

**LCB File No. R115-00**

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

**NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON  
PROPOSED REGULATIONS**

September 1, 2000

The Department of Business and Industry, Division of Insurance (Division) is proposing new regulations pertaining to stop-loss health insurance, automobile insurance, and licensure of title agents. A workshop has been set for 10:00 a.m., on October 10, 2000, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada, 89701. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

- 1. Stop Loss Health Insurance. The proposed regulation establishes the minimum attachment points for stop-loss policies of health insurance.**
- 2. Automobile Insurance, Title agents. The proposed regulation 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.**
- 3. Financial Privacy. The proposed *temporary* regulation delays the effective date for licensees to comply with Title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 through 6827) to July 1, 2001.**

Members of the insurance industry, business community, and the public are also invited to comment on any impact the proposed regulations may have on small businesses. The Division has reviewed the proposed regulations and determined that they are not likely to impose a direct or significant impact on a small business, or directly restrict the formation, operation, or expansion of a small business. The regulation on stop-loss health insurance formally establishes by rule a long-standing policy of the Division concerning the minimum acceptable attachment points for stop-loss insurance. Neither the regulation on automobile insurance and title agents nor the regulation on financial privacy should have any impact on small businesses.

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, 788 Fairview Drive, Suite 300, Carson City, Nevada, 89701, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all business hours. This notice and the text of the proposed regulations, *other than the regulation on financial privacy*, 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 [www.leg.state.nv.us](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  
788 Fairview Drive, Suite 300  
Carson City, NV 89701

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

Battle Mountain Branch Library  
P.O. Box 141  
Battle Mountain, NV 89820

Lyon County Library  
20 Nevin Way  
Yerington, NV 89447

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

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

White Pine County Library  
950 Campton Street  
Ely, NV 89301

Humboldt County Library  
85 East 5<sup>th</sup> Street  
Winnemucca, NV 89445

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

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

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

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

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 788 Fairview Drive, Suite 300, Carson City, Nevada, 89701, or by calling no later than 5 working days prior to the hearing, (702) 687-4270, extension 260.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

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 10, 2000, immediately following a public workshop, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada, 89701. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations pertaining automobile insurance and the licensure of title agents.

### **REGULATIONS CONCERNING AUTOMOBILE INSURANCE AND THE LICENSURE OF TITLE AGENTS**

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

1. The proposed regulations are needed to correct problems encountered with the limited liability of operator policies; make technical corrections to existing regulations; and to amend the licensing requirements of title agents.
2. The proposed regulation establishes disclosure requirements for operator policies; amends the definition of chargeable accident to reflect recent court decisions; repeals an obsolete regulation pertaining to the national speed limit; and repeals the residency requirement for title agents.
3. Estimated economic effect of the regulation:  
On the business which it is to regulate:  
The proposed regulation should have neither an immediate nor long-term impact of any significance on the industry.  
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 regulation which cannot be measured at this time.
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 of Insurance, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Written submissions must be received by the Division on or before October 5, 2000. 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, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, 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

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 5<sup>th</sup> Street  
Winnemucca, NV 89445

Battle Mountain Branch Library  
P.O. Box 141  
Battle Mountain, NV 89820

Lincoln County Library  
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 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, or by calling no later than 5 working days prior to the hearing, (702) 687-4270, extension 260.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

ALICE A. MOLASKY-ARMAN  
Commissioner of Insurance

**REGULATION FOR OPERATORS POLICIES, CHARGEABLE  
ACCIDENTS, AND LICENSING OF TITLE AGENTS**

Authority: NRS 679B.130, NRS 390B.160, and NRS 692.090

Section 1. Chapters 690B of NAC is hereby amended by adding thereto the provisions set forth in sections 2 and 3.

Sec. 2. *Each insurance company which issues an operator policy on a risk located in Nevada, pursuant to NRS 485.186, which limits public liability and property damage insurance will imprint, stamp or place a sticker on the face thereof, in English or in Spanish, in red, and in 14-point type or larger wording substantially as follows:*

*“This operator policy is a limited policy of liability insurance which provides coverage for the named insured when he is operating any vehicle or while his owned vehicle is not being operated by any person.*

*This policy DOES NOT provide any coverage to the insured owned vehicle when operated by another person. This policy DOES NOT cover property damage to the insured’s vehicle when operated by another person.*

*The named insured SHALL NOT permit any person to operate his owned vehicle without knowledge of the person having liability insurance to cover his operation of the insured’s vehicle.*

*This operator policy may not meet the requirements of the financial responsibility laws of other states, unless it is expressly noted in the policy.”*

Sec. 3. *The insurance company may use an alternative method to inform the insured of the limitation of an operator policy. The insurance company may use an endorsement, as approved by the commissioner of insurance, to disclose the information outlined above.*

- 1. The endorsement must be in accordance with NRS 485.186(2).*
- 2. The endorsement must be available in English and in Spanish.*



3. *The endorsement must be signed and dated by the insured, acknowledging that he understands and accepts the limitations of the operator policy as is outlined in the endorsement.*

4. *The insurance company will imprint, stamp or place a sticker on the face of the policy, in red, in English and Spanish, in 14-point type or larger, substantially as follows:*

*“This is a limited policy. Refer to the Operators Policy Endorsement for the specific limitations.”*

Sec. 4. NAC 690B.230 is hereby amended to read as follows:

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 at fault~~ *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. 5. NAC 692A.030 is hereby amended to read as follows:

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. 6. NAC 690B.220 is hereby repealed.

---

**Text of NAC 690B.220**

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.