NEVADA
Legal Update

Spring 2015

Alverson Taylor Mortensen & Sanders • *Nevada's Law Firm*

Highlights

In Medical Malpractice Matters, Venue is Proper in Washoe County, where the Nevada State Board of Medical Examiners Conducts Business

Proceedings, as related to NRS 630.355(1) and the Nevada Board of Medical Examiners will be defined as "business conducted by" the Board, which include hearings, suspensions and the issuance of subpoenas and orders. The distinction is important as the venue for such proceedings is in Washoe County as opposed to the county where the alleged misconduct occurred.

Plaintiff Recovers for Infection Sustained as Result of Hysterectomy

Following an elective hysterectomy, a 26 year-old Plaintiff suffered severe infection to her bowels and small intestines, which required extensive, subsequent treatment and surgery. Plaintiff sought both compensatory and punitive damages.

The Voluntary Payment Doctrine is an Affirmative Defense to a Claim for the Recovery of Money that a Plaintiff Voluntarily Paid

Nevada maintains the voluntary payment doctrine, which bars recovery of monies voluntarily paid unless the plaintiff can establish that the money was distributed under duress, coercion or in defense of property.

Nevada Supreme Court Decisions

Medical Malpractice

Venue for State Board of Medical Examiners Determined by Location of Proceeding

The Nevada State Board of Medical Examiners filed an administrative complaint against appellant Carmen Jones, M.D., alleging that Dr. Jones aided a third party in the unauthorized practice of medicine. In furtherance of its investigation, the Board issued a subpoena to Dr. Jones to obtain patient records. Dr. Jones failed to comply with the subpoena and the Board petitioned the Second Judicial District Court, located in Washoe County, Nevada, for an order compelling compliance with its administrative subpoena.

Dr. Jones filed a motion to change the venue of the Board's subpoena, relying on NRS 13.040, which states that "the action shall be tried in the county in which the defendants, or any of them, may reside at the commencement of the action." Dr. Jones asserted that the petition should have been filed in Clark County, Nevada, her place of residence and practice. Dr. Jones further argued that if the Nevada Legislature intended for Board contempt petitions to be filed in Washoe County, the statute would have been specifically drafted to reflect that requirement. Dr. Jones asserted that it was inconvenient for her to participate in proceedings in Washoe County, but it was not a hardship for the Board, a statewide agency, to pursue its contempt proceedings in Clark County. Dr. Jones did not dispute that the hearing regarding her formal complaint would occur at the Board's office in Washoe County.

The Board opposed Dr. Jones' motion to change venue as they correctly filed the subpoena contempt petition against Dr. Jones in the Second Judicial District Court. The Board relied on NRS 630.355(1), which provides that the Board may seek a contempt order in the "district court of the county in which the proceeding is being conducted." The Board maintained that the administrative proceeding against Dr. Jones took place in and arose from its office located in Washoe County. The Board further indicated that all formal complaints and summary suspensions were filed in, and hearings regarding those matters held in, its office in Washoe County. The district court denied Dr. Jones' motion for a change of venue.

On appeal, the Nevada Supreme Court reiterated NRS 630.355(1), which provides that if an individual in a proceeding before the Board disobeys or resists a lawful order, the Board, hearing officer or panel may certify the facts to the district court of the county in which the proceeding is being conducted. The statute, however, did not define "proceeding," so the Court looked beyond the plain meaning to determine

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where venue properly lied. The Nevada Supreme Court noted that Black's Law Dictionary defined "proceeding" as "the business conducted by a court or other official body; a hearing." The dictionary's definition therefore supported the Board's contention that proceeding should be read to mean the "business conducted by" the Board, which included hearings, suspensions and the issuance of subpoenas and orders. The Board's contention was further supported by analogous Nevada statutes that allowed other administrative boards, commissions, and agencies to institute contempt actions in the district court. In each of the other statutes, the Nevada Legislature provided that administrative boards, commissions, and agencies may seek contempt orders to enforce subpoenas in the district court of the county where the administrative hearing took place.

The Nevada Supreme Court therefore interpreted NRS 630.355(1), to provide that the venue for a contempt proceeding was properly brought by the Board in the county where the administrative work of the Board is taking place. Because the Board's administrative work, including its filing of a formal complaint and its order of summary suspension of Dr. Jones' license, occurred in Washoe County, the Second Judicial District Court was the proper venue for the contempt proceeding against Dr. Jones. The district court did not manifestly abuse its discretion in denying Dr. Jones' motion to change venue. *Jones v. Nevada State Board of Medical Examiners*, 131 Nev. Adv. Rep. 4 (2014).

