

**PROPOSED REGULATION OF THE
DEPARTMENT OF MOTOR VEHICLES**

LCB File No. R162-01

November 29, 2001

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

AUTHORITY: §§1-3, 5-7, 9-12, 16 and 17, NRS 485.130; §4, NRS 485.317; §8, NRS 485.130 and 485.320; §§13-15, NRS 485.130 and 485.380.

Section 1. Chapter 485 of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this regulation.

Sec. 2. *“Director” means the director of the department of motor vehicles.*

Sec. 3. 1. *If the registered owner of a motor vehicle for which the registration has been suspended pursuant to NRS 485.317 wishes to pay the reduced fee of \$50 to reinstate the registration of the vehicle pursuant to paragraph (b) of subsection 6 of NRS 482.480 on the ground that the vehicle was a dormant vehicle, the registered owner must present proof satisfactory to the department that the vehicle was dormant because of mechanical circumstances or seasonal circumstances. Satisfactory proof may include, without limitation:*

(a) For mechanical circumstances:

(1) Receipts for repairs to the vehicle from a garage or mechanic; or

(2) Receipts for parts if repairs to the vehicle were completed by any other person.

(b) For seasonal circumstances:

(1) Receipts for the storage of the vehicle from a storage facility; or

(2) If the vehicle was stored on private property, an affidavit from the owner of the private property setting forth that the vehicle was stored on the property.

2. *As used in this section:*

(a) *“Mechanical circumstances” has the meaning ascribed to it in NAC 485.028.*

(b) *“Seasonal circumstances” has the meaning ascribed to it in NAC 485.028.*

Sec. 4. *1. If the registered owner of a motor vehicle for which the registration has been suspended pursuant to NRS 485.317 wishes to pay the reduced fee of \$50 to reinstate the registration of the vehicle pursuant to paragraph (a) of subsection 9 of NRS 485.317, or to have the suspension of the registration of the vehicle rescinded without the payment of a fee pursuant to paragraph (b) of subsection 9 of NRS 485.317, on the ground of extenuating circumstances, the registered owner must present proof satisfactory to the department that extenuating circumstances existed which prevented the registered owner from renewing the policy of liability insurance covering the vehicle. The proof presented must cover the period specified by the department and be acceptable to the department.*

2. The department will not rescind the suspension of the registration of a motor vehicle without the payment of a fee on the ground of extenuating circumstances for a registered owner more than once. The department will notify the registered owner at the time the suspension is rescinded of the provisions of NRS 485.320, which requires cancellation of the registration of the vehicle on or before the date on which the policy of liability insurance covering the vehicle is canceled or expires.

3. As used in this section, “extenuating circumstances” means that the motor vehicle was neither insured nor operated during a specific period because of circumstances beyond the control of the registered owner that are acceptable to the department, including, without limitation, the hospitalization of the registered owner, the serious illness or death of a member of the immediate family of the registered owner, or any other catastrophic event.

Sec. 5. NAC 485.010 is hereby amended to read as follows:

485.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 485.020 and 485.023 , *and section 2 of this regulation*, and in NRS 485.028 to 485.120, inclusive, have the meanings ascribed to them in those sections.

Sec. 6. NAC 485.020 is hereby amended to read as follows:

485.020 ~~["Appointed agent"]~~ *"Authorized representative"* means the ~~[safety responsibility officer of the motor vehicles branch]~~ *employee* of the department ~~[or any other person designated in writing by the deputy director of the branch to issue or cancel certificates of self insurance]~~ *designated by the director to issue, cancel* or make administrative decisions concerning self-insurance.

Sec. 7. NAC 485.023 is hereby amended to read as follows:

485.023 "Department" means the department of motor vehicles . ~~[and public safety.]~~

Sec. 8. NAC 485.028 is hereby amended to read as follows:

485.028 *1.* As used in NRS 485.0335, the department will interpret the phrase:

~~[1.]~~ *(a)* "Extended period" to mean:

~~[(a)]~~ *(1)* With respect to a motor vehicle ~~[that]~~ *for which the owner failed to cancel the registration and which* will not be operated because of mechanical circumstances, a period of not less than 30 days ~~[nor]~~ *and not* more than 6 months.

~~[(b)]~~ *(2)* With respect to a motor vehicle ~~[that]~~ *for which the owner failed to cancel the registration and which* will not be operated because of seasonal circumstances, a period of not less than 3 months.

~~[2.]~~ *(b)* "Mechanical circumstances" to mean that the components or systems of a motor vehicle have failed to such an extent that the vehicle cannot be operated.

~~3.~~ (c) “Seasonal circumstances” to mean that a motor vehicle is not used during certain periods of the year because of weather or other factors which make operation of the vehicle during those periods undesirable, unnecessary or impractical.

