

**REVISED ADOPTED REGULATION OF
THE COMMISSIONER OF INSURANCE**

LCB File No. R213-09

Effective August 13, 2010

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

AUTHORITY: §§1-6, NRS 679B.130 and 690B.023.

A REGULATION relating to insurance; revising provisions related to issuance of a card constituting evidence of insurance related to a motor vehicle; and providing other matters properly relating thereto.

Section 1. Chapter 690B of NAC is hereby amended by adding thereto a new section to read as follows:

An insurer that issues an operator's policy of liability insurance shall include on the card constituting evidence of insurance a statement written substantially as follows:

This card constitutes evidence of an operator's policy of liability insurance. The policy is a limited policy of liability insurance. The specific limitations are set forth in the policy or endorsement required by NRS 485.186.

Sec. 2. NAC 690B.010 is hereby amended to read as follows:

690B.010 NAC 690B.010 to 690B.060, inclusive, *and section 1 of this regulation* provides guidelines for the approval of cards constituting evidence of insurance which a motor vehicle insurer must issue to the insured.

Sec. 3. NAC 690B.020 is hereby amended to read as follows:

690B.020 As used in NAC 690B.010 to 690B.060, inclusive, *and section 1 of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 690B.022 to 690B.028, inclusive, have the meanings ascribed to them in those sections.

Sec. 4. NAC 690B.030 is hereby amended to read as follows:

690B.030 1. A permanent card constituting evidence of insurance must be issued by an insurer who provides liability insurance coverage for a motor vehicle in the minimum amounts required by NRS 485.105 and 485.185, except that the insurer may permit its duly appointed agent in Nevada to issue a permanent card.

2. A permanent card:

(a) May not be effective for longer than the policy term beginning on the effective date of the policy.

(b) Must be issued:

(1) Within 60 days after the effective date of an insurance policy or the ~~issuance of a binder;~~ *effective date on which coverage has been bound;* and

(2) With each renewal of the policy.

Sec. 5. NAC 690B.040 is hereby amended to read as follows:

690B.040 1. Except as *otherwise* provided in ~~subsection 3;~~ *subsections 3 and 4*, a temporary card constituting evidence of insurance may be issued only by *an insurer or* a duly appointed agent *of the insurer* upon the submission to the insurer identified on the temporary card of an application for motor vehicle liability insurance for which ~~a binder~~ *coverage* has been ~~issued. The temporary card must bear the personal or facsimile signature of the agent submitting the application.~~ *bound.*

2. Insurers must provide agents with an adequate supply of temporary cards.

3. Temporary cards may be issued by the Western Association of Automobile Insurance Plans.

4. Temporary cards may be printed by an insured on a personal computer if:

(a) Such printing is allowed by the insurer of the insured; and

(b) The insurer has taken reasonable measures, which have been submitted to and which have received the approval of the Commissioner, to prevent a temporary card from being electronically manipulated or altered.

Sec. 6. NAC 690B.060 is hereby amended to read as follows:

690B.060 A card constituting evidence of insurance must conform to the following standards:

1. The card must be ~~f~~:

~~—(a) Not~~ *not* larger than 8 1/2 x 5 1/2 inches and not smaller than ~~[3 1/2 x 2 1/4 inches; and~~

~~—(b) Printed on white paper which is no lighter in weight than 20 pounds, but a temporary card may be printed on white paper of a lighter weight.]~~ *3 3/8 x 2 1/8 inches.*

2. The card must contain:

(a) In not less than 8-point bold type the:

(1) Name of the policyholder;

(2) Name of the insurer;

(3) Applicable company code issued by the National Association of Insurance

Commissioners or any successor organization;

(4) Year, make and complete identification number of the insured vehicle;

(5) Number of the policy; and

(6) Term of the insurance, including, without limitation, the day, month and year on which the policy becomes effective and expires.

(b) A company logotype *printed on the card or a watermark* or other *embedded* marking which makes the card difficult to counterfeit, reproduce, or alter.

~~[(b)]~~ (c) A telephone number ~~[of the appropriate person who may be contacted]~~ to verify coverage or report a claim.

~~[(e)]~~ (d) The statement “This card has been approved by the *Nevada* Commissioner of Insurance.”

~~[(d)]~~ (e) A statement indicating that the card is not valid for more than a specific number of days, not to exceed 60 days, if a temporary card.

