

Note: The Department of Motor Vehicles adopted two different regulations with the LCB file number R162-01.

**ADOPTED REGULATION OF THE
DEPARTMENT OF MOTOR VEHICLES**

LCB File No. R162-01

Effective February 12, 2002

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

AUTHORITY: §§1-8, and 12, NRS 485.130; §§9-11, NRS 485.130 and 485.380.

Section 1. Chapter 485 of NAC is hereby amended by adding thereto a new section to read as follows:

“Director” means the director of the department of motor vehicles.

Sec. 2. NAC 485.010 is hereby amended to read as follows:

485.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 485.020 and 485.023 , *and section 1 of this regulation*, and in NRS 485.028 to 485.120, inclusive, have the meanings ascribed to them in those sections.

Sec. 3. NAC 485.020 is hereby amended to read as follows:

485.020 ~~“Appointed agent”~~ *“Authorized representative”* means the ~~[safety responsibility officer of the motor vehicles branch]~~ *employee* of the department ~~[or any other person designated in writing by the deputy director of the branch to issue or cancel certificates of self insurance]~~ *designated by the director to issue, cancel* or make administrative decisions concerning self-insurance.

Sec. 4. NAC 485.023 is hereby amended to read as follows:

485.023 “Department” means the department of motor vehicles . ~~[and public safety.]~~

Sec. 5. NAC 485.030 is hereby amended to read as follows:

485.030 The department intends that this chapter be liberally construed to secure just, speedy and economical determinations of all applications for certificates of self-insurance presented to the director ~~[of the department, the deputy director of the motor vehicles branch or an appointed agent.]~~ *or the authorized representative.*

Sec. 6. NAC 485.050 is hereby amended to read as follows:

485.050 1. The principal office of the ~~[motor vehicles branch is in]~~ *department is* the Department of Motor Vehicles ~~[and Public Safety,]~~ *Central Services and Records Division,* 555 Wright Way, Carson City, Nevada 89711.

2. All ~~[formal]~~ written communications to the department or securities or documents ~~[to be filed with the department]~~ *relating to self-insurance* must be addressed to the principal office of the department . ~~[of motor vehicles and public safety.]~~

3. A person may obtain clarification of this chapter, information about ~~[relief from the strict application of any of its terms]~~ *the application of this chapter* or information about other dealings with reference to this chapter from the principal office of the ~~[motor vehicles branch.]~~ *department.*

Sec. 7. NAC 485.060 is hereby amended to read as follows:

485.060 1. Before applying for a certificate of self-insurance, an applicant must submit a complete list of his motor vehicles to the ~~[deputy director of the motor vehicles branch or his appointed agent.]~~ *department.* The list must contain the *vehicle* identification number, ~~[registration]~~ *license plate* number and the name of the make and model of each vehicle.

2. After the list is submitted, the number of vehicles registered in the name indicated on the application must not drop below 11. ~~[Any vehicle acquired after a certificate of self insurance is~~

~~issued to the applicant is covered by that certificate until the date of its renewal, if the vehicle is registered in the name indicated on the application.~~

3. An application for a certificate of self-insurance must be made on a form ~~[approved]~~ *provided* by the ~~[motor vehicles branch.]~~ *department*. The application must contain a statement by the applicant that he realizes that in self-insuring, he is performing an insurance function and expressly agrees, as a condition to the granting of a certificate of self-insurance, to abide by the statutes of this state concerning unfair practices in settling claims and any regulations adopted thereunder by the commissioner of insurance.

4. Except as otherwise provided in this subsection, each applicant for a certificate of self-insurance must submit a copy of his annual balance sheet and profit and loss statement, including notes, for the confidential use of the department. ~~[of motor vehicles and public safety.]~~ These financial statements must be verified by a certified public accountant. If the applicant is a natural person who does not have such statements, he must submit copies of his returns for federal income tax for the preceding 3 years.

5. An applicant for self-insurance may be required by the ~~[branch]~~ *department* to submit evidence of excess insurance or reinsurance written by an insurer authorized to do business in this state to provide protection against large or numerous judgments. This insurance may be in excess of the amount of security deposited with the department. To determine if excess insurance or reinsurance will be required, the ~~[deputy director of the branch or his appointed agent]~~ *director or the authorized representative* will consider the number of vehicles registered to the applicant, the manner in which they are being used and the applicant's financial ability to pay claims.

Sec. 8. NAC 485.070 is hereby amended to read as follows:

485.070 1. No application will be approved unless:

(a) The department receives a true, complete and correct application; and

(b) The applicant provides appropriate security of the type in NAC 485.090 in the amount established by NAC 485.080.

2. No certificate of self-insurance may be issued or approved for an applicant whose previous certificate of self-insurance was canceled within 1 year of the date of the application for any of the reasons stated in subsections 3 to 6, inclusive, of NAC 485.120.

