

**ADOPTED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**LCB File No. R177-03**

Effective December 16, 2003

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

AUTHORITY: §§1-9, NRS 679B.130.

**Section 1.** Chapter 688A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

**Sec. 2. 1.** *Each insurer issuing a policy of life insurance shall adopt a written standard for processing a claim for a benefit under a policy of life insurance that provides for the search of all policies issued by the insurer for other policies covering the life of the same person.*

*2. The written standard must provide that the insurer shall:*

*(a) Ask the person submitting a claim for a benefit under a policy of life insurance for any other names by which the person covered under the policy was known; and*

*(b) Search all policies issued by the insurer to determine whether the insured was covered under a policy issued by the insurer under another name.*

*3. The insurer shall maintain records substantiating compliance with the standard for processing a claim for a benefit under a policy of life insurance adopted pursuant to subsection 1.*

**Sec. 3. 1.** *Upon the submission of a claim for a benefit under a policy of life insurance, the insurer issuing the policy shall conduct a search pursuant to the standard adopted*

*pursuant to section 2 of this regulation of all the policies issued by the insurer to determine if any other policy issued by the insurer provides coverage on the life of the decedent.*

*2. If the person filing a claim provides information identifying other names by which the insured may have been known, the insurer shall search all the policies issued by the insurer to determine if the insured was covered by another policy under a different name.*

*3. If the insurer determines that it has issued another policy on the life of the insured, the insurer shall:*

*(a) Notify the policy owner and beneficiaries of the discovery of the policy; and*

*(b) Within 6 months after discovering the policy, determine whether the insurer has liability to pay a claim on the policy.*

**Sec. 4.** Chapter 688B of NAC is hereby amended by adding thereto the provisions set forth as sections 5 and 6 of this regulation.

**Sec. 5. 1.** *Each insurer issuing a policy of group life insurance or a certificate issued under a policy of group life insurance shall adopt a written standard for processing a claim for a benefit under the policy of group life insurance that provides for the search of all policies or certificates issued by the insurer for other policies or certificates covering the life of the same person.*

*2. The written standard must provide that the insurer shall:*

*(a) Ask the person submitting a claim for a benefit under a policy of group life insurance or a certificate issued under a policy of group life insurance for any other names by which the person covered under the policy was known; and*

*(b) Search all policies and certificates issued by the insurer to determine whether the insured was covered under a policy or certificate issued by the insurer under another name.*

*3. The insurer shall maintain records substantiating compliance with the standard for processing a claim for a benefit under a policy of group life insurance or a certificate issued under a policy of group life insurance adopted pursuant to subsection 1.*

**Sec. 6.** *1. Except as otherwise provided in subsection 4, upon the submission of a claim for a benefit under a group policy of life insurer or a certificate issued under a policy of group life insurance, the insurer issuing the policy or certificate shall conduct a search pursuant to the standard adopted pursuant to section 5 of this regulation of all the policies or certificates issued by the insurer to determine if any other policy or certificate issued by the insurer provides coverage on the life of the decedent.*

*2. If the person filing a claim provides information identifying other names by which the insured may have been known, the insurer shall search all the policies or certificates issued by the insurer to determine if the insured was covered by another policy or certificate under a different name.*

*3. If the insurer determines that it has issued another policy or certificate on the life of the insured, the insurer shall:*

*(a) Notify the policy or certificate owner and beneficiaries of the discovery of the policy or certificate; and*

*(b) Within 6 months after discovering the policy or certificate, determine whether the insurer has liability to pay a claim on the policy or certificate.*

*4. The provisions of this section do not apply to an insurer that does not maintain records of the individual holders of a certificate issued under a policy of group life insurance.*

**Sec. 7.** Chapter 690A of NAC is hereby amended by adding thereto the provisions set forth as sections 8 and 9 of this regulation.

