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## Insurance; automobile insurance premiums

The University of the Pacific, McGeorge School of Law

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**Insurance; agent's authority**

NEV. REV. STAT. § 686A.— (new).  
 AB 390 (Thompson); 1989 STAT. Ch. 451

Existing law allows an insurer<sup>1</sup> to terminate an agent's<sup>2</sup> appointment at any time, subject to the agent's contractual rights.<sup>3</sup> Under Chapter 451, an insurer is prohibited from cancelling a written agreement with an agent, or reducing or restricting an agent's authority to transact casualty<sup>4</sup> or property<sup>5</sup> insurance, because of the agent's loss ratio experience.<sup>6</sup> The prohibition applies only when an agent is required to submit all policy applications for underwriting approval, and all information on the application was completed without omission or alteration.<sup>7</sup>

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1. See NEV. REV. STAT. § 679A.100 (1987) (defining insurer).
  2. See *id.* § 683A.030 (1987) (defining agent).
  3. *Id.* § 683A.290 (1987). Upon written request from the Commissioner of Insurance, the insurer must also provide a statement of cause, if any, for termination. *Id.*
  4. See *id.* § 681A.020 (1987) (defining casualty insurance).
  5. See *id.* § 681A.060 (1987) (defining property insurance).
  6. 1989 Nev. Stat. ch. 451, sec. 1, at 963 (enacting NEV. REV. STAT. § 686A.—). See *id.* (defining loss ratio experience).
  7. *Id.*

**Insurance; automobile insurance premiums**

NEV. REV. STAT. § 690B.— (new).  
 SB 370 (Committee on Commerce and Labor);  
 1989 STAT. Ch. 728

Existing law prescribes the coverage that a policy for automobile liability insurance must provide.<sup>1</sup> Chapter 728 requires insurers to

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1. NEV. REV. STAT. § 485.3091 1-3 (1987). (liability insurance policy must: (1) Accurately describe the vehicle; (2) provide \$15,000 per accident for injury or death to one person, \$30,000 for injury or death of two or more persons per accident, and \$10,000 per accident for injury to or destruction of property; (3) state the name and address of the insured, the amounts of

provide persons age fifty-five or older with the opportunity to obtain insurance at a reduced rate by completing an approved traffic safety course.<sup>2</sup> The insured must repeat the course every three years and must further qualify for the reduced rate by maintaining a driving record free of traffic violations and accidents.<sup>3</sup>

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coverage, the premium, the period of effectiveness, and the limits of liability; and (4) state that the policy is subject to the provisions of this code section). *Id.* Every policy is also subject to implied provisions that need not be contained in the policy. *See id.* § 485.3091 5 (conditions implied by law).

2. 1989 Nev. Stat. ch. 728, sec. 1, at 1679 (enacting NEV. REV. STAT. § 690B.\_\_\_\_). The Department of Motor Vehicles and Public Safety must approve the traffic safety course. *Id.* Approved schools will issue certificates that the insured must use when applying for reduced rates. *Id.* A traffic safety course that is mandated because of a moving violation does not qualify the driver for reduced premiums. *Id.* Four other states have enacted similar provisions. *See* ARK. STAT. ANN. § 27-19-608 (1987); ILL. REV. STAT. ch. 73, para. 755.29 (1987); R.I. GEN. LAWS § 27-9-7.1 (Supp. 1988); TENN. CODE ANN. § 56-7-1107 (1988).

3. 1989 Nev. Stat. ch. 728, sec. 1, at 1679 (enacting NEV. REV. STAT. § 690B.\_\_\_\_). The driver must have a clean driving record for three years before taking the traffic safety course, and for every three-year period between courses, in order to qualify. *Id.* If the insured is involved in an accident where the insured is at fault, has any traffic violations, or pleads guilty or nolo contendere to a traffic violation or driving under the influence of alcohol or controlled substances, the insured is disqualified from applying for reduced premiums. *Id.* Insurers must base premium reductions on actuarial and loss experience data. *Id.* The insurers must calculate reductions based on the amount of the full premium. *Id.* The Insurance Commissioner must approve the reductions and the policies offering reductions for persons in the designated age group. *Id.* The insurer must have the Insurance Commissioner's approval in writing before issuing a policy with reduced premiums for persons 55 or older. *Id.*

## Insurance; disclosure of policy provisions and notice of cancellation

NEV. REV. STAT. §§ 687B.\_\_\_\_, 689A.\_\_\_\_, 689B.\_\_\_\_, 695A.\_\_\_\_, 695B.\_\_\_\_, 695C.\_\_\_\_, 695D.\_\_\_\_ (new); §§ 689B.063, 689B.120, 695B.251, 695C.1705, 608.1577 (amended).

AB 114 (DuBois); 1989 STAT. Ch. 586

Under existing law, all insurance contracts<sup>1</sup> may be cancelled by the insurer on the anniversary date of the policy if the policy is

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1. *See* NEV. REV. STAT. § 687B.010 (1987) (definition of insurance contracts).