~~[(e)] A signature blank for the agent, if a temporary card.~~

~~—(f) If the card constitutes evidence of an operator’s policy of liability insurance, a statement that is written substantially as follows:~~

~~—This card constitutes evidence of an operator’s policy of liability insurance. The policy is a limited policy of liability insurance. The specific limitations are set forth in the policy or the endorsement required by NRS 485.186.]~~

INFORMATIONAL STATEMENT
LCB File No. R213-09

A workshop was held on March 11, 2010, and a hearing was held on March 22, 2010, at the offices of the Department of Business and Industry, Division of Insurance (“Division”), 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, with a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, Real Estate Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104, regarding the adoption of the regulation revising provision relating to a card constituting evidence of insurance.

Public comment was solicited by posting notice of the hearing in the following public locations: the Division’s Carson City and Las Vegas offices, Carson City Courthouse, Office of the Attorney General, the Donald W. Reynolds Press Center, Capitol Building Lobby, Capitol Building Press Room, Blasdel Building, Legislative Counsel Bureau, Nevada State Library, Carson City Library, Churchill County Library, Clark County District Library, Douglas County Library, Elko County Library, Esmeralda County Library, Eureka Branch Library, Humboldt County Library, Lander County Library, Lincoln County Library, Lyon County Library, Mineral County Library, Pershing County Library, Storey County Library, Tonopah Public Library, Washoe County Library, and White Pine County Library.

The Division maintains a list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. These persons were notified of the hearing and that copies of the regulation could be obtained from or examined at the offices of the Division in Carson City.

The hearing was attended by ten individuals in Carson City and two individuals in Las Vegas. Oral testimony was provided by Elena Ahrens, Assistant Chief of the Property and Casualty Section, Jackie Rombardo, Legal Counsel, and Marie Holt, Chief of the Property and Casualty Section, representing the Division.

At the workshop and hearing Elena Ahrens explained that the proposed regulation updates requirements regarding evidence of insurance cards to better work in concert with the requirements of Nevada LIVE, Department of Motor Vehicle’s (“DMV”) new insurance verification program, to address electronic transmission of temporary cards to a personal computer, and to address other various housekeeping issues. Ms. Ahrens noted that the proposed regulation was reviewed by the Legislative Counsel Bureau (“LCB”) and that the Division had worked with the LCB analyst during its review process. Ms. Ahrens briefly outlined the changes made by LCB, noting that most of the changes were formatting changes and that the intent remained unchanged with one exception, which was the portion of the proposed regulation originally submitted by the Division to LCB that addressed the content of the evidence of insurance cards for a fleet policy, which was removed by LCB. The Division did not object to this removal.

At the workshop, Ms. Ahrens presented the proposed regulation as received from LCB with six proposed amendments. The amendments proposed in Section 5 included clarifying that a temporary evidence of insurance card may be issued by an insurer as well as a duly appointed

agent, and removing the requirement that the personal or facsimile signature of the agent be included on a temporary card. Section 6 amendments included changing the type size requirement so that only the information that needs to be entered into the DMV insurance verification system be in not less than 10-point type, instead of the entire content of the card; and that the requirement that a signature blank for the agent on the temporary card be deleted because the agent signature requirement was removed by proposed amendment. Division staff also proposed to remove the operator's policy disclosure requirement from Section 6 as this same requirement was moved instead to Section 1.

The Division received four written comments prior to the Workshop. During the Workshop, the Division received eight oral comments. One of the written comments was in support of the proposed regulation. The other written comments addressed various issues that the Division acted on via the proposed amendments. Three of the written comments, and many of the oral comments, expressed concern with the requirement in Section 6, Subsection 3, that the name on the evidence of insurance card match the owner's name on the certificate of registration. Ms. Ahrens stated that the name of the registered owner must be shown on an evidence of insurance card before DMV will register the vehicle. If the name does not closely match, the consumer will be turned away when attempting to register their vehicle. She also stated that an owner's policy of insurance should reflect the name of the "owner."

The Division received two written comments after the workshop, both of which questioned the Division's statutory authority to require that the name of the owner, buyer or lessee be included on the evidence of insurance card, rather than the policyholder's name regardless of whether the "policyholder" was also the owner, buyer or lessee. Ms. Ahrens explained that the Division's statutory authority derives from NRS 690B.023 which specifically refers to insurance for the operation of a motor vehicle pursuant to NRS 485.185, which requires that the owner provide the insurance. An "owner" is then defined by NRS 485.090 as the "owner," "buyer," or "lessee," which is consistent with the language of the proposed regulation.

