

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

LCB File No. R171-09

Effective April 20, 2010

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

AUTHORITY: §§1-11, NRS 485.130, 485.313 and 485.314.

A REGULATION relating to motor vehicles; providing for the electronic verification of a motor vehicle liability policy; requiring an insurer that does not provide electronic verification to submit a record to the Department of Motor Vehicles if such a policy is issued, amended or terminated; requiring an owner of a motor vehicle to notify the Department if a motor vehicle liability policy covering the motor vehicle is issued, amended or terminated; and providing other matters properly relating thereto.

Section 1. Chapter 485 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. 1. *An electronic query by the Department requesting an insurer to verify a motor vehicle liability policy through a system created pursuant to NRS 485.313 will include, without limitation:*

- (a) The full legal name of the owner of the motor vehicle that is the subject of the query;*
- (b) The vehicle identification number of the motor vehicle that is the subject of the query;*
- (c) The policy number; and*
- (d) The company code assigned to the insurer by the National Association of Insurance*

Commissioners.

2. *Upon receipt of such a query from the Department, an insurer shall transmit a response using the system to the Department within the period set forth in the list of specifications published by the Department.*

3. *The response to the query by the insurer must indicate that the insurer confirms the validity of the insurance or that the validity of the insurance is unconfirmed.*

4. *A statement that the insurance is confirmed must be provided if:*

(a) *Information included in the query transmitted by the Department matches information maintained by the insurer which indicates that the insurer has issued or amended a motor vehicle liability policy that covers the vehicle which is the subject of the query;*

(b) *The motor vehicle liability policy identified in the query:*

(1) *Meets the requirements set forth in NRS 485.185; and*

(2) *Is effective on the date specified in the query; and*

(c) *The insurer:*

(1) *Is an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State as required by NRS 485.185; and*

(2) *Has provided evidence of insurance to the insured as required by NRS 690B.023.*

5. *If an insurer responds to a query that the insurance is unconfirmed, the insurer may include in its response a reason why the query is unconfirmed. The reason must be identified in conformity with the list of specifications published by the Department.*

Sec. 3. 1. *If a motor vehicle liability policy covering a motor vehicle that is required to be registered in this State pursuant to NRS 482.205 is issued, amended or terminated, the*

owner of the motor vehicle shall notify the Department not later than 7 days after the effective date of the issuance, amendment or termination of the policy.

2. The notice required by subsection 1 must be in the form prescribed by the Department and include, without limitation:

(a) The company code assigned to the insurer by the National Association of Insurance Commissioners or the name of the insurer as it appears on the evidence of insurance provided to the owner by the insurer;

(b) The policy number;

(c) The effective date of the policy or the amendment to the policy;

(d) The expiration or termination date of the policy; and

(e) Any other information required by the Department.

3. An authorized agent of the owner of the motor vehicle may submit, on behalf of the owner, any information required pursuant to this section or any additional information to amend or correct any information previously submitted to the Department pursuant to this section.

Sec. 4. NAC 485.150 is hereby amended to read as follows:

485.150 ~~[1.]~~ As used in ~~[NRS 485.314, the Department will interpret the term:~~
~~—(a)]~~ *NAC 485.150 to 485.190, inclusive, and sections 2 and 3 of this regulation:*

1. “Amended” ~~[to include:~~

~~—(1)]~~ *means:*

(a) The addition or removal of a motor vehicle from a motor vehicle liability policy;

~~[(2)]~~ *(b) The addition or removal of a ~~[driver]~~ named insured from a motor vehicle liability policy; ~~[and~~*

~~—(3) or~~

(c) The correction of erroneous information within a motor vehicle liability policy.

~~[(b)] 2. “Issued” [to include:~~

~~—(1) means:~~

(a) Issuance of a new motor vehicle liability policy; ~~and~~

~~—(2) or~~

(b) Reinstatement of a motor vehicle liability policy after there has been a lapse in coverage.

~~[(c)] 3. “Terminated” [to include:~~

~~—(1) means:~~

(a) The expiration ~~and nonrenewal~~ of a motor vehicle liability policy; ~~and~~

~~—(2) (b) The nonrenewal of a motor vehicle liability policy; or~~

(c) The cancellation of a motor vehicle liability policy by the insurance company that issued the policy,

↪ whether such expiration, ~~and~~ nonrenewal or cancellation applies to one or all of the motor vehicles covered under the policy.

