

MINUTES OF MEETING - JOINT COMMITTEE ON COMMERCE - 55TH NEVADA
ASSEMBLY SESSION - FEBRUARY 17, 1969

Present: Assemblymen Capurro, Mello, Espinoza and Bowler;
Senator White

Absent: Assemblymen Wood, Hafen and Torvinen; Senators
Hecht, Swobe, Bunker and Titlow

Also Present: Douglas Erickson, Chief Deputy Commissioner of
Insurance for Nevada;
Lou Mastos, Insurance Commissioner for Nevada;
Earl Nicholson, Actuary for Insurance Division;
Virgil Anderson, Triple A Service;
Richard Hannah, Attorney at Law;
Jim Lorrigan, Farmers Insurance Group

Chairman White convened the joint meeting at 9:00 a.m. proceeding
with Chapter 30 of S.B. 39.

CHAPTER 30: Reciprocal Insurers. Mr. Mastos stated that this is
a new chapter with comprehensive provisions for organization and
handling of internal affairs of domestic reciprocal insurers and
covering certain internal affairs of foreign reciprocal insurers
transacting insurance in Nevada in respects important to the Nevada
policyholder. He stated that reciprocals have been covered before
such as Farmers Insurance Group, but past regulations did not cover
domestic reciprocal insurers. He noted that at the hearings,
suggestions were made and the commission concurred with them and
have incorporated their suggestions in this chapter.

Mr. Virgil Anderson stated that he was interested in
Chapter 30 and that he and his company was in full support of the
section. Mr. Lorrigan and Mr. Hannah expressed the same feelings.

CHAPTER 31: This chapter was covered in meeting held February 14
and there were no objections to the chapter as it is written.

CHAPTER 32: Nonprofit Hospital and Medical Service Corporations.
Mastos announced that this chapter was almost existing law with the
exception that agents of a nonprofit hospital or medical service
corporation are now required to be licensed the same as a health
insurance agent. These agents met with us and had nothing new or
additional to request. There were minor changes in the language but
he noted that they are still taxable.

CHAPTER 33: Motor Clubs. Mr. Mastos noted that Mr. Anderson with
AAA had a proposed amendment to this chapter. (attached hereto) Mr.
Anderson noted that the change is in Section 796. The first para-
graph would become sub-section (a) requiring the approval of the
commission of the form of service membership certificate to be issued
and since there are modifications which occur, a new sub-section (b)
requiring approval of any modified certificate to be filed. Mr.
Mastos stated that would make it easier on the Commission also. One
other amendment was in Section 796 wherein it is requested that the
words "as defined in Section 780" be inserted following the word,
"Contract".

February 17, 1969

89

CHAPTER 34: Delinquent Insurers: Conservation, Rehabilitation and Liquidation. Mr. Mastos stated that this was a very important chapter containing much that was new to Nevada. We currently have only a one page chapter and this is quite an extensive addition. Through this chapter we have established an ancillary receivership act which we have not had in the past. He said that in the past it was necessary to reconstruct from other acts but now it is spelled out. Mr. Mastos cited the sections contained in the chapter and Mr. Capurro asked if it had been patterned after any particular state. He stated it was based on Wisconsin study and also California law. An extensive study had been made by the University of Wisconsin in this area.

CHAPTER 35: Professional Bondsmen. This chapter contains existing law regarding bail bonds. Certain provisions have been established for licensing and substantial surety bonds. They have been going by rule of thumb before and now they have set requirements. This chapter establishes a minimum \$50,000 net worth in cash or readily marketable securities. Prior many of the bondsmen have operated out of their pockets. Now he must also file his rates. Mr. Capurro asked if this would put anyone out of business and Mr. Mastos said no, that the commission has done this before. He stated further that if they desire an agent's license they must make a separate request.

CHAPTER 36: Unclaimed funds of life insurers. This chapter contains existing law and is brought up date.

CHAPTER 37: Amendatory and Transitory provisions. Changes in this chapter have been recommended by the bill drafter's office to pick up other sections affected in the changes to the insurance code. Mr. Mastos cited those areas which were affected being construction industry formerly under the real estate commission, now under the contractors board; private investigators; adjusters and instalment loans.

Mr. White asked Mr. Mastos to comment on changes being proposed on the funeral homes and cemeteries. He noted that there seemed to be some objection to combining the two. Mr. Mastos stated that the only thing the commission governs is the pre-need plans. Pre-sale of burial services; opening and closing the grave vaults; etc. Some took offense to the limit on their requests. We have allowed 25% and they want 40%. Therefore, they would like to see it split and taken away from us because we have objected to this amount. Mr. Tidvall, Superintendent of Banks handles this now.

Mr. Bowler noted that it was his understanding through discussions with these people in Las Vegas that they did not want to consolidate but wanted to separate the two because there are some solely owned and some are owned by both. Some owned cemeteries, some owned mortuaries and some owned both of them. Mr. Mastos stated that he had put them on notice in the beginning when they wanted to put this into the cemetery act. Mr. Bowler then asked if there had been any arrangements made for the committee to meet with these people. Senator White announced that there would be. He stated that there were several bills in now and more were due to come in.

Page -3-

February 17, 1969

Mr. Mastos said that currently we have control through a one page act over the pre-need plans and that there is better control needed but we could leave this until future hearings.

Senator White asked all sub-committees to prepare their evaluations and consolidate their comments and recommendations on their particular sections. He stated he hoped to start final determinations by next week.

Meeting was adjourned.