals and many associations require the signature of the legal guardian and the parent is not always in the area.

Senator Dodge stated there could be one danger in this proposal that may not be good for the child. They might make decisions that would not be good for the child and in conflict to the decision the actual parent would make.

Senator Young asked what would happen if the Court were to appoint another guardian different than the one appointed by the parent. Would the decision of the Court supercede?

Mr. Torvinen replied he had never thought of that and asked Mr. Daykin his opinion.

Mr. Daykin felt the decision of the court would supercede, however the Court appointment would be for a lengthy period and the parent appointed guardian would be for a temporary period so there would be no conflict.

Senator Young mentioned there could be a situation where the appointed guardian would not give the child back to the parent when he wanted it.

Mr. Torvinen stated he would change his amendment to state the guardianship could be cancelled by the legal parent at any time.

Senator Young moved this be amended and do pass.
Senator Dodge seconded the motion.
Motion carried.

Mr. George Vargas, representing American Insurance Association, Mr. Oliver Bolton, representing Nevada Insurance Association and Mr. J. V. Corica, legislative representative for the Insurance Industry came into the meeting to discuss A. B. 72 (Allows uninsured motorist coverage up to the limits of insured's policy).

Mr. Vargas: I am George Vargas and represent the American Insurance Association. I previously gave the members of this committee a letter regarding the uninsured motorist coverage. The new insurance code now under study will include a different provision for the uninsured motorist coverage and will provide that any person can purchase uninsured motorist coverage for not less than the limits required by the Nevada Responsibility Law. This insurance can be rejected by the insured if he desires, otherwise it is mandatory. We do not want to make it mandatory that the Company will have to write higher limits. The premium would be very expensive for \$100/300,000 limits. The persons requesting AB 72 are satisfied with the new provisions written into the new insurance code and are willing to withdraw this now.

Mr. Bolton: We were not aware there would be objections by the companies on the increased limits and did not know there would be a provision in the new code for uninsured motorists. The wording of the new code is satisfactory to us and we will withdraw AB 72.

Mr. Vargas: I might mention that there is a new bill to be discussed this afternoon in the Assembly requiring the limits be increased from \$10/20,000 to \$15/30,000. We approve of this.

Mr. Bolton: Our association does also. The trend nationwide is to increase the limits of uninsured motorist coverage to \$15/30,000.

Mr. Corica: The agents are not in favor of reducing the limits to \$5/10,000 but are in favor of the \$15/30,000 and think it is much better protection for the insured.

Mr. Bolton: The experience in Nevada on this has been very unfavorable. The first year it was required, 1966 there was a 64% loss ratio paid out. 65% is considered the point for breaking even. The Insurance companies do not want to be compelled to write the higher limits.

Senator Young: How many companies now will write the higher limits?

Mr. Bolton: There are none right now. There are other states that are trying to adopt it. There are some companies that write substandard insurance that may write it but the premium is going to be very high.

Senator Young: I would like to be able to buy the higher limits. There are some that feel they would pay a high premium for this added protection. What companies could I get it from now?

Mr. Bolton: I do not know of any companies that will write it at this time but as I stated, it might be available from one of the companies that will write a sub-standard policy.

Mr. Vargas: We thank you gentlemen for listening to us.

(Mr. Vargas, Mr. Bolton and Mr. Corica left the meeting.)

Mr. Russ McDonald came in and talked to the committee, stating they were concerned about the constitution problems and about the many proposed amendments to the constitution. His office has prepared resolutions and he would like them presented by the committee.

It was agreeable to present them.

There being no further business the meeting adjourned at 11:00 a. m.

Respectfully submitted,

Jeanne M. Smith, Secretary.

Approved: _____

VARGAS, BARTLETT & DIXON

GEORGE L. VARGAS
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February 18, 1969

Mr. James Wood,
Chairman, Assembly Commerce Committee
Capitol Building
Carson City, Nevada

Re: A. B. 243

Dear Jim:

This bill generally provides that with respect to uninsured motorist coverage, such coverage shall not be less than the amount specified under the Nevada Motor Vehicle Responsibility Act, namely, limits of 10 and 20 on bodily injury or death and \$5,000 on property damage, but this bill further provides that uninsured motorist coverage may exceed the foregoing limits.

To the extent that this bill provides that U.M. coverage shall not be less than the above motor vehicle responsibility limits, it is simply a duplication of a provision now contained in the proposed new Nevada Insurance Code.

To the extent that this bill provides that U.M. coverage may exceed those limits, it is simply a duplication of A.B. 72, which is now in the Senate Commerce Committee. Hence, there is no necessity for this bill, even if it was good legislation and in the public interest. The analysis of the American Insurance Association indicates that this is not good legislation, and that its enactment would not be in the public interest. Attached hereto is a memorandum from the A.I.A. covering A.B. 72 with comments equally applicable to this bill.

Any subjects covering insurance should be set forth and contained in any event in the proposed new Insurance Code. The 1967 legislature spent \$25,000 to have this new code prepared. It was prepared by an expert in

Mr. James Wood
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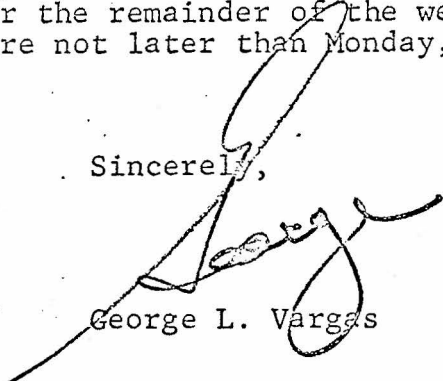
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the field and has been, and will be, the subject of hearings by all interested or affected parties. Our Insurance Commissioner, Louis T. Mastos, on January 10, 1969, issued a memorandum on the new insurance code. At the very outset, he specifies the objectives of this code: "As reflected in the Act under which the revision was authorized, the purpose of the revision is to provide the State of Nevada with a well organized, clearly presented, and complete body of laws governing the insurance business, the conduct and public supervision thereof, with particular regard to the unique problems, needs and facilities of the State of Nevada - all designed to improve the protection of Nevada policyholders, facilitate public supervision, and provide for continuing improvement of insurance services available in the State." (underscoring mine)

It is obvious that if the new code is to contain a complete body of laws, isolated bills such as A.B. 243 should not be enacted separately.

This latter comment applies with equal force to Senate Bill 71 which I have asked you to hold in your Committee at least until hearing. In addition to being a proposed isolated law outside of the provisions of the new Insurance Code, S.B. 71 has many undesirable effects. I am furnishing your Committee with copies of this memorandum. I will have to be in the midwest for the remainder of the week, but will be back in the legislature not later than Monday, the 24th.

Sincerely,



George L. Vargas

GLV/jh
Enclosure

cc: Commerce Committee

Amendments to AB72

In line 9 of page one of the printed bill strike the word "The" and insert the words "An insurer may sell and the"

Explanation of Amendment

The bill as amended will provide that Uninsured Motorist Insurance Coverage in a motor vehicle liability may exceed the basic Financial Responsibility Law limits of \$0,000/\$50,000. Both the insurer and the insured are given an option to sell and to buy such higher limit insurance coverage.

Under the provisions of the bill, this option was solely at the discretion of the buyer. This ~~with~~ Amendment will provide an option for the insurer to make available such higher limit insurance if it so desires, but will not compel it to do so if a limited demand made it unprofitable and impractical.