~~[2.— As used in NRS 485.314 and NAC 485.155, the Department will interpret the phrase “identification number of each insured” to mean:~~

~~—(a) If the insured is a natural person, the social security number or driver’s license number of that person.~~

~~—(b) If the insured is not a natural person, the employer identification number of that entity.]~~

Sec. 5. NAC 485.155 is hereby amended to read as follows:

485.155 1. An insurer that is required to ~~[provide the Department with]~~ *maintain* a record *of a motor vehicle liability policy* pursuant to subsection 1 of NRS 485.314 shall ensure that the record includes ~~[, in addition to the items required pursuant to that subsection:~~

~~—1.] :~~

(a) The *full legal* name ~~[or identification number]~~ of each ~~[insured who is]~~ *natural person, company or other entity that is added to or* removed from the motor vehicle liability policy;

~~[2.]~~ (b) *The identification number of each named insured that is added to or removed from the motor vehicle liability policy, if the named insured is:*

(1) *A natural person who is a resident of this State and is covered by an operator's policy of liability insurance or who owns or operates a fleet of vehicles; or*

(2) *A company or other legal entity that owns or operates a fleet of vehicles;*

(c) The ~~[make, year and]~~ vehicle identification number of each motor vehicle, *other than a vehicle that is registered as part of a fleet of vehicles and described in paragraph (b) of subsection 5 of NRS 482.215*, that is *added to or* removed from the motor vehicle liability policy; ~~[and~~

~~—3.]~~ (d) *The company code assigned to the insurer by the National Association of Insurance Commissioners;*

(e) *The number, effective date and expiration or termination date of the policy;*

(f) *The identification of the policy as:*

(1) *An owner's policy for the payment of tort liabilities arising from the maintenance or use of a motor vehicle as described in NRS 485.185;*

(2) *An operator's policy of liability insurance as described in NRS 485.186; or*

(3) A policy for the payment of tort liabilities arising from the maintenance or use of a motor vehicle issued to a natural person, company or other entity that owns or operates a fleet of motor vehicles;

(g) Data that identifies any incorrect information that the insurer provided to the Department previously, accompanied by new and accurate information ~~[]~~; *and*

(h) Any other information required by the Department.

2. As used in this section, “identification number” means:

(a) The Nevada driver’s license number of a natural person.

(b) The federal employer identification number of a company or other legal entity.

Sec. 6. NAC 485.160 is hereby amended to read as follows:

485.160 ~~[1.—Except as otherwise provided in subsection 3, an]~~ *An* insurer that:

~~[(a)]~~ *1.* Insures motor vehicles which are registered in this State; or

~~[(b)]~~ *2.* Issues motor vehicle liability policies that do not describe specific vehicles to:

~~[(1)]~~ *(a)* Companies who own or operate a fleet of vehicles and whose place of business is located in this State; or

~~[(2)]~~ *(b)* Residents of this State who own or operate a fleet of vehicles,

↪ shall ~~[submit a]~~ *maintain each* record required pursuant to NRS 485.314 *and submit to the Department each record required pursuant to NAC 485.165 to 485.180, inclusive,* in accordance with ~~[subsection 2.~~

~~—2.—A record submitted pursuant to NRS 485.314 must comply with]~~ a list of specifications ~~[that is available from]~~ *published by* the Department.

~~[3.— If an insurer:~~

~~—(a) Insures fewer than 200 vehicles that are registered in this State; or~~

~~—(b) Issues fewer than 200 motor vehicle liability policies that do not describe specific vehicles to:~~

~~——(1) Companies who own or operate a fleet of vehicles and whose place of business is located in this State; or~~

~~——(2) Residents of this State who own or operate a fleet of vehicles;~~

~~→ the insurer may, in addition to submitting records in accordance with subsection 2, submit a record required pursuant to NRS 485.314 on a computer diskette that is 3 1/2 inches wide, IBM compatible, double-sided with double or high density and formatted to comply with a list of specifications which is available from the Department. Such a diskette must be submitted to the Insurance Verification Program, Department of Motor Vehicles, 555 Wright Way, Carson City, Nevada 89711-0800.]~~

Sec. 7. NAC 485.165 is hereby amended to read as follows:

485.165 ~~[If in a particular month an]~~ **An** insurer that ~~[is required to comply with NRS 485.314]~~ **does not maintain a system to respond to an electronic query by the Department requesting the insurer to verify a motor vehicle liability policy shall:**

1. Submit a record to the Department if the insurer issues, amends or terminates a motor vehicle liability policy that covers a motor vehicle which is required to be registered in this State not later than 7 days after the effective date of the issuance, amendment or termination of the policy. The record must:

(a) Include the information that the insurer is required to maintain pursuant to NAC 485.155; and

(b) Conform to the list of specifications published by the Department.

