

The meeting was called to order at 3:00 p.m. in Room 131, Legislative Building.

Senator Blakemore in the Chair.

SENATE TRANSPORTATION COMMITTEE

PRESENT: Senator Richard Blakemore, Chairman
Senator Wilbur Faiss, Vice Chairman
Senator Keith Ashworth
Senator William Hernstadt
Senator Lawrence Jacobsen
Senator Clifford McCorkle
Senator Joe Neal

ASSEMBLY TRANSPORTATION COMMITTEE

PRESENT: Mr. Nash Sena, Chairman
Mr. Alan Glover, Vice Chairman
Mrs. Karen Hayes
Mr. John Polish
Mr. Janson Stewart
Mr. Michael Fitzpatrick
Mr. Paul Prengaman
Mrs. Sue Wagner

ABSENT: Mrs. Peggy Westall

OTHERS Senator Jean Ford

PRESENT: Richard R. Garrod, Farmer's Group Insurance
Barton Jacka, Department of Motor Vehicles
Barbara Bailey, Nevada Trial Lawyers' Association
R. Byers
Robert Bateson, C.W.A., Local 9413
Shirley Sly, Department of Motor Vehicles
Sharon Alcamo, Department of Motor Vehicles
George Bergin, Independent Insurance Agents, So. Nv.
Roland Payment, Independent Insurance Agents, So. Nv.
Mike Brown, Independent Insurance Agents, So. Nv.
Darrell Taylor, Nevada Independent Insurance Agents
Ken Prater, Nevada Independent Insurance Agents
Linda Thomason, Nevada Independent Insurance Agents
Sara Taylor, Nevada Independent Insurance Agents
Lew Atkin, Nevada Independent Insurance Agents
Duane Ramsey, Nevada Independent Insurance Agents
E. Warren Hursh, Nevada Independent Insurance Agents
Remo Fratini, Nevada Independent Insurance Agents
Bill Thomason, Nevada Independent Insurance Agents
Larry Kees, Nevada Independent Insurance Agents
Jim Wadhams, Department of Commerce
Lee Scott, Dept. of Commerce, Insurance Division
Patsy Redmond, Dept. of Commerce, Insurance Division

OTHERS

PRESENT: Barney Dehl, Nevada Highway Patrol
John Ciardella, D.M.V., Motor Carrier Division
Virgil Anderson, American Automobile Association
George Vargas, American Insurance Association
Jerry Wilson, American Insurance Association
Larry Ketzenberger, Las Vegas Metropolitan Police Dept.
Ovid Moore
Bert Leavitt, Vice President, National Association of
Professional Agents
Daryl Capurro, Nevada Motor Transport Association

A.B. 135 REQUIRES NOTICE TO CERTAIN AGENCIES OF CANCELLATION OR LAPSE OF MOTOR VEHICLE INSURANCE AND REQUIRES PROOF OF REQUIRED SECURITY ON MOTOR VEHICLE UNDER CERTAIN CIRCUMSTANCES.

Assemblyman Nick Horn spoke on A.B. 135. He said that A.B. 135 is not in compliance with the Department of Motor Vehicles but he has no real concern with its future other than he would like to see some compromise reached with one of the bills in order to correct the problem of uninsured motor vehicles.

A.B. 102 REQUIRES PROOF OF INSURANCE FOR REGISTRATION OR OPERATION OF MOTOR VEHICLES AND PROVIDES FOR IMPOUNDMENT OF CERTAIN UNINSURED VEHICLES.

Assemblyman Michael Fitzpatrick spoke on A.B. 102. His reason for writing this bill was to fill the loopholes that might exist in other bills. His main concern is getting uninsured vehicles off the streets.

A.B. 108 REQUIRES PERSON SEEKING TO REGISTER MOTOR VEHICLE TO SUBMIT PROOF THAT MANDATORY INSURANCE FOR THE VEHICLE IS IN EFFECT.

Assemblyman Nash Sena spoke on A.B. 108. He said this bill is in reality a product of a bill that was passed through the Assembly in 1977 but did not become effective until January 1978 as a misdemeanor; this was A.B. 323. Mr. Sena feels the problem of 40 to 50 percent of drivers that are not insured must be solved. He said he strongly believes the insurance rates must come down if it is made mandatory for drivers to be insured. He said the people that are insured are picking up the tab for the people who are not insured.

