

**Chapter 690B of NAC**

**LCB File No. T008-09**

**ADOPTED TEMPORARY REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**Filed with the Secretary of State on May 6, 2009**

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

AUTHORITY: NRS 679B.130

A TEMPORARY REGULATION relating to the issuance of a permanent card constituting evidence of insurance.

**Section 1.** Chapter 690B.030 of NAC is hereby amended as follows:

1. A permanent card constituting evidence of insurance must be issued by an insurer who provides liability insurance coverage for a motor vehicle in the minimum amounts required by NRS 485.105 and 485.185, except that the insurer may permit its duly appointed agent in Nevada to issue a permanent card . ~~if:~~

~~—(a) The agent has authority to issue policies; and~~

~~—(b) The Division has been notified in writing by the company that the agent has such authority.]~~

2. A permanent card:

(a) May not be effective for more than 1 year beginning on the effective date of the policy.

(b) Must be issued:

(1) Within 60 days after the effective date of an insurance policy or the issuance of a binder;

and

(2) With each renewal of the policy.

~~{3. An agent or broker may not print a permanent card or cause a permanent card to be printed by any person.}~~

**Sec. 2. *Effective date. Pursuant to NRS 233B.063, as a temporary regulation, sections 1 to 2 become effective as of the date filed with the Secretary of State and remain in effect until November 1, 2009, unless otherwise replaced or repealed prior to that date.***

**NOTICE OF ADOPTION OF TEMPORARY REGULATION**  
**LCB File No. T008-09**

The Commissioner of Insurance adopted temporary regulations assigned LCB File No. T008-09 which pertain to chapter 690B of the Nevada Administrative Code.

**INFORMATIONAL STATEMENT**

A workshop was held on March 3, 2009, and a hearing was held on March 10, 2009, 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, 2<sup>nd</sup> Floor, Las Vegas, Nevada 89104, regarding the adoption of the temporary regulation concerning issuance of a permanent automobile identification card constituting evidence of insurance.

Public comment was solicited by posting notice of the hearing in the following public locations: the Division’s Carson City and Las Vegas offices, Carson City Courthouse, Office of the Attorney General, the Donald W. Press Center, Capitol Building Lobby, Capitol Building Press Room, Blasdel Building, Legislative Counsel Bureau, Nevada State Library, Carson City Library, Churchill County Library, Clark County District Library, Douglas County Library, Elko County Library, Esmeralda County Library, Eureka Branch Library, Humboldt County Library, Lander County Library, Lincoln County Library, Lyon County Library, Mineral County Library, Pershing County Library, Storey County Library, Tonopah Public Library, Washoe County Library, and White Pine County Library.

The Division maintains a list of interested parties, comprised of the Commissioner’s Property & Casualty Advisory Committee, trade group representatives, insurance companies, agencies and other interested parties. The persons on these lists were notified of the workshop and hearing and were sent a copy of the proposed temporary regulation, or were notified of the hearing and that copies of the proposed temporary regulation could be obtained from or examined at the offices of the Division in Carson City or viewed on the Division’s Web site.

The workshop was attended by nine members of the public in Carson City and one in Las Vegas. Four written comments were received prior to the workshop, all in favor of the proposed temporary regulation. Oral testimony was provided by one member of the public as a point of clarification.

The hearing was attended by two members of the public in Carson City. One written comment was received prior to the hearing in support of the proposed temporary regulation. Oral testimony was received by one member of the public in support of the proposed temporary regulation.

Elena Ahrens, representing the Division, presented the proposed temporary regulation at the workshop and hearing. Ms. Ahrens testified that the best course of action is to eliminate the contradictory language by deleting subsection 3. Additionally, based on the recent court decisions

concerning NRS 680A.300(1), it was verified that only a duly appointed and licensed agent has the authority to issue a policy of insurance and, therefore, only a duly appointed and licensed agent can provide evidence that a policy has been issued. The Division recommended the following amendments to the proposed temporary regulation: Leave subsection 1 intact with the exception of deleting the word “if” and replacing it with a period, and delete paragraphs (a) and (b) from subsection 1. Subsection 1 would now read:

“1. A permanent card constituting evidence of insurance must be issued by an insurer who provides liability insurance coverage for a motor vehicle in the minimum amounts required by NRS 485.105 and 485.185, except that the insurer may permit its duly appointed agent in Nevada to issue a permanent card.”

The proposed temporary regulation, as amended, was recommended for adoption by the hearing officer.

After considering the record and the recommendation of the hearing officer, the Commissioner has issued an order adopting the regulation, LCB File No. T008-09, as amended, as a temporary regulation of the Division.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: 1) Reduces the expense and redundancy of issuing a temporary automobile identification card in addition to a permanent automobile identification card; and 2) Allows a producer to provide an extension of service on behalf of the insurer by providing immediate evidence of liability insurance to the insured, thereby streamlining the workflow process.
- (b) On the small businesses: None.
- (c) On the public: Allows a duly appointed agent to provide an extension of service on behalf of the insurer by providing immediate evidence of liability insurance to the insured, thereby satisfying the financial responsibility law requirements.

The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.

Very truly yours,

/s/  
SCOTT J. KIPPER  
Commissioner of Insurance

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INSURANCE

IN THE MATTER OF THE

CAUSE NO. **09.0018**  
LCB FILE NO. **T008-09**

**TEMPORARY REGULATION  
CONCERNING AUTOMOBILE  
IDENTIFICATION CARDS**

**SUMMARY OF PROCEEDINGS  
AND ORDER**

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**SUMMARY OF PROCEEDINGS**

A public workshop, as required by Nevada Revised Statute (NRS) 233B.061, on the proposed temporary regulation concerning issuance of a permanent automobile identification card constituting evidence of insurance was held at the offices of the Department of Business and Industry, Division of Insurance (“Division”) before Amy L. Parks, Hearing Officer, on March 3, 2009, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada.

