

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R035-12

Effective November 1, 2012

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

AUTHORITY: §1, NRS 679B.130 and 679B.136; §2, NRS 679B.130, 679B.136 and 691D.500.

A REGULATION relating to insurance; establishing provisions governing the conducting of insurance transactions by electronic means; prescribing requirements for the transmission by electronic means of certain notices of an insurer under a policy of portable electronics insurance; and providing other matters properly relating thereto.

Section 1. Chapter 679B of NAC is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in NRS 691D.330 and section 2 of this regulation, an insurer shall not conduct a transaction by electronic means, including, without limitation, transactions involving claims, electronic signatures, electronic payments or other insurance-related records in electronic form, unless each person who is a party to the transaction agrees to conduct the transaction by electronic means.

2. If a person who is a party to a transaction agrees to conduct the transaction by electronic means, the insurer shall document the agreement, including, without limitation:

- (a) The name of the person agreeing to conduct the transaction by electronic means;*
- (b) The type of transaction that the person has agreed to conduct by electronic means; and*
- (c) The date and time of the agreement.*

3. A person who agrees to conduct a transaction by electronic means may limit the types of transactions which he or she agrees to conduct by electronic means.

4. If an insurer is required to retain a record, the insurer may retain the record electronically if the insurer is able accurately to reproduce the record upon the request of a person who is entitled to a copy of the record, including, without limitation, an insured, a claimant and the Commissioner.

5. Except as otherwise provided in NRS 691D.330 and section 2 of this regulation, an insurer shall not provide a notice which terminates a policy of insurance, including, without limitation, a notice of cancellation or nonrenewal, solely by electronic means.

Sec. 2. Chapter 691D of NAC is hereby amended by adding thereto a new section to read as follows:

1. An insurer under a policy of portable electronics insurance may send by electronic mail or other electronic means any notice required by chapter 691D of NRS if:

(a) The insurer has notified the policyholder and each enrolled customer that:

(1) Notice will be sent by electronic mail or other electronic means; and

(2) The policyholder or enrolled customer has a right to refuse, in writing, to receive notices electronically; and

(b) The policyholder or enrolled customer has not refused, in writing, to receive notices electronically.

2. An insurer under a policy of portable electronics insurance shall maintain a complete record of each notice sent by electronic means and be capable of accurately reproducing the notice at the request of the policyholder, an enrolled customer or the Commissioner.

INFORMATIONAL STATEMENT

Re: Proposed Regulation Concerning Electronic Insurance Transactions
LCB File No. R035-12, Division's Cause No. 12.0186

A workshop was held on August 1, 2012, and a hearing was held on August 10, 2012, at the office of the Department of Business and Industry, Division of Insurance ("Division"), located at 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, with a simultaneous videoconference conducted at the Division's office located in the Bradley Building, 2501 E. Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, in regard to adoption of the regulation concerning electronic insurance transactions.

Public comment was solicited by posting notices of the workshop and hearing in the following public locations: the Division's Web site, the Division's Carson City and Las Vegas offices, Carson City Courthouse, Office of the Attorney General, Capitol Building Lobby, Capitol Building Press Room, Blasdel Building, and Legislative Counsel Bureau; and by providing the notices of the workshop and hearing to: the Donald W. Reynolds Press Center, Nevada State Library, Carson City Library, Churchill County Library, Clark County District Library, Douglas County Library, Elko County Library, Esmeralda County Library, Eureka Branch Library, Humboldt County Library, Lander County Library, Lincoln County Library, Lyon County Library, Mineral County Library, Pershing County Library, Storey County Library, Tonopah Public Library, Washoe County Library, and White Pine County Library.

The Division maintains a list of interested parties, comprising of the Commissioner's Property & Casualty Advisory Committee, trade group representatives, insurance companies, agencies and other interested parties. These persons were notified of the workshop and hearing and were sent an electronic link to a copy of the regulation or were notified that a copy of the regulation could be obtained from or examined at the offices of the Division.

The workshop was attended by two interested members of the public in Carson City and one in Las Vegas. The proposed regulation was presented by Elena Ahrens, on behalf of the Division. Two other persons provided testimony. The Division received one written comment.

The hearing was attended by one interested member of the public in Carson City and one in Las Vegas. The proposed regulation was presented by Erin Summers, on behalf of the Division. One other person provided testimony. The Division received one written comment.

Regarding the persons who gave testimony at the workshop and hearing and/or submitted previous written comments, the following disclosures are made pursuant to NRS 233B.066(1)(c):

Name	Organization Represented	Business Address	Business Telephone Number	Electronic Mail Address
Kay Lockhart	Nevada Independent Insurance Agents	P.O. Box 645 Carson City, NV 89702	(775) 882-1366	kay@niia.org
Mark Sektnan	Property Casualty Insurers of America (PCI)	1415 L Street, Suite 670, Sacramento, CA 95814	(916) 449-1370	mark.sektnan@acicnet.org
Jim Werbeckes	Employers Insurance Group	10375 Professional Cir. Reno, NV 89521	(775) 327-2458	jwerbeckes@employers.com

Based upon the written comments received and the oral comments and testimony provided, the proposed regulation, LCB File No. R035-12, was adopted as proposed.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: Neutral.
- (b) On the small businesses: Neutral.
- (c) On the public: Neutral.

The Division will not incur any additional expense to enforce this regulation.

The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.