



DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INSURANCE

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**REVISED: NEW REQUIREMENTS FOR ARBITRATION CLAUSES**

On October 22, 2013, the Division of Insurance (“Division”) issued Bulletin 13-008 to notify insurers that, effective October 1, 2013, Nevada law mandates all contracts that require a party to submit to arbitration for disputes under the contract must include specific authorization from the person agreeing to the contract in order for the arbitration clause to be valid, enforceable, and irrevocable. Nev. Rev. Stat. §§ 38.219, 597.995 (2013). Bulletin 13-008 also served to set forth related filing requirements of the Division in relation to this new law. The Division has received additional inquiries about the specific authorization.

Any insurer submitting a policy or endorsement for approval by the Division that includes a mandatory arbitration provision must also submit the authorization indicating that the insured has given affirmative approval. The Division will not approve any filing with a mandatory arbitration clause that does not include the required specific authorization provision.

At this time, “specific authorization” is not defined in the law. Consonant with the intent of the law, however, arbitration provisions in policies should be prominently displayed and specifically separated from the remainder of the policy terms, to allow the person agreeing to the contract to make a meaningful and informed decision. Policies requiring arbitration must include an acknowledgment, separate from the policy terms, sufficient to give consumers notice of the arbitration clause. The insurer must file with the Division the language of the specific authorization no later than December 31, 2013. Insurers with currently approved forms that include mandatory arbitration clauses are not required to re-file the approved forms, but they must file the required authorization provision in a formal filing no later than December 31, 2013.

Questions regarding this topic may be submitted by email to [insinfo@doi.nv.gov](mailto:insinfo@doi.nv.gov).

  
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SCOTT J. KIPPER  
Commissioner of Insurance