At the hearing, Ms. Ahrens presented the proposed regulation as presented at the workshop, but with four additional amendments. The proposed amendments included amending Section 6, Subsection 1, to change the minimum size requirements of the card itself; amending Section 6, Subsection 2, such that certain data be printed in 8-point, boldface type, rather than 10-point type; and also included amending Section 6, Subsections 2 and 3, to replace the words "policyholder" and "insured," with the word "owner."

There were nine persons who provided oral comments at the hearing. The discussion, again, concerned the name-matching requirement, but more specifically, expressed concern that the match must be an "absolute" match. Proposed language was suggested to amend Subsection 3 of Section 6 to eliminate the absolute name matching requirement. In response to the proposed language, the Division proposed an amendment to Subsection 3, Paragraph a, Subparagraph 1, of Section 6, to delete from each subparagraph the comma and the word "as." This then removes the absolute matching criterion.

There was further discussion pointing out the fact that multiple names are allowed on evidence of insurance cards, such as the named insured and additional insureds, in order to reflect the name of the actual registered owner and others on the insurance policy.

The Division recommends adoption of the proposed regulation as amended.

The economic impact of the regulation is as follows:

(a) On the business it is to regulate:

Adverse: Insurance companies will be required to submit new evidence of insurance cards for approval by the Commissioner to comply with the new requirements of this proposed regulation. This is a minimal expense.

Beneficial: The amendments update requirements regarding evidence of insurance cards to better work in concert with and facilitate Nevada LIVE, DMV's new insurance verification program; and ultimately, to help reduce the number of uninsured motorists in the State of Nevada. There will be a higher demand for liability insurance policies as uninsured motorists are identified by Nevada LIVE, thereby benefiting the volume of business written by authorized insurers.

(b) On the small businesses: None.

(c) On the public: The amendments update requirements regarding evidence of insurance cards to better work in concert with Nevada LIVE, DMV's new insurance verification program, and ultimately, to help reduce uninsured motorists in the State of Nevada. More Nevadans will carry at least the required minimum liability insurance thereby reducing the number of third-party consumers who must otherwise carry all of the financial burden of their injuries caused by an uninsured motorist.

The Division will not incur any additional expense to enforce this regulation.

The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.

Based upon the written comments received and the testimony provided at the hearing, the proposed regulation, LCB File No. R213-09, was adopted as proposed with amendments. See Exhibit "A".

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

IN THE MATTER OF THE

**CAUSE NO. 09.0711
LCB FILE NO. R213-09**

**ISSUANCE OF A CARD
CONSTITUTING EVIDENCE
OF INSURANCE**

**SUMMARY OF PROCEEDINGS
AND ORDER**

SUMMARY OF PROCEEDINGS

A public workshop, as required by Nevada Revised Statute (“NRS”) 233B.061, on the proposed regulation revising provisions relating to issuance of a card constituting evidence of insurance was held before Amy L. Parks, Esq. (“Hearing Officer”), on March 11, 2010, at the Department of Business and Industry, Division of Insurance (“Division”), in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. A public hearing on the proposed regulation was also held before the Hearing Officer, on March 22, 2010, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. The regulation is proposed under the authority of NRS 679B.130.

The hearing was attended by ten individuals in Carson City and two individuals in Las Vegas. The following people provided testimony before the Hearing Officer: Elena Ahrens, Jackie Rombardo, and Marie Holt representing the Division; Sam Sorich, representing Property Casualty Insurers Association of America (“PCI”); Paul Danner, representing State Farm Insurance Companies; Kay Lockhart, representing Nevada Independent Insurance Agents; Bob Feldman, representing Nevada General Insurance Company; Jim Spinello, representing Progressive Insurance Company; and Bernadette Nieto, representing the Nevada Department of Motor Vehicles (“DMV”). The Division received two written comments as a result of the workshop, one from Sam Sorich and the second from Bob Feldman.

At the hearing, Ms. Ahrens explained that the proposed regulation updates requirements regarding evidence of insurance cards to better work in concert with the requirements of Nevada LIVE, DMV's new insurance verification program; to address electronic transmission of temporary cards to a personal computer; and, to address other various housekeeping issues. Ms. Ahrens noted that the proposed regulation was reviewed by the Legislative Counsel Bureau ("LCB") and that the Division had worked with the LCB analyst during its review process. Ms. Ahrens briefly outlined the changes made by LCB, noting that most of the changes were formatting changes and that the intent remained unchanged with one exception, which was the portion of the proposed regulation originally submitted by the Division to LCB that addressed the content of the evidence of insurance cards for a fleet policy, which was removed by LCB. The Division did not object to this removal.

