

SENATE BILL NO. 143—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

FEBRUARY 10, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises certain provisions governing insurance.
(BDR 57-723)

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

~

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

AN ACT relating to insurance; removing the requirement that a resident producer of insurance maintain a place of business in this State which is accessible to the public; providing that a certificate of insurance issued pursuant to a contract of insurance or policy of insurance must contain certain information; revising provisions governing verification by the Department of Motor Vehicles of required insurance coverage for certain vehicles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill removes the requirement that a resident producer of insurance maintain a place of business in this State which is accessible to the public and where he or she principally conducts transactions. **Section 1** also removes the requirement that the license of a producer of insurance be conspicuously displayed in the place of business and instead requires only that the license be made available for public inspection upon request.

Section 2 of this bill amends provisions governing the Nevada Insurance Code (title 57 of NRS) to require that any certificate of insurance issued pursuant to a contract of insurance or policy of insurance which is delivered or issued for delivery in this State include certain provisions, including a statement that the terms set forth in the certificate of insurance are informational only and do not constitute any part of the contract of insurance or policy of insurance.

Section 4 of this bill exempts certain commercial motor vehicles and fleet vehicles from provisions which require the Department of Motor Vehicles to verify that owners of motor vehicles maintain required insurance coverage.



* S B 1 4 3 *

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

Section 1. NRS 683A.261 is hereby amended to read as follows:

683A.261 1. Unless the Commissioner refuses to issue the license under NRS 683A.451, the Commissioner shall issue a license as a producer of insurance to a person who has satisfied the requirements of NRS 683A.241 and 683A.251. A producer of insurance may qualify for a license in one or more of the lines of authority permitted by statute or regulation, including:

(a) Life insurance on human lives, which includes benefits from endowments and annuities and may include additional benefits from death by accident and benefits for dismemberment by accident and for disability.

(b) Health insurance for sickness, bodily injury or accidental death, which may include benefits for disability.

(c) Property insurance for direct or consequential loss or damage to property of every kind.

(d) Casualty insurance against legal liability, including liability for death, injury or disability and damage to real or personal property.

(e) Surety indemnifying financial institutions or providing bonds for fidelity, performance of contracts or financial guaranty.

(f) Variable annuities and variable life insurance, including coverage reflecting the results of a separate investment account.

(g) Credit insurance, including life, disability, property, unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed protection of assets, and any other form of insurance offered in connection with an extension of credit that is limited to wholly or partially extinguishing the obligation which the Commissioner determines should be considered as limited-line credit insurance.

(h) Personal lines, consisting of automobile and motorcycle insurance and residential property insurance, including coverage for flood, of personal watercraft and of excess liability, written over one or more underlying policies of automobile or residential property insurance.

(i) Fixed annuities as a limited line.

(j) Travel and baggage as a limited line.

(k) Rental car agency as a limited line.

(l) Continuous care coverage, which includes health insurance, as set forth in paragraph (b), and may include insurance for workers' compensation.



* S B 1 4 3 *

2. A license as a producer of insurance remains in effect unless revoked, suspended or otherwise terminated if a request for a renewal is submitted on or before the date for the renewal specified on the license, all applicable fees for renewal and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account are paid for each license and each authorization to transact business on behalf of a business organization licensed pursuant to subsection 2 of NRS 683A.251, and any requirement for education or any other requirement to renew the license is satisfied by the date specified on the license for the renewal. A producer of insurance may submit a request for a renewal of his or her license within 30 days after the date specified on the license for the renewal if the producer of insurance otherwise complies with the provisions of this subsection and pays, in addition to any fee paid pursuant to this subsection, a penalty of 50 percent of all applicable renewal fees, except for any fee required pursuant to NRS 680C.110. A license as a producer of insurance expires if the Commissioner receives a request for a renewal of the license more than 30 days after the date specified on the license for the renewal. A fee paid pursuant to this subsection is nonrefundable.

