

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R100-06

May 19, 2006

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §1, NRS 687B.385; §§2 and 3, NRS 679B.130.

A REGULATION relating to insurance; providing that an insurer is prohibited from cancelling, refusing to renew or increasing the premium upon renewal of a policy of motor vehicle insurance based upon an accident that is not a chargeable accident; repealing certain provisions concerning use of claims made under the comprehensive portion of a policy of automobile insurance; and providing other matters properly relating thereto.

Section 1. Chapter 687B of NAC is hereby amended by adding thereto a new section to read as follows:

1. In accordance with NRS 687B.385, an insurer shall not cancel, refuse to renew or increase the premium upon renewal of a policy of motor vehicle insurance because of an accident that is not a chargeable accident.

2. Each insurer shall file with the Division its definition of a “chargeable accident” and shall use the filed definition. The insurer’s definition of a “chargeable accident” may include only those accidents for which the insured is 50 percent or more at fault.

3. Each filing of a rate for a policy of motor vehicle insurance submitted to the Division must define a “chargeable accident” in terms of a monetary amount of damage.

Sec. 2. NAC 690B.210 is hereby amended to read as follows:

690B.210 As used in NAC 690B.210 to 690B.250, inclusive, unless the context otherwise requires:

1. “Commercial automobile” means a motor vehicle not rated under rules for private automobiles for passengers.
2. “Company rules” means the standards established and used by an insurer for underwriting, rating, cancellation or nonrenewal of insurance for automobiles.
3. “Date of incident” means the actual day on which a person engages in the activity which results in a citation for a violation of a traffic law or the day on which he is involved in an accident involving a motor vehicle.
4. “Division” means the Division of Insurance of the Department of Business and Industry.
5. “Incident” means an activity resulting in a conviction for a violation of a traffic law, a chargeable accident ~~is~~ *as defined pursuant to section 1 of this regulation*, or both.
6. “Private automobile for passengers” means a:
 - (a) Motor vehicle rated under the rules for private vehicles for passengers; or
 - (b) Rented motor vehicle of the type used for a private automobile for passengers, even if it is rated under the rules for commercial motor vehicles.

Sec. 3. NAC 690B.230 is hereby repealed.

TEXT OF REPEALED SECTION

690B.230 Chargeable accidents: Authorized use; filing of definition with Division.
(NRS 679B.130)

1. For underwriting, rating, cancellation, or nonrenewal of insurance for automobiles, an insurer may consider any chargeable accident.

2. Each insurer shall file with the Division its definition of a “chargeable accident” and shall use the filed definition. The insurer’s definition of a “chargeable accident” may include only those accidents for which the insured is 50 percent or more at fault.

3. Each filing of a rate for insurance for automobiles submitted to the Division must define a “chargeable accident” in terms of a monetary amount of damage.

4. An insurer may not define a claim made under the comprehensive portion of the policy as a chargeable accident in order to cancel the policy, but he may use a series of such claims to discontinue comprehensive coverage, to offer a higher deductible upon the renewal of a policy, or to add a surcharge to the premium for the policy.