**Sec. 8. 1.** *Each insurer issuing a policy of credit life insurance shall adopt a written standard for processing a claim for a benefit under a policy of credit life insurance that provides for the search of all policies issued by the insurer for other policies covering the life of the same person.*

**2.** *The written standard must provide that the insurer shall:*

*(a) Ask the person submitting a claim for a benefit under a policy of credit life insurance for any other names by which the person covered under the policy was known; and*

*(b) Search all policies issued by the insurer to determine whether the insured was covered under a policy issued by the insurer under another name.*

**3.** *The insurer shall maintain records substantiating compliance with the standard for processing a claim for a benefit under a policy of credit life insurance adopted pursuant to subsection 1.*

**Sec. 9. 1.** *Except as otherwise provided in subsection 4, upon the submission of a claim for a benefit under a policy of credit life insurance, the insurer issuing the policy shall conduct a search pursuant to the standard adopted pursuant to section 8 of this regulation of all the policies issued by the insurer to determine if any other policy issued by the insurer provides coverage on the life of the decedent.*

**2.** *If the person filing a claim provides information identifying other names by which the insured may have been known, the insurer shall search all the policies issued by the insurer to determine if the insured was covered by another policy under a different name.*

**3.** *If the insurer determines that it has issued another policy on the life of the insured, the insurer shall:*

*(a) Notify the policy owner and beneficiaries of the discovery of the policy; and*

*(b) Within 6 months after discovering the policy, determine whether the insurer has liability to pay a claim on the policy.*

*4. The provisions of this section do not apply to an insurer that does not maintain records of the individual holders of a certificate issued under a policy of credit life insurance.*

**NOTICE OF ADOPTION OF PROPOSED REGULATION**  
**LCB File No. R177-03**

The Commissioner of Insurance adopted regulations assigned LCB File No. R177-03 which pertain to chapters 688A, 688B and 690A of the Nevada Administrative Code on December 3, 2003.

**Notice date:** 10/15/2003  
**Hearing date:** 11/18/2003

**Date of adoption by agency:** 12/3/2003  
**Filing date:** 12/16/2003

**INFORMATIONAL STATEMENT**

A hearing was held on November 18, 2003, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, regarding multiple policies of life insurance.

Public comment was solicited by posting notice of the hearing in the following public locations: 788 Fairview Drive, Legislative Counsel Bureau, Capitol Building Lobby, Blasdel Building, Carson City Courthouse, State Library, Clark County Library, Capitol Press Room and the Division's Las Vegas Office.

In addition, the Department of Business and Industry, Division of Insurance (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 eight individuals in Carson City and approximately six individuals in Las Vegas. No written comments were received.

There were no revisions recommended or made to the Proposed Regulation, LCB File No. R177-03. Considering the comments by those attending the hearing, the Commissioner has issued an order adopting the regulation as a permanent regulation of the Division.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: None.
- (b) On the public: None.

The Division anticipates a nominal expense to enforce the proposed regulation. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INSURANCE

IN THE MATTER OF THE

CAUSE NO. **03.729**  
LCB File No. **R177-03**

**REGULATION REGARDING  
MULTIPLE POLICIES OF  
LIFE INSURANCE.** /

**SUMMARY OF PROCEEDINGS  
AND ORDER**

**SUMMARY OF PROCEEDINGS**

A public workshop, as required by NRS 233B.061, on the proposed regulation regarding multiple policies of life insurance was held before Alice A. Molasky-Arman, Commissioner of Insurance, on November 18, 2003, 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 Commissioner Molasky-Arman on November 18, 2003, 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 Department of Business and Industry, Division of Insurance (Division), did not receive any oral or written comments. The hearing was attended by eight individuals in Carson City and approximately six individuals in Las Vegas. The following person provided testimony before the Hearing Officer: Louis Roggensack, representing the Division.

Based upon the testimony received at the hearing, the regulation was unchanged from the proposed regulation.

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**ORDER OF THE COMMISSIONER**

Having reviewed the record in this matter, it is hereby ordered that the proposed regulation regarding multiple policies of life insurance, LCB File No. R177-03, be adopted as a permanent regulation of the Division.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

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ALICE A. MOLASKY-ARMAN  
Commissioner of Insurance