3. A natural person who allows his or her license as a producer of insurance to expire may reapply for the same license within 12 months after the date specified on the license for a renewal without passing a written examination or completing a course of study required by paragraph (c) of subsection 1 of NRS 683A.251, but a penalty of twice all applicable renewal fees, except for any fee required pursuant to NRS 680C.110, is required for any request for a renewal of the license that is received after the date specified on the license for the renewal.

4. A licensed producer of insurance who is unable to renew his or her license because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.

5. A license must state the licensee's name, address, personal identification number, the date of issuance, the lines of authority and the date of expiration and must contain any other information the Commissioner considers necessary. ~~{A resident producer of insurance shall maintain a place of business in this State which is accessible to the public and where the resident producer of insurance principally conducts transactions under his or her license. The place of business may be in his or her residence.}~~ The license must be ~~{conspicuously displayed in an area of the place of business which is open to the public.}~~ **made available for public inspection upon request.**



6. A licensee shall inform the Commissioner of ~~each change of location from which the licensee conducts business as a producer of insurance and~~ each change of business or residence address, in writing or by other means acceptable to the Commissioner, within 30 days after the change. If a licensee changes ~~the location from which the licensee conducts business as a producer of insurance or~~ his or her business or residence address without giving written notice and the Commissioner is unable to locate the licensee after diligent effort, the Commissioner may revoke the license without a hearing. The mailing of a letter by certified mail, return receipt requested, addressed to the licensee at his or her last mailing address appearing on the records of the Division, and the return of the letter undelivered, constitutes a diligent effort by the Commissioner.

Sec. 2. Chapter 687B of NRS is hereby amended by adding thereto a new section to read as follows:

A certificate of insurance issued pursuant to a contract of insurance or policy of insurance which is delivered or issued for delivery in this State must include, without limitation:

1. A description of the principal benefits and coverage provided by the contract of insurance or policy of insurance;

2. A statement of the principal exclusions, reductions and limitations contained in the contract of insurance or policy of insurance; and

3. A statement that the terms set forth in the certificate of insurance are informational only and do not constitute any part of the contract of insurance or policy of insurance.

Sec. 3. NRS 695B.320 is hereby amended to read as follows:

695B.320 Nonprofit hospital and medical or dental service corporations are subject to the provisions of this chapter, and to the provisions of chapters 679A and 679B of NRS, NRS 686A.010 to 686A.315, inclusive, 687B.010 to 687B.040, inclusive, 687B.070 to 687B.140, inclusive, *and section 2 of this act*, 687B.150, 687B.160, 687B.180, 687B.200 to 687B.255, inclusive, 687B.270, 687B.310 to 687B.380, inclusive, 687B.410, 687B.420, 687B.430, and chapters 692C and 696B of NRS, to the extent applicable and not in conflict with the express provisions of this chapter.

Sec. 4. NRS 485.313 is hereby amended to read as follows:

485.313 1. The Department:

(a) Shall, in cooperation with insurers, create a system for verifying through the secure transmission and receipt of information that the owners of motor vehicles maintain the insurance required by NRS 485.185; and

(b) May enter into a contract with any person to provide services relating to the system.



1 2. The Director shall adopt regulations to carry out the
2 provisions of this section . ~~{, including, without limitation,~~
3 ~~regulations for verifying that registered owners described in~~
4 ~~paragraph (b) of subsection 5 of NRS 482.215 maintain the~~
5 ~~insurance required by NRS 485.185.}~~

6 3. As used in this section, "motor vehicle" ~~{~~

7 ~~—(a) Does} does~~ not include ~~{, except} :~~

8 ~~(a)~~ *Except* as otherwise provided in subsection 1 of NRS
9 482.398, a golf cart as that term is defined in NRS 482.044.

10 (b) ~~{Includes, without limitation:~~

11 ~~——(1)}~~ A motortruck, truck-tractor, bus or other vehicle that is
12 registered pursuant to paragraph (c) of subsection 1 of NRS 482.482
13 or NRS 706.801 to 706.861, inclusive.

14 ~~{(2)}~~ *(c)* A vehicle that is registered as part of a fleet of
15 vehicles and described in paragraph (b) of subsection 5 of
16 NRS 482.215.

17 **Sec. 5.** This act becomes effective on July 1, 2011.

