

Bulletin 89-2

**UNINSURED AND UNDERINSURED MOTOR VEHICLE
AND MEDICAL PAYMENTS COVERAGE**

December 28, 1989

Nevada Assembly Bill 404 (1989) which amends NRS 687B.145 has been enacted to be effective January 1, 1990. This law requires insurance companies transacting motor vehicle insurance to offer, on a form approved by the Commissioner, uninsured and underinsured vehicle coverage and medical payments coverage on policies covering the use of a passenger car.

This bulletin sets forth the standards the Insurance Division will use to determine if the forms to offer the optional coverage filed for approval are acceptable for use in Nevada.

1. Description of Coverage:

The forms must provide a concise explanation of the coverages being offered. The following is an example of acceptable language. Insurers may use language which provides essentially equivalent or more information regarding the coverages.

(a) For Uninsured and Underinsured Motor Vehicle Coverage:

Uninsured and underinsured motor vehicle coverage protects the named insured, the named insured's resident relatives and occupants in the insured vehicle if they sustain bodily injury in an accident for which the owner or operator of a motor vehicle is legally liable and does not have insurance (uninsured) or does not have enough insurance (underinsured).

(b) For Medical Payments Coverage:

Medical payments coverage provides protection without regard to legal liability for reasonable and necessary medical expenses resulting from accidental bodily injury while operating or occupying an insured vehicle or being struck as a pedestrian by a motor vehicle or trailer.

2. Available Limits:

(a) The form must contain an offer of uninsured and underinsured motor vehicle coverage in an amount equal to the limits of coverage selected by the insured for bodily injury liability under the policy

(b) The insured must be offered the option to purchase medical payments coverage in an amount of at least \$1000 or a higher amount if the minimum limit offered by an insurer is greater than \$1000.

3. Renewals:

Each renewal of a policy must include a copy of the offer for both coverages. However, no offer is required at renewal if the insured has already purchased both coverages in the amounts required to be offered. If the insured has already purchased one of the coverages in the amount required to be offered, the renewal offer may be limited to an offer of the coverage not previously purchased.

4. Policies Affected:

The offers must be made to insureds under policies which insure passenger cars as defined in NRS 482.087 which reads: “ ‘Passenger Car’ means a motor vehicle designed for carrying 10 persons or less, except a motorcycle, power cycle or motor driven cycle.”

5. Information Regarding Cost and Selection:

The form will require the written signature of the insured if he or she selects less uninsured and underinsured vehicle coverage than is required to be offered or if the coverage is rejected. NRS 690B.020.

The form may provide information regarding the cost of the coverages required to be offered or provide adequate instructions on how to obtain this information.

Instructions as to the procedure to follow if the insured decides to purchase one or both of the coverages should be included on the form.

An insurer may want to file forms for use in different situations. For example, a form requiring written selection may be used for new applicants, while a form which provides the offer and rate information with no signature requirement may be used for renewals.

6. Approved forms:

Any insurer planning to use a form to comply with AB404 (1989) which was approved by the Division prior to October 1, 1989 shall resubmit the form for further review. No filing fee will be necessary for previously approved forms. NAC 680B.070.

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INSURANCE COMMISSIONER