

**REVISED ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R114-06

Effective April 1, 2007

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

AUTHORITY: §§1-12, 16 and 17, NRS 679B.130, 691C.340 and 691C.430; §13-15, NRS 679B.130 and 691C.430.

A REGULATION relating to insurance; establishing reasonable rates for policies of credit personal property insurance; requiring all rates for policies of credit personal property insurance to be submitted for review and approval by the Commissioner of Insurance; and providing other matters properly relating thereto.

Section 1. Chapter 691C of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this regulation.

Sec. 2. *For the purposes of subsection 1 of NRS 691C.340, the Commissioner will consider rates for policies of credit personal property insurance, including, without limitation, guaranteed asset protection insurance, that are not in excess of the rates set forth in sections 3 to 9, inclusive, of this regulation to be reasonable in relation to the benefits provided and not excessive.*

Sec. 3. *For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for dual-interest coverage with theft is \$1.03 per \$100 of initial net indebtedness per year.*

Sec. 4. *For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for dual-interest coverage without theft is 77 cents per \$100 of initial net indebtedness per year.*

Sec. 5. *For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for single-interest coverage with theft is 51 cents per \$100 of initial net indebtedness per year.*

Sec. 6. *For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for single-interest coverage without theft is 38 cents per \$100 of initial net indebtedness per year.*

Sec. 7. *For a policy of open-end credit property insurance with a monthly outstanding balance, the recommended premium rate for dual-interest coverage with theft is 13 cents per \$100 of the outstanding balance of initial net indebtedness per month.*

Sec. 8. *For a policy of open-end credit property insurance with a monthly outstanding balance, the recommended premium rate for dual-interest coverage without theft is 9 cents per \$100 of the outstanding balance per month.*

Sec. 9. *For a policy of guaranteed asset protection insurance, the recommended premium rates are as follows:*

<i>Term</i>	<i>Recommended Premium Rate</i>	<i>Suggested Commission</i>	<i>Percent of Commission</i>	<i>Company Retained Amount</i>
<i>1-48 months</i>	<i>\$285</i>	<i>\$85</i>	<i>30%</i>	<i>\$200</i>
<i>49-60 months</i>	<i>\$342</i>	<i>\$102</i>	<i>30%</i>	<i>\$240</i>
<i>61-72 months</i>	<i>\$412</i>	<i>\$124</i>	<i>30%</i>	<i>\$288</i>
<i>73-84 months</i>	<i>\$495</i>	<i>\$149</i>	<i>30%</i>	<i>\$346</i>
<i>85-96 months</i>	<i>\$594</i>	<i>\$178</i>	<i>30%</i>	<i>\$416</i>

<i>97-108 months</i>	<i>\$713</i>	<i>\$214</i>	<i>30%</i>	<i>\$499</i>
<i>109-120 months</i>	<i>\$855</i>	<i>\$256</i>	<i>30%</i>	<i>\$599</i>

Sec. 10. *All rates for policies of credit personal property insurance, including rates for guaranteed asset protection insurance, must be submitted for review and approval by the Commissioner pursuant to NRS 691C.320. Any rates for credit personal property insurance, including, without limitation, rates for guaranteed asset protection insurance, filed before April 1, 2007, are null and void effective on July 1, 2007.*

Sec. 11. *An insurer that provides credit personal property insurance, including, without limitation, guaranteed asset protection insurance, shall report its experience data annually to the Commissioner, on a form prescribed by the Commissioner. The initial such report must be submitted by the insurer on or before July 1, 2008. The Commissioner will use this data to determine annually whether the rates set forth in sections 3 to 9, inclusive, of this regulation are reasonable in relation to the benefits provided. If the Commissioner determines that those rates are not reasonable in any given year, the Commissioner will adopt new rates.*

Sec. 12. NAC 691C.010 is hereby amended to read as follows:

691C.010 **1.** As used in this chapter, unless the context otherwise requires, “guaranteed asset ~~[protection” means an insurance]~~ *protection insurance” means a policy or certificate of insurance written in connection with a credit transaction* that covers the difference between the actual cash value of the vehicle and the outstanding loan balance or lease balance in the event of a total loss of the vehicle.

