

Chapter 690B of NAC

LCB File No. T008-09

**PROPOSED TEMPORARY REGULATION OF THE
COMMISSIONER OF INSURANCE**

**NOTICE OF WORKSHOP TO SOLICIT COMMENTS ON
PROPOSED TEMPORARY REGULATIONS**

The State of Nevada Department of Business and Industry, Division of Insurance (Division), (775) 687-4270, is proposing the adoption of temporary regulations pertaining to chapters 687B and 690B of the Nevada Administrative Code (NAC). A workshop has been set for **9:00 a.m., on March 3, 2009**, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Interested parties may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 East Sahara Avenue, Real Estate Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104. The purpose of the workshop is to solicit comments from interested persons on the following general topics that may be addressed in the proposed temporary regulations.¹

Long-Term Care Producer Compensation. The proposed temporary regulation will amend chapter 687B of the NAC and provide a correction to Sec. 7 of regulation R121-07 concerning producer compensation for long-term care insurance.

Automobile Identification Card. The proposed temporary regulation will amend NAC 690B.030 to provide for the issuance, by a producer of insurance, of a permanent automobile identification card constituting evidence of insurance.

A copy of all materials relating to the proposals may be obtained at the workshop or by contacting the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, (775) 687-4270. A reasonable fee for copying may be charged.

This Notice of Workshop to Solicit Comments on Proposed Temporary 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

Department of Business and Industry
Division of Insurance

¹ NRS 233B.063(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.

788 Fairview Drive, Suite 300
Carson City, NV 89701

Capitol Press Room
Capitol Building Basement
Carson City, NV 89710

Legislative Counsel Bureau
401 South Carson Street
Carson City, NV 89701

Blasdel Building
209 East Musser Street
Carson City, NV 89701

Office of the Governor
Capitol Building
Carson City, NV 89710

Carson City Library
900 North Roop Street
Carson City, NV 89701

Clark County District Library
833 Las Vegas Boulevard North
Las Vegas, NV 89101

Elko County Library
720 Court Street
Elko, NV 89801

Eureka Branch Library
P.O. Box 293
Eureka, NV 89316

Lander County Library
P.O. Box 141
Battle Mountain, NV 89820

Lyon County Library
20 Nevin Way
Yerington, NV 89447

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

2501 East Sahara Avenue, Suite 302
Las Vegas, NV 89104

Donald W. Reynolds Press Center
102 North Curry Street
Carson City, NV 89701

Office of the Attorney General
100 North Carson Street
Carson City, NV 89701

Nevada State Library & Archives
100 North Stewart Street
Carson City, NV 89701

Carson City Courthouse
885 East Musser Street
Carson City, NV 89701

Churchill County Library
553 South Main Street
Fallon, NV 89406

Douglas County Library
P.O. Box 337
Minden, NV 89423

Esmeralda County Library
P.O. Box 430
Goldfield, NV 89013

Humboldt County Library
85 East 5th Street
Winnemucca, NV 89445

Lincoln County Library
P.O. Box 330
Pioche, NV 89043-0330

Mineral County Public Library
P.O. Box 1390
Hawthorne, NV 89415

Storey County Public Library
P.O. Box 14
Virginia City, NV 89440

Tonopah Public Library
P.O. Box 449
Tonopah, NV 89049

Washoe County Library
P.O. Box 2151
Reno, NV 89505-2151

White Pine County Library
950 Campton Street
Ely, NV 89301

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, (775) 687-4270, extension 260.

DATED this 6th day of February, 2009.

/s/

SCOTT J. KIPPER
Commissioner of Insurance

NOTICE OF INTENT TO ACT UPON TEMPORARY REGULATION

Notice of Hearing for the Adoption of Temporary Regulations of the Department of Business and Industry, Division of Insurance²

The State of Nevada Department of Business and Industry, Division of Insurance (Division), will hold a public hearing at **9:00 a.m., on March 10, 2009**, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Interested persons may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, Real Estate Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of the temporary regulation that pertains to chapter 690B of the Nevada Administrative Code (NAC).

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. The need for and the purpose of the proposed temporary regulation or amendment.

The amendment of NAC 690B.030 clarifies that a producer of insurance may issue a permanent automobile insurance identification card constituting evidence of insurance on behalf of an insurer and eliminates the confusing and contradictory language in subsection 3.

2. Either the terms or substance of the regulation to be adopted, amended, or repealed, or a description of the subjects and issues involved.

The amendment of NAC 690B.030 eliminates contradictory language regarding a producer's ability to issue a permanent automobile insurance identification card on behalf of an insurer by deleting subsection 3. Additionally, by adding new language under subsection 1(c), the amendment clarifies that a producer may issue a permanent automobile insurance identification card if the producer has a written contractual agreement with the insurer to issue such an identification card.

3. The estimated economic effect of the regulation on the business that it is to regulate and on the public.

Business Regulated

Adverse: None

Beneficial: The amendment allows the producer to issue a permanent automobile insurance identification card on behalf of the insurance company when coverage is bound or changes are made to a policy. Immediate effects are to eliminate any confusion about whether a producer can issue a permanent evidence of automobile insurance identification card on behalf of an insurer. Both short-term and long-term effects include: 1) reduces the expense and redundancy of issuing a temporary automobile insurance identification card in

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addition to a permanent automobile insurance 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.

Public

Adverse: None

Beneficial: Immediate and long term effects include: 1) allows a producer to provide an extension of service on behalf of the insurer by providing immediate evidence of liability insurance to the insured; and 2) enhances the producer/consumer relationship through enhanced service.

4. The estimated cost to the agency for the enforcement of the proposed temporary regulation.

Enforcement of this regulation would be through regularly scheduled market conduct examinations paid for by the company. The examination would determine whether the relevant producers are properly appointed by the insurer or whether proper contracts are in place between the producer and insurer allowing the producer to issue permanent automobile insurance identification cards on its behalf. Therefore, there would be no additional expense to the Division to enforce the temporary regulation.

5. A description of and citation to any regulations of other state or local governmental agencies that the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the proposed regulation overlaps or duplicates a federal regulation, the notice must include the name of the regulating federal agency.

None.

6. If the temporary regulation is required pursuant to federal law, a citation and description of the federal law.

Not applicable.

7. If the temporary regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

Not applicable.

8. Whether the proposed temporary regulation establishes a new fee or increases an existing fee.

The proposed regulation does not establish a new fee or increase an existing fee.

9. A statement identifying the methods used by the agency in determining the impact on a small business prepared pursuant to subsection 3 of NRS 233B.0608.

There is no impact on a small business.

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, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Written submissions must be received by the Division on or before **February 24, 2009**. 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 temporary regulation to be amended 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 temporary 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 temporary 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 of this notice and the proposed temporary regulation 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 does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall 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
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

Capitol Press Room
Capitol Building Basement
Carson City, NV 89710

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Pioche, NV 89043-0330

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Virginia City, NV 89440

Washoe County Library
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Reno, NV 89505-2151

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DATED this 6th day of February, 2009.

/s/
SCOTT J. KIPPER
Commissioner of Insurance

Chapter 690B of NAC

LCB File No. T008-09

**PROPOSED TEMPORARY REGULATION OF THE
COMMISSIONER OF INSURANCE**

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~~ *a producer* to issue a permanent card if:

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

(b) The Division has been notified in writing by the company that the ~~agent~~ *producer* has such authority~~;~~; *or*

(c) The producer has a written contractual agreement with the insurer to issue a permanent card on their behalf.

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.