

ASSEMBLY BILL NO. 367—ASSEMBLYWOMAN CHOWNING  
(BY REQUEST)

MARCH 17, 2003

Referred to Committee on Transportation

SUMMARY—Makes various changes relating to repair of motor vehicles. (BDR 43-216)

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 motor vehicles; expanding the definition of “rebuilt vehicle” for the purposes of licensing and registration of motor vehicles; authorizing an insured to select a body shop for repairs to a motor vehicle; prohibiting an insurer from interfering with that selection; 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.** NRS 482.098 is hereby amended to read as follows:
- 2         482.098 “Rebuilt vehicle” means a vehicle, one or more major
- 3 components of which have been replaced as set forth in this
- 4 subsection. For the purposes of this section, the requisite major
- 5 components of a vehicle which must be replaced for a vehicle to be
- 6 considered rebuilt are the:
- 7         1. Cowl assembly;
- 8         2. Rear clip assembly;
- 9         3. Roof ~~or~~ *assembly*;
- 10        4. Floor pan assembly; ~~or~~
- 11        5. Conventional frame coupled with one additional major
- 12 component ~~or~~ *;* ~~or~~
- 13        6. *Front clip assembly.*
- 14     **Sec. 2.** NRS 487.002 is hereby amended to read as follows:
- 15         487.002 1. As used in this section:



- 1 (a) "Commissioner" means the Commissioner of Insurance.  
2 (b) "Department" means the Department of Motor Vehicles.  
3 2. The Advisory Board on Automotive Affairs, consisting of  
4 seven members appointed by the Governor, is hereby created within  
5 the Division of Insurance of the Department of Business and  
6 Industry.  
7 3. The Governor shall appoint to the Board one representative  
8 of:  
9 (a) The Commissioner;  
10 (b) The Department;  
11 (c) Licensed operators of body shops;  
12 (d) Licensed automobile wreckers;  
13 (e) Insurers of motor vehicles;  
14 (f) Automobile manufacturers; and  
15 (g) The general public.  
16 4. After the initial terms, each member of the Board serves a  
17 term of 4 years. The members of the Board shall annually elect from  
18 among their number a Chairman and a Vice Chairman. The  
19 Commissioner shall provide secretarial services for the Board.  
20 5. The Board shall meet regularly at least twice each year and  
21 may meet at other times upon the call of the Chairman. Each  
22 member of the Board is entitled to the per diem allowance and travel  
23 expenses provided for state officers and employees generally.  
24 6. Not less than 30 days before the adoption by the  
25 Commissioner or the Department of any regulation pursuant to  
26 subsection 7 or otherwise relating to the operation of body shops or  
27 automobile wreckers, the Commissioner or the Director, as  
28 appropriate, shall submit the proposed regulation to the Board for its  
29 review and comment.  
30 7. The Commissioner and the Department, jointly, shall adopt  
31 and the Board may propose, pursuant to NRS 233B.100, regulations  
32 to the appropriate agency concerning:  
33 (a) The use of new or used parts for the repair of motor vehicles  
34 and parts that are not manufactured by the manufacturers of the  
35 motor vehicles for which they are used.  
36 (b) The survey methodology that may be used by an insurer to  
37 ascertain prevailing charges for the repair of a motor vehicle.  
38 ~~[(c) The preferred use of a business which repairs motor~~  
39 ~~vehicles by an insurer of motor vehicles.]~~  
40 **Sec. 3.** NRS 690B.016 is hereby amended to read as follows:  
41 690B.016 1. *An insured or a claimant under a policy of*  
42 *insurance may have repairs to a motor vehicle made at the*  
43 *licensed body shop of his choice. An insurer of motor vehicles*  
44 *shall notify the insured or the claimant of this right when the*



1 *insurer is first contacted concerning a claim for damage to a*  
2 *motor vehicle.*

3 2. An insurer of motor vehicles *or a representative of the*  
4 *insurer* shall not:

5 (a) Knowingly recommend to an insured ~~or~~ *or a claimant*, or  
6 direct an insured *or a claimant* to, a body shop in this state which is  
7 not licensed pursuant to NRS 487.630; ~~or~~

8 (b) Require an insured *or a claimant* to patronize any licensed  
9 body shop in this state in preference to another such business ~~or~~  
10 ~~except in accordance with the regulations adopted pursuant to~~  
11 ~~paragraph (c) of subsection 7 of NRS 487.002.~~

12 ~~—2.1~~ *or interfere with the right of an insured or a claimant to*  
13 *use the licensed body shop of his choice; or*

14 (c) *Recommend that an insured or a claimant use a different*  
15 *body shop than the insured or claimant has chosen, unless the*  
16 *chosen body shop is not licensed pursuant to NRS 487.630.*

17 3. *If an insurer or a representative of an insurer violates the*  
18 *provisions of this section, an insured, a claimant or a licensed*  
19 *body shop that is adversely affected by the violation may file a*  
20 *complaint with the Commissioner. If the Commissioner finds that*  
21 *a violation has occurred, he may impose an administrative fine of*  
22 *not more than \$5,000 against an insurer and not more than \$500*  
23 *against a representative of an insurer.*

24 4. *The provisions of this section do not require an insurer to*  
25 *pay more than the reasonable rate required pursuant to a policy of*  
26 *insurance for repairs to a motor vehicle.*

27 5. For the purposes of this section, an insurer is entitled to rely  
28 upon the validity of the license number included by the body shop  
29 on its estimates and invoices for repairs.