2. *An endorsement to a motor vehicle policy is not considered guaranteed asset protection insurance.*

Sec. 13. NAC 691C.020 is hereby amended to read as follows:

691C.020 As used in NRS 691C.240, “guaranteed asset ~~[protection²]~~ *protection insurance*”

has the meaning ascribed to it in NAC 691C.010.

Sec. 14. NAC 691C.030 is hereby amended to read as follows:

691C.030 1. As used in NRS 691C.260:

(a) “Extended coverage” includes, but is not limited to, coverage against all direct losses by:

- (1) Fire;
- (2) Lightning;
- (3) Internal or other explosion;
- (4) Riot;
- (5) Vehicles;
- (6) Civil commotion;
- (7) Fireplace or other smoke;
- (8) Hail;
- (9) Aircraft;
- (10) Windstorm;
- (11) Volcanic eruption;
- (12) Vandalism and malicious mischief;
- (13) Burglary;
- (14) Weight of ice, snow or sleet;
- (15) Discharge of water or steam;
- (16) Falling objects;
- (17) Freezing;

- (18) Sudden tearing, cracking or burning;
- (19) Electrical current;
- (20) Flood;
- (21) Earthquake;
- (22) Theft; and
- (23) Mysterious disappearance.

(b) “Standard fire policy” means a policy or contract of insurance that provides coverage against all direct loss by fire or lightning, and for costs incurred in removing from the premises property endangered by the perils insured against, as described in the policy declarations.

2. This section does not apply to guaranteed asset protection ~~§~~ *insurance*.

Sec. 15. NAC 691C.050 is hereby amended to read as follows:

691C.050 Guaranteed asset protection *insurance* must cover an insurance deductible, up to \$1,000, as part of a claim settlement.

Sec. 16. NAC 691C.080 is hereby repealed.

Sec. 17. This regulation becomes effective on April 1, 2007.

TEXT OF REPEALED SECTION

691C.080 Determination of reasonable rates.

1. As soon as practicable, the Commissioner will conduct a survey of credit personal property insurers to determine reasonable rates pursuant to NRS 691C.340.

2. An insurer surveyed by the Commissioner pursuant to subsection 1 shall provide the information requested by the Commissioner by the date specified by the Commissioner.

3. Any rate filed with and approved by the Commissioner before October 1, 2005, shall be deemed reasonable until the Commissioner:

(a) Determines that the rate is excessive, inadequate or unfairly discriminatory in accordance with the standards established in NRS 686B.050; or

(b) Establishes by regulation reasonable rates pursuant to subsection 1.

**NOTICE OF ADOPTION OF REVISED PROPOSED REGULATION
LCB FILE No. R114-06**

The Commissioner of Insurance submits the following statement. The Commissioner adopted regulations assigned LCB File R114-06, which pertain to Chapter 691C of the Nevada Administrative Code, a regulation relating to establishing reasonable rates for policies of credit personal property insurance and guaranteed asset protection insurance; requiring all rates for policies of credit personal property insurance and guaranteed asset protection insurance to be submitted for review and approval by the Commissioner of Insurance; and providing other matters properly relating thereto.

A workshop was held on June 7, 2006, at the offices of the Department of Business and Industry, Division of Insurance (“Division”), 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, with a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, Real Estate Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104, concerning reasonable rates for policies of credit personal property insurance and guaranteed asset protection insurance. The workshop and hearing were then continued to June 27, 2006. On June 27, 2006, the hearing was conducted immediately following closing of the workshop.

INFORMATIONAL STATEMENT

Public comment was solicited by posting notice of the hearing in the following public locations: the Division’s Carson City Office, Legislative Counsel Bureau, Capitol Building Lobby, Blasdel Building, Carson City Courthouse, State Library, Capitol Press Room, and the Division’s Las Vegas Office. Notice was also e-mailed to members of the Property and Casualty Advisory Committee and interested parties of that Committee.

The Division maintains a general list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. These persons were also 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 six interested parties in Carson City and one interested party in Las Vegas.