Contract

Short Term Lenders May Only Charge Twenty-Five Percent of a Borrower's Expected Gross Monthly Income, Including Principal, Interest and Fees

A deferred deposit loan is a transaction wherein a borrower is given a loan that must be fully repaid within a relatively short period of time. The lender generally charges a flat fee based on a very high interest rate. As collateral, the borrower gives the lender a post-dated check that includes the principal amount and any interest or fees to be incurred. The lender keeps the check during the term of the loan, and upon the loan's conclusion, the borrower may either pay the balance or the lender will deposit the check. The loans are for a short, fixed period that may not exceed 35 days. NRS 604A.425, limits the amount of a deferred deposit loan to 25 percent of a borrower's expected gross monthly income.

In 2008, the Nevada Financial Institutions Division (FID) began enforcing the 25 percent cap as including both the principal borrowed and the interest charged. The FID informed Check City of the interpretation on two separate occasions and Check City subsequently filed a complaint for declaratory relief seeking clarification of the statute. The FID filed a motion to dismiss and argued there was no justiciable controversy and Check City failed to exhaust its administrative remedies. The district court granted Check City's motion for summary judgment, concluding that the 25 percent cap only applied to the principal amount. The FID appealed.

NRS 604A.425 provided that a licensee shall not make a deferred deposit loan that exceeds 25 percent of the expected gross monthly income of the customer when the loan is made. NRS 604A.425(1)(a). NRS 604A.050 defined "deferred deposit loan" as:

> …a transaction in which, pursuant to a loan agreement, a customer tenders to another person a personal check drawn upon the account of the customer; or written authorization for an electronic transfer of money for a specified amount from the account of the customer; and the other person provides to the customer an amount of money that is equal to the face value of the check or the amount specified in the written authorization for an electronic transfer of money, less any fee charged for the transaction; and agrees, for a specified period, not to cash the check or execute an electronic transfer of money for the amount specified in the written authorization.

The Nevada Supreme Court reasoned that when reading the above subsections together, a "deferred deposit loan" is a transaction with three distinctive characteristics that separate it from other types of loan agreements: (1) the customer secures a loan with a check; (2) the lender finances an amount that is equal to the check the customer tenders, minus any fees due to the lender; and (3) the lender holds the check as security and deposits it only when an agreed upon date has arrived. Therefore, the principal amount borrowed was merely one aspect of the larger transaction.

NRS 604A.050(2)(a) provided that as a part of the overall transaction, the lender would provide to the customer an amount of money equal to the face value of the check, held as security, less any fee charged for the transaction. Because NRS 604A.050 unambiguously defines a deferred deposit loan as a "transaction," the amount of a deferred deposit loan must be fixed by the value of the entire loan transaction, including principal, fees, and interest. The Nevada Supreme Court therefore concluded that the 25 percent cap on deferred deposit loans included both the principal amount loaned and any interest or fees charged. *State of Nevada Department of Business and Industry, Financial Institutions Division v. Check City Partnership, LLC.*,130 Nev. Adv. Rep. 90 (2014)

Real Property

The Voluntary Payment Doctrine is an Affirmative Defense to a Claim for the Recovery of Money that a Plaintiff Voluntarily Paid, Absent Coercion, Duress or Defense of Property

Elsinore, LLC purchased property located within Peccole Ranch planned community at a foreclosure auction. Prior to the foreclosure sale, Peccole Ranch Community Association placed a lien on the property for unpaid community-association assessments. After purchasing the property, Elsinore indicated it would not pay assessments or fees that were not required by statute. Peccole Ranch

demanded that Elsinore pay all outstanding association dues and further indicated that a lien was already placed on the property. Elsinore paid the demanded amount and subsequently sold the property.

Three years later, Elsinore filed a complaint against Peccole Ranch with the Nevada Real Estate Division on behalf of itself and a class of similarly situated property owners. Elsinore alleged that Peccole Ranch made excessive lien demands which violated NRS 116.3116 and the Peccole Ranch covenants, conditions, and restrictions ("CC&Rs"). Efforts at mediation were unsuccessful and Peccole Ranch filed a district court action against Elsinore seeking declatory relief regarding the application of the statute and CC&Rs. Elsinore counterclaimed for declatory relief and damages on behalf of itself and an identified class, and the district court certified the class. Peccole Ranch filed a motion to dismiss the claims of those class members who did not participate in mediation or arbitration, which the district court denied. Peccole Ranch also filed a third-party complaint against Nevada Association Services ("NAS"), an agent of Peccole Ranch, seeking indemnification and contribution for any damages that Elsinore and the class of property owners recovered from Peccole Ranch.

