

MINUTES

ASSEMBLY COMMERCE COMMITTEE

MAY 4, 1977

MEMBERS PRESENT

Chairman Harmon  
Vice Chairman Mello  
Mr. Barengo  
Mr. Demers  
Mrs. Hayes  
Mr. Moody  
Mr. Price  
Mr. Sena  
Mr. Weise

GUESTS PRESENT

Virgil Anderson, Triple A  
Daryl Capurro, Nevada Franchised Auto Dealers Assn.  
George Vargas, American Insurance Assn.  
James L. Wadhams, Insurance Division  
Assemblyman Steve Coulter  
Joe Johnston, Nevada Southern Title Co.  
Gene Leverty, Insurance Division  
George Ciapusci, State Farm Ins.  
Gene Milligan, Nevada Assn. of Realtors  
Bill Cozart, Nevada Assn. of Realtors

The meeting was called to order at 2 p.m. by Chairman Harmon.

COMMITTEE ACTION

Assembly Bill 708: Mr. Demers moved to Indefinitely Postpone, seconded by Mr. Sena. Motion carried. Weise, Hayes, Moody and Price not present.

Assembly Bill 631: Mr. Demers moved Indefinitely Postpone, seconded by Mr. Sena. Motion carried. Weise, Moody and Price not present.

Senate Bill 475

Bill Cozart and Gene Milligan, Nevada Association of Realtors, appeared in support of the bill. In response to a question by

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Mr. Barengo, Mr. Cozart stated S.B. 475 was a result of discussions with John Reiser of NIC. Mr. Barengo questioned what the premium for real estate brokers and salesmen was going to be. Mr. Cozart said between .62¢ and \$1.12 per hundred. He further explained that all real estate licensees would be under one classification instead of being classified with other employee groups. They will be required to be self-supporting and if the rate isn't high enough it will be raised. Mr. Barengo said if NIC was going to do this for real estate licensees, they should do it for everybody.

COMMITTEE ACTION

Senate Bill 475: Mr. Demers moved Do Pass, seconded by Mr. Sena. Motion carried. Mr. Barengo voted no.

No one appeared in support or in opposition to Senate Bill 339.

Senate Bill 305

Virgil Anderson, Triple A, appeared in support of S.B. 305. The bill provides for an independent medical examination of an insured in connection with no-fault benefits for medical expense and wage loss. Under the present law, if there is doubt as to the insured's condition, the insurance company must obtain a court order for an independent medical examination. This bill would allow the insurance company to ask for such a medical examination and they would pay all expenses in connection therewith. Mr. Anderson said the law also provides that if a company wrongfully withholds any payments under these benefits the payments are subject to an annual penalty of 18% interest plus attorneys fees.

Mr. Barengo said he was concerned about a reparation obligor designating the examining physician. The physician could be one used regularly by the company who would report favorably for them. Mr. Anderson felt the provisions regarding interest and attorneys fees would prevent a company from wrongdoing.

George Vargas, American Insurance Association, also appeared in support of S.B. 305. He stated the companies feel this bill is necessary to check the possibility of malingering on the part of the insured. Mr. Vargas did not feel there would be any abuse on the part of the companies, but if there was there would be a ready remedy by reporting to Insurance Commissioner Rottman.

George Ciapusci, State Farm Insurance, and Daryl Capurro, Nevada Franchised Auto Dealers Association, also appeared in support of S.B. 305. Jim Wadhams, Insurance Commissioner's office, stated that they also supported the bill.

COMMITTEE ACTION

Senate Bill 305: Mr. Moody moved Do Pass, seconded by Mr. Price. Motion carried. Mr. Weise and Mr. Harmon not present.

Senate Bill 423

Jim Wadhams, Insurance Commissioner's Office, stated there were a number of witnesses representing the title insurance industry that were to appear in support of S.B. 423 at 3 p.m. since they had been advised that was the time of the hearing.

Mr. Wadhams further said this bill is the result of approximately 2 years of work by the title insurance industry in connection with Commissioner Rottman's office. At the present time there is no specific statute in Nevada relating to title insurance. Title insurance covers approximately 95% of all the land sales transactions in the state, and Mr. Wadhams feels that S.B. 423 is definitely for the benefit of purchasers of real estate.

Mr. Demers asked Mr. Wadhams how many complaints the Insurance Commissioner received a year regarding title insurance. Mr. Wadhams said there were very few, probably 12, and the reason for that is that very few people really understand title insurance or even understand that they have purchased it. Mr. Wadhams said that is why a good, comprehensive bill covering such matters is important so that the Insurance Commissioner can intercede in behalf of the people.

Mr. Wadhams emphasized that the Nevada Land Title Association, representing virtually all of the people who sell title insurance, are fully in support of S.B. 423 since it is an industry bill for their protection as well as the premium payers.

Joe Johnston, representing Nevada Southern Title, appeared in opposition to S.B. 423. Mr. Johnston said he is a member of the Nevada Land Title Association and does not agree that all members are in favor of the bill. He stated that three members of Nevada Land Title Association were present at the meeting in December who voted on this bill. Mr. Johnston said the reason there were so few complaints regarding title insurance was because their field was to discover and cure faults before they occur. Mr. Johnston also feels this bill is discriminatory against the small companies, that it vests too much power in one man and the little companies will suffer if this bill is passed.

Mr. Johnston felt the bill should be amended in several ways. In Section 21 (1) "as a title plant company" should be changed to "as a title insurer, title agent or title plant company". A copy of Mr. Johnston's other suggested amendments is attached as Exhibit 1.