The lack of credible statistics for credit personal property insurance in the Nevada market required that the Division look to nationwide data in order to develop proposed rates. The Division worked with the Consumer Credit Insurance Association to develop credit personal property insurance rates for Nevada. Keith Nelson, FSA, MAAA, who was retained by the CCIA, submitted an analysis to the Division on June 2, 2006. Division actuaries, Charles Knaus, ACAS, and Janice Moskowitz, ACAS, MAAA, examined the analysis. Both actuaries questioned the catastrophe load stated in the analysis as being high. Mr. Knaus and Ms. Moskowitz determined that the proposed credit personal property insurance rates, which are substantially lower than the prevailing rates, are reasonable, given the higher than countrywide losses for Nevada. A comparison of rate schedules for like products shows a reduction in premium from a typical rate of \$3.75 per \$100 of initial indebtedness to \$1.18 per \$100 of initial indebtedness. The \$1.18 rate contemplates the recommended maximum commission of 30

percent. Within three years, the Division will re-evaluate the rate levels for credit personal property insurance to insure that rates are not excessive, inadequate, or unfairly discriminatory.

The Division also conducted a survey of those companies writing guaranteed asset protection insurance in Nevada. The Division developed proposed rates reflecting a maximum rate in incremental terms from 12 months to 120 months as a guideline to be used by the industry after examining previous rate filings. The proposed guideline is based on the incremental term and a recommended 30 percent commission to the producer. Each insurer may file and use the recommended rates or instead may file their own rates, but any other rates must be actuarially justified and approved by the Division. Within three years, the Division will be able to re-evaluate guaranteed asset protection insurance rates to ensure that rates are not excessive, inadequate, or unfairly discriminatory.

After considering the hearing testimony and written comments, the Commissioner issued an order adopting the proposed regulation, LCB File No. R114-06, as amended, as a permanent regulation of the Division.

Based on the testimony received at the hearing, the proposed regulation, LCB File No. R114-06, was revised as follows:

1. Section 1 is amended to read as follows:

Chapter 691C of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to ~~[12]~~ **11**, inclusive, of this regulation.

2. Section 2 is amended to read as follows:

For the purposes of subsection 1 of NRS 691C.340, the Commissioner will consider rates for policies of credit personal property insurance, including, without limitation, guaranteed asset protection, that are not in excess of the rates set forth in sections 3 to ~~[10]~~ **9**, inclusive, of this regulation to be reasonable in relation to the benefits provided and not excessive~~[-, inadequate or unfairly discriminatory].~~

3. Section 10 is deleted:

~~[For a policy of credit personal property insurance, including, without limitation, guaranteed asset protection, the commission payable to a producer of insurance or any combination of producers of insurance must not exceed 30 percent.]~~

4. Section 11 is renumbered to be Section 10 and is amended to read as follows:

Section ~~[11]~~ **10**. All rates for policies of credit personal property insurance, including rates for guaranteed asset protection, must be submitted for review and approval by the Commissioner pursuant to NRS 691C.320. Any rates for credit personal property insurance, including, without limitation, rates for guaranteed asset protection, filed before the effective date of this regulation are null and void **effective 90 days after the adoption of this regulation.**

5. Section 12 is renumbered to be Section 11.

6. A new Section 12 is added amending the definition of “guaranteed asset protection” in Section 2 of LCB File No. R132-05, which was adopted and filed with the Secretary of State on October 31, 2005. This new section will read as follows:

Sec. 12. Section 2 of LCB File No. R132-05, which was adopted by the Commissioner of Insurance and filed with the Secretary of State on October 31, 2005, is hereby amended to read as follows:

Sec. 2. **1.** As used in [~~sections 2 to 8, inclusive, of this regulation~~] **this chapter**, unless the context otherwise requires, “guaranteed asset protection **insurance**” means [~~an insurance~~] **a policy or certificate of insurance written in connection with a credit transaction** that covers the difference between the actual cash value of the vehicle and the outstanding loan balance or lease balance in the event of a total loss of the vehicle.

2. An endorsement to a motor vehicle policy is not considered guaranteed asset protection insurance.

These amendments are also necessary to minimize any potential confusion concerning the definition of guaranteed asset protection insurance.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: Nominal.
- (b) On small businesses: Reduction in commissions received due to the recommendation of a 30% commission schedule with rates actuarially justified pursuant to Section 6 of LCB File No. R132-05.
- (c) On the public: Reduced rates compared to the current rates utilized in the industry.