NAS filed a motion for summary judgment, which the district court denied, concluding that the voluntary payment doctrine did not apply to Elsinore because it paid the assessments and fees under duress and in order to save its property. NAS and Peccole Ranch filed a petition for writ of mandamus regarding the decision of the district court. The Nevada Supreme Court noted that the petition presented an "important issue of law" which may be significant to other litigation involving common-interest community assessments.

The voluntary payment doctrine is an affirmative defense and a long-standing doctrine of law, which provided that one who voluntarily made a payment could not recover that payment on the grounds that he was under no legal obligation. Best Buy Stores v. Benderson-Wainberg Assocs., 668 F.3d 1019, 1030 (8th Cir. 2012). The doctrine precluded recovery of a voluntary payment unless the party could demonstrate that it met an exception to the doctrine. The doctrine considers "the willingness of a person to pay a bill without protest as to its correctness or legality." Putnam v. Time Warner Cable of Se. Wis., 649 N.W.2d 626, 633 (Wis. 2002). It further serves to promote the "policy goals of certainty and stability in transactions." Berrum v. Otto, 127 Nev. 255 (2011).

Nevada courts have recognized the validity of the voluntary payment doctrine since 1887, when a district court allowed a county to recover an erroneous overpayment made to a jailor. The Nevada Supreme Court observed that the "rule was well settled that money voluntarily paid, with full knowledge of all the facts, although no obligation to make such payment existed, cannot be recovered back." Randall v. County of Lyon, 20 Nev. 35 (1887). Because the voluntary payment doctrine is an affirmative defense, the defendant bears the burden of proving its applicability. Once the defendant shows that a voluntary payment was made, the burden shifts to the plaintiff to demonstrate that an exception to the doctrine applies. If an exception applies, the plaintiff is not precluded from recovering that payment.

Elsinore admitted that it paid the Peccole Ranch assessment and did not argue that it made its payment under protest or without knowledge of the facts. Elsinore maintained, however, that two exceptions to the voluntary payment doctrine precluded its application. The first exception was coercion or duress caused by a business necessity. The Nevada Supreme Court held that Elsinore failed to demonstrate that it lacked a reasonable alternative to simply paying the lien amount. Specifically, Elsinore could have sought arbitration or mediation prior to paying the lien. Thus, Elsinore's decision to pay was not made under duress because it had reasonable alternatives at the time of payment.

Elsinore also attempted to argue the exception based upon defense of property. The Nevada Supreme Court previously held that "one is not a volunteer or stranger when he pays to save his interest in his property." Cobb v. Osman, 83 Nev. 415, 421 (1967). The Court noted, however, that there were two facts that distinguished Cobb from the current case. The remedy sought in Cobb was against a party who failed to make necessary payments, not against the recipient of a disputed payment. Cobb also involved a payor who risked losing his property interest in foreclosure if he did not pay another's loan. Elsinore failed to demonstrate any such risk existed. Peccole Ranch had a lien on the property, but there was no evidence that foreclosure proceedings were imminent. Elsinore's payment to release Peccole Ranch's lien did not meet the defense of property exception to the voluntary payment doctrine.

The Nevada Supreme Court held that the voluntary payment doctrine did apply and Elsinore failed to demonstrate an exception which would preclude its application. While the doctrine precluded any claim or recovery by Elsinore, the Court noted that NAS and Peccole Ranch failed to demonstrate that the voluntary payment doctrine precluded the remaining class members' claims and those claims remained to be decided. *Nevada Association Services, Inc. v. Eighth Judicial District Court*, 130 Nev. Adv. Rep. 94 (2014)

NEVADA JURY VERDICTS

Personal Injury

Verdict for Defendant Stemming from a Low Impact Collision

Plaintiff alleged that while parked in a parking lot, Defendant negligently backed into Plaintiff's vehicle. Defendant argued that Plaintiff was comparatively negligent by parking her vehicle in a "red zone." As a result of the incident, Plaintiff allegedly sustained cervical, thoracic, and lumbar soft tissue injuries, which required chiropractic treatment.