At the hearing, Ms. Ahrens summarized the workshop proceedings. She explained that the Division presented the proposed regulation at the workshop as received from the Legislative Counsel Bureau with six proposed amendments. She stated the amendments proposed to Section 5 included clarifying that a temporary evidence of insurance card may be issued by an insurer, as well as a duly appointed agent; and, removing the requirement that the personal or facsimile signature of the agent be included on a temporary card. Ms. Ahrens added that the amendments proposed to Section 6 included changing the type size requirement so that only the information that needs to be entered into the DMV insurance verification system be in not less than 10-point type, instead of the entire content of the card; and, that the requirement that a signature blank for the agent on the temporary card be deleted because the agent signature requirement was removed by proposed amendment. She stated Division staff also proposed to remove the operator's policy disclosure requirement from Section 6 as this same requirement was moved instead to Section 1.

While summarizing the workshop, Ms. Ahrens stated that the Division received four written comments prior to the workshop and eight oral comments during the workshop. Ms.

Ahrens summarized and addressed each of the written comments. One of the written comments was in support of the proposed regulation. The three other written comments addressed various issues that the Division acted on via the proposed amendments. Three written comments, and many of the oral comments, expressed concern with the requirement in Section 6, Subsection 3, that the name on the evidence of insurance card match the owner's name on the certificate of registration. Ms. Ahrens explained that the name of the registered owner must be shown on an evidence of insurance card before DMV will register the vehicle. If the name does not closely match, the consumer will be turned away. She also stated that an owner's policy of insurance should reflect the name of the vehicle "owner."

Continuing with a summary, Ms. Ahrens reported that Bernadette Nieto with the DMV testified at the workshop and responded to questions regarding vehicle identification number ("VIN") and name matching within the DMV's insurance verification system called Nevada LIVE. Ms. Nieto reported that DMV has phonetic matching software that will also match nicknames. Ms. Nieto explained that if a VIN matches and a name matches closely, but not exactly, the insured will not be flagged in the system as a possible uninsured vehicle. Ms. Nieto further explained that if the VIN matches, but the name does not have a close match, a post card would be generated and sent to the consumer asking for confirmation of insurance.

During the hearing, Ms. Ahrens addressed two written comments received after the workshop, both of which questioned the Division's statutory authority to require that the name of the owner, buyer or lessee be included on the evidence of insurance card, rather than the policyholder's name regardless of whether the "policyholder" was also the owner, buyer or lessee. She explained that the Division's statutory authority derives from NRS 690B.0231 which

1 NRS **690B.023 Insurer to provide evidence of insurance; contents.** If insurance for the operation of a motor vehicle required pursuant to **NRS 485.185** is provided by a contract of insurance, the insurer shall:

1. Provide evidence of insurance to the insured on a form approved by the Commissioner. The evidence of insurance must include:

- (a) The name and address of the policyholder;
- (b) The name and address of the insurer;
- (c) The year, make and complete identification number of the insured vehicle or vehicles;

specifically refers to insurance for the operation of a motor vehicle pursuant to NRS 485.1852 which requires that the owner provide the insurance. An “owner,” is then defined by NRS 485.0903 as the “owner,” “buyer,” or “lessee,” which is consistent with the language of the proposed regulation.

Other concerns raised in written comments received after the workshop concerned the type size required for certain data on the evidence of insurance cards, and again, the name-matching requirement contained in Section 6, Subsection 3 of the proposed regulation. Ms. Ahrens reiterated that consumers will complain if insurers do not identify the owner on the evidence of insurance card as they will be turned away when they attempt to register their vehicles.

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- (d) The term of the insurance, including the day, month and year on which the policy:
 - (1) Becomes effective; and
 - (2) Expires;
 - (e) The number of the policy;
 - (f) A statement that the coverage meets the requirements set forth in **NRS 485.185**; and
 - (g) The statement “This card must be carried in the insured motor vehicle for production upon demand.” The statement must be prominently displayed.
2. Provide new evidence of insurance if:
- (a) The information regarding the insured vehicle or vehicles required pursuant to paragraph (c) of subsection 1 no longer is accurate;
 - (b) An additional motor vehicle is added to the policy;
 - (c) A new number is assigned to the policy; or
 - (d) The insured notifies the insurer that the original evidence of insurance has been lost.