3. The director or ~~[his appointed agent]~~ *the authorized representative* will review and approve or disapprove ~~[all applications for certificates]~~ *an application for a certificate* of self-insurance. ~~[After approval,]~~ *If the application is approved,* the director *or authorized representative* will issue ~~[the certificate.]~~ *a certificate to the applicant. The certificate is valid for 1 year after the date the application is approved, and the day and month of the expiration of the certificate must, to the extent practicable, remain the day and month of expiration of each renewal of the certificate.*

4. The department will notify the applicant by certified mail if his application is denied. The notice will include the reason for the denial. ~~[The applicant may appeal the decision to the departmental hearing officer within 30 days after receipt of the notice of denial.]~~

Sec. 9. NAC 485.080 is hereby amended to read as follows:

485.080 1. ~~[Security in the amount of \$40,000 is required on any fleet of 11 up to and including 25 vehicles.~~

~~—2.]~~ The amount of security required for ~~[larger]~~ fleets is determined in accordance with the following scale:

<i>11</i>	<i>to</i>	<i>25 vehicles</i>	<i>\$40,000</i>
26	to	50 vehicles	[\$] 45,000
51	to	75 vehicles	50,000
76	to	100 vehicles	55,000
101	to	250 vehicles	75,000
251	to	500 vehicles	100,000
501	to	750 vehicles	150,000
751	to	1,000 vehicles	200,000

FLUSH For fleets in excess of 1,000 vehicles, the amount is determined by the department, but will not be less than \$200,000.

~~3.~~ 2. The security deposit must be used to satisfy judgments which have become final and remain unsatisfied after 30 days unless a court order mandates otherwise. Upon notification to the self-insurer that the security has been used to satisfy damages, the self-insurer must replenish the fund to the required amount within 24 hours. Failure to maintain the full deposit is grounds for cancellation of the certificate of self-insurance.

Sec. 10. NAC 485.090 is hereby amended to read as follows:

485.090 The department may accept as security:

1. A time certificate of deposit with any chartered federal or state bank within this state made payable to the person and the department . ~~[of motor vehicles.~~

~~—2.— A deposit with the state treasurer made in accordance with NRS 485.3095, with the department of motor vehicles as trustee.~~

~~3.]~~ 2. A surety bond when submitted on behalf of the self-insured by any company qualified to transact the business of a surety in this state.

~~4.]~~ 3. Other forms of security which meet the department's requirements. The form of security will be evaluated in each case to determine if it is acceptable to the department.

Sec. 11. NAC 485.100 is hereby amended to read as follows:

485.100 1. The security deposited under NAC 485.090 must be maintained for as long as the self-insurer holds or desires to hold a certificate of self-insurance in this state.

2. At the time of the relinquishment of the certificate of self-insurance, the self-insurer shall submit a properly executed affidavit to the department indicating all outstanding claims against the self-insurer by listing all claimants and the amount of each claim.

3. The security must remain on file after the self-insurer no longer desires to hold a certificate of self-insurance or the number of vehicles drops below 11 for the period of 3 1/2 years or until *the director is satisfied that* all outstanding claims have been adjudicated and paid.

Sec. 12. NAC 485.110 is hereby amended to read as follows:

485.110 1. Each self-insurer must annually submit a:

(a) Copy of its balance sheet and profit and loss statement, including notes;

(b) Report on a form ~~approved~~ *provided* by the department indicating the number of accidents, the number of claims submitted, the amount of each, the amount paid to a claimant if the claim has been adjudicated, and the adjusting companies which have settled claims on behalf of the self-insurer; and

(c) Complete listing of currently registered vehicles on a form approved by the department.

FLUSH Each self-insurer shall submit these reports no earlier than 60 days before and no later than 15 days before ~~each anniversary of~~ the date ~~upon which the application for a~~ *of expiration of the* certificate of self-insurance . ~~was approved.~~

2. The self-insurer may settle its own claims or use the services of an adjusting company licensed in accordance with chapter 684A of NRS to settle claims on its behalf. If the self-insurer uses an adjusting company to settle claims, an affidavit must be submitted with the reports required in subsection 1 which lists all companies that settled claims during the reporting period.

**NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R162-01**

The Department of Motor Vehicles adopted regulations assigned LCB File No. R162-01 which pertain to self insurance on December 10, 2001.

Notice date: 10/23/2001

Date of adoption by agency: 1/01/2002

Hearing date: 12/5/2001 & 12/7/2001

Filing date: 2/12/2002

INFORMATIONAL STATEMENT

The following statement is submitted for adopted amendments to Nevada Administrative Code, Chapter 485.

The Department of Motor Vehicles noticed and held public workshops on November 13th in Reno and 19th in Las Vegas and the hearings on December 5th in Reno and December 7th in Las Vegas, 2001, to solicit opinion on proposed regulations pertaining to self insurance. Copies of the proposed regulations were available by contacting the department at (775)684-477 or through the mail, 555 Wright Way, Carson City, Nevada 89711.

The notice of public hearing and complete copies of the proposed regulation were posted on or before October 23, 2001, at the Nevada State Library and Archives and each office of the Department of Motor Vehicles. In each county where the Department does not maintain an office, the notice was posted at the main office of the public library. Workshop and hearing notices were mailed to businesses that have or had self-insurance.

Public hearings were held on December 5, 2001 in Reno and December 7, 2001 in Las Vegas. In Reno, 5 people were in attendance, with no testimony concerning the proposed regulation taken. In Las Vegas, there were fifteen people in attendance, no testimony concerning the proposed regulation was taken. No written comments were received.

The department will adopt the amended regulations, excluding Sections 1, 2, 3, 4, 8 and 17. These sections were not properly noticed, they will be readdressed this coming year.

There are no adverse economic effects of this regulation to the department, local authorities or the public.

There are no other state or government regulations which the proposed regulations duplicate.