

**ADOPTED REGULATION OF
THE COMMISSIONER OF INSURANCE**

LCB File No. R115-00
§§1, 5, 6, 7 and 8 effective March 30, 2001
§§2, 3 and 4 effective July 1, 2001

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

AUTHORITY: §§1-5 and 7, NRS 679B.130; §6, NRS 679B.130, 692A.090 and 692A.100.

Section 1. Chapter 690B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. 1. *Except as otherwise provided in section 3 of this regulation, an insurer that issues an operator's policy of liability insurance which limits coverage for damages as set forth in NRS 485.186 shall disclose those limitations in the manner set forth in subsections 2 and 3.*

2. The insurer shall include a statement on the face of the operator's policy of liability insurance that is written in English or in Spanish, as appropriate.

3. The statement may be imprinted, stamped or imprinted on a sticker. The statement is deemed approved by the commissioner if it is written as follows:

This operator's policy of liability insurance is a limited policy of liability insurance that provides coverage for the named insured when he is operating any motor vehicle or while the motor vehicle he owns is not being operated by any person.

This operator's policy of liability insurance DOES NOT provide any coverage for damages incurred while the motor vehicle owned by the named insured is operated by

another person, including, without limitation, bodily injury, damage to the motor vehicle owned by the named insured or any other property damage.

Because subsection 3 of NRS 485.186 prohibits the named insured from allowing another person to operate the motor vehicle he owns if he knows or should have known that the person does not have liability insurance to cover the operation of that motor vehicle, the named insured SHOULD NOT allow any person to operate the motor vehicle he owns unless he knows that the person has liability insurance that will provide coverage when the person is operating that motor vehicle.

This operator's policy of liability insurance may not meet the requirements of the financial responsibility laws of other states, unless it is expressly indicated in the policy.

4. An insurer may use a statement that is written substantially similar to the statement set forth in subsection 3 if:

- (a) The insurer has filed the statement with the commissioner; and*
- (b) The commissioner has approved the statement.*

Sec. 3. 1. *In lieu of complying with section 2 of this regulation, an insurer may inform an insured of the limitations of an operator's policy of liability insurance by providing the information set forth in section 2 of this regulation in the endorsement required by NRS 485.186 if that endorsement has been approved by the commissioner.*

2. If an insurer complies with this section in lieu of complying with section 2 of this regulation:

- (a) The endorsement must:*

(1) Be written in English or Spanish, as appropriate; and

(2) Include an acknowledgement that:

(I) States that the insured understands and accepts the limitations of the operator's policy of liability insurance as set forth in the endorsement; and

(II) Is signed and dated by the insured; and

(b) The insurer shall include a statement on the face of the operator's policy of liability insurance that is written in English or Spanish, as appropriate.

3. The statement may be imprinted, stamped or imprinted on a sticker and must be written substantially as follows:

This operator's policy of liability insurance is a limited policy of liability insurance.

The specific limitations are set forth in the endorsement.

Sec. 4. NAC 690B.060 is hereby amended to read as follows:

690B.060 A card constituting evidence of insurance must conform to the following standards:

1. The card must be:

(a) Not larger than 8 1/2 x 5 1/2 inches and not smaller than 3 1/2 x 2 1/4 inches; and

(b) Printed on white paper which is no lighter in weight than 20 pounds, but a temporary card may be printed on white paper of a lighter weight.

2. The card must contain:

(a) A company logotype or other marking which makes the card difficult to counterfeit, reproduce, or alter.

(b) A telephone number of the appropriate person who may be contacted to verify coverage or report a claim.

(c) The statement “This card has been approved by the Commissioner of Insurance.”

(d) A statement indicating that the card is not valid for more than a specific number of days, not to exceed 60 days, if a temporary card.

(e) A signature blank for the agent, if a temporary card.

(f) If the card constitutes evidence of an operator’s policy of liability insurance, a statement that is written substantially as follows:

This card constitutes evidence of an operator’s policy of liability insurance. The policy is a limited policy of liability insurance. The specific limitations are set forth in the policy or the endorsement required by NRS 485.186.

Sec. 5. NAC 690B.230 is hereby amended to read as follows:

690B.230 1. For underwriting, rating, cancellation, or nonrenewal of insurance for automobiles, an insurer may consider any chargeable accident.

2. Each insurer shall file with the division its definition of a “chargeable accident” and shall use the filed definition. The insurer’s definition of a “chargeable accident” may include only those accidents for which the insured is ~~more than~~ 50 percent *or more* at fault.

3. Each filing of a rate for insurance for automobiles submitted to the division must define a “chargeable accident” in terms of a monetary amount of damage.

4. An insurer may not define a claim made under the comprehensive portion of the policy as a chargeable accident in order to cancel the policy, but he may use a series of such claims to

discontinue comprehensive coverage, to offer a higher deductible upon the renewal of a policy, or to add a surcharge to the premium for the policy.

