ASSEMBLY BILL NO. 458–COMMITTEE ON COMMERCE AND LABOR

MARCH 28, 2011

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing homeowners' insurance. (BDR 57-562)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to insurance; requiring prior notice of an increase in premium based on a change in the amount of coverage for a dwelling for a policy of homeowner's insurance; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, an insurer must provide written notice at least 30 days before the expiration of a policy of insurance if the insurer intends to renew the policy on different terms or subject to different rates. (NRS 687B.350) This bill requires an insurer who intends to change the premium for a policy of homeowner's insurance based upon a change in the amount of coverage applicable to the dwelling to notify the policyholder at least 30 days before the expiration of the policy. This bill also allows a policyholder to request from the insurer, in writing, the quantitative basis for the change in coverage and requires the insurer to provide such information within 6 days after receiving a written request.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 690B of NRS is hereby amended by adding thereto a new section to read as follows:

1. If the premium for a policy of property or casualty insurance that provides coverage for the loss of or damage to a dwelling will be changed upon renewal based on a change in the amount of coverage applicable to the dwelling, the insurer shall notify the policyholder, on a form approved by the Commissioner, at least 30 days before the expiration date provided in the policy.

2. A notification required pursuant to subsection 1 must include a statement that the policyholder may make a written request for the quantitative basis for the change in the amount of coverage applicable to the dwelling. The insurer shall supply such information within 6 days after receipt of such a written request.

3. This section does not apply to a policy covering a building or buildings comprising more than four dwelling units.

4. The Commissioner may adopt regulations to carry out the provisions of this section.