

# PROPOSED REGULATION OF THE COMMISSIONER OF INSURANCE

## LCB File No. R033-12

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

AUTHORITY: NRS 679B.130; NRS 690C.300

A REGULATION relating to providers of service contracts.

**Section 1.** Chapter 690C of NAC is hereby amended by adding thereto a new section to read as follows:

*1. For purposes of NRS 690C.170, “Affiliate” means a person who directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with another designated person. The term affiliate does not include an insurer that issues a contractual liability insurance policy to satisfy the provision of NRS 690C.170, and:*

*(a) Maintains surplus as to policyholder and paid-in capital of at least \$15,000,000; and*

*(b) Files audited financial statements with the Commissioner on or before the 15th day of March of each year that there remains any obligation under a contractual liability insurance contract issued in this State to satisfy the provision of NRS 690C.170.*

*2. The term “control” as used in Section 1 means:*

*(a) Ownership of shares of a corporation possessing 10 percent or more of the total voting power of all classes of shares entitled to vote or possessing 10 percent or more of the total value of the outstanding shares of the corporation; or*

*(b) Ownership of 10 percent or more by value of the beneficial interests in a partnership, trust, or estate.*

*3. The terms “affiliate” and “control” as defined in Sections 1 and 2 apply to applicants applying to receive a new Certificate of Registration on or after October 1, 2011.*