

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB FILE NO. R178-24I

**The following document is the initial draft regulation proposed
by the agency submitted on 06/28/2024**

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

LCB File No. R...-24

June 28, 2024

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

AUTHORITY: § NRS 679B.130, 686B.070, 686B.100, 686B.110

A REGULATION relating to insurance;

Section 1. NAC 686B.503 is hereby amended to read as follows:

NAC 686B.503 *1.* A filing for an increase or decrease in rates for homeowners’ insurance or for property insurance for dwellings, commonly referred to as “dwelling fire insurance,” must:

~~1.~~ *(a)* Identify the largest theoretical rate increase proposed by the filing; and

~~2.~~ *(b)* Identify the contribution of each component of the increase, including, but not limited to, the contribution of the amount of insurance, the protection class, the territory and the construction class.

2. If a filing submitted pursuant to subsection 1 would result in a material change to an insured’s policy of homeowners’ insurance or property insurance for dwellings, the insurer shall send each policy owner subject to a material change a written premium change notice.

3. The premium change notice shall:

(a) Be written in terms that are easily understandable to an average policyholder;

(b) Describe the basic nature of any premium increase; and

(c) Include a list of primary factors that caused any premium increase.

4. The premium change notice may:

- (a) Include a list of optional factors that caused any premium increase;*
- (b) Include a list of composite rating variables that caused any premium increase; and*
- (c) Show separate impacts by the different perils or risks being covered and the type of coverage for each.*

4. The premium change notice required pursuant to subsection 2 shall be filed for approval by the Commissioner using the System for Electronic Rate and Form Filings (SERFF) at the same time the filing for rate increase or decrease is made pursuant to subsection 1.

5. For the purposes of this section, “material change” means an increase in premium of 10 percent or more. The term does not include:

(a) An increase in premium due to an increase in the insured’s limit of dwelling coverage applied by the insurer as a result of inflation in the cost of materials and labor needed to repair or replace the covered dwelling; and

(b) An additional premium due to a change initiated by the insured, including, without limitation:

- (1) Adding an endorsement;*
- (2) Adding additional coverages;*
- (3) Adding covered premises;*
- (4) Increasing coverage limits; or*
- (5) Altering deductibles.*