

Assembly Bill No. 398—Committee
on Commerce and Labor

CHAPTER.....

AN ACT relating to insurance; prohibiting an insurer from issuing or renewing a policy of liability insurance that contains certain provisions; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law establishes the Nevada Insurance Code which governs contracts of insurance. (Title 57 of NRS) This bill prohibits an insurer from issuing or renewing a policy of liability insurance that contains a provision that: (1) reduces the limit of liability stated in the policy by the costs of defense, legal costs and fees and other expenses for claims; or (2) otherwise limits the availability of coverage for the costs of defense, legal costs and fees and other expenses for claims.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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

Section 1. Chapter 679A of NRS is hereby amended by adding thereto a new section to read as follows:

Notwithstanding any other provision of law, an insurer, including, without limitation, an insurer listed in NRS 679A.160, shall not issue or renew a policy of liability insurance that contains a provision that:

- 1. Reduces the limit of liability stated in the policy by the costs of defense, legal costs and fees and other expenses for claims; or*
- 2. Otherwise limits the availability of coverage for the costs of defense, legal costs and fees and other expenses for claims.*

Sec. 2. The provisions of this act do not apply to any contract for liability insurance existing on October 1, 2023, but apply to any renewal of such a contract.