Assemblyman Wagner asked if there was any documentation on the percentage of drivers that are not insured. Assemblyman Sena replied the only information he had he received from the Department of Research. In 1977 they estimated 40 percent uninsured drivers and they are still estimating about the same. Some insurance people estimate about 50 percent or more.

Senator Neal asked Assemblyman Sena if he had any information relative to what it costs the public for uninsured drivers that have been involved in accidents. Mr. Sena quoted from an article in the Las Vegas Review Journal that uninsured drivers in Nevada cost approximately \$20,000,000 in property damage and injuries in the last year.

Senator Neal asked if making it mandatory to have insurance would create a legislative market. Mr. Fitzpatrick replied that this is already a law, all that is being done is putting teeth in it.

S.B. 52 PROVIDES FOR IMPOUNDMENT OF MOTOR VEHICLE IF OPERATOR IS STOPPED AND LACKS PROOF OF REQUIRED INSURANCE.

Senator Hernstadt spoke on S.B. 52. He said the law that is on the books at the present time, making it a misdemeanor to drive without insurance, is not being enforced. He said that S.B. 52 would be a stop in the package of enforcement. It provides an option that a law enforcement officer may impound a vehicle if he thought it was essential. He spoke on mandatory insurance programs in Connecticut and New York that work. He said the present procedure in Nevada is not workable and he hoped that some agreeable change would be arrived at.

S.B. 57 STRENGTHENS ENFORCEMENT OF REQUIRED INSURANCE ON MOTOR VEHICLES.

Senator Ford spoke on S.B. 57. She said this bill is in response to genuine concern of people all over Nevada. She stated that possibly all the bills could be combined in a package to meet the needs of everyone involved. She said the responsibility for insurance needs to be enforced. Senator Ford stated the no-fault system needs to be reviewed also. Senator Ford said she feels the subject of public transportation is very closely related to this problem and since this is one of the few times she would have the opportunity to speak to the Joint Transportation Committee, she urged that the problems of public transportation be looked at in the urban areas of Nevada.

A.B. 381 INCREASES ENFORCEMENT OF REQUIREMENT FOR INSURANCE OR OTHER SECURITY ON MOTOR VEHICLES.

Assemblyman Karen Hayes spoke on A.B. 381. She stated this bill increases enforcement by requirement of insurance or other security on motor vehicles.

Mr. Barton Jacka, Director of the Department of Motor Vehicles, spoke on A.B. 381. He said there is fiscal impact on all of the bills presented today with the exception of A.B. 108. The fiscal impact varies from \$91,000 to \$847,000. This would be primarily for persons employed within the departments to enforce the bills.

A.B. 381 would have a fiscal impact on the local entities for enforcement. He said in his opinion S.B. 52 does not have sufficient teeth. The fiscal impact is not as great as some of the other bills. He drew attention to the permissiveness that would be granted a peace officer to impound the vehicle. He referred to S.B. 57 which has a fiscal impact of \$674,000. This \$647,000 would apply to additional personnel for processing and computer techniques that would be involved. Another problem he would have with S.B. 47 is if more than one person is registered to a vehicle, whose driver's license would be revoked. Mr. Jacka drew attention to the fact that the Department of Motor Vehicles only processes registrations in Washoe and Clark counties. The other 15 counties are handled by the county assessors who are not computerized. A.B. 102 is classed as a 100 percent monitoring bill and would have a fiscal impact of \$872,490 in the first year to administer. He spoke on the problems involved in impounding and towing. He said that A.B. 135 would have a fiscal impact of \$91,372 in the first year of the biennium and \$89,579 in the second year. Mr. Jacka stated A.B. 108 is very similar, with some changes recommended (see Exhibit A), to what the Department of Motor Vehicles and the Insurance Commissioner would propose. He stated the present legislation that is on the books does not give the peace officer the ability to inquire as to whether the motorist has adequate insurance.

After much discussion by the Committees, Senator Hernstadt asked Mr. Jacka what his estimation of compliance would be with A.B. 108. Mr. Jacka replied that he thought it could be brought up to 85 or 90 percent.