2. *If the insurer* has no issuances, amendments or terminations of motor vehicle liability policies to report, ~~[the insurer shall, on or before the 15th calendar day of that month,]~~ submit to the Department, *each week*, a record stating that the insurer has no activity to report. Such a record must be submitted ~~[on a form made available]~~ *in a format prescribed* by the Department for this purpose.

Sec. 8. NAC 485.170 is hereby amended to read as follows:

485.170 1. If pursuant to ~~[NRS 485.314]~~ *this section or NAC 485.160 or 485.165*, the Department receives from an insurer a record that contains an error, the Department will return the record to the insurer for correction.

2. Upon receipt of a record that is returned for correction pursuant to subsection 1, the insurer shall correct the error and resubmit the record to the Department ~~[on or before the 15th calendar day of the following month.]~~ *not later than 5 p.m. on the seventh business day after the insurer receives the returned record.*

Sec. 9. NAC 485.175 is hereby amended to read as follows:

485.175 1. If on two or more occasions within a 12-month period ~~[an]~~ :

(a) The system maintained by an insurer to respond to an electronic query by the Department requesting the insurer to verify a motor vehicle liability policy:

(1) Is unavailable and the insurer fails to notify the Department; or

(2) Is unavailable for a total of 24 hours or more during a month; or

*(b) An insurer fails to submit records required pursuant to NAC ~~[485.155,]~~ 485.160, ~~[or]~~ 485.165 ~~[.]~~ *or 485.170,**

↳ the Department will consider the insurer to be in noncompliance with the provisions of NRS 485.314.

2. If the Department determines pursuant to subsection 1 that an insurer is in noncompliance with NRS 485.314, the Department will *notify the Commissioner of Insurance and will* not provide to that insurer information regarding:

- (a) A driver's license; ~~{or}~~
- (b) The registration of a vehicle ~~{,}~~; *or*
- (c) *The title of a vehicle,*

↪ until such time as the Department receives from that insurer *a response to each electronic query to which the insurer failed to respond while its system was unavailable or* each record that the insurer previously failed to submit.

Sec. 10. NAC 485.180 is hereby amended to read as follows:

485.180 **1.** If an insurer decides that it will discontinue the practice of issuing and renewing motor vehicle liability policies within this State, the insurer shall, within 30 days after making such a decision:

~~{1.}~~ (a) Notify the Department of that decision ~~{,}~~ *on a form provided by the Department;* and

~~{2.}~~ (b) Submit to the Department a record which contains the date of expiration of each motor vehicle liability policy that the insurer has issued for a vehicle that is registered in this State.

2. *If the insurer fails to submit a record required pursuant to subsection 1, the Department will:*

(a) *Deem the date of expiration of each such motor vehicle liability policy to be 30 days after the date of the notice provided pursuant to subsection 1; and*

(b) Notify the Commissioner of Insurance that the insurer failed to comply with this section.

Sec. 11. NAC 485.190 is hereby amended to read as follows:

485.190 1. If the registered owner of a motor vehicle for which the registration has been suspended pursuant to NRS 485.317 wishes to pay the reduced fee of \$50 to reinstate the registration of the vehicle pursuant to paragraph (a) of subsection ~~¶~~ 7 of NRS 485.317, or to have the suspension of the registration of the vehicle rescinded without the payment of a fee pursuant to paragraph (b) of subsection ~~¶~~ 7 of NRS 485.317, on the ground of extenuating circumstances, the registered owner must present proof satisfactory to the Department that extenuating circumstances existed which prevented the registered owner from renewing the policy of liability insurance covering the vehicle. The proof presented must cover the period specified by the Department and be acceptable to the Department.

2. The Department will not rescind the suspension of the registration of a motor vehicle without the payment of a fee on the ground of extenuating circumstances for a registered owner more than once. The Department will notify the registered owner at the time the suspension is rescinded of the provisions of NRS 485.320, which requires ~~cancellation~~ *surrender* of the registration of the vehicle on or before the date on which the policy of liability insurance covering the vehicle is cancelled or expires.

3. As used in this section, “extenuating circumstances” means that the motor vehicle was neither insured nor operated during a specific period because of circumstances beyond the control of the registered owner that are acceptable to the Department, including, without limitation, the hospitalization of the registered owner, the serious illness or death of a member of the immediate family of the registered owner, or any other catastrophic event.

