

**PROPOSED REGULATION OF
THE COMMISSIONER OF INSURANCE**

LCB File No. R115-00

August 7, 2000

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

AUTHORITY: §§1-4 and 6, NRS 679B.130; §5, NRS 679B.130, 692A.090 and 692A.100.

Section 1. Chapter 690B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. 1. *Except as otherwise provided in section 3 of this regulation, an insurer that issues an operator's policy of liability insurance which limits coverage for damages as set forth in NRS 485.186 shall disclose those limitations in the manner set forth in subsections 2 and 3.*

2. The insurer shall include a statement on the face of the operator's policy of liability insurance that is written:

(a) In red ink;

(b) In English or in Spanish, as appropriate; and

(c) In 14-point type or larger wording.

3. The statement may be imprinted, stamped or imprinted on a sticker and must be written substantially as follows:

This operator's policy of liability insurance is a limited policy of liability insurance that provides coverage for the named insured when he is operating any motor vehicle or while the motor vehicle he owns is not being operated by any person.

This operator's policy of liability insurance DOES NOT provide any coverage for damages incurred while the motor vehicle owned by the named insured is operated by another person, including, without limitation, bodily injury, damage to the motor vehicle owned by the named insured or any other property damage.

Because subsection 3 of NRS 485.186 prohibits the named insured from allowing another person to operate the motor vehicle he owns if he knows or should have known that the person does not have liability insurance to cover the operation of that motor vehicle, the named insured SHOULD NOT allow any person to operate the motor vehicle he owns unless he knows that the person has liability insurance that will provide coverage when the person is operating that motor vehicle.

This operator's policy of liability insurance may not meet the requirements of the financial responsibility laws of other states, unless it is expressly indicated in the policy.

Sec. 3. 1. *In lieu of complying with section 2 of this regulation, an insurer may inform an insured of the limitations of an operator's policy of liability insurance by providing the information set forth in section 2 of this regulation in the endorsement required pursuant to NRS 485.186 if that endorsement has been approved by the commissioner.*

2. *If an insurer complies with this section in lieu of complying with section 2 of this regulation:*

(a) The endorsement must:

(1) Be written in English or Spanish, as appropriate; and

(2) Include an acknowledgement that:

(I) States that the insured understands and accepts the limitations of the operator's policy of liability insurance as set forth in the endorsement; and

(II) Is signed and dated by the insured; and

(b) The insurer shall include a statement on the face of the operator's policy of liability insurance that is written:

(1) In red ink;

(2) In English or Spanish, as appropriate; and

(3) In 14-point type or larger wording.

3. The statement may be imprinted, stamped or imprinted on a sticker and must be written substantially as follows:

This operator's policy of liability insurance is a limited policy of liability insurance.

The specific limitations are set forth in the endorsement.

Sec. 4. NAC 690B.230 is hereby amended to read as follows:

690B.230 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 ~~more than~~ 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.

Sec. 5. NAC 692A.030 is hereby amended to read as follows:

692A.030 1. A written application for a title agent’s or escrow officer’s license must be filed with the commissioner by the person applying for the license, accompanied by the applicable fee. The application must include the following:

- (a) The name of the person applying for a license . ~~{and evidence that he is a bona fide resident.}~~
- (b) The name and address of each of his employers for at least 2 years immediately preceding the application.
- (c) A description of his experience relating to title insurance or escrow and evidence of his knowledge of the laws of this state pertaining to insurance.
- (d) A statement whether:
 - (1) The person is or was previously licensed to transact the business of insurance or to handle escrows, settlements or closings, and if so, where he was licensed and whether that license was ever suspended or revoked or the renewal of continuance of it refused;
 - (2) The person has even been denied such a license; and
 - (3) The person has ever had a contract as an agent or escrow officer canceled and, if so, the reasons for that cancellation.

(e) Any other information reasonably required by the commissioner to determine the person's qualifications for the license.

2. The application must be verified by the person applying for the license.

Sec. 6. NAC 690B.220 is hereby repealed.

TEXT OF REPEALED SECTION

690B.220 Underwriting standards: Traffic convictions. A traffic conviction for violation of the national speed limit of 55 miles per hour may not be used by the insurer as a basis for underwriting, rating, canceling, or not renewing automobile insurance if:

1. The conviction is for a speed between 55 and 65 miles per hour; and
2. No more than two incidents resulting in such convictions against any one driver have occurred in any 12-month period. The date of the incident must be used to calculate the period for violations under this section.