The Division anticipates a nominal expense to enforce the proposed regulation. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.

AMENDMENT

This informational letter has been amended because the Legislative Commission’s Subcommittee to Review Regulations did not approve the original R114-06. The Commissioner’s further amendments are sequential as follows:

1. Section 3 is further amended as follows:

Sec. 3. For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for dual interest coverage with theft is ~~[\$1.18]~~ \$1.03 per \$100 of initial indebtedness per year.

2. Section 4 is further amended as follows:

Sec. 4. For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for dual-interest coverage without theft is ~~{88}~~ 77 cents per \$100 of initial net indebtedness per year.

3. Section 5 is further amended as follows:

Sec. 5. For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for single-interest coverage with theft is ~~{59}~~ 51 cents per \$100 of initial indebtedness per year.

4. Section 6 is further amended as follows:

Sec. 6. For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for single interest coverage without theft is ~~{44}~~ 38 cents per \$100 of initial indebtedness per year.

5. Section 7 is further amended as follows:

Sec. 7. For a policy of open-end credit property insurance with a monthly outstanding balance, the recommended premium rate for dual interest coverage with theft is ~~{14}~~ 13 cents per \$100 of the outstanding balance of initial net indebtedness per month.

6. Section 8 is further amended as follow:

Sec. 8. For a policy of open-end credit property insurance with a monthly outstanding balance, the recommended premium rate for dual interest coverage without theft is ~~{10}~~ 9 cents per \$100 of the outstanding balance of initial net indebtedness per month.

7. Section 10 is further amended as follows:

Sec. 10. All rates for policies of credit personal property insurance, including rates for guaranteed asset protection, must be submitted for review and approval by the Commissioner pursuant to NRS 691C.320. Any rates for credit personal property insurance, including, without limitation, rates for guaranteed asset protection filed before ~~{September 18, 2006}~~ April 1, 2007, are null and void effective 90 days after that date.

8. Section 11 is further amended as follows:

Sec. 11. ~~{The Commissioner will review the recommended premium rates for credit personal property insurance, including guaranteed asset protection insurance, no later than September 1, 2009, to determine whether the rates are reasonable in relation to the benefits provided.}~~ ***An insurer offering credit personal property insurance, including guaranteed asset protection insurance, shall provide experience data on an annual basis on a form specified by the Commissioner. The first report is due to the Commissioner on July 1, 2008. The Commissioner will use this information to annually verify the propriety of the rates specified in sections 3 to 9, inclusive of this regulation.***

9. A new Section 16 is to read as follows:

Sec. 16. This regulation becomes effective on April 1, 2007.

10. Section 16 is renumbered to be Section 17 as follows:

Sec. ~~16~~17. NAC 691C.080 is hereby repealed.

The amended premium rates, in sections 3 through 8 in the amendment above, are based on the maximum allowable commission of 30 percent, but do not have any catastrophe load.

This amended informational statement includes the further amendments made pursuant to the recommendations of the Legislative Commission's Subcommittee to Review Regulations.

Very truly yours,

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

IN THE MATTER OF THE CAUSE NO. **06.454**
LCB FILE NO. **R114-06**

PROPOSED REGULATION ESTABLISHING REASONABLE RATES FOR POLICIES OF CREDIT PERSONAL PROPERTY INSURANCE AMENDED ORDER AND GUARANTEED ASSET PROTECTION INSURANCE.

AMENDED SUMMARY OF PROCEEDINGS AND

SUMMARY OF PROCEEDINGS

As required by Nevada Revised Statute (“NRS”) 233B.061, on June 7, 2006, a public workshop concerning a proposed regulation to establish reasonable rates for credit personal property insurance and guaranteed asset protection, was held before Pamela Mackay, Deputy Commissioner of Insurance, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. The workshop and hearing were then continued until June 27, 2006, to allow the Division to work with industry to clarify the meaning of “guaranteed asset protection insurance”. On June 27, 2006, a workshop and public hearing were held before Commissioner Alice A. Molasky-Arman in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. The regulation is proposed under the authority of NRS 679B.130.

