

LCB File No. R151-99

NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON PROPOSED REGULATIONS

September 21, 1999

The Department of Business and Industry, Division of Insurance (Division) is proposing new regulations pertaining to the calculation of reserves for term life insurance (Triple X), provider sponsored organizations (PSOs), motor clubs, insurance for rental cars, insurance for home protection, and amendments to chapter 683A of NAC concerning the licensing of agents and administrators. A workshop has been set for 10:00 a.m., on October 27, 1999, at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

- 1. New regulations for the calculation of reserves for term life insurance, rules for a minimum standard for the valuation of plans, and tables of select mortality factors and rules for their use. This regulation is also known as Triple X.**
- 2. New regulations for provider sponsored organizations (PSOs) to establish the requirements necessary for a PSO to operate in the state of Nevada and offer the Medicare+Choice program (Medicare Part C).**
- 3. New regulations affecting property and casualty insurance, including a definition of emergency for insurance for home protection, standards for insurance on vehicles leased for the short term (rental cars), standards applicable to motor clubs, fees charged for the renewal of policies, and an amendment to the requirements for licensing of title agents and escrow officers.**
- 4. Amendments to regulations for chapter 683A of NAC concerning the licensing of agents and administrators, the recovery fund, continuing education, limited licenses, and agents for utilization review.**

A copy of this notice and the proposed regulations will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours.

Additional copies of the notice and the proposed regulations will be available at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulations are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at

<http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

This Notice of Workshop to Solicit Comments on Proposed Regulations has been sent to all persons on the agency's mailing list for administrative regulations and posted at the following locations:

Department of Business and Industry
Division of Insurance
1665 Hot Springs Road, Suite 152
Carson City, NV 89706

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, NV 89104

Legislative Counsel Bureau
Capitol Complex
Carson City, NV 89710

Blasdel Building
Capitol Complex
Carson City, NV 89710

State Capitol
Capitol Complex
Carson City, NV 89710

Capitol Press Room
State Capitol Basement
Carson City, NV 89710

County Clerk
Courthouse
Carson City, NV 89710

Nevada State Library & Archives
Capitol Complex
Carson City, NV 89710

Carson City Library
900 North Roop Street
Carson City, NV 89701

Churchill County Library
553 South Maine Street
Fallon, NV 89406

Las Vegas Library
833 Las Vegas Blvd. North
Las Vegas, NV 89101

Douglas County Library
1625 Library Lane
P.O. Box 337
Minden, NV 89423

Elko County Library
720 Court Street
Elko, NV 89801

Goldfield Public Library
Fourth & Cook Street
P.O. Box 430
Goldfield, NV 89013

Eureka Branch Library
10190 Monroe Street
P.O. Box 293
Eureka, NV 89316

Humboldt County Library
85 East 5th Street
Winnemucca, NV 89445

Battle Mountain Branch Library

Lincoln County Library

P.O. Box 141
Battle Mountain, NV 89820

93 Main Street
P.O. Box 330
Pioche, NV 89043

Lyon County Library
20 Nevin Way
Yerington, NV 89447

Mineral County Library
First & A Street
P.O. Box 1390
Hawthorne, NV 89415

Tonopah Public Library
171 Central Street
P.O. Box 449
Tonopah, NV 89049

Pershing County Library
1125 Central Avenue
P.O. Box 781
Lovelock, NV 89419

Storey County Library
95 South R Street
P.O. Box 14
Virginia City, NV 89440

Washoe County Library
301 South Center Street
P.O. Box 2151
Reno, NV 89505

White Pine County Library
950 Campton Street
Ely, NV 89301

Clark County Library
1401 East Flamingo Road
Las Vegas, NV 89119

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, or by calling no later than 5 working days prior to the hearing, (702) 687-4270.

DATED this _____ day of _____, 1999.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

NOTICE OF INTENT TO ACT UPON REGULATIONS

Notice of Hearing for the Adoption of Regulations of the Department of Business and Industry, Division of Insurance

The Department of Business and Industry, Division of Insurance (Division) will hold a public hearing at 10:00 a.m., on October 27, 1999, immediately following a public workshop, at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations pertaining to insurance for home protection, motor clubs, insurance for rental cars, and fees for renewal of policies.