Mr. Jim Wadhams, Director of the Department of Commerce, spoke in answer to some of the questions he had heard earlier. He said that as to the number of uninsured motorists in Nevada, there are a variety of estimates. These estimations run anywhere from 25 to 50 percent. He distributed copies of the Premium Volume (see Exhibit B). He said A.B. 108 gives the ability for enforcement. Mr. Wadhams added he felt any change in no-fault insurance would be an improvement. He said that he and Mr. Jacka have tried to arrive at some means for the most effective enforcement with the least fiscal impact.

Mr. George Vargas, American Insurance Association, spoke in favor of A.B. 108. He suggested amendments (see Exhibit C). He said the total problem with the existing law has been enforcement.

Senator Hernstadt asked Mr. Vargas if insurance companies have any suggestions as to enforcement. Mr. Vargas called on Mr. Jerry Wilson, American Insurance Association, to answer Senator Hernstadt. Mr. Wilson said he did not have any suggestions. He said this is a very troublesome area and there has never been the one solution found for all sorts of reasons. He said A.B. 108 with amendments might be a good step with minimum cost implications.

Mr. Virgil Anderson, American Automobile Association, spoke on the various bills under consideration. He said he had been instructed to work with the legislature to develop a program that would be feasible. He said something such as suggested by Mr. Vargas might be a desirable approach rather than the monitoring system. He said on a full-blown system where the insurance company is required to report cancellations, non-renewals and lapses, the minimal cost would be \$3.50 per vehicle or \$6.15 per policy. He said the least expensive way would be to implement or augment the present self-certification law with a negative verification concept.

Mr. Ovid Moore said he felt the proposal made by the Department of Motor Vehicles is the best vehicle as far as he was concerned. It has the least cost and is still getting the largest percentage of uninsured.

Mr. Bert Leavitt, National Vice President of Professional Insurance Agents, spoke in favor of A.B. 108.

Mr. Daryl Capurro, Nevada Motor Transport Association, spoke generally on the bills under consideration. He said that all motor carriers must have insurance. He said motor carrier companies strongly object to impoundment to enforce the insurance law. He said since most carriers are insured under a master policy there would be no way for cards to be issued to each vehicle. He did not know how this situation could be handled.

Mr. John Ciardella, Department of Motor Vehicles, Motor Carrier Division, responded to the concern expressed by Mr. Capurro in regard to fleet operators with a master policy. He stated the Motor Carrier Division could stamp "Fleet Operated" on these registrations.

Mr. Stan Warren, Nevada Bell, said they would have no problem with Mr. Ciardella's suggestion if it could be utilized as far as self-insured vehicles are concerned. Senator Blakemore said he was certain that it could be utilized.

Mr. George Bergin, Independent Insurance Agents, spoke in favor of A.B. 108. He said, "We're not talking about fender benders, gentlemen, we're talking about human life."

Senator Blakemore pointed out that a questionable area is being reached constitutionally and it will remain questionable until driving becomes a privilege and not a right.

Mr. Bob Bateson, President of C.W.A., Local 9413, spoke against A.B. 102. He said impounding would cause hardship in many areas. He said he wants the uninsured off the highways and suggested registration fees be raised a small amount to supplement the fiscal impact. Assemblyman Glover said that the people are definitely not in the mood for more taxes of any kind.

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Mr. Richard Garrod, Farmer's Insurance Group, said A.B. 108 is the most practical bill. He said the other bills are impractical and unworkable.

There being no further business, the meeting adjourned at 6:00 p.m.

Respectfully submitted,

Jane A. King, Secretary

APPROVED:

Richard E. Blakemore, Chairman

482.215 Application for registration.

1. All applications for registration, except applications for renewal registration, shall be made as provided in this section.

2. Applications for all registrations, except renewal registrations, shall be made in person, if practicable, to any office or agent of the department.

3. Each application shall be made upon the appropriate form furnished by the department and shall contain:

(a) The signature of the owner.

(b) His residence address.

(c) His declaration of the county where he intends the vehicle to be based, unless the vehicle is deemed to have no base. The department shall use this declaration to determine the county to which the privilege tax is to be paid.

(d) A brief description of the vehicle to be registered, including the name of the maker, the engine, identification or serial number, whether new or used, and the last license number, if known, and the state in which issued, and upon the registration of a new vehicle, the date of sale by the manufacturer or franchised and licensed dealer in this state for the make to be registered to the person first purchasing or operating such vehicle.

