
ASSEMBLY BILL NO. 172—ASSEMBLYMEN PARKS, BUCKLEY,
GOLDWATER, CONKLIN, CHOWNING, ANDERSON,
ARBERRY, ATKINSON, GIBBONS, GIUNCHIGLIANI,
GOICOECHEA, HORNE, KOIVISTO, LESLIE, MANENDO,
MCCLAIN, MCCLEARY, MORTENSON, OCEGUERA,
OHRENSCHALL, PERKINS, PIERCE AND WILLIAMS

FEBRUARY 20, 2003

JOINT SPONSORS: SENATORS TITUS, NEAL,
CARE AND WIENER

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to premiums for motor
vehicle insurance. (BDR 57-407)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: Yes.

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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 the delivery or issuance
for delivery in this state of a policy of insurance against
liability arising out of the ownership, maintenance or use
of a private motor vehicle if the premium for the policy is
determined using a factor of geography or territory other
than the geographic service region in which the insured
motor vehicle is garaged; requiring a policy of liability
insurance for a motor vehicle to include a provision for
the reduction of the premium for certain persons who
have a record of safe driving; requiring the Commissioner
of Insurance to establish geographic service regions;
providing a penalty; and providing other matters properly
relating thereto.

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



* A B 1 7 2 *

1 **Section 1.** Chapter 690B of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 and 3 of this act.
3 **Sec. 2. 1.** *No policy of insurance against liability arising*
4 *out of the ownership, maintenance or use of a private motor*
5 *vehicle may be delivered or issued for delivery in this state if the*
6 *premium for the policy is determined using a factor of geography*
7 *or territory other than the geographic service region in which the*
8 *insured motor vehicle is garaged.*
9 **2.** *The Commissioner shall, by regulation, divide the state*
10 *into 10 geographic service regions. The geographic service*
11 *regions:*
12 *(a) Must reasonably reflect the differences in expected losses*
13 *and expenses attributable to differences in location;*
14 *(b) Must not divide a county into more than two service*
15 *regions; and*
16 *(c) May be geographically noncontiguous.*
17 **Sec. 3. 1.** *A policy of insurance against liability arising out*
18 *of the ownership, maintenance or use of a motor vehicle delivered*
19 *or issued for delivery in this state must contain a provision for the*
20 *reduction in the premium in the amount of 20 percent for such*
21 *coverage if the insured:*
22 *(a) Has been licensed to operate a motor vehicle in any state,*
23 *the District of Columbia or Canada for the 3 years immediately*
24 *preceding the issuance or renewal of the policy;*
25 *(b) Has not accumulated more than one demerit point for a*
26 *traffic violation during the 3 years immediately preceding the*
27 *issuance or renewal of the policy;*
28 *(c) During the 3 years immediately preceding the issuance or*
29 *renewal of the policy, has not been involved in an accident*
30 *involving a motor vehicle that resulted in bodily injury or death*
31 *for which the insured was at fault; and*
32 *(d) During the 7 years immediately preceding the issuance or*
33 *renewal of the policy, has not been convicted of or entered a plea*
34 *of guilty or nolo contendere to a moving traffic violation or an*
35 *offense involving:*
36 *(1) The operation of a motor vehicle while under the*
37 *influence of intoxicating liquor or a controlled substance; or*
38 *(2) Any other conduct prohibited by NRS 484.379 or*
39 *484.3795 or a law of any other jurisdiction that prohibits the same*
40 *or similar conduct.*
41 **2.** *The reduction in the premium provided for in subsection 1*
42 *must be based on the actuarial and loss experience data available*
43 *to each insurer and must be approved by the Commissioner. The*
44 *insurer may offer additional reductions in the premium pursuant*
45 *to the requirements set forth in subsection 1 if the reductions are*



1 *approved by the Commissioner. Each reduction must be calculated*
2 *based on the amount of the premium before any reduction in that*
3 *premium is made pursuant to this section, and not on the amount*
4 *of the premium after it has been reduced.*

5 *3. The Commissioner shall review and approve or disapprove*
6 *a policy of insurance that offers a reduction in the premiums*
7 *pursuant to subsection 1. An insurer must receive written approval*
8 *from the Commissioner before delivering or issuing a policy with a*
9 *provision containing such a reduction.*

10 **Sec. 4.** The provisions of section 3 of this act apply to any
11 policy of insurance for liability of a motor vehicle which is issued or
12 renewed on or after October 1, 2003.

13 **Sec. 5.** 1. This section and sections 1 and 4 of this act
14 become effective upon passage and approval.

15 2. Section 2 of this act becomes effective upon passage and
16 approval for the purpose of adopting regulations and on October 1,
17 2003, for all other purposes.

18 3. Section 3 of this act becomes effective on October 1, 2003.