Defendant maintained that it was a low-impact incident and that Plaintiff's treatment was unreasonable and unnecessary. Plaintiff sought $15,819.08 in medical expenses and $570.00 in lost wages. Plaintiff made a pretrial demand of $29,000.00 and Defendant offered $5,000.00. During closing arguments,

Plaintiff's counsel asked the jury to award Plaintiff more than $25,000.00 and defense counsel argued that Plaintiff should not receive any award. After a one day trial, the jury returned a verdict for Defendant. *Edwards v. Henderson,* November 7, 2014.

Plaintiff's Jury Award Reduced by Forty Percent Due to Comparative Negligence

Plaintiff, a female Nevada resident operating a 1993 Buick Century, and Defendant, operating a 2007 Jeep Cherokee, took the same exit ramp from US Interstate 95 in Las Vegas. Plaintiff alleged that as she and Defendant both executed left turns from the off-ramp and onto the surface street, Defendant travelled wide causing the front of Defendant's vehicle to strike the left panel of Plaintiff's vehicle. Defendant argued that Plaintiff was comparatively at fault.

Plaintiff alleged that she sustained cervical, thoracic, and lumbar soft tissue injuries and a leg injury as a result of the collision. Plaintiff sought unspecified compensatory damages, including medical expenses. After a one day trial, the jury awarded Plaintiff $6,868.00 for medical expenses and $10,500.00 for pain and suffering. The jury also found that Plaintiff was 40 percent at fault, thus her award was reduced to $10,420.80. *Holmes v. Abaldonado*, November 21, 2014.

Defense Verdict for Defendant for Damages Alleged From a Rear-End Collision

Plaintiff, a 22 year-old server, was rear-ended by Defendant, a 67 year-old security officer. Defendant denied liability, asserting that Plaintiff stopped at a crosswalk to allow a pedestrian to cross the roadway and then accelerated forward. Plaintiff then allegedly stopped suddenly for no apparent reason, causing the collision. Plaintiff alleged that she sustained cervical and lumbar soft tissue injuries and relied on the report of a chiropractor, who opined that Plaintiff's treatment was reasonable and necessary. Defendant also relied on the report of a chiropractor, who opined that Plaintiff's treatment was unreasonable and unnecessary.

Plaintiff sought compensatory damages, including $14,000.00 in medical expenses. Plaintiff served a $12,000.00 pretrial offer of judgment and Defendant made a $3,000.00 settlement offer. During closing arguments, Plaintiff's counsel asked the jury to award $14,000.00 for Plaintiff's medical expenses. Defense counsel argued liability and suggested $1,500.00 was adequate compensation. After a one day trial, the jury returned a verdict for the Defendant. *Delgado v. Cooper*, September 5, 2014.

Verdict for Vehicle Passenger that was Rear-Ended by a Domino's Pizza Employee

Plaintiff was a front seat passenger in a 2005 Ford Explorer. While waiting to exit the parking lot of a commercial shopping center onto a public street, Plaintiff's vehicle was rear-ended by Defendant, who was in the course and scope of his occupational duties as a delivery driver for Domino's Pizza. As a result of the collision, Plaintiff allegedly sustained cervical soft tissue injuries and an injury to his right knee. Defendant argued that Plaintiff was not injured and his complaints were related either to a preexisting condition or a subsequent fall. At trial, Defendant relied on the videotaped deposition of an orthopedic physician, who opined that Plaintiff's cervical fusion surgery and pain management treatment were unrelated to the motor vehicle collision.

Plaintiff sought an unspecified amount for medical expenses and lost wages. After a five day trial, the jury awarded Plaintiff $11,363.50 for medical expenses and $80,000.00 for past pain and suffering. *Geiger v. Domino's Pizza, L.L.C.*, October 3, 2014.

Medical Malpractice

Plaintiff Recovers for Injuries Sustained as Result of Hysterectomy

Plaintiff, a 26 year-old female, presented to the hospital for an elective total abdominal hysterectomy due to uterine fibroids. Defendant gynecologist performed the procedure and discharged Plaintiff five days later, despite her complaints of abdominal pain. Plaintiff presented to a second hospital two days later with complaints of moderate diffuse abdominal pain, accompanied by constipation, nausea, vomiting, tachycardia and a low-grade fever. The hospital staff performed a radiograph and prescribed pain medication. Three days later, Plaintiff was transported back to the hospital with complaints of fever, chills, nausea, emesis, diarrhea and severe abdominal pain. An abdominal CT revealed extensive inflammation throughout the abdominal cavity. Plaintiff was diagnosed with paralytic ileus and peritonitis. A second abdominal CT scan performed three days later revealed demonstrative numerous gas collections, compatible with abscess.