(e) A signed declaration by the applicant that he has and will maintain security as required by chapter 698 of NRS covering the motor vehicle to be registered.

(f) If required, evidence of emission control compliance.

4. The application shall contain such other information as may be required by the department, and shall be accompanied by proof of ownership satisfactory to the department.

5. Applicants shall provide a copy of a currently valid certificate of insurance covering the motor vehicle for which registration is sought. The certificate of insurance shall be on a form approved by the Insurance Commissioner. The certificate of insurance shall contain such information as is needed to identify the motor vehicle, the insurance coverage on the motor vehicle, the beginning and ending dates of the insurance coverage and such additional information as may be needed by the department to effectively administer the provisions of the pertinent statutes. The department is not required to retain the original or copy of any certificate of insurance.

6. The department shall refuse to register any motor vehicle for which proof of security, as outlined in NRS Chapter 698, is required either by a contract of insurance or by qualifying as a self-insurer in compliance with Chapter 485 of NRS until such security is furnished with the application for registration.

7. For purposes of the declaration required by paragraph (e) of subsection 3, vehicles which are subject to the license fee and registration requirements of the Interstate Highway User Fee Apportionment Act (NRS 706.801 to 706.861, inclusive), and which are based in this state, may be declared as a fleet by the registered

owners thereof, on the original or renewal applications for proportional registration [Part of 6:202:1931; A 1941, 51; 1949, 511; 1953, 52]--(NRS A1957, 506; 1959, 911; 1960, 126; 1963, 1126; 1973, 399; 1975, 1792; 1977, 923)

482.280 Expiration and renewal of registration.

1. The registration of every vehicle referred to in subsection 1 of NRS 482.206 shall expire at midnight on the last day of the last month of the registration period. The registration of every vehicle referred to in subsection 2 of NRS 482.206 shall expire at midnight on December 31. The department shall mail to each holder of a valid registration certificate an application form for renewal registration for the following registration period. Such forms shall be mailed by the department in sufficient time to allow all applicants to mail the applications to the department and to receive new registration certificates and license plates, stickers, tabs or other suitable devices by mail prior to expiration of subsisting registrations. An applicant may, if he chooses, present the application to any agent or office of the department.

2. An application mailed or presented to the department or to a county assessor under the provisions of this section shall include:

(a) A signed declaration by the applicant that he has and will maintain security as required by chapter 698 of NRS covering the motor vehicle to be registered.

(b) If required, evidence of emission control compliance.

3. The department shall insert in each application form mailed as required by subsection 1 of this section the amount of privilege tax to be collected for the county under the provisions of NRS 482.260.

4. An owner who has made proper application for renewal of registration previous to the expiration of the current registration but who has not received the number plate or plates or registration card for the ensuing registration period is entitled to operate or permit the operation of such vehicle upon the highways upon displaying thereon the number plate or plates issued for the preceding registration period for such time as may be prescribed by the department as it may find necessary for issuance of such new plate or plates or registration card.

5. The registration fees for a motortruck and truck tractor, and for any trailer or semitrailer having an unladen weight of 3,501 pounds or more shall be reduced by one-twelfth for each calendar month which has elapsed from the beginning of each calendar year, the fee so obtained, rounded to the nearest one-half dollar, but in no event to be less than \$5.50.

[14:202:1931; A 1953, 330]—(NRS A 1959, 912; 1960, 100; 1963, 224, 1127; 1969, 686; 1971, 1553; 1975, 334, 1793; 1977, 924)

2 (c) Applicants shall provide a copy of a currently valid certificate of insurance covering the motor vehicle for which registration is sought. The certificate of insurance shall be on a form approved by the Insurance Commissioner. The certificate of insurance shall contain such information as is needed to identify the motor vehicle, the insurance coverage on the motor vehicle, the beginning and ending dates of the insurance coverage and such additional information as may be needed by the department to effectively administer the provisions of the pertinent statutes.

The department is not required to retain the original or a copy of any certificate of insurance.

2 (d) The department shall refuse to register any motor vehicle for which proof of security, as outlined in NRS Chapter 698, is required either by contract of insurance or by qualifying as a self-insurer in compliance with Chapter 485 of NRS until such security is furnished with the application for registration.

