

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB FILE NO. R153-24I

**The following document is the initial draft regulation proposed
by the agency submitted on 06/24/2024**

**PROPOSED PERMANENT REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R...-24

March 7, 2024

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

AUTHORITY: § 1-3, NRS 679B.130 and 690C.300

A REGULATION relating to insurance;

Section 1. Chapter 690C of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this regulation.

Sec. 2. *1. Not later than 21 business days after receiving an application for a certificate of registration, the Commissioner shall provide written notice to the applicant of any additional information required by the Commissioner to consider the application. Unless the Commissioner denies the application pursuant to subsection 2, the Commissioner shall approve the application and issue a certificate of registration as a service contract provider to the applicant not later than sixty days after receiving the complete application.*

2. The Commissioner may deny an application if the Commissioner determines that the applicant or any of its controlling persons:

(a) Has failed to comply with the requirements of NRS 690C.170;

(b) Has been convicted of a crime that would be grounds for taking disciplinary action against the applicant and the Commissioner has not previously taken disciplinary action against the applicant based on that conviction;

(c) Has been determined in any administrative or judicial proceeding to have violated any statute, rule, regulation or order pertaining to service contracts;

(d) Has been convicted of, or entered a plea of guilty or nolo contendere to any crime involving fraud, deceit, misrepresentation or moral turpitude;

(e) Has had a license or certificate to transact the business of service contracts denied for cause, suspended or revoked in this state or any other state;

(f) Is not competent to act as a service contract provider;

(g) Is not trustworthy or financially responsible;

(h) Does not have good personal or business reputation; or

(i) Is financially unsound.

Sec. 3. 1. *A certificate of registration expires at 12:01 a.m. 1 year after the date it was last issued or renewed unless it is renewed. A certificate shall not be renewed until all fees, assessments and fines owed to this State are paid.*

2. *If a provider fails to submit any item required by subsection 4 of NRS 690C.160 prior to expiration, the renewal application will be deemed incomplete and the certificate of registration will expire unless the incomplete renewal application is remedied prior to expiration.*

3. *The Commissioner may reinstate a lapsed certificate of registration within 6 months after its expiration if the lapsed service contract provider submits to the Commissioner:*

(a) A renewal application that complies with the requirements of subsection 4 of NRS 690C.160, including any applicable fees; and

(b) A reinstatement fee of \$500.

Sec. 4. 1. *An applicant for a certificate of registration who desires to use a fictitious name shall:*

(a) Submit a request for approval for the name; and

(b) File with the Commissioner a certified copy of the certificate or any renewal certificate filed pursuant to chapter 602 of NRS.

2. *An incorporated applicant or provider shall file with the Commissioner a document showing the corporation's true name and all fictitious names under which it conducts or intends to conduct business.*

3. *A provider shall promptly file with the Commissioner a written notice of any change in or discontinuance of the use of a fictitious name.*

4. *A provider may conduct business using more than one fictitious name only if a separate certificate of registration is obtained pursuant to chapter 690C or NRS for each fictitious name under which the applicant or service contract provider intends to do business.*

5. *A provider who conducts business in this State using more than one fictitious name is responsible for the conduct of each person employed or otherwise associated with the applicant or service contract provider regardless of the certificate of registration or name under which the conduct takes place.*

6. *The Commissioner shall not issue a certificate of registration with a fictitious name that is the same as or confusingly similar to the name of another provider.*

7. *A provider shall not conduct business using a name other than the name approved by the Commissioner and indicated on the certificate of registration issued by the Commissioner to the provider.*

Sec. 5.

1. *An applicant for a certificate of registration as a service contract provider shall provide a principal office or location where records will be maintained. The street address must be a physical address and may not be the address of a mail processing business or post office.*

2. *The provider shall keep and maintain at all times at the physical principal office or location where the provider conducts business, complete and suitable records of all transactions of the provider. The provider shall also keep and maintain, at all times at such location, all original books, papers and data, or copies thereof, clearly reflecting the financial condition of the business of the service contract provider.*

3. *As used in this section, “complete and suitable records” includes, without limitation:*

(a) All contracts entered into between the provider and the holder;

(b) All disclosures provided to the holder;

(c) All authorizations signed by the holder;

(d) All worksheets;

(e) All service request items;

(f) All correspondence between the provider and holder, including, without limitation:

(1) Letters;

(2) Messages sent via electronic mail;

(3) Facsimiles; and

(4) Logs related to calls or other contacts or information;

(g) A copy of each item of advertising material that was published or distributed by or on behalf of the provider in the format in which the material was published or distributed;

(h) A copy of any complaint against the provider, together with all correspondence, notes, responses and other documentation related to the disposition of the complaint; and

(i) Any other documentation used by the provider in the normal course of business as it relates to service contracts.

4. An applicant or service contract provider shall inform the Commissioner of each change of business, residence, or electronic mail address, in writing or by other means acceptable to the Commissioner, within 30 days after the change. If an applicant or service contract provider changes the business, residence, or electronic mail address without giving written notice and the Commissioner is unable to locate the applicant or service contract provider after diligent effort, the Commissioner may revoke the certificate of registration without a hearing. The mailing of a letter by certified mail, return receipt requested, addressed to the applicant or service contract provider at the last mailing address appearing on records of the Division, and the return of the letter undelivered, constitutes a diligent effort by the Commissioner.