Approximately one week later, Plaintiff consulted with an infectious disease specialist and was diagnosed with an abdominal infection with abscess. A third CT scan of the abdomen revealed fluid collection in the abdomen and pelvis and a laparotomy was performed three days later. Intraoperative reports revealed purulent fluid in the anterior fascial compartment, with gross pus coming from the abdominal cavity. Plaintiff's entire bowel was dilated, inflamed and matted together, there was a necrotic rind noted on multiple surfaces, the transverse colon was gangrenous and sealed to the right lower quadrant, and an area of the small bowel was infected.

Plaintiff alleged that Defendant fell below the standard of care during the hysterectomy procedure and damaged Plaintiff's small intestines. Plaintiff also alleged Defendant failed to provide appropriate and conservative alternative treatment to a hysterectomy, and failed to obtain her informed consent or perform a general surgical consult. At trial, Plaintiff relied on the testimony of two gynecologists and a colorectal surgeon. Defendant denied

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falling below the standard of care and argued that the non-party hospitals were at fault. Defendant relied on the testimony of an oncologist who was also a general surgeon.

Plaintiff alleged that as a result of Defendant's negligence, she required extensive treatment and surgery. Plaintiff sought $701,000.00 in medical expenses, as well as punitive damages. After an eight day trial, Plaintiff was awarded $701,420.09 for medical expenses and $200,000.00 for pain and suffering. The court granted Defendant's post-trial motion to reduce the medical expenses to $236,954.90, for a total verdict of $436,954.90. *Nash v. Kartzinel, M.D.*, October 3, 2014.

Premises Liability

Plaintiff Compensated for Injuries Sustained After Falling at Apartment Complex

Plaintiff, a retired 68 year-old female, was a tenant at Defendant's apartment complex. Plaintiff alleged that while walking in the grass area of the complex, she stepped into a hidden hole and fell. Plaintiff claimed that Defendant failed to properly maintain the premises and/or warn of the hazardous condition. Prior to trial, Plaintiff settled with the landscape management company for an undisclosed amount.

The trial court granted Plaintiff's motion for judgment as a matter of law on the issue of liability. Defendant argued causation. Plaintiff allegedly sustained injuries to her cervical, thoracic, and lumbar spine, which required lumbar epidural injections and a lumbar fusion. Plaintiff also claimed that future cervical surgery would be required.

At trial, Plaintiff relied on the testimony of two orthopedic physicians and an economist, and Defendant called an expert neurosurgeon to testify. Plaintiff sought $476,000.00 in medical expenses and her husband asserted a claim for loss of consortium. After a seven day trial, the jury awarded Plaintiff $7,227.00 for past medical expenses and $10,000.00 for past pain and suffering. *Ruisi v. Nakatani America & Co.*, October 29, 2014.

Plaintiff Injured by Tripping Over a Sleeping Cat

Plaintiff, a 37 year-old male, allegedly tripped over Defendant's sleeping cat as he descended the stairs at Defendant's residence. Plaintiff claimed to have been advised that the cat would be locked in the laundry room. As a result of the fall, Plaintiff allegedly sustained a meniscus tear, which required surgical intervention. Defendant denied liability and argued that Plaintiff was at fault for his own injuries.

Plaintiff relied on the testimony of two orthopedic physicians. Defendant also called an expert orthopedic physician to testify at trial. Plaintiff sought approximately $50,000.00 in medical expenses and made a pre-trial settlement demand for Defendant's $100,000.00 insurance policy limits. Defendant served a $25,000.00 pre-trial offer of judgment. After a nine day trial, the jury awarded Plaintiff $54,924.62 for past medical expenses and $2.00 in past and future pain and suffering. Plaintiff was found to be 50 percent at fault, thus his award was reduced to $27,663.31. *Ladin v. Thompson*, September 15, 2014.

Breach of Contract

Jury Finds for Defendant Based on Alleged Damaged Rental Return

Plaintiff, a car rental company, alleged that Defendant damaged the transmission and differential of a 2005 Dodge Viper. According to Plaintiff, the rental contract specifically stated that if a vehicle was damaged while rented, the renter was responsible for the repairs. Plaintiff relied on the report of an expert automotive mechanic, who opined that the damage to the vehicle was caused by extreme abuse by Defendant.

