

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R177-03

November 13, 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.