Amendment No. 444

Assembly Amendment to Assembly Bill No. 120	(BDR 57-802)
Proposed by: Assembly Committee on Commerce and Labor	
Amendment Box: Replaces Amendment No. 272.	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION				**Initial and Date**	**SENATE ACTION**				**Initial and Date**
Adopted	☐	Lost	☐	____________	Adopted	☐	Lost	☐	____________
Concurred In	☐	Not	☐	____________	Concurred In	☐	Not	☐	____________
Receded	☐	Not	☐	____________	Receded	☐	Not	☐	____________

EXPLANATION: Matter in (1) ***blue bold italics*** is new language in the original bill; (2) ***green bold italic underlining*** is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) **green bold underlining** is newly added transitory language.

EWR/MSM Date: 4/12/2013

A.B. No. 120—Revises provisions governing information provided to insurance policyholders. (BDR 57-802)

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ASSEMBLY BILL NO. 120–ASSEMBLYMAN AIZLEY

FEBRUARY 14, 2013

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing information provided to insurance policyholders. (BDR 57-802)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
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 an insurer to provide certain information to a policyholder when an insurance score is used to determine an insurance premium;]~~ **requiring the Division of Insurance of the Department of Business and Industry to post certain information on its Internet website;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Subject to certain limitations, an insurer is allowed to use an insurance score, defined as a number or rating that is derived from an algorithm, computer application, model or other process that is based in whole or in part on credit information, when determining an insurance premium. (NRS 686A.660, 686A.680) If an insurer uses credit information in underwriting or rating an applicant, the insurer is required to provide written disclosure that the insurer may obtain credit information in connection with an application. (NRS 686A.700) If an insurer takes adverse action based on credit information, the insurer is required to provide to the applicant or policyholder a detailed explanation of the reasons for the adverse action. (NRS 686A.710) ~~[This bill requires any insurer who uses an insurance score to determine the amount of a premium to provide within the policy: (1) notice that the score was used; (2) the minimum possible insurance score which could have been obtained by any person; (3) the maximum possible insurance score which could have been obtained by any person; and (4) the insurance score actually obtained by the policyholder. Any person who violates this requirement is guilty of a misdemeanor. (NRS 679A.180)]~~ **This bill: (1) requires the Division of Insurance of the Department of Business and Industry to post on its Internet website a list of each authorized insurer that does not use an insurance score when underwriting, rating an applicant for or calculating the premium for a policy of insurance for a passenger car or homeowner's insurance; and (2) authorizes the Division to post certain information relating to the use of insurance scores on its Internet website.**

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

Section 1. NRS 686A.700 is hereby amended to read as follows:

686A.700 1. If an insurer uses credit information in underwriting or rating an applicant, the insurer or its agent shall disclose, either on the application for the policy or at the time the application is taken, that the insurer may obtain credit information in connection with the application. The disclosure must be written or provided to an applicant in the same medium as the application. The insurer need not provide the disclosure required pursuant to this ~~[section]~~ ***subsection*** to a policyholder upon renewal of a policy if the policyholder was previously provided the disclosure in connection with the policy.

~~[2.]~~ An insurer may comply with the requirements of this ~~[section]~~ ***subsection*** by providing the following statement:

> In connection with this application for insurance, we may review your credit report or obtain or use a credit-based insurance score based on the information contained in that credit report. We may use a third party in connection with the development of your insurance score.

~~***[2. If an insurer uses an insurance score when calculating the premium for a policy of insurance, the insurer must include within the policy:***~~

~~***(a) Notice that the insurance score of the policyholder was used when calculating the premium; and***~~

~~***(b) An explanation of the insurance score used to calculate the premium, which must include, without limitation:***~~

~~***(1) The maximum possible insurance score obtainable by any person under the insurance scoring methodology used by the insurer;***~~

~~***(2) The minimum possible insurance score obtainable by any person under the insurance scoring methodology used by the insurer; and***~~

~~***(3) The actual insurance score assigned to or obtained by the policyholder.]***~~

2. The Division shall post on its Internet website a list of each insurer that does not use an insurance score when underwriting, rating an applicant for or calculating the premium for a policy of insurance for a passenger car or homeowner's insurance and shall update this list on July 1 of each year.

3. The Division may post on its Internet website, without limitation:

(a) General information concerning the use of an insurance score in underwriting, rating an applicant for or calculating the premium for a policy of insurance; and

(b) Applicable laws governing the manner in which an insurance score may be used.

4. As used in this section, "passenger car" has the meaning ascribed to it in NRS 482.087.