The Department of Business and Industry, Division of Insurance (“Division”), received written comments from Birney Birnbaum of the Center for Economic Justice, addressing credit personal property insurance. Mr. Birnbaum questioned the analysis submitted by Keith Nelsen, FSA, an actuary representing the Consumer Credit Insurance Association. Mr. Birnbaum believed that some of the components that are the basis of the analysis are overstated due to the incentive to the product seller to market the product that yields the highest commission, rather than the product with the best benefits or lowest price.

The Division also received three written comments related to guaranteed asset protection. The first letter from Scott Creutzmann, representing Allied Insurance, explained that they utilize an auto loan/lease endorsement with their auto policies, and that their rates are currently substantially less than those proposed by the Division. Mr. Creutzmann also suggested that each company independently file its rates with the State, and that certain language in the proposed regulation be further clarified.

In the second letter, Larry Diehl, representing the Consumer Credit Insurance Association, explained that the rates and the commissions in the proposed regulation are too low.

In the third letter, Scott McMillin, representing Universal Underwriters, commented that the proposed commissions of 30% are too low and recommended they be raised to 40%. Mr. McMillin also requested that there be flexibility to file for higher rates than those proposed if loss ratios warrant such increase in rates.

Ted Batchelder, Chief Insurance Examiner, Property & Casualty Section, representing the Division, presented the regulation and explained that the proposed credit personal property insurance rates were submitted by actuary Keith Nelson, FSA, MAAA. Mr. Batchelder further testified that Mr. Nelson was retained by the Consumer Credit Insurance Association to conduct an analysis of credit personal property insurance rates nationwide due to the lack of credible premium being written in Nevada. Mr. Batchelder explained that the analysis of proposed rates presented to the Division by Mr. Nelson were examined by Charles Knaus, ACAS, and Janice Moskowitz, ACAS, MAAA, the actuarial staff of the Division. Both Division actuaries testified that the catastrophe load in the proposed premium rates seemed to be high but, given the higher than normal losses for Nevada, the final rates proposed were significantly lower than the prevailing rates being used in Nevada. Typical credit personal property rates currently being marketed in Nevada are \$3.75 per \$100 indebtedness. The new proposed rates would be \$1.18 per \$100 of indebtedness. Mr. Batchelder then presented the proposed changes to the regulation, LCB File No. R114-06, as suggested by the Division and industry.

Justin Engel, representing Universal Underwriter's Insurance Group, and Jesse Wadhams, representing the Nevada Franchised Auto Dealers Association, testified that the proposed guaranteed asset protection insurance rates may be too low and that a maximum commission of 30% paid to the producer was also too low.

The Hearing Officer closed the hearing and directed Mr. Batchelder to prepare the Informational Statement Letter and Order.

///

Based on the testimony received at the hearing, the proposed regulation, LCB File No. R114-06, is revised as follows:

1. Section 1 is amended to read as follows:

Chapter 691C of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to ~~{12}~~ 11, inclusive, of this regulation.

2. Section 2 is amended to read as follows:

For the purposes of subsection 1 of NRS 691C.340, the Commissioner will consider rates for policies of credit personal property insurance, including, without limitation, guaranteed asset protection, that are not in excess of the rates set forth in sections 3 to ~~{10}~~ 9, inclusive, of this regulation to be reasonable in relation to the benefits provided and not excessive ~~[, inadequate or unfairly discriminatory].~~

3. Section 10 is deleted.

~~[For a policy of credit personal property insurance, including, without limitation, guaranteed asset protection, the commission payable to a producer of insurance or any combination of producers of insurance must not exceed 30 percent.]~~

4. Section 11 is renumbered to be Section 10 and is amended to read as follows:

Section ~~[11]~~ 10. All rates for policies of credit personal property insurance, including rates for guaranteed asset protection, must be submitted for review and approval by the Commissioner pursuant to NRS 691C.320. Any rates for credit personal property insurance, including, without limitation, rates for guaranteed asset protection, filed before the effective date of this regulation are null and void **effective 90 days after the adoption of this regulation.**

