

ASSEMBLY BILL NO. 280—ASSEMBLYWOMAN GIUNCHIGLIANI

MARCH 11, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Revises certain provisions governing policies of insurance for motor vehicles. (BDR 57-1090)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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; requiring an insurance company that transacts motor vehicle insurance in this state to include in each policy of insurance certain provisions relating to reimbursement and payments for injuries arising out of the maintenance or use of a motor vehicle; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 687B of NRS is hereby amended by adding
2 thereto a new section to read as follows:
3 ***1. An insurance company transacting motor vehicle***
4 ***insurance in this state shall include in each policy of motor***
5 ***vehicle insurance provisions that require:***
6 ***(a) Reimbursement for all losses incurred as a result of an***
7 ***injury arising out of the maintenance or use of a motor vehicle,***
8 ***subject to any applicable deductible, exclusion, disqualification or***
9 ***other condition; and***
10 ***(b) The payment of at least \$2,000 for all losses arising out of***
11 ***an injury to any one person, consisting of at least \$2,000 for***
12 ***medical expenses.***
13 ***2. Notwithstanding any other provision of law, a person who***
14 ***is entitled to any reimbursement or payment pursuant to***
15 ***subsection 1 may not receive benefits for medical expenses***
16 ***pursuant to that subsection in an amount that is less than the***



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1 *benefits to which the person is entitled to receive pursuant to that*
2 *subsection.*

3 *3. A provider of health care shall not enter into or renew a*
4 *contract that provides, or has the effect of providing, health care*
5 *services through a managed care organization or health*
6 *maintenance organization to a person who is entitled to any*
7 *reimbursement or payment pursuant to subsection 1.*

8 *4. The provisions of subsection 1 of NRS 687B.145 do not*
9 *apply to any coverage that is required to be included in a policy of*
10 *insurance pursuant to this section. Any provision of a policy*
11 *of insurance that is included in the policy of insurance in violation*
12 *of this subsection is void.*

13 *5. All payments made to a provider of health care pursuant to*
14 *this section must be issued directly to the provider of health care.*

15 *6. As used in this section:*

16 *(a) "Health maintenance organization" has the meaning*
17 *ascribed to it in NRS 695C.030.*

18 *(b) "Managed care organization" has the meaning ascribed to*
19 *it in NRS 695G.050.*

20 *(c) "Provider of health care" has the meaning ascribed to it in*
21 *NRS 695G.070.*

22 **Sec. 2.** NRS 687B.145 is hereby amended to read as follows:

23 687B.145 1. ~~Any~~ *Except as otherwise provided in section*
24 *1 of this act, any* policy of insurance or endorsement providing
25 coverage under the provisions of NRS 690B.020 or other policy of
26 casualty insurance may provide that if the insured has coverage
27 available to him under more than one policy or provision of
28 coverage, any recovery or benefits may equal but not exceed the
29 higher of the applicable limits of the respective coverages, and the
30 recovery or benefits must be prorated between the applicable
31 coverages in the proportion that their respective limits bear to the
32 aggregate of their limits. Any provision which limits benefits
33 pursuant to this section must be in clear language and be
34 prominently displayed in the policy, binder or endorsement. Any
35 limiting provision is void if the named insured has purchased
36 separate coverage on the same risk and has paid a premium
37 calculated for full reimbursement under that coverage.

38 2. Except as otherwise provided in subsection ~~5~~ *4*, insurance
39 companies transacting motor vehicle insurance in this state must
40 offer, on a form approved by the Commissioner, uninsured and
41 underinsured vehicle coverage in an amount equal to the limits of
42 coverage for bodily injury sold to an insured under a policy of
43 insurance covering the use of a passenger car. The insurer is not
44 required to reoffer the coverage to the insured in any replacement,
45 reinstatement, substitute or amended policy, but the insured may



1 purchase the coverage by requesting it in writing from the insurer.
2 Each renewal must include a copy of the form offering such
3 coverage. Uninsured and underinsured vehicle coverage must
4 include a provision which enables the insured to recover up to the
5 limits of his own coverage any amount of damages for bodily injury
6 from his insurer which he is legally entitled to recover from the
7 owner or operator of the other vehicle to the extent that those
8 damages exceed the limits of the coverage for bodily injury carried
9 by that owner or operator.

10 3. ~~An insurance company transacting motor vehicle insurance~~
11 ~~in this state must offer an insured under a policy covering the use of~~
12 ~~a passenger car, the option of purchasing coverage in an amount of~~
13 ~~at least \$1,000 for the payment of reasonable and necessary medical~~
14 ~~expenses resulting from an accident. The offer must be made on a~~
15 ~~form approved by the Commissioner. The insurer is not required to~~
16 ~~reoffer the coverage to the insured in any replacement,~~
17 ~~reinstatement, substitute or amended policy, but the insured may~~
18 ~~purchase the coverage by requesting it in writing from the insurer.~~
19 ~~Each renewal must include a copy of the form offering such~~
20 ~~coverage.~~

21 ~~—4.—~~An insurer who makes a payment to an injured person on
22 account of underinsured vehicle coverage as described in subsection
23 2 is not entitled to subrogation against the underinsured motorist
24 who is liable for damages to the injured payee. This subsection does
25 not affect the right or remedy of an insurer under subsection 5 of
26 NRS 690B.020 with respect to uninsured vehicle coverage. As used
27 in this subsection, “damages” means the amount for which the
28 underinsured motorist is alleged to be liable to the claimant in
29 excess of the limits of bodily injury coverage set by the
30 underinsured motorist’s policy of casualty insurance.

31 ~~[5.]~~ 4. An insurer need not offer, provide or make available
32 uninsured or underinsured vehicle coverage in connection with a
33 general commercial liability policy, an excess policy, an umbrella
34 policy or other policy that does not provide primary motor vehicle
35 insurance for liabilities arising out of the ownership, maintenance,
36 operation or use of a specifically insured motor vehicle.

37 ~~[6.]~~ 5. As used in this section:

38 (a) “Excess policy” means a policy that protects a person against
39 loss in excess of a stated amount or in excess of coverage provided
40 pursuant to another insurance contract.

41 (b) “Passenger car” has the meaning ascribed to it in
42 NRS 482.087.



1 (c) "Umbrella policy" means a policy that protects a person
2 against losses in excess of the underlying amount required to be
3 covered by other policies.

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