**INFORMATIONAL STATEMENT OF ADOPTED REGULATIONS AS REQUIRED BY
ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066
LCB FILE NO. R171-09**

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) 485:

1. A description of how public comment was solicited, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Copies of the proposed regulations, notices of workshop, and notices of intent to act upon the regulations were sent by electronic mail to persons who were known to have an interest in the proposed regulations. The regulations are relating to motor vehicles; providing for the electronic verification of a motor vehicle liability policy; requiring an insurer that cannot provide electronic verification to submit a record to the Department of Motor Vehicles if such a policy is issued, amended or terminated; requiring an owner of a motor vehicle to notify the Department if a motor vehicle liability policy covering the motor vehicle is issued, amended or terminated; and providing other matters properly relating thereto. These documents were made available on the Department of Motor Vehicles website at www.dmvnv.com/publicmeetings.htm. The proposed regulation amendments documents were posted at all Department of Motor Vehicles offices and county libraries in Nevada where there is not a Department of Motor Vehicles office.

A Public Workshop was noticed on September 10, 2009, and held on October 5, 2009, at the Department of Motor Vehicles at 555 Wright Way, Carson City, Nevada and video conference to the Department of Motor Vehicles at 8250 West Flamingo Road, Las Vegas, Nevada regarding the proposed regulation amendments. No member of the general public, government agency, or affected business industry provided testimony during the Public Workshop. Two individuals representing the affected business industry provided written comments.

A Notice of Intent to Act upon the Regulations was noticed on February 5, 2010, and held on March 10, 2010, regarding the proposed regulation amendments. Two individuals representing the affected business industry provided testimony during the Public Hearing. One individual representing the affected business industry provided written comments. No member of the general public or government agency provided testimony during the Public Hearing.

A recording of the Public Workshop and Notice of Intent to Act upon the Regulations is on file at the Nevada Department of Motor Vehicles, Research and Development Division, 555 Wright Way, Carson City, Nevada 89711. Copies of these minutes may be obtained by written request to Attention Bernadette Nieto, Department of Motor Vehicles, Research and Development Division, 555 Wright Way, Carson City, Nevada 89711.

- 2. The number of persons who:**
- (a) Attended the workshop; 9**
In attendance in Carson City - 8
 Glenn Conant, Department of Motor Vehicles (Workshop's Hearing Officer)
- Jeanette Belz, PCI
 Elena Ahrens, Department of Business and Industry
 Allison Wall, Department of Motor Vehicles
 Andy McCool, Department of Motor Vehicles
 Bernadette Nieto, Department of Motor Vehicles
 Doreen Rigsby, Department of Motor Vehicles
 Martha Barnes, Department of Motor Vehicles
 Terri Carter, Department of Motor Vehicles
- In attendance in Las Vegas – 1**
 Duane Blank, Department of Motor Vehicles
- (b) Testified at the workshop; 0**
- (c) Submitted to the agency written statements; 2**
 George Cooper, State Farm Mutual Automobile Insurance Company
 Chris ElHindi, The Progressive Group of Companies
- (d) Attended the hearing; 11**
In attendance in Carson City – 9
 Lloyd Nelson, Department of Motor Vehicles (Hearing Officer)
- Carol Falk, Intellectual Technology, Inc.
 Jeanette Belz, PCI
 Kay Lockhart, Association of Independent Insurance Agents
 Elena Ahrens, Department of Business and Industry
 Allison Wall, Department of Motor Vehicles
 Andy McCool, Department of Motor Vehicles
 Bernadette Nieto, Department of Motor Vehicles
 Doreen Rigsby, Department of Motor Vehicles
 Terri Carter, Department of Motor Vehicles
- In attendance in Las Vegas – 2**
 Michael Geeser, California State Automobile Association
 Sean McDonald, Department of Motor Vehicles
- (e) Testified at the hearing; 2**
 Kay Lockhart, Association of Independent Insurance Agents
 Michael Geeser, California State Automobile Association

(f) Submitted to the agency written statements: 1

George Cooper, State Farm Mutual Automobile Insurance Company

3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited using electronic mail and postings as described in Question 1 for both the Workshop and the Hearing.

The response to the Workshop was the submission of written comments. The response to the Hearing was testimony and submission of written comments.

The summary may be obtained as instructed in the response to Question 1.

4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change. The statement should also explain the reasons for making any changes to the regulation as proposed.

Written comments received during the Workshop period were from two representatives from the insurance industry. Both comments were concerned with the proposed definition of “Confirmed” in Section 2. The Department of Motor Vehicles worked with these two individuals and revised the definition to accurately reflect the definition of “Confirmed.”