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Assemblyman Steve Coulter said he was interested in S.B. 423 since he is associated with First Commercial Title in Reno and he sat in on some of the deliberations dealing with the Nevada Land Title Association. Mr. Coulter said they had worked on this bill for 2 years and he believes it would be safe to say that every title insurance company in Nevada except Mr. Johnston supports S.B. 423. A delegation from all over the state testified on behalf of the bill in the Senate and have been here to testify but the bill has been postponed. Mr. Coulter would urge passage of the bill.

Mr. Gene Leverty, Insurance Division, stated that many people would be present at 3 p.m. to testify in behalf of S.B. 423. Mr. Demers, acting chairman of the committee, said he was going to hold the bill since a quorum was not present. Mr. Wadhams said it should be pointed out that this bill is essentially a national model bill that was developed by the American Land Title Association. Also, Mr. Wadhams stated that the discrimination which Mr. Johnston sees in the bill is not there as the Insurance Commissioner has the power to get the disclosure from the agencies as well as the title insurer.

No one appeared on behalf of S.C.R. 31 or S.C.R. 40.

The subcommittee adjourned at 3:00 p.m.

Jane Dunne  
Assembly Attache

SENATE BILL 423

Suggested amendments by Joe Johnston, Nevada Southern Title Association.

Sec. 5 Delete lines 14 and 15

Change Sec. 21 to read: 1. No person may engage in business as title insurer, title agent or title plant company unless he has been granted a license to do so by the Commissioner.

2. An applicant for a license to conduct business as a title agent, title insurer or title plant company shall submit as part of his application:

5. A license issued under this section may be suspended or revoked by the Commissioner after a full hearing and majority vote of Title FNS Board of Review, such Board to be appointed by the Governor and consist of 3 lay members and the Commissioner. Lay members to be selected from licensed real estate brokers, bankers and attorneys.

Section 27: A title plant company, title agent or title insurer, etc.

59TH NEVADA LEGISLATURE

COMMERCE COMMITTEE  
LEGISLATIVE ACTION

DATE May 4, 1977

SUBJECT S.B. 475

MOTION: \_\_\_\_\_

Do Pass  Amend \_\_\_\_\_ Indefinitely Postpone \_\_\_\_\_ Reconsider \_\_\_\_\_

Moved by Mr. Demers Seconded by Mr. Sena

AMENDMENT \_\_\_\_\_

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

AMENDMENT \_\_\_\_\_

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

VOTE:	<u>MOTION</u>		<u>AMEND</u>		<u>AMEND</u>	
	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
Harmon	<u>x</u>	_____	_____	_____	_____	_____
Mello	<u>x</u>	_____	_____	_____	_____	_____
Barengo	_____	<u>x</u>	_____	_____	_____	_____
Demers	<u>x</u>	_____	_____	_____	_____	_____
Hayes	<u>x</u>	_____	_____	_____	_____	_____
Moody	<u>x</u>	_____	_____	_____	_____	_____
Price	<u>x</u>	_____	_____	_____	_____	_____
Sena	<u>x</u>	_____	_____	_____	_____	_____
Weise	_____	<u>Not present</u>	_____	_____	_____	_____

TALLY:

Original Motion: Passed  Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

Amended & Passed \_\_\_\_\_ Amended & Defeated \_\_\_\_\_

Amended & Passed \_\_\_\_\_ Amended & Defeated \_\_\_\_\_

Attach to Minutes May 4, 1977  
Date

59TH NEVADA LEGISLATURE

COMMERCE COMMITTEE  
LEGISLATIVE ACTION

DATE May 4, 1977

SUBJECT A.B. 631

MOTION: \_\_\_\_\_

Do Pass \_\_\_\_\_ Amend \_\_\_\_\_ Indefinitely Postpone  Reconsider \_\_\_\_\_

Moved by Mr. Demers Seconded by Mr. Sena

AMENDMENT \_\_\_\_\_

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

AMENDMENT \_\_\_\_\_

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
Harmon	<u>x</u>	_____	_____	_____	_____	_____
Mello	<u>x</u>	_____	_____	_____	_____	_____
Barengo	<u>x</u>	_____	_____	_____	_____	_____
Demers	<u>x</u>	_____	_____	_____	_____	_____
Hayes	<u>Not present</u>	_____	_____	_____	_____	_____
Moody	<u>Not present</u>	_____	_____	_____	_____	_____
Price	<u>Not present</u>	_____	_____	_____	_____	_____
Sena	<u>x</u>	_____	_____	_____	_____	_____
Weise	<u>Not present</u>	_____	_____	_____	_____	_____

TALLY:

Original Motion: Passed  Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

Amended & Passed \_\_\_\_\_ Amended & Defeated \_\_\_\_\_

Amended & Passed \_\_\_\_\_ Amended & Defeated \_\_\_\_\_

Attach to Minutes May 4, 1977  
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59TH NEVADA LEGISLATURE

COMMERCE COMMITTEE  
LEGISLATIVE ACTION

DATE May 4, 1977

SUBJECT A.B. 708

MOTION: \_\_\_\_\_

Do Pass  Amend  Indefinitely Postpone IPP Reconsider

Moved by Mr. Demers Seconded by Mr. Sena

AMENDMENT \_\_\_\_\_

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

AMENDMENT \_\_\_\_\_

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

VOTE:	<u>MOTION</u>		<u>AMEND</u>		<u>AMEND</u>	
	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
Harmon	<u>x</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
Mello	<u>x</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
Barengo	<u>x</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
Demers	<u>x</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
Hayes	<u>Not present</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
Moody	<u>Not present</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
Price	<u>Not present</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
Sena	<u>x</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
Weise	<u>Not present</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>

TALLY:

Original Motion: Passed x Defeated      Withdrawn     

Amended & Passed      Amended & Defeated     

Amended & Passed      Amended & Defeated     

Attach to Minutes May 4, 1977  
Date