

April 24, 2009

Senator Maggie Carlton  
Chair, Senate Committee on Commerce and Labor  
Nevada State Senate  
401 S. Carson Street  
Carson City, NV 89701

Dear Senator Carlton,

The Reno Sparks Chamber of Commerce, Northern Nevada's largest business organization, respectfully opposes AB 224. We are concerned that the bill would encourage the filing of more lawsuits that would not achieve anything other than more litigation costs and more fees paid to attorneys by insurance companies.

The bill's amendments to NRS 686A.310 would require a defendant in a lawsuit to pay the prevailing party's attorney's fees in all cases. The bill states that the fees are to be paid "without limitation." This proposal is contrary to the well established policy of having a court decide when the payment of attorney's fees is warranted. A provision like that in AB 224 will only encourage the filing of more lawsuits, which would result in increased insurance costs for every policy holder.

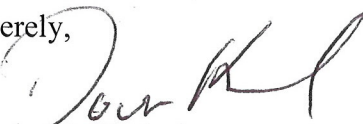
We are also not convinced that the new cause of action that AB 224 would create is justified. NRS 686A.310 provides detailed rules for how an insurance company has to settle a claim. AB 224's proposed new lawsuits relating to making payments that are not in dispute would not correct any insurer behavior that is not already being regulated.

Some insurance companies may be guilty of unfair practices, but the existing administrative penalties and the lawsuits against insurers that are already authorized by law are adequate to police those companies. AB 224 would not achieve anything that is not already being achieved by existing consumer protections.

The Reno Sparks Chamber of Commerce respectfully requests that your Committee vote No on AB 224.

Thank you for your service to the State of Nevada. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

  
Douglas R. Kurkul  
CEO



RENO-SPARKS  
CHAMBER  
OF COMMERCE