A public hearing on the proposed temporary regulation was also held before the Hearing Officer on March 10, 2009, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada.

The workshop was attended by nine members of the public in Carson City and one in Las Vegas. Four written comments were received prior to the workshop, all in favor of the proposed temporary regulation. The hearing was attended by two interested parties in Carson City; namely, Kay Lockhart representing the Nevada Independent Insurance Agents (“NIIA”), and Jeanette Belz representing the Property Casualty Insurers Association of America (“PCI”). Elena Ahrens, Assistant Chief of the Property & Casualty Section, and Marie Holt, Chief Insurance Examiner of the Property & Casualty Section, represented the Division. Ms. Ahrens summarized the events of the workshop held on March 3, 2009, and presented the proposed temporary regulation. Ms. Ahrens explained that the current version of NAC 690B.030 causes confusion as to whether an agent can issue a permanent automobile ID card on behalf of an insurer. This confusion is because subsection 1 of NAC 690B.030 states that agents may issue permanent automobile ID cards if they are appointed by the company, but subsection 3 states that agents or brokers cannot print permanent automobile ID cards.

Ms. Ahrens also explained that New Mexico, Oregon and Idaho currently allow producers to issue automobile ID cards. When asked what problems existed with this process, New Mexico noted that problems with falsifying the cards were rare and usually arose from people creating false cards on their home computers, not insurance agents. Ms. Ahrens also mentioned that Nevada's Department of Motor Vehicles ("DMV") is moving toward implementation of a real-time insurance verification system that will be available to both law enforcement and the court system. This new verification program, called Nevada LIVE, is scheduled for release in January, 2010.

Ms. Ahrens summarized comments received at the workshop. She stated that many of the comments were in response to staff inquiries for information from the Insurance Industry Committee on Motor Vehicle Administration ("IICMVA") and the NIIA. Also received was one written comment from Sam Sorich, Vice President of PCI, recommending adoption of the proposed amendments to NAC 690B.030. IICMVA provided three written comments for the record. The first two were in favor of the regulation. At the workshop, staff quoted Loren McGlade of AIG on behalf of IICMVA who said, "We will reserve all of our other concerns to the future for a permanent fix." Ginny Boyles, Commercial Automobile Product Manager for Ace, submitted feedback from IICMVA commercial carriers that recommended an additional amendment to allow insurers or producers to contract with vendors to issue, print and distribute permanent automobile ID cards. In response, the Property & Casualty Section stated they appreciated the suggestion but explained that NRS 690B.023 requires that the insurer provide evidence of insurance to its insured directly or, by regulation, by its appointed, licensed agents. A contracted vendor not licensed by the Division would not fall under the Division's regulatory authority.

Kay Lockhart, representing NIIA, voiced support for the proposed temporary regulation as amended at the workshop and hearing.

Ms. Ahrens testified that the best course of action is to eliminate the contradictory language by deleting subsection 3. Additionally, based on the recent court decisions concerning NRS 680A.300(1), it was verified that only a duly appointed and licensed agent has the authority to issue a policy of insurance and, therefore, only a duly appointed and licensed agent can provide evidence that a policy has been issued. The Division recommended the following amendments to the proposed temporary regulation: Leave subsection 1 intact with the exception of deleting the word

“if” and replacing it with a period; and delete paragraphs (a) and (b) from subsection 1. Subsection 1 would now read:

“1. A permanent card constituting evidence of insurance must be issued by an insurer who provides liability insurance coverage for a motor vehicle in the minimum amounts required by NRS 485.105 and 485.185, except that the insurer may permit its duly appointed agent in Nevada to issue a permanent card.”

**RECOMMENDED ORDER OF THE HEARING OFFICER**

Based upon the testimony received at the workshop and hearing, and the written comments received, it is recommended that the proposed temporary regulation concerning issuance of a permanent automobile identification card constituting evidence of insurance, LCB File No. T008-09, be adopted, as amended, as a temporary regulation of the Division.<sup>1</sup>

SO RECOMMENDED this 30th day of March, 2009.

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/s/  
AMY L. PARKS  
Hearing Officer

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<sup>1</sup> NRS 233B.063(3) and (4)

3. An agency may adopt a temporary regulation between August 1 of an even-numbered year and July 1 of the succeeding odd-numbered year without following the procedure required by this section and NRS 233B.064, but any such regulation expires by limitation on November 1 of the odd-numbered year. A substantively identical permanent regulation may be subsequently adopted.
4. An agency may amend or suspend a permanent regulation between August 1 of an even-numbered year and July 1 of the succeeding odd-numbered year by adopting a temporary regulation in the same manner and subject to the same provisions as prescribed in subsection 3.

**ORDER OF THE COMMISSIONER**

Having reviewed the record in this matter, and considering the recommendation of the Hearing Officer, it is hereby ordered that the proposed temporary regulation concerning issuance of a permanent automobile identification card constituting evidence of insurance, LCB File No. T008-09, be adopted, as amended, as a temporary regulation of the Division.

SO ORDERED this 30th day of March, 2009.

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/s/  
SCOTT J. KIPPER  
Commissioner of Insurance