
ASSEMBLY BILL NO. 26—COMMITTEE ON TRANSPORTATION

(ON BEHALF OF THE DEPARTMENT OF MOTOR VEHICLES)

PREFILED DECEMBER 14, 2010

Referred to Committee on Transportation

SUMMARY—Revises provisions to clarify that motor vehicle liability policies must be written specifically for Nevada. (BDR 43-488)

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; providing that a motor vehicle liability policy issued in this State must be written specifically to meet the requirements for insurance in this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the owner of every motor vehicle which is registered or
2 required to be registered in this State to continuously provide, while the motor
3 vehicle is present or registered in this State, liability insurance provided by an
4 insurance company licensed by the Division of Insurance of the Department of
5 Business and Industry and approved to do business in this State. (NRS 485.185)
6 This bill specifies that such insurance must be written specifically to meet the
7 requirements for such insurance in this State, and that both the producer of the
8 insurance policy and the insurer must be authorized to transact casualty insurance
9 in this State.

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

1 **Section 1.** NRS 485.055 is hereby amended to read as follows:
2 485.055 1. “Motor vehicle liability policy” means an owner’s
3 policy of liability insurance or an operator’s policy of liability
4 insurance ~~issued by~~ *that*:



1 (a) *Meets the applicable requirements of NRS 485.185 and*
2 *485.3091;*

3 (b) *Is provided by a producer of casualty insurance, licensed in*
4 *this State, on behalf of* an insurer authorized to transact ~~business~~
5 *casualty insurance* in this State ~~;~~; *and*

6 (c) *Is issued* to or for the benefit of the person named therein as
7 insured.

8 2. With respect to a policy which grants excess or additional
9 coverage over that required by NRS 485.3091, the term "motor
10 vehicle liability policy" applies only to that part of the coverage
11 which is required by NRS 485.3091.

12 **Sec. 2.** NRS 485.185 is hereby amended to read as follows:

13 485.185 1. Every owner of a motor vehicle which is
14 registered or required to be registered in this State shall
15 continuously ~~provide,~~ *maintain*, while the motor vehicle is present
16 or registered in this State, insurance ~~provided~~ *that is:*

17 (a) *Written specifically to meet the requirements of the State of*
18 *Nevada with respect to motor vehicle liability policies; and*

19 (b) *Provided* by an insurance company licensed by the Division
20 of Insurance of the Department of Business and Industry and
21 approved to do business in this State. ~~;~~

22 ~~1. In the~~
23 2. *The insurance required by subsection 1 must be in the*
24 *following amounts:*

25 (a) *The* amount of \$15,000 for bodily injury to or death of one
26 person in any one accident;

27 ~~2.~~ (b) Subject to the limit for one person, ~~in~~ the amount of
28 \$30,000 for bodily injury to or death of two or more persons in any
29 one accident; and

30 ~~3. In the~~
31 (c) *The* amount of \$10,000 for injury to or destruction of
32 property of others in any one accident,

33 *for* the payment of tort liabilities arising from the maintenance or
34 use of the motor vehicle.

35 **Sec. 3.** NRS 485.3091 is hereby amended to read as follows:

36 485.3091 1. An owner's policy of liability insurance must:

37 (a) *Be written specifically to meet the requirements of the State*
38 *of Nevada with respect to motor vehicle liability policies;*

39 (b) Designate by explicit description or by appropriate reference
40 all motor vehicles with respect to which coverage is thereby to be
41 granted; and

42 ~~(b)~~ (c) Insure the person named therein and any other person,
43 as insured, using any such motor vehicle with the express or implied
44 permission of the named insured, against loss from the liability
45 imposed by law for damages arising out of the ownership,



1 maintenance or use of such motor vehicle within the United States
2 of America or the Dominion of Canada, subject to limits exclusive
3 of interest and costs, with respect to each such motor vehicle, as
4 follows:

5 (1) Because of bodily injury to or death of one person in any
6 one accident, \$15,000;

7 (2) Subject to the limit for one person, because of bodily
8 injury to or death of two or more persons in any one accident,
9 \$30,000; and

10 (3) Because of injury to or destruction of property of others
11 in any one accident, \$10,000.

12 2. An operator's policy of liability insurance must ~~insure~~ :

13 (a) *Be written specifically to meet the requirements of the State*
14 *of Nevada with respect to motor vehicle liability policies; and*

15 (b) *Insure* the person named as insured therein against loss from
16 the liability imposed upon the person by law for damages arising out
17 of the person's use of any motor vehicle within the same territorial
18 limits and subject to the same limits of liability as are set forth in
19 paragraph ~~(b)~~ (c) of subsection 1.

20 3. A motor vehicle liability policy must state the name and
21 address of the named insured, the coverage afforded by the policy,
22 the premium charged therefor, the period of effectiveness and the
23 limits of liability, and must contain an agreement or be endorsed
24 that insurance is provided thereunder in accordance with the
25 coverage defined in this chapter as respects bodily injury and death
26 or property damage, or both, and is subject to all the provisions of
27 this chapter.

28 4. A motor vehicle liability policy need not insure any liability
29 under any workers' compensation law nor any liability on account
30 of bodily injury to or death of an employee of the insured while
31 engaged in the employment, other than domestic, of the insured, or
32 while engaged in the operation, maintenance or repair of any motor
33 vehicle owned by the insured nor any liability for damage to
34 property owned by, rented to, in charge of or transported by the
35 insured.

36 5. Every motor vehicle liability policy is subject to the
37 following provisions which need not be contained therein:

38 (a) The liability of the insurance carrier with respect to the
39 insurance required by this chapter becomes absolute whenever
40 injury or damage covered by the policy occurs. The policy may not
41 be cancelled or annulled as to such liability by any agreement
42 between the insurance carrier and the insured after the occurrence of
43 the injury or damage. No statement made by the insured or on behalf
44 of the insured and no violation of the policy defeats or voids the
45 policy.



1 (b) The satisfaction by the insured of a judgment for injury or
2 damage is not a condition precedent to the right or duty of the
3 insurance carrier to make payment on account of the injury or
4 damage.

5 (c) The insurance carrier may settle any claim covered by the
6 policy, and if such a settlement is made in good faith, the amount
7 thereof is deductible from the limits of liability specified in
8 paragraph ~~(b)~~ (c) of subsection 1.

9 (d) The policy, the written application therefor, if any, and any
10 rider or endorsement which does not conflict with the provisions of
11 this chapter constitute the entire contract between the parties.

12 6. Any policy which grants the coverage required for a motor
13 vehicle liability policy may also grant any lawful coverage in excess
14 of or in addition to the coverage specified for a motor vehicle
15 liability policy, and the excess or additional coverage is not subject
16 to the provisions of this chapter.

17 7. Any motor vehicle liability policy may provide for the
18 prorating of the insurance thereunder with other valid and collectible
19 insurance.

20 8. The requirements for a motor vehicle liability policy may be
21 fulfilled by the policies of one or more insurance carriers, which
22 policies together meet those requirements.

23 9. Any binder issued pending the issuance of a motor vehicle
24 liability policy shall be deemed to fulfill the requirements for such a
25 policy.

26 **Sec. 4.** This act becomes effective upon passage and approval.