Defendant, a salesman, denied liability and maintained that the vehicle had mechanical problems at the time of the original rental. Defendant also asserted that there was no evidence he actually damaged the vehicle and that spoliation of evidence occurred when parts were removed from the vehicle and not preserved. Defendant relied on the report of an automotive failure analysis expert, who opined that the vehicle was already damaged at the time that Defendant rented it and there was no evidence that Defendant did anything wrong.

Plaintiff alleged that as a result of Defendant's negligence, the cost to repair the vehicle was over $25,000.00 and the vehicle could not be used for 45 days. Plaintiff made a pretrial demand of $33,000.00. Defendant refused to make an offer. After a one day trial, the jury returned a unanimous verdict for Defendant. *Dream Car Rentals, Inc., v. Semeraro*, October 17, 2014.

Comments

"Pay to Play" Assembly Bill Proposes Barring Noneconomic Recovery in Certain Circumstances Where an At-Fault Driver Injures an Uninsured Individual

Nevada's 2015 legislative session began on February 2, 2015. One bill of particular interest, Assembly Bill Number Seven ("AB7"), proposes to limit recovery of certain damages in civil actions arising from motor vehicle accidents. Nevada law mandates continuous vehicle insurance on automobiles that are registered or are required to be registered. NRS 485.185. Ten other states, including California, have enacted similar laws. AB7 has been referred to as the "no pay, no play" bill as it seeks to amend Nevada Revised Statute Chapter 42 to state that, "if the plaintiff or claimant was not in compliance with the requirements of the statute at the time of the accident, the maximum amount that may be awarded to the plaintiff or claimant must be limited to medical costs, property damage and lost income incurred as a result of the accident, and not include any damages for pain and suffering." Ultimately, the proposed amendment was based upon the premise that people who do not buy insurance coverage should not receive the benefits of insurance. AB7 would prevent an uninsured motorist in a civil action from collecting compensation for noneconomic damages arising from a traffic accident with an insured, at-fault driver, including pain and suffering, emotional distress and inconvenience.

The limitation of AB7 would not apply to the following situations: 1) a claimant

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injured by a motorist who was driving under the influence; 2) incidents where the claimant was a passenger in a motor vehicle that he did not own; 3) incidents where the claimant was not in any vehicle involved in the accident; 4) if the claimant was a dependent at the time of the accident, whose parents did not have insurance; 5) if the claimant failed to maintain insurance coverage at the time of the accident, but had previously maintained motor vehicle insurance coverage and was notified at least 30 days prior to the accident; and 6) if the claimant was involved in a wrongful death claim.

One advocate of AB7, Property Casualty Insurers Association of America ("PCI"), testified that AB7 established the principle that only those motorists who comply with the law and obtain the required insurance are allowed to fully benefit from that compliance. According to PCI, AB7 encourages motorists to purchase required insurance coverage without imposing any additional enforcement costs. Motorists will arguably be inspired to obey the law and obtain insurance as they know they will be denied certain benefits if they are injured in an accident.

AAA also supported the bill and noted that the proposed amendment does not prevent an uninsured claimant from being made whole if they are involved in an accident. Even a claimant who did not comply with the law would be able to collect reimbursement for medical costs, property damage and lost income. AB7 would simply prohibit uninsured claimants from collecting pain and suffering damages. AAA cited to a recent study conducted by the Insurance Research Council, which estimated that the uninsured motorist rate could reduce by as much as 1.6 percent after a state's adoption of a law similar to AB7.

Farmers Insurance further asserted that the proposed legislation would decrease claim payments to drivers breaking the law and reduce the pressure to increase insurance premiums for law abiding drivers. Recent national data suggested that there were approximately two injuries caused by uninsured motorists for every 1,000 vehicles with uninsured motorist coverage.

The Nevada Justice Association ("NJA") opposed AB7, claiming that the bill arbitrarily regulated the rights of a single sector of the population that did not pay their insurance bill. NJA estimated that approximately 12.2 percent of Nevada drivers were uninsured as compared to California's 14 percent, prior to their enacting a similar law. In 2014, Nevada's average cost of vehicle insurance was approximately $1,388.00, whereas California's average was approximately $1,962.00. When comparing Nevada to states that have statutes similar to "no pay, no play," Nevada's average vehicle insurance rates were $115.00 lower. NJA further claimed that AB7 would allow insurance companies to disregard the responsibility of the careless drivers they insure.

As of the date of this update, no votes had been cast or resolution issued. We will include the ultimate outcome of this proposed statutory amendment in a future issue of the Nevada Legal Update.