REGULATIONS FOR INSURANCE FOR HOME PROTECTION, MOTOR CLUBS, INSURANCE FOR RENTAL CARS, AND FEES FOR RENEWAL OF POLICIES

The following information is provided pursuant to the requirements of NRS 233B.060:

1. The proposed regulations are needed to respond to new statutes enacted by the 1999 Nevada Legislature, and to address problems encountered with motor clubs and fees charged by insurers.
2. The proposed regulation defines emergency for insurance for home protection, establishes requirements for insurance sold to short term lessees of motor vehicles (rental cars), establishes requirements for data to be maintained by motor clubs, and prohibits insurers from charging fees for the renewal of an insurance policy.
3. Estimated economic effect of the regulation:
On the business which it is to regulate:
The proposed regulation may have both an immediate and long-term impact on motor clubs if they do not currently maintain the required data, and on insurers who may have to discontinue collecting policy renewal fees.
On the public:
The proposed regulations should have no economic impact on the public.
4. The Division expects to incur some additional expense to enforce the proposed regulations.
5. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.
6. The proposed regulation does not establish any new fees or increase an existing fee.

Persons wishing to comment upon the proposed action of the Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706. Written submissions must be received by the Division on or before October 21, 1999. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed

immediately to act upon any written submissions.

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be amended will be available at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Department of Business and Industry
Division of Insurance
1665 Hot Springs Road, Suite 152
Carson City, NV 89706

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, NV 89104

Legislative Counsel Bureau
Capitol Complex
Carson City, NV 89710

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1625 Library Lane

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Winnemucca, NV 89445

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Battle Mountain, NV 89820

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93 Main Street
P.O. Box 330
Pioche, NV 89043

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Yerington, NV 89447

Mineral County Library
First & A Street
P.O. Box 1390
Hawthorne, NV 89415

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1401 East Flamingo Road
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DATED this _____ day of _____, 19_____.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE
DEPARTMENT OF BUSINESS AND INSURANCE**

REGULATIONS FOR INSURANCE FOR HOME PROTECTION, INSURANCE ON
VEHICLES LEASED FOR SHORT-TERM, MOTOR CLUBS,
AND POLICY RENEWAL FEES.

Authority: NRS 679B.130, and section 24 of chapter 353, Statutes of Nevada 1999, at page 1448.

Section 1. Chapter 686B of NAC is hereby amending by adding thereto a new section to read as follows:

- 1. "Policy fee" means a charge by an insurer to recognize the nonrecurring expenses associated with the issuance of a new policy of insurance.*
- 2. Policy fees must be filed with the Commissioner pursuant to NRS 686B.070 and must comply with the standards set forth in NRS 686B.050 and 686B.060.*
- 3. An insurer may not charge a policy fee upon the renewal of a policy of insurance.*

Sec. 2. Chapter 687B of NAC is hereby amended by adding thereto a new section to read as follows:

- 1. A policy of liability insurance sold by a short-term lessor of a motor vehicle to a lessee shall be deemed to be primary and any other policy shall be deemed to provide excess coverage.*
- 2. Insurance sold by a short-term lessor of motor vehicles to a lessee shall be coverage for personal risk and must be filed with the Commissioner in the manner set forth in chapter 686B of NRS.*

Sec. 3. Chapter 690B of NAC is hereby amended by adding thereto a new section to read as follows:

For the purpose of NRS 690B.160, “emergency” means:

- 1. Any condition within the home which renders the home uninhabitable;*
- 2. Loss of plumbing, including loss of water service or stoppage or backup of a sewer system;*
- 3. Substantial loss of electrical service; or*
- 4. Loss of heating or cooling;*

if such structures, components, systems or appliances are covered under the contract of insurance for home protection.

Sec. 4. Chapter 696A of NAC is hereby amended by adding thereto the provisions set forth as sections 5 and 6 of this regulation.

Sec. 5. *“Member” means a person entitled to receive motor club services either through the issuance of a membership card by the motor club or as a result of a service contract directly with the motor club.*

Sec. 6. *A motor club doing business in this state shall maintain a list of its members in Nevada. The list shall include the following information with respect to each member:*

- 1. Name of the member;*
- 2. Dates of membership, including cancellation or termination dates;*

3. The amount of refund, if any, returned to the member at cancellation or termination.

This information shall be maintained and available for inspection by the division of insurance for at least 3 years after the cancellation or termination of a member.