

LCB File No. R171-09

PROPOSED REGULATION OF THE DEPARTMENT OF MOTOR VEHICLES

(Note this regulation was previously assigned as R133-09, that file has been closed)

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

AUTHORITY: NRS 485.130.

A REGULATION relating to motor vehicles; requires validation of current liability insurance coverage for each actively registered vehicle.

Chapter 485 of NAC is hereby amended by revising thereto the provisions set forth in Sections 1 to 8 of this regulation.

Sec. 1. NAC 485.150 is hereby amended to read as follows:

NAC 485.150 “Amended,” “issued,” “terminated” and “identification number of each insured” interpreted. (NRS 485.130, 485.314)

1. As used in NRS 485.314, the Department will interpret the term:

(a) “Amended” to include:

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

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

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

(b) “Issued” to include:

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

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

(c) “Terminated” to include:

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

(2) 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~~ *Nevada* driver’s license number of that person.

(b) If the insured is not a natural person, the *Federal* employer identification number of that entity.

Sec. 2. NAC 485.155 is hereby amended to read as follows:

NAC 485.155 Contents of record provided by insurer. (NRS 485.130, 485.314) An insurer that is required to provide the Department with a record 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. *An insurer who submits records to the Department shall ensure the record contains:*
 - (a) The *full legal name* ~~[or identification number]~~ of each *natural person or the full legal business name* insured who is *added or* removed from the motor vehicle liability policy;
 - (b) *The identification number of each insured who is added or removed from the motor vehicle liability policy, when available;*
 - (1) *When the motor vehicle liability policy is covering a fleet of vehicles must include the Federal Employee Identification Number of the business; or*
 - (2) *When the motor vehicle liability policy is covering a resident of this State who owns or operates a fleet of vehicles must include the Nevada driver's license number of each natural person.*
 - (3) *Liability policies submitted must be Nevada liability policies.*
 - ~~[2.]~~ (c) The ~~[make, year and]~~ vehicle identification number of each motor vehicle that is *added or* removed from the motor vehicle liability policy; ~~[and]~~
 - ~~[3.]~~ (d) *The National Association Of Insurance Commissioners Company Code of the insurer;*
 - (e) *The policy number;*
 - (f) *The effective date of the policy;*
 - (g) *The end date of the policy;*
 - (h) *Identify the policy type as vehicle specific, operator, or fleet;*
 - (i) Data that identifies any incorrect information ~~[that]~~ the insurer provided to the Department previously, accompanied by new and accurate information ; *and*
 - (j). *Any other information required by the Department.*
2. *The Department will query via web services, the insurer's records for current liability insurance coverage. The following information will be sent to validate liability insurance:*
 - (a) *The National Association Of Insurance Commissioners Company Code of the insurer;*
 - (b) *The full legal name of the registered owner(s) or the full legal business name;*
 - (c) *The vehicle identification number;*
 - (d) *The policy number; and*
 - (e) *Any other information that may be required by the Department to validate insurance coverage.*
3. *The insurer will only validate Nevada insurance policies.*
4. *The insurer must respond with "Confirmed" or "Unconfirmed" in response to the query.*
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 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.*
 - (b) *"Unconfirmed" means data sent to be queried did not match.*

Sec. 3. NAC 485.160 is hereby amended to read as follows:

NAC 485.160 Form of record submitted by insurer. (NRS 485.130, 485.314)

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

(a) Insures motor vehicles which are registered in this State; or

(b) Issues 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 shall submit a record required pursuant to NRS 485.314 in accordance with subsection 2.

~~[2.]~~ **Must provide a** record submitted pursuant to NRS 485.314 must comply with a list of specifications ~~[that is]~~ available from 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. 4. NAC 485.165 is hereby amended to read as follows:

NAC 485.165 Report of no activity by insurer. (NRS 485.130, 485.314) If in a particular month an insurer **who does not provide the means to allow web services queries by the Department and** ~~[that]~~ is required to comply with NRS 485.314 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 a record stating ~~[that]~~ the insurer has no activity to report. Such a record must be submitted ~~[on a form]~~ **in a format** made available by the Department for this purpose.

Sec. 5. NAC 485.170 is hereby amended to read as follows:

NAC 485.170 Correction of error in record. (NRS 485.130, 485.314)

1. If pursuant to NRS 485.314 the Department receives from an insurer **who does not provide the means to allow web services queries by the Department** 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]~~ **within seven business days from the date of receipt of the [corrected] error record.**

3. **Upon receipt of a record returned for correction pursuant to subsection 2, the insurer shall correct the error within seven business days from the date of receipt.**

4. If pursuant to NRS 485.314 the Department receives a response from an insurer who provides the means to allow web services queries by the Department, a record that contains an error, the Department will request the record be corrected as described in the list of specifications available from the Department.

5. As used in this chapter, “business day” means Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m., Pacific Time, and excludes weekends and Nevada holidays.

Sec. 6. NAC 485.175 is hereby amended to read as follows:

NAC 485.175 Failure of insurer to submit records. (NRS 485.130, 485.314)

1. If on two or more occasions within a 12-month period an insurer fails to submit records *as described in the list of specifications available from the Department as* required pursuant to NAC 485.155, 485.160 , ~~for~~ 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 not provide to that insurer information regarding:

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

↳until such time as the Department receives from that insurer each record *or electronic access* ~~that~~ the insurer previously failed to submit.

3. Noncompliant insurers will be reported to the Department of Business and Industry, Division of Insurance.

Sec. 7. Chapter 485 of NAC is hereby amended to read as follows:

NAC 485.180 Discontinuance by insurer of practice of issuing and renewing motor vehicle liability policies. (NRS 485.130, 485.314) 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. Notify the Department of that decision *on a form provided by the Department*; and
- 2. 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.

3. If the insurer fails to submit a record pursuant to subsection 2 the Department will terminate all associated motor vehicle liability policies and report the noncompliant insurer to the Department of Business and Industry, Division of Insurance.

Sec. 8. Chapter 485 of NAC is hereby amended by adding thereto a new section to read as follows:

NAC 485.190 Suspension of registration: Reinstatement of registration or rescission of suspension on ground of extenuating circumstances. (NRS 485.317)

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 ~~9~~ 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 ~~9~~ 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 ~~cancelation~~ *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.

Chapter 485 of NAC is hereby amended by adding thereto the provisions set forth as section 9 of this regulation.

Sec. 9. Chapter 485 of NAC is hereby amended by adding thereto a new section to read as follows:

1. The registered owner or his authorized agent must update their insurance coverage record with the Department within seven calendar days after the effective date of any changes to their liability insurance where the policy is amended, terminated, or issued. The registered owner or his authorized agent must provide:

- (a) The National Association Of Insurance Commissioners Company Code of the insurer;*
- (b) The policy number;*
- (c) The effective date of the policy;*
- (d) The end date of the policy;*
- (e) The license plate number of vehicle; and*
- (f) Any other information that may be required by the Department to validate insurance coverage.*

2. This section does not prohibit an authorized agent of the owner from providing to the Department:

- (a) The information requested by the Department pursuant to this subsection.*
- (b) Additional information to amend or correct information already submitted to the Department pursuant to this subsection.*