2. *As used in this section, “components or systems of a motor vehicle” means the engine, brake system, transmission system, drivetrain system, heating and air-conditioning system, cooling system, or muffler and exhaust system.*

Sec. 9. NAC 485.030 is hereby amended to read as follows:

485.030 The department intends that this chapter be liberally construed to secure just, speedy and economical determinations of all applications for certificates of self-insurance presented to the director ~~[of the department, the deputy director of the motor vehicles branch or an appointed agent.]~~ *or the authorized representative.*

Sec. 10. NAC 485.050 is hereby amended to read as follows:

485.050 1. The principal office of the ~~[motor vehicles branch is in]~~ *department is* the Department of Motor Vehicles ~~[and Public Safety,]~~ *Central Services and Records Division,* 555 Wright Way, Carson City, Nevada 89711.

2. All ~~[formal]~~ written communications to the department or securities or documents ~~[to be filed with the department]~~ *relating to self-insurance* must be addressed to the principal office of the department . ~~[of motor vehicles and public safety.]~~

3. A person may obtain clarification of this chapter, information about ~~[relief from the strict application of any of its terms]~~ *the application of this chapter* or information about other dealings with reference to this chapter from the principal office of the ~~[motor vehicles branch.]~~ *department.*

Sec. 11. NAC 485.060 is hereby amended to read as follows:

485.060 1. Before applying for a certificate of self-insurance, an applicant must submit a complete list of his motor vehicles to the ~~[deputy director of the motor vehicles branch or his appointed agent.]~~ *department*. The list must contain the *vehicle* identification number, ~~[registration]~~ *license plate* number and the name of the make and model of each vehicle.

2. After the list is submitted, the number of vehicles registered in the name indicated on the application must not drop below 11. ~~[Any vehicle acquired after a certificate of self-insurance is issued to the applicant is covered by that certificate until the date of its renewal, if the vehicle is registered in the name indicated on the application.]~~

3. An application for a certificate of self-insurance must be made on a form ~~[approved]~~ *provided* by the ~~[motor vehicles branch.]~~ *department*. The application must contain a statement by the applicant that he realizes that in self-insuring, he is performing an insurance function and expressly agrees, as a condition to the granting of a certificate of self-insurance, to abide by the statutes of this state concerning unfair practices in settling claims and any regulations adopted thereunder by the commissioner of insurance.

4. Except as otherwise provided in this subsection, each applicant for a certificate of self-insurance must submit a copy of his annual balance sheet and profit and loss statement, including notes, for the confidential use of the department. ~~[of motor vehicles and public safety.]~~ These financial statements must be verified by a certified public accountant. If the applicant is a natural person who does not have such statements, he must submit copies of his returns for federal income tax for the preceding 3 years.

5. An applicant for self-insurance may be required by the ~~[branch]~~ *department* to submit evidence of excess insurance or reinsurance written by an insurer authorized to do business in this state to provide protection against large or numerous judgments. This insurance may be in

excess of the amount of security deposited with the department. To determine if excess insurance or reinsurance will be required, the ~~[deputy director of the branch or his appointed agent]~~ *director or the authorized representative* will consider the number of vehicles registered to the applicant, the manner in which they are being used and the applicant's financial ability to pay claims.

Sec. 12. NAC 485.070 is hereby amended to read as follows:

485.070 1. No application will be approved unless:

(a) The department receives a true, complete and correct application; and

(b) The applicant provides appropriate security of the type in NAC 485.090 in the amount established by NAC 485.080.

2. No certificate of self-insurance may be issued or approved for an applicant whose previous certificate of self-insurance was canceled within 1 year of the date of the application for any of the reasons stated in subsections 3 to 6, inclusive, of NAC 485.120.

3. The director or ~~[his appointed agent]~~ *the authorized representative* will review and approve or disapprove ~~[all applications for certificates]~~ *an application for a certificate* of self-insurance. ~~[After approval,]~~ *If the application is approved, the director or authorized representative will issue [the certificate.] a certificate to the applicant. The certificate is valid for 1 year after the date the application is approved, and the day and month of the expiration of the certificate must, to the extent practicable, remain the day and month of expiration of each renewal of the certificate.*

4. The department will notify the applicant by certified mail if his application is denied. The notice will include the reason for the denial. ~~[The applicant may appeal the decision to the departmental hearing officer within 30 days after receipt of the notice of denial.]~~

Sec. 13. NAC 485.080 is hereby amended to read as follows:

485.080 1. ~~Security in the amount of \$40,000 is required on any fleet of 11 up to and including 25 vehicles.~~

~~2.]~~ The amount of security required for ~~larger~~ fleets is determined in accordance with the following scale:

<i>11</i>	<i>to</i>	<i>25 vehicles</i>	<i>\$40,000</i>
26	to	50 vehicles	[\$] 45,000
51	to	75 vehicles	50,000
76	to	100 vehicles	55,000
101	to	250 vehicles	75,000
251	to	500 vehicles	100,000
501	to	750 vehicles	150,000
751	to	1,000 vehicles	200,000

FLUSH For fleets in excess of 1,000 vehicles, the amount is determined by the department, but will not be less than \$200,000.

