

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R171-12

Effective December 20, 2012

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

AUTHORITY: §1, NRS 679B.130.

A REGULATION relating to insurance; repealing provisions pertaining to coverage of certain property and interests in improvements to property by policies of inland marine insurance; and providing other matters properly relating thereto.

Section 1. NAC 681A.010 is hereby repealed.

TEXT OF REPEALED SECTION

681A.010 Inland marine insurance. (NRS 679B.130)

1. The following types of property may be covered by an inland marine policy once they are sold to the ultimate purchaser:

(a) Musical instrument dealers policies, covering property consisting of musical instruments and their accessories. Radios, televisions, record players and combinations of those items are not musical instruments.

(b) Camera dealers policies, covering property consisting of cameras and their accessories.

(c) Furrier dealers policies, covering property consisting of furs and fur garments.

(d) Equipment dealers policies, covering mobile equipment consisting of binders, reapers, tractors, harvesters, harrows, tedders and other similar agricultural equipment and accessories, construction equipment consisting of bulldozers, road scrapers, tractors, compressors, pneumatic tools and similar equipment and accessories excluding motor vehicles designed for highway use.

2. All inland marine policies must exclude coverage of money and securities. Musical instrument dealers, camera dealers and equipment dealers policies may include coverage of the tenant's interest in improvements of the building, furniture, fixtures, tools, machinery, patterns, molds and dies.

3. Floaters for physicians and surgeons instruments in inland marine policies may include coverage of furniture, fixtures and the tenant's interest in the improvements of the buildings located in the portion of the premises occupied by the insured in the practice of his or her profession.

INFORMATIONAL STATEMENT LETTER

Proposed Regulation Relating to Policies of Inland Marine Insurance
LCB File No. R171-12
Cause No. 12.0590

A workshop was held on November 29, 2012, and a hearing was held on December 6, 2012, at the office of the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”), located at 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, with a simultaneous video-conference conducted at the Bradley Building, 2501 East Sahara Avenue, 2nd floor conference room, Las Vegas, Nevada 89104, relating to policies of inland marine insurance.

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 workshop was attended by one interested member of the public in Carson City and one in Las Vegas. The proposed regulation was presented orally by Rajat Jain, on behalf of the Division. The Division did not receive any written comments. One person provided oral testimony.

The hearing was attended by no member of the public in Carson City and one member of the public in Las Vegas. The proposed regulation was presented orally by Rajat Jain, on behalf of the Division. The Division did not receive any written comments. No testimony was provided at the hearing.

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

Name	Organization Represented	Electronic Mail Address
Jim Wadhams	Fennemore Craig Jones Vargas 300 South Fourth Street, #1400 Las Vegas, NV 89101 (702) 692-8039	jwadhams@fclaw.com

Based upon the oral comments and testimony provided, the proposed regulation, LCB File No. R171-12, repealing Nevada Administrative Code (“NAC”) 681A.010, was adopted as proposed. *See* Exhibit A.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: An insurance company can offer a broader selection of inland marine products based on market demands, and not be restricted to an outdated definition in regulation.
- (b) On the small businesses: There will be a broader selection of inland marine products available as dictated by market demands.
- (c) On the public: There will be a broader selection of inland marine products available as dictated by market demands.

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.