2 NRS 485.185 Insurance for payment of tort liabilities arising from maintenance or use of motor vehicle: Coverage to be obtained from insurance company duly licensed and approved; minimum thresholds of coverage. Every owner of a motor vehicle which is registered or required to be registered in this State shall continuously provide, while the motor vehicle is present or registered in this State, insurance provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State:

- 1. In the amount of \$15,000 for bodily injury to or death of one person in any one accident;
 - 2. Subject to the limit for one person, in the amount of \$30,000 for bodily injury to or death of two or more persons in any one accident; and
 - 3. In the amount of \$10,000 for injury to or destruction of property of others in any one accident,
- for the payment of tort liabilities arising from the maintenance or use of the motor vehicle.

3 NRS 485.090 “Owner” defined. “Owner” means a person who holds the legal title of a motor vehicle, or in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for the purposes of this chapter.

Ms. Ahrens then presented the proposed regulation as presented at the workshop, but with four additional amendments. Ms. Ahrens proposed that Section 6, Subsection 1, be amended to change the minimum type size requirements of the card itself; and, amend Section 6, Subsection 2, such that certain data could be printed in 8-point, boldface type, rather than 10-point type. She also proposed that Section 6, Subsections 2 and 3, be amended by replacing the words “policyholder” and “insured” with the word “owner.” Ms. Ahrens concluded by recommending that the proposed regulation be adopted with the additional amendments.

The hearing officer inquired about a letter from the Department of Motor Vehicles that was newly available as a handout at the hearing. Ms. Ahrens explained that the letter from DMV was in response to Mr. Feldman’s written comments. She said the letter explained the methods used by DMV to verify liability insurance and it also confirmed that the DMV requires that the vehicle’s registered owner’s name match the name on the insurance card at the time of registration.

There were nine persons who then provided oral comments. The discussion, again, concerned the name-matching requirement, but more specifically, expressed concern that the match must be an “absolute” match. Proposed language was suggested to amend Subsection 3 of Section 6 that would refer to a “policyholder” instead of an “owner,” and replace the absolute name matching criterion with the words, “with a goal to reflect” a match. There was further discussion pointing out the fact that multiple names are allowed on evidence of insurance cards, such as the named insured and additional insureds, in order to reflect the name of the actual registered owner and others on the insurance policy.

Industry representatives stated that many times the policyholder is a different person than the registered owner. Jackie Rombardo, legal counsel for the Division, explained that the policyholder must be the owner because of the reference to NRS 485.185 in NRS 690B.023, which requires that every owner provide the liability insurance.

After a short recess for the Division to consider the proposed amendment, Ms. Ahrens responded by proposing an amendment to Subsection 3, Paragraph a, Subparagraph 1, of Section 6, to delete from each subparagraph the comma and the word “as.” The subsection would then read: “3. The card must contain: (a) the name of: (1) The owner displayed on the certificate of registration for the insured vehicle; (2) the buyer displayed on the dealer’s report of sale; or (3) the long-term lessee displayed on the long-term lessor’s report of lease.” This then removes the absolute matching criterion.

The hearing officer questioned if there was still confusion as to the ability to list multiple names on the insurance card. Ms. Rombardo stated that, during recess, the Division clarified with DMV and the industry representative that additional insureds are allowed to be placed on the evidence of insurance cards in addition to the owner’s name who is the named insured. This would also allow for, in the event the named insured is not the owner, for the owner’s name to be included on the card as an additional insured, as reflected on the policy.

Bernadette Nieto from the DMV then testified that the DMV has a phonetic name-matching program. She explained that an evidence of insurance card with a person’s nickname, such as Jim, but the full legal name of James, will be accepted and the program will make that match. She also testified that DMV technicians are accepting close partial matches, such as two first initials and a last name, instead of requiring a person’s full first, middle and last name. Ms. Nieto said the goal is to ensure that all registered owners provide liability insurance.

The hearing officer asked Ms. Nieto if she had reviewed the evidence of insurance card examples that the Division printed with 8-point, boldface type, made available at the hearing. Ms. Nieto stated that she had received a copy of the sample cards and had shown the sample to some of their DMV field technicians in Carson City. Ms. Nieto stated the technicians indicated that they did not have a problem with the 8-point, boldface type. Finally, an industry representative testified that she successfully produced prototypes of the card in the 8-point type.