5. Section 12 is renumbered to be Section 11.

6. A new Section 12 is added amending the definition of "guaranteed asset protection" in Section 2 of LCB File No. R132-05, which was adopted and filed with the Secretary of State on October 31, 2005. This new section will read as follows:

///
///
///
///

Sec. 12. Section 2 of LCB File No. R132-05, which was adopted by the Commissioner of Insurance and filed with the Secretary of State on October 31, 2005, is hereby amended to read as follows:

Sec. 2. **1.** As used in [~~sections 2 to 8, inclusive, of this regulation~~] **this chapter**, unless the context otherwise requires, “guaranteed asset protection **insurance**” means [~~an insurance~~] **a policy or certificate of insurance written in connection with a credit transaction** that covers the difference between the actual cash value of the vehicle and the outstanding loan balance or lease balance in the event of a total loss of the vehicle.

2. An endorsement to a motor vehicle insurance policy is not considered guaranteed asset protection insurance.

AMENDMENT

This Summary of Proceedings has been amended because the Legislative Commission’s Subcommittee to Review Regulations did not approve the original R114-06. The Commissioner’s further amendments are sequential as follows:

1. Section 3 is further amended as follows:

Sec. 3. For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for dual interest coverage with theft is [~~\$1.18~~] **\$1.03** per \$100 of initial indebtedness per year.

2. Section 4 is further amended as follows:

Sec. 4. For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for dual-interest coverage without theft is [~~88~~] **77** cents per \$100 of initial net indebtedness per year.

3. Section 5 is further amended as follows:

Sec. 5. For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for single-interest coverage with theft is [~~59~~] **51** cents per \$100 of initial indebtedness per year.

4. Section 6 is further amended as follows:

Sec. 6. For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for single interest coverage without theft is [~~44~~] **38** cents per \$100 of initial indebtedness per year.

5. Section 7 is further amended as follows:

Sec. 7. For a policy of open-end credit property insurance with a monthly outstanding balance, the recommended premium rate for dual interest coverage with theft is [~~14~~] **13** cents per \$100 of the outstanding balance of initial net indebtedness per month.

6. Section 8 is further amended as follows:

Sec. 8. For a policy of open-end credit property insurance with a monthly outstanding balance, the recommended premium rate for dual interest coverage without theft is ~~{10}~~ 9 cents per \$100 of the outstanding balance of initial net indebtedness per month.

7. Section 10 is further amended as follows:

Sec. 10. All rates for policies of credit personal property insurance, including rates for guaranteed asset protection, must be submitted for review and approval by the Commissioner pursuant to NRS 691C.320. Any rates for credit personal property insurance, including, without limitation, rates for guaranteed asset protection filed before ~~{September 18, 2006}~~ April 1, 2007, are null and void effective 90 days after that date.

8. Section 11 is further amended as follows:

Sec. 11. ~~{The Commissioner will review the recommended premium rates for credit personal property insurance, including guaranteed asset protection insurance, no later than September 1, 2009, to determine whether the rates are reasonable in relation to the benefits provided.}~~ **An insurer offering credit personal property insurance, including guaranteed asset protection insurance, shall provide experience data on an annual basis on a form specified by the Commissioner. The first report is due to the Commissioner on July 1, 2008. The Commissioner will use this information to annually verify the propriety of the rates specified in sections 3 to 9, inclusive of this regulation.**

9. A new Section 16 is to read as follows:

Sec. 16. This regulation becomes effective on April 1, 2007.

10. Section 16 is renumbered to be Section 17 as follows:

Sec. ~~{16}~~17. NAC691C.080 is hereby repealed.

AMENDED ORDER OF THE COMMISSIONER

Having reviewed the record in this matter, including the further amendments made pursuant to the recommendations of the Legislative Commission's Subcommittee to Review Regulations, it is hereby ordered that the proposed regulation regarding establishing recommended rates for credit personal property insurance and guaranteed asset protection insurance, LCB File No. R114-06, be adopted, as amended, including further amendments made pursuant to the recommendations of the Legislative Commission's Subcommittee to Review Regulations, as a permanent regulation of the Division.

SO ORDERED this _____ day of March, 2007.

ALICE A. MOLASKY-
ARMAN
Commissioner of Insurance