Sec. 2. NAC 485.155, subsection 5

5. Definitions. As used in this section, inclusive, unless the context otherwise requires, the words and terms defined in this section, inclusive, have the meanings ascribed to them in those sections.

(a) “Confirmed” means data sent to be queried matches ~~and the insurer is liable for providn the minnum liability coverage as described in NRS 485.182~~ the insurer's requirements and the insurer is liable for providing evidence of insurance in accordance with NRS 690B.023 providing at least the minimum liability coverage as described in NRS 485.185.

Testimony provided during the Hearing was in regard to Section 3, subsection 2, (e), the requirement for license plate information for updating the Department of Motor Vehicles insurance information on the web. The concern was an insurance agent would not know the license plate number because most of their systems do not capture the license plate number and their customers normally have not registered the vehicle yet. The Department of Motor Vehicles responded in agreement after the Hearing.

Sec. 3. 2. The notice required by subsection 1 must be in the form prescribed by the Department and include, without limitation:

- (a) The company code assigned to the insurer by the National Association of Insurance Commissioners or the name of the insurer as it appears on the evidence of insurance provided to the owner by the insurer;*
- (b) The policy number;*
- (c) The effective date of the policy or the amendment to the policy;*
- (d) The expiration or termination date of the policy;*
- ~~*(e) The license plate number of the motor vehicle;*~~ *and*
- (f) Any other information required by the Department.*

A written comment was received during the Hearing period from a representative from the insurance industry. The comment was concerning Sections 3, 7, and 9.

- Section 3, Subsection 1, this individual felt the responsibility to report insurance information changes are to be completed by an insurance company. The Department of Motor Vehicles discussed this section as the responsibility is that of the registered owner. There was no further concern or revisions.

Sec. 3. 1. *If a motor vehicle liability policy covering a motor vehicle that is required to be registered in this State pursuant to NRS 482.205 is issued, amended or terminated, the owner of the motor vehicle shall notify the Department not later than 7 days after the effective date of the issuance, amendment or termination of the policy.*

- Section 7, this individual wanted to clarify the Department of Motor Vehicles is not accessing the records of an insurance company. Alternate language was suggested. The Department of Motor Vehicles was in agreement with the alternate language.

Sec. 7. 485.165 ~~*[If in a particular month an]*~~ An insurer that ~~*[is required to comply with NRS 485.314]*~~ *does not provide the Department with maintain an electronic access to its records process to respond to insurance verification inquires by the Department through a system created pursuant to NRS 485.313 shall:*

- Section 9, this individual was concerned with the compliance criteria. He felt it was an inequality for the proposed amendment because if one query, the equivalent of a single record, from a company providing an electronic system would fail to respond, the company would be considered out of compliance, where a company providing records via the alternate method could fail to provide thousands of records and still be considered in compliance. The Department of Motor Vehicles was in agreement and worked with this insurance company to revise the language.

Sec. 9. 485.175 1. If on two or more occasions within a 12-month period an insurer fails to ~~*respond to a query as required pursuant to notify the Department of system unavailability or is unavailable for a cumulative period of 24 hours or more per month, which results in the inability to comply with section 2 of this regulation or to*~~ submit records required pursuant to NAC ~~*[485.155,]*~~ 485.160 ,

~~or~~ 485.165 ~~or~~ 485.170, the Department will consider the insurer to be in noncompliance with the provisions of NRS 485.314.

5. The estimated economic effect of the adopted regulation on the businesses that it is to regulate and on the public. These must be stated separately, and each case must include:

(a) Both adverse and beneficial effects; and

The regulation amendments shall have no estimated adverse or beneficial economic effect on businesses.

(b) Both immediate and long-term effects.

The regulation amendments shall have no immediate or long-term economic effect on businesses.

6. The estimated cost to the agency for enforcement of the adopted regulation.

There is no additional cost to the Department of Motor Vehicles for the enforcement of these regulations.

7. A description of any regulations of other state or government agencies that the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

There is no other state or federal government agency regulations the proposed amendments duplicates.

8. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

There are no federal regulations that regulate the same activity as addressed in the adopted regulation.

9. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

This regulation does not provide or involve a new fee. A total fee amount is not expected to be collected or used.

10. Is the proposed regulation likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation, or expansion of a small business? What methods did the agency use in determining the impact of the regulation on small business?

The Department of Motor Vehicles has determined that the proposed regulation does not impose a direct and significant economic burden upon a small business or restrict the formation, operation, or expansion of a small business.