

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R054-12

Effective November 1, 2012

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

AUTHORITY: §§1-5, NRS 679B.130, 686A.015; §6, NRS 679B.130, 693A.110.

A REGULATION relating to insurance brokers and agents; revising certain references to the terms “broker” and “agent” in provisions governing insurance trade practices; and providing other matters properly relating thereto.

Section 1. NAC 686A.010 is hereby amended to read as follows:

686A.010 As used in this chapter, unless the context otherwise requires:

1. “Broker” has the meaning ascribed to it in NRS ~~[683A.040.]~~ *683A.321*.
2. “Commissioner” means the Commissioner of Insurance.
3. “Division” means the Division of Insurance of the Department of Business and Industry.

Sec. 2. NAC 686A.210 is hereby amended to read as follows:

686A.210 1. No agent, broker or insurer may participate in any transaction in which an insured is forced to cancel existing coverage on property which the insured is transferring to another and purchase other coverage on newly acquired property if the coverage is adequate for the newly acquired property.

2. This section applies to all agents, brokers and insurers, including, without limitation, lenders which issue coverage as agents and agencies with which the lender is in any way connected.

3. As used in this section, “agent” has the meaning ascribed to it in NRS ~~683A.030.~~ **683A.321.**

Sec. 3. NAC 686A.320 is hereby amended to read as follows:

686A.320 As used in NAC 686A.320 to 686A.340, inclusive, unless the context otherwise requires:

1. “Agent” has the meaning ascribed to it in NRS ~~683A.030.~~ **683A.321.**

2. “Financial planner” means an agent or broker who has successfully completed a course of instruction required for designation as a financial planner by a recognized professional association of financial planners.

3. “Health insurance” includes any:

(a) Contract for hospital, medical or dental services entered into pursuant to chapter 695B of NRS;

(b) Health care plan provided pursuant to chapter 695C of NRS;

(c) Plan for dental care provided pursuant to chapter 695D of NRS; or

(d) Plan for prepaid limited health service provided pursuant to chapter 695F of NRS.

Sec. 4. NAC 686A.420 is hereby amended to read as follows:

686A.420 As used in NAC 686A.410 to 686A.455, inclusive, unless the context otherwise requires, the following words and terms have the meanings ascribed to them:

1. “Agent” has the meaning ascribed to it in NRS ~~683A.030.~~ **683A.321.**

2. “Buyer’s guide” means a document which contains, and is limited to, the language contained in the appendix* to this regulation or language approved by the Commissioner.

3. “Cash dividend” means the current illustrated dividend which can be applied toward payment of the gross premium.

4. “Generic name” means a short title which is descriptive of the premium and benefit pattern of a policy or a rider.

5. This “regulation” means NAC 686A.410 to 686A.455, inclusive.

*The appendix is not codified but is available in the Office of the Secretary of State or the Division.

Sec. 5. NAC 686A.513 is hereby amended to read as follows:

686A.513 “Agent” has the meaning ascribed to it in NRS ~~683A.030.~~ **683A.321.**

Sec. 6. NAC 693A.620 is hereby amended to read as follows:

693A.620 “Broker” has the meaning ascribed to it in NRS ~~683A.040.~~ **683A.321.**

INFORMATIONAL STATEMENT LETTER
LCB File No. R054-12, Division's Cause No. 12.0212

Proposed Regulation Concerning the Terms "Broker" and "Agent"

A workshop was held on September 17, 2012, and a hearing was held on September 26, 2012, at the hearing room 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 Bradley Building, 2501 E. Sahara Avenue, Las Vegas, Nevada 89104, in regard to adoption of the regulation concerning the terms "broker" and "agent."

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 an e-mail list of interested parties, comprised mainly of insurance companies, agencies, and other persons regulated by the Division. These persons were notified of the workshop and hearing and that a copy of the regulation could be obtained from or examined on the Division's Internet Web site.

During the September 17, 2012 workshop, Joy Miller, Chief of the Producer Licensing Section, presented the proposed regulation on behalf of the Division. There were no interested members of the public in attendance in Carson City or Las Vegas. No prior written comments were received from the public, and no public testimony was given.

During the September 26, 2012 hearing, Sherri Abeyta, Assistant Chief of the Producer Licensing Section, presented the proposed regulation on behalf of the Division. There were no interested members of the public in attendance in Carson City or Las Vegas. No prior written comments were received from the public, and no public testimony was given.

Based upon the testimony provided at the workshop and hearing, the regulation, LCB File No. R054-12, was adopted, as proposed.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: **Neutral effect:** No adverse effects are anticipated.
- (b) On the small businesses: **Neutral effect:** No adverse effects are anticipated.
- (c) On the public: **Neutral effect:** No adverse effects are anticipated.

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.