

Bulletin No. 05-005

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CREDIT LIFE AND CREDIT ACCIDENT AND HEALTH INSURANCE

Nevada Assembly Bill 338 (2005), signed into law by Governor Guinn, amends Chapter 690A of the Nevada Revised Statutes (NRS). These amendments become effective October 1, 2005. The amended provisions require the Commissioner of Insurance, by regulation, to establish rates that are reasonable in accordance with the provisions of NRS 686A.050 and 686A.060. Section 110(1) of AB 338 states that the rates must be reasonable in relation to the benefits provided.

Until rates are established by regulation, the rates filed with and approved by the Commissioner on or before October 1, 2005, shall be deemed reasonable unless the rate is determined by the Commissioner to be excessive, inadequate or discriminatory. Prior to use of these rates, the Commissioner must receive from each insurer a certification of compliance, certifying that the rates are in compliance with NRS 686A.050 and 686A.060, and that the rates are reasonable to the benefits provided as required in sections 93 through 122, inclusive, of AB 338.

Forms must comply with the standards set forth in Assembly Bill 338, sections 93 through 122, inclusive. If forms do not comply with these standards, the insurer must file revised forms or amendatory endorsements for approval by the Commissioner on or before October 1, 2005.

Once reasonable rates are established by regulation, all insurers writing Credit Life and Credit Accident and Health insurance will be required to refile rates for approval by the Commissioner.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance