ASSEMBLY BILL NO. 120–ASSEMBLYMAN HORNE

PREFILED FEBRUARY 3, 2011
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Referred to Committee on Transportation

SUMMARY—Revises provisions governing certain insurance for motor vehicles. (BDR 43-813)

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

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AN ACT relating to motor vehicles; increasing the amount of coverage that is required for certain policies of liability insurance for motor vehicles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1　Existing law requires certain persons who own or operate a motor vehicle to
2　maintain liability insurance for the motor vehicle in coverage amounts specified by
3　law. (NRS 482.305, 485.185, 485.210, 485.3091) **Sections 1-3 and 5** of this bill
4　increase: (1) from $15,000 to $50,000 the amount of coverage required for bodily
5　injury to or death of one person in any one accident; (2) from $30,000 to $100,000
6　the amount of coverage required due to bodily injury to or death of two or more
7　persons in any one accident; and (3) from $10,000 to $25,000 the amount of
8　coverage required for injury to or destruction of property of others in any one
9　accident. **Section 4** of this bill amends the amount payable to satisfy certain
10　judgments resulting from motor vehicle accidents to correspond with the increased
11　amounts of coverage required by this bill.

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

1　　**Section 1.**　NRS 482.305 is hereby amended to read as follows:
2　　482.305　1.　The short-term lessor of a motor vehicle who
3　permits the short-term lessee to operate the vehicle upon the
4　highways, and who has not complied with NRS 482.295 insuring or
5　otherwise covering the short-term lessee against liability arising out
6　of his or her negligence in the operation of the rented vehicle in
7　limits of not less than [$15,000] ***$50,000*** for any one person injured

1 or killed and **[$30,000]** *$100,000* for any number more than one,
2 injured or killed in any one accident, and against liability of the
3 short-term lessee for property damage in the limit of not less than
4 **[$10,000]** *$25,000* for one accident, is jointly and severally liable
5 with the short-term lessee for any damages caused by the negligence
6 of the latter in operating the vehicle and for any damages caused by
7 the negligence of any person operating the vehicle by or with the
8 permission of the short-term lessee, except that the foregoing
9 provisions do not confer any right of action upon any passenger in
10 the rented vehicle against the short-term lessor. This section does
11 not prevent the introduction as a defense of contributory negligence
12 to the extent to which this defense is allowed in other cases.
13   2. The policy of insurance, surety bond or deposit of cash or
14 securities inures to the benefit of any person operating the vehicle
15 by or with the permission of the short-term lessee in the same
16 manner, under the same conditions and to the same extent as to the
17 short-term lessee.
18   3. The insurance policy, surety bond or deposit of cash or
19 securities need not cover any liability incurred by the short-term
20 lessee of any vehicle to any passenger in the vehicle; but the short-
21 term lessor before delivering the vehicle shall give to the short-term
22 lessee a written notice of the fact that such a policy, bond or deposit
23 does not cover the liability which the short-term lessee may incur on
24 account of his or her negligence in the operation of the vehicle to
25 any passenger in the vehicle.
26   4. When any suit or action is brought against the short-term
27 lessor under this section, the judge before whom the case is pending
28 shall hold a preliminary hearing in the absence of the jury to
29 determine whether the short-term lessor has provided insurance or a
30 surety bond or deposit of cash or securities covering the short-term
31 lessee as required by subsection 1. Whenever it appears that the
32 short-term lessor has provided insurance or a surety bond or deposit
33 of cash or securities covering the short-term lessee in the required
34 amount, the judge shall dismiss as to the short-term lessor the action
35 brought under this section.
36   **Sec. 2.** NRS 485.185 is hereby amended to read as follows:
37   485.185 Every owner of a motor vehicle which is registered or
38 required to be registered in this State shall continuously provide,
39 while the motor vehicle is present or registered in this State,
40 insurance provided by an insurance company licensed by the
41 Division of Insurance of the Department of Business and Industry
42 and approved to do business in this State:
43   1. In the amount of **[$15,000]** *$50,000* for bodily injury to or
44 death of one person in any one accident;

1   2. Subject to the limit for one person, in the amount of
2 **[$30,000]** *$100,000* for bodily injury to or death of two or more
3 persons in any one accident; and
4   3. In the amount of **[$10,000]** *$25,000* for injury to or
5 destruction of property of others in any one accident,
6 ➥ for the payment of tort liabilities arising from the maintenance or
7 use of the motor vehicle.
8   **Sec. 3.** NRS 485.210 is hereby amended to read as follows:
9   485.210   For the purposes of NRS 485.200, a policy or bond is
10 not effective unless:
11   1. The policy or bond is subject, if the accident has resulted in
12 bodily injury or death, to a limit, exclusive of interest and costs, of
13 not less than **[$15,000]** *$50,000* because of bodily injury to or death
14 of one person in any one accident and, subject to the limit for one
15 person, to a limit of not less than **[$30,000]** *$100,000* because of
16 bodily injury to or death of two or more persons in any one accident
17 and, if the accident has resulted in injury to or destruction of
18 property, to a limit of not less than **[$10,000]** *$25,000* because of
19 injury to or destruction of property of others in any one accident;
20 and
21   2. The insurance company or surety company issuing that
22 policy or bond is authorized to do business in this State or, if the
23 company is not authorized to do business in this State, unless it
24 executes a power of attorney authorizing the Director to accept
25 service on its behalf of notice or process in any action upon that
26 policy or bond arising out of an accident.
27   **Sec. 4.** NRS 485.304 is hereby amended to read as follows:
28   485.304   Judgments must for the purpose of this chapter only,
29 be deemed satisfied:
30   1. When **[$15,000]** *$50,000* has been credited upon any
31 judgment or judgments rendered in excess of that amount because of
32 bodily injury to or death of one person as the result of any one
33 accident;
34   2. When, subject to the limit of **[$15,000]** *$50,000* because of
35 bodily injury to or death of one person, the sum of **[$30,000]**
36 *$100,000* has been credited upon any judgment or judgments
37 rendered in excess of that amount because of bodily injury to or
38 death of two or more persons as the result of any one accident; or
39   3. When **[$10,000]** *$25,000* has been credited upon any
40 judgment or judgments rendered in excess of that amount because of
41 injury to or destruction of property of others as a result of any one
42 accident,
43 ➥ but payments made in settlement of any claims because of bodily
44 injury, death or property damage arising from a motor vehicle

1 accident must be credited in reduction of the amounts provided for
2 in this section.
3   **Sec. 5.** NRS 485.3091 is hereby amended to read as follows:
4   485.3091 1. An owner's policy of liability insurance must:
5   (a) Designate by explicit description or by appropriate reference
6 all motor vehicles with respect to which coverage is thereby to be
7 granted; and
8   (b) Insure the person named therein and any other person, as
9 insured, using any such motor vehicle with the express or implied
10 permission of the named insured, against loss from the liability
11 imposed by law for damages arising out of the ownership,
12 maintenance or use of such motor vehicle within the United States
13 of America or the Dominion of Canada, subject to limits exclusive
14 of interest and costs, with respect to each such motor vehicle, as
15 follows:
16   (1) Because of bodily injury to or death of one person in any
17 one accident, **[**$15,000;**]** *$50,000;*
18   (2) Subject to the limit for one person, because of bodily
19 injury to or death of two or more persons in any one accident,
20 **[**$30,000;**]** *$100,000;* and
21   (3) Because of injury to or destruction of property of others
22 in any one accident, **[**$10,000.**]** *$25,000.*
23   2. An operator's policy of liability insurance must insure the
24 person named as insured therein against loss from the liability
25 imposed upon the person by law for damages arising out of the
26 person's use of any motor vehicle within the same territorial limits
27 and subject to the same limits of liability as are set forth in
28 paragraph (b) of subsection 1.
29   3. A motor vehicle liability policy must state the name and
30 address of the named insured, the coverage afforded by the policy,
31 the premium charged therefor, the period of effectiveness and the
32 limits of liability, and must contain an agreement or be endorsed
33 that insurance is provided thereunder in accordance with the
34 coverage defined in this chapter as respects bodily injury and death
35 or property damage, or both, and is subject to all the provisions of
36 this chapter.
37   4. A motor vehicle liability policy need not insure any liability
38 under any workers' compensation law nor any liability on account
39 of bodily injury to or death of an employee of the insured while
40 engaged in the employment, other than domestic, of the insured, or
41 while engaged in the operation, maintenance or repair of any motor
42 vehicle owned by the insured nor any liability for damage to
43 property owned by, rented to, in charge of or transported by the
44 insured.

1   5. Every motor vehicle liability policy is subject to the
2 following provisions which need not be contained therein:
3   (a) The liability of the insurance carrier with respect to the
4 insurance required by this chapter becomes absolute whenever
5 injury or damage covered by the policy occurs. The policy may not
6 be cancelled or annulled as to such liability by any agreement
7 between the insurance carrier and the insured after the occurrence of
8 the injury or damage. No statement made by the insured or on behalf
9 of the insured and no violation of the policy defeats or voids the
10 policy.
11   (b) The satisfaction by the insured of a judgment for injury or
12 damage is not a condition precedent to the right or duty of the
13 insurance carrier to make payment on account of the injury or
14 damage.
15   (c) The insurance carrier may settle any claim covered by the
16 policy, and if such a settlement is made in good faith, the amount
17 thereof is deductible from the limits of liability specified in
18 paragraph (b) of subsection 1.
19   (d) The policy, the written application therefor, if any, and any
20 rider or endorsement which does not conflict with the provisions of
21 this chapter constitute the entire contract between the parties.
22   6. Any policy which grants the coverage required for a motor
23 vehicle liability policy may also grant any lawful coverage in excess
24 of or in addition to the coverage specified for a motor vehicle
25 liability policy, and the excess or additional coverage is not subject
26 to the provisions of this chapter.
27   7. Any motor vehicle liability policy may provide for the
28 prorating of the insurance thereunder with other valid and collectible
29 insurance.
30   8. The requirements for a motor vehicle liability policy may be
31 fulfilled by the policies of one or more insurance carriers, which
32 policies together meet those requirements.
33   9. Any binder issued pending the issuance of a motor vehicle
34 liability policy shall be deemed to fulfill the requirements for such a
35 policy.
36   **Sec. 6.** 1. An insurance company that provides a policy of
37 motor vehicle liability insurance to persons who own or operate
38 motor vehicles which are registered in this State shall, not later that
39 November 1, 2011, provide written notice to each insured whose
40 policy of insurance does not meet or exceed the requirements of
41 NRS 482.305, as amended by section 1 of this act, NRS 485.185, as
42 amended by section 2 of this act, NRS 485.210, as amended by
43 section 3 of this act, and NRS 485.3091, as amended by section 5 of
44 this act. The notice must include, without limitation, a statement that

failure to maintain insurance in accordance with the amendatory provisions of this act may:

    (a) Subject the insured to monetary penalties;

    (b) Require the insured to surrender his or her license, registration and license plate; and

    (c) Constitute a misdemeanor.

    2. An insurance company which offers, issues or renews a policy of motor vehicle liability insurance to a person in this State on or after the effective date of this section but before January 1, 2012, shall notify the person of the requirements of NRS 482.305, 485.185, 485.210 and 485.3091 in effect at the time of the offer, issuance or renewal of the policy and the requirements of NRS 482.305, as amended by section 1 of this act, NRS 485.185, as amended by section 2 of this act, NRS 485.210, as amended by section 3 of this act, and NRS 485.3091, as amended by section 5 of this act which become effective on January 1, 2012.

    Sec. 7. The provisions of NRS 485.304, as amended by section 4 of this act, apply only to judgments rendered for damage arising from a motor vehicle accident which occurs on or after January 1, 2012.

    Sec. 8. 1. This section and section 6 of this act become effective upon passage and approval.

    2. Sections 1 to 5, inclusive, and 7 of this act become effective on January 1, 2012.

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