Sec. 6. NAC 692A.030 is hereby amended to read as follows:

692A.030 1. A written application for a title agent's or escrow officer's license must be filed with the commissioner by the person applying for the license, accompanied by the applicable fee. The application must include the following:

- (a) The name of the person applying for a license . ~~and evidence that he is a bona fide resident.]~~
 - (b) The name and address of each of his employers for at least 2 years immediately preceding the application.
 - (c) A description of his experience relating to title insurance or escrow and evidence of his knowledge of the laws of this state pertaining to insurance.
 - (d) A statement whether:
 - (1) The person is or was previously licensed to transact the business of insurance or to handle escrows, settlements or closings, and if so, where he was licensed and whether that license was ever suspended or revoked or the renewal or continuance of it refused;
 - (2) The person has even been denied such a license; and
 - (3) The person has ever had a contract as an agent or escrow officer canceled and, if so, the reasons for that cancellation.
 - (e) Any other information reasonably required by the commissioner to determine the person's qualifications for the license.
2. The application must be verified by the person applying for the license.

Sec. 7. NAC 690B.220 is hereby repealed.

Sec. 8. 1. This section and sections 1, 5, 6, and 7 of this regulation become effective on March 30, 2001.

2. Sections 2, 3 and 4 of this regulation become effective on July 1, 2001.

TEXT OF REPEALED SECTION

690B.220 Underwriting standards: Traffic convictions. A traffic conviction for violation of the national speed limit of 55 miles per hour may not be used by the insurer as a basis for underwriting, rating, canceling, or not renewing automobile insurance if:

1. The conviction is for a speed between 55 and 65 miles per hour; and
2. No more than two incidents resulting in such convictions against any one driver have occurred in any 12-month period. The date of the incident must be used to calculate the period for violations under this section.

NOTICE OF ADOPTION OF REGULATION R115-00

The Division of Insurance of the department of Business and Industry adopted LCB File No. R115-00 which establishes disclosure requirements for operator policies; amends the definition of chargeable accidents; repeals the regulation regarding the national speed limit and deletes the residency requirement for title agents.

Notice date: 2/23/01
Hearing date:

Date of Adoption by Agency: 3/24/01
Filing date: 3/28/01

INFORMATIONAL STATEMENT

February 20, 2001

A public workshop and a public hearing were held on October 10, 2000, in Carson City, Nevada, regarding the adoption of the regulation concerning automobile insurance and title agents.

Public comment was solicited by posting notice of the hearing in the following public locations: Division of Insurance in Carson City, Legislative Counsel Bureau, Capitol Building Lobby, Blasdel Building, Carson City Courthouse, State Library, Clark County Library, Capitol Press Room and the Division's Las Vegas Office.

In addition, the Department of Business and Industry, Division of Insurance (Division), maintains a list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. These persons were notified of the hearing and that copies of the regulation could be obtained from or examined at the offices of the Division in Carson City.

The hearing was attended by nine people. Oral testimony was provided by 6 persons and one written comment was received. Copies of any comments received by the Division can be obtained from the Division at 788 Fairview Drive, Suite 300, Carson City, Nevada 89701-5491, (775) 687-4270.

In consideration of the written comments and the comments by those attending the hearing, the Commissioner has issued an order adopting the regulation, as amended, as a permanent regulation of the Division.

Based on the comments received, the regulation has been changed from the proposed regulation as follows:

1. Subsection 2 of section 2 has been amended to delete the requirements that the statement on the face of the operator's policy must be printed in red ink and in 14 point type or larger wording.

Subsection 3 of section 2 has been amended to read as follows:

The statement may be imprinted, stamped or imprinted on a sticker [and must be written substantially as follows:]. The following language is recommended for use by insurers:

Disclosure language remains unchanged.

A disclosure that provides essentially similar information regarding the limitations of an operator's policy of liability insurance may be filed with the commissioner for approval.

3. Paragraph (b) of subsection 2 of section 3 has been amended to delete the requirements that the statement on the face of the operator's policy must be in red ink and in 14 point type or larger wording.

2. A new section 4 has been added to amend NAC 690B.060 to read as follows:

NAC 690B.060 is hereby amended to read as follows:

A card constituting evidence of insurance must conform to the following standards:

3. The card must be:

(a) Not larger than 8 1/2 x 5 1/2 inches and not smaller than 3 1/2 x 2 1/4 inches; and

(b) Printed on white paper which is no lighter in weight than 20 pounds, but a temporary card may be printed on white paper of a lighter weight.

4. The card must contain:

(a) A company logotype or other marking which makes the card difficult to counterfeit, reproduce, or alter.

(b) A telephone number of the appropriate person who may be contacted to verify coverage or report a claim.

(c) The statement "This card has been approved by the Commissioner of Insurance."

(d) A statement indicating that the card is not valid for more than a specific number of days, not to exceed 60 days, if a temporary card.

(e) A signature blank for the agent, if a temporary card.

(f) If an operator's policy of liability insurance, a statement substantially as follows:

"This operator's policy of liability insurance is a limited policy of liability insurance. The specific limitations are set forth in the policy or an endorsement."

5. Sections 4, 5 and 6 have been renumbered to 5, 6 and 7.

A new section 8 has been added to read as follows:

Sections 2, 3 and 4 of this regulation shall become effective on July 1, 2001. The remaining sections shall be effective upon approval.

The economic impact of the regulation is as follows:

(a) On the business it is to regulate: Once effective, the regulation may have an immediate impact on insurance companies providing operator's policies of liability insurance since they may need to amend their forms. The long-term impact should be negligible once forms are developed.

(b) On the public: The regulation should have no economic impact on the public.

This regulation does not duplicate or overlap any other regulation.