~~3.]~~ 2. The security deposit must be used to satisfy judgments which have become final and remain unsatisfied after 30 days unless a court order mandates otherwise. Upon notification to the self-insurer that the security has been used to satisfy damages, the self-insurer must replenish the fund to the required amount within 24 hours. Failure to maintain the full deposit is grounds for cancellation of the certificate of self-insurance.

Sec. 14. NAC 485.090 is hereby amended to read as follows:

485.090 The department may accept as security:

1. A time certificate of deposit with any chartered federal or state bank within this state made payable to the person and the department . ~~[of motor vehicles.~~
- ~~—2.— A deposit with the state treasurer made in accordance with NRS 485.3095, with the department of motor vehicles as trustee.~~
- ~~—3.]~~ 2. A surety bond when submitted on behalf of the self-insured by any company qualified to transact the business of a surety in this state.
- ~~[4.]~~ 3. Other forms of security which meet the department's requirements. The form of security will be evaluated in each case to determine if it is acceptable to the department.

Sec. 15. NAC 485.100 is hereby amended to read as follows:

485.100 1. The security deposited under NAC 485.090 must be maintained for as long as the self-insurer holds or desires to hold a certificate of self-insurance in this state.

2. At the time of the relinquishment of the certificate of self-insurance, the self-insurer shall submit a properly executed affidavit to the department indicating all outstanding claims against the self-insurer by listing all claimants and the amount of each claim.

3. The security must remain on file after the self-insurer no longer desires to hold a certificate of self-insurance or the number of vehicles drops below 11 for the period of 3 1/2 years or until *the director is satisfied that* all outstanding claims have been adjudicated and paid.

Sec. 16. NAC 485.110 is hereby amended to read as follows:

485.110 1. Each self-insurer must annually submit a:

- (a) Copy of its balance sheet and profit and loss statement, including notes;
- (b) Report on a form ~~[approved]~~ *provided* by the department indicating the number of accidents, the number of claims submitted, the amount of each, the amount paid to a claimant if

the claim has been adjudicated, and the adjusting companies which have settled claims on behalf of the self-insurer; and

(c) Complete listing of currently registered vehicles on a form approved by the department.

FLUSH Each self-insurer shall submit these reports no earlier than 60 days before and no later than 15 days before ~~each anniversary of~~ the date ~~upon which the application for a~~ *of expiration of the* certificate of self-insurance . ~~was approved.~~

2. The self-insurer may settle its own claims or use the services of an adjusting company licensed in accordance with chapter 684A of NRS to settle claims on its behalf. If the self-insurer uses an adjusting company to settle claims, an affidavit must be submitted with the reports required in subsection 1 which lists all companies that settled claims during the reporting period.

Sec. 17. NAC 485.160 is hereby amended to read as follows:

485.160 1. Except as otherwise provided in subsection 3, an insurer that:

(a) Insures motor vehicles which are registered in this state; or

(b) Issues motor vehicle liability policies that do not describe specific vehicles to:

(1) Companies who own or operate a fleet of vehicles and whose place of business is located in this state; or

(2) Residents of this state who own or operate a fleet of vehicles,

FLUSH shall submit a record required pursuant to NRS 485.314 in the form prescribed in subsection 2.

2. A record submitted pursuant to NRS 485.314 must ~~be contained:~~

~~—(a) On a magnetic cartridge;~~

~~—(b) On a magnetic reel tape; or~~

~~—(c) In a direct electronic transmission of data, after the department is able to receive such a transmission;~~

~~which complies]~~ *comply* with a list of specifications that is available from the department.

3. If an insurer:

(a) Insures fewer than 200 vehicles that are registered in this state; or

(b) Issues fewer than 200 motor vehicle liability policies that do not describe specific

vehicles to:

(1) Companies who own or operate a fleet of vehicles and whose place of business is located in this state; or

(2) Residents of this state who own or operate a fleet of vehicles,

FLUSH

the insurer may, in addition to using the methods of submitting records set forth in subsection 2, submit a record required pursuant to NRS 485.314 on a computer diskette that is 3 1/2 inches wide, IBM compatible, double-sided with double or high density and formatted to comply with a list of specifications which is available from the department. Such a diskette must be submitted to the Insurance Verification Program, ~~[DMV/PS Motor Vehicles Branch,]~~ *Department of Motor Vehicles*, 555 Wright Way, Carson City, NV 89711-0800.