

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R111-04

June 23, 2004

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

AUTHORITY: §§1-10, NRS 679B.130.

A REGULATION relating to insurance; providing limitations on the use of consumer credit information; making various changes to the provisions pertaining to certain filings; increasing the amount of a policy for air trip insurance; changing the deadline of when an insurer must submit a report on its loss prevention and control program; and providing other matters properly relating thereto.

Section 1. Chapter 686A of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this regulation.

Sec. 2. *As used in sections 2, 3 and 4 of this regulation, unless the context otherwise requires, the words and terms defined in NRS 686A.610 to 686A.660, inclusive, have the meanings ascribed to them in those sections.*

Sec. 3. *An insurer that uses information from a consumer credit report shall not, based on credit information, take an adverse action against an applicant or a policyholder during a policy period subsequent to the inception of that policy period.*

Sec. 4. 1. *For the purposes of subsection 6 of NRS 686A.680 and sections 2, 3 and 4 of this regulation, if a company issues more than one policy under an account based on the same credit information and the policies have different effective dates, the 90-day period described in subsection 6 of NRS 686A.680 shall be deemed to apply to the policy with the earliest effective date.*

2. If there is an addition or renewal of a policy under the account, the consumer credit report or insurance score used on the policy with the earliest effective date may be used at the addition or renewal of policies under the account provided that the credit information is not more than 36 months old.

Sec. 5. NAC 686B.505 is hereby amended to read as follows:

686B.505 The Commissioner will interpret subsection 2 of NRS 686B.030 as requiring the following filings:

1. Policy coverage forms, endorsements, application forms and declarations pages for all business and commercial insurance.

2. Rules, rates, policy coverage forms, endorsements, application forms and declarations pages for the following types of insurance:

(a) Dwelling, up to 4 units;

(b) ~~Personal surety;~~

~~—(c) Bail bond;~~

~~—(d) Hospital comprehensive liability;~~

~~—(e)] Personal inland marine [;~~

~~—(f)] , including, but not limited to, personal watercraft;~~

(c) Vehicle mechanical breakdown; and

~~[(g)] (d)~~ Insurance for home protection which is regulated pursuant to NRS 690B.100 to 690B.180, inclusive.

Sec. 6. NAC 686B.520 is hereby amended to read as follows:

686B.520 1. An insurance company which requires a ~~charge in excess of~~ *rate different from* the rate provided by a filing otherwise applicable to a specific risk ~~;~~ may request the ~~excess~~ *different* rate by written application to the Commissioner for approval or disapproval.

2. An application must:

(a) Include one copy of the face of the policy.

(b) Show a comparison of the filed rate to the ~~excess~~ *requested* rate.

(c) Give a brief statement of steps which the insured can take to improve his insurability and qualify for a lower rate ~~;~~ *if the requested rate is in excess of the filed rate.*

(d) Provide a space for the insured or a representative to sign as evidence of consent to ~~an excess~~ *the requested* rate.

(e) Give any other information required by the Commissioner.

Sec. 7. NAC 686B.830 is hereby amended to read as follows:

686B.830 1. Each insurer providing industrial insurance in this State shall:

(a) Participate in the Nevada Workers' Compensation Insurance Plan; and

(b) Subscribe to the Articles of Agreement of the National Workers' Compensation

Reinsurance Pool,

↳ which are hereby adopted by reference.

2. Copies of the Nevada Workers' Compensation Insurance Plan and the Articles of Agreement of the National Workers' Compensation Reinsurance Pool may be obtained, free of charge, from the National Council on Compensation Insurance, ~~Residual Market Communications, 750 Park of Commerce Drive,~~ *Customer Service Center, 901 Peninsula Corporate Circle*, Boca Raton, Florida 33487 ~~;~~, *telephone 800.622.4123.*

Sec. 8. NAC 686B.835 is hereby amended to read as follows:

686B.835 1. The premiums paid and losses incurred by insurers for industrial insurance provided pursuant to the Nevada Workers' Compensation Insurance Plan must be:

- (a) Ceded first to the National Workers' Compensation Reinsurance Pool; and
- (b) Redistributed periodically based on the proportionate voluntary market share of each

participant in the pool, as set forth in:

- (1) The Articles of Agreement of the National Workers' Compensation Reinsurance Pool;

or

- (2) The Quota Share Reinsurance Agreement of the National Council on Compensation Insurance, which is hereby adopted by reference.

2. A copy of the Quota Share Reinsurance Agreement of the National Council on Compensation Insurance may be obtained, free of charge, from the National Council on Compensation Insurance, ~~[Residual Market Communications, 750 Park of Commerce Drive,]~~ *Customer Service Center, 901 Peninsula Corporate Circle*, Boca Raton, Florida 33487 ~~[H]~~, *telephone 800.622.4123.*

Sec. 9. NAC 690B.410 is hereby amended to read as follows:

690B.410 1. The rate charged to the public in Nevada for air trip insurance must not be greater than 2.5 cents per thousand dollars of coverage.

2. No single policy of air trip insurance may be issued on the life of one person in excess of ~~[\$165,000.]~~ *\$1,000,000.*

Sec. 10. NAC 690B.570 is hereby amended to read as follows:

690B.570 1. Each insurer that issues a policy of medical malpractice insurance must submit a report to the Commissioner on the loss prevention and control programs of the insurer, including, without limitation, the qualified risk management systems offered by the insurer.

2. On or before ~~May 1~~ *July 15* of each year, the Commissioner will provide to each insurer the form for making the report.

3. On or before ~~July 1~~ *September 15* of each year, the report must be returned to the Commissioner.