NRS 484.263

[It is unlawful for any person to operate] 1. (a) No person shall operate a motor vehicle registered in this state without having security covering the vehicle as required by Chapter 698 of NRS.

(b) No person shall operate or knowingly permit the operation of a motor vehicle registered in this state without having a currently valid certificate of insurance in the vehicle showing proof of security as required by Chapter 698 of NRS.

(c) No person shall maintain registration of a motor vehicle in this state without having a currently valid certificate of insurance showing proof of security as required by Chapter 698 of NRS.

(d) No person shall fail or refuse to show, upon demand, to a peace officer or to an authorized representative of the department such currently valid certificate of insurance showing proof of security as required by Chapter 698 of NRS. Proof of security or a copy of same shall be carried in said vehicle at all times.

2. Failure to deposit security if so required by the provisions of NRS 485.190 is prima facie evidence of violation of the provisions of this section.

(Added to NRS by 1975, 1792; A 1977, 915, effective February 1, 1978)

3. Except as provided in subsection 3, any person who violates subsection 1 shall be fined not less than \$100 or more than \$500.

4. A person shall not be fined if he presents evidence to the court that the security required by Chapter 698 was in effect at the time demand was made for


the proof of security and said person shall maintain the security as required throughout the registration period.

9 ~~Section~~ Chapter 698 of NRS is hereby amended by adding thereto
10 a new section which shall read as follows:
11 *An insurer of motor vehicles pursuant to this chapter shall provide*
12 *each insured with a card of a form which may be conveniently carried*
13 *by the insured and which constitutes proof of the fact and duration of the*
14 *coverage.*

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STATE OF NEVADA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION
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DONALD W. HEATH, CLU
Commissioner of Insurance



ROBERT LIST
Governor

JAMES L. WADSWORTH
Director

February 8, 1979

The Following Information
Was Taken From Best's Executive
Data Service

| | Direct Premiums Written | | |
|--|-------------------------|---------------------|---------------------|
| | <u>1975</u> | <u>1976</u> | <u>1977</u> |
| Private Passenger Auto No-Fault | \$ 8,811,000 | \$10,951,000 | \$14,020,000 |
| Other Private Passenger Auto Liability | 22,343,000 | 28,833,000 | 39,466,000 |
| Private Passenger Auto Physical Damage | 24,058,000 | 29,618,000 | 36,965,000 |
| | <hr/> | <hr/> | <hr/> |
| Total All Private Passenger Premium | <u>\$55,212,000</u> | <u>\$69,402,000</u> | <u>\$90,451,000</u> |

DJ.C
/m

SUGGESTED AMENDMENTS TO ASSEMBLY BILL 108

It is respectfully suggested that A.B. 108 be amended as follows:

1. Amend subsection (e), line 1, page 2, to read as follows:

(e) A signed declaration be the applicant that he has and will maintain security as required by Chapter 698 of NRS covering the motor vehicle to be registered through a policy with _____, No. _____, issued through _____, effective _____, for a period of _____.

2. Amend subsection (f) commencing at line 4, page 2, as follows:

(f) If security is provided by a contract of insurance, a verified statement from an insurer in a form or forms approved by the commissioner containing the name of the insurer, its agent, the identifying number, if any, of the insurance policy covering the vehicle and the term for which the policy [is in effect.] is written.

3. Amend Section 2(b) commencing at line 37 to read as follows:

(b) If security is provided by a contract of insurance, a verified statement from an insurer in a form or forms approved by the commissioner containing the name of the insurer, its agent, the identifying number, if any, of the insurance policy covering the vehicle and the term for which the policy [is in effect.] is written.

4. Amend Section 3, page 3, by adding thereto a new subsection 4, line 23, as follows:

4. The Department of motor Vehicles shall from time to time make spot checks to verify the information contained in the signed declaration of the applicant as hereinbefore provided. In the event the insurance as therein described is not in effect as therein stated, the Department of Motor Vehicles shall forward the information to the District Attorney of the county wherein such signed declaration of the applicant was filed for prosecution for failure of the applicant to comply with the requirements of Chapter 698 of NRS.

[4.] 5. Failure to deposit security if so required by the provisions of NRS 485.190 is prima facie evidence of violation of the provisions of this section.