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December 19, 2017

Sue Bell  
Legal Secretary  
State of Nevada Division of Insurance  
1818 East College Parkway, Suite 103  
Carson City, Nevada 89706-7986

Re: LCB File No. R027-17

Dear Ms. Bell:

Regulation, R027-17, adopted by the Commissioner of Insurance has been filed today with the Secretary of State pursuant to NRS 233B.067 or 233B.0675, as appropriate. As provided in NRS 233B.070, this regulation becomes effective upon filing, unless otherwise indicated.

Enclosed are two copies of the regulation bearing the stamp of the Secretary of State which indicates that it has been filed. One copy is for your records and the other is for delivery to the State Library and Archives Administrator pursuant to subsection 6 of NRS 233B.070.

Sincerely,

A handwritten signature in blue ink, appearing to read "Allan L. Amburn".

Allan L. Amburn  
Deputy Legislative Counsel

R. Rene Yeckley  
Senate Legal Counsel and Bill Drafting Advisor

Brenda J. Erdoes  
Legislative Counsel

ALA/slj  
Enclosure

FILED IN V. 505  
SECRETARY OF STATE  
FILING DATA  
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**Form For Filing  
Administrative Regulations**

**Agency**

**Dept. of Business and Industry**

**Division of Insurance**

**R027-17**

**FOR EMERGENCY  
REGULATIONS ONLY**

**Effective date** \_\_\_\_\_

**Expiration date** \_\_\_\_\_

\_\_\_\_\_

**Governor's signature**

**Classification:**     **PROPOSED**     **ADOPTED BY AGENCY**     **EMERGENCY**

**Brief description of action** Permanent regulation concerning Credit Scoring/Medical Malpractice/Credit Personal  
Property Insurance

**Authority citation other than 233B** NRS 687B.490

**Notice date** Aug. 23, 2017                      **Date of Adoption by Agency** Oct. 13, 2017

**Hearing date** Sept. 29, 2017

**APPROVED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**LCB File No. R027-17**

Effective December 19, 2017

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

**AUTHORITY:** §1, NRS 679B.130 and 686A.680, as amended by section 33 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2341; §2, NRS 679B.130 and 690B.350, as amended by section 119 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2377; §3, NRS 679B.130, 690B.360, as amended by section 120 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2378, 691C.340, as amended by section 130 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2383, 691C.390, as amended by section 131 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2383, and 691C.430.

A REGULATION relating to insurance; revising provisions relating to the use by insurers of information in a consumer credit report; revising provisions relating to professional liability insurance for essential medical specialties; repealing certain provisions relating to medical malpractice insurance and credit personal property insurance; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

State law previously prohibited an insurer from using credit information regarding any policyholder without obtaining an updated consumer credit report and recalculating the insurance score at least once every 36 months. (NRS 686A.680) Existing regulations require that credit information used in a consumer credit report or insurance score be not more than 36 months old. (NAC 686A.710) Assembly Bill No. 83 of the 2017 Legislative Session deleted the requirement that an updated consumer credit report be obtained and the insurance score recalculated once every 36 months. (Section 33 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2341) **Section 1** of this regulation makes a conforming change by removing the requirement that credit information used in a consumer credit report or insurance score be not more than 36 months old.

State law previously required the Commissioner of Insurance to determine whether any medical specialties in this State are essential as a matter of public policy. (NRS 690B.350; NAC 690B.520) Assembly Bill No. 83 of the 2017 Legislative Session deleted this requirement and authorized the Commissioner to convene a hearing at his or her discretion to make certain determinations and designate essential medical specialties. (Section 119 of Assembly Bill No.

83, chapter 376, Statutes of Nevada 2017, at page 2377) **Section 2** of this regulation makes conforming changes by authorizing the Commissioner to determine, after a hearing has been convened at the discretion of the Commissioner, whether any medical specialties in this State are essential as a matter of public policy.

State law previously required the Commissioner to collect all information that is pertinent to monitoring whether an insurer that issues professional liability insurance for certain practitioners is complying with certain applicable standards for rates. (NRS 690B.360) Existing regulations additionally require an insurer to submit such information to the Commissioner on or before September 1 of each year. (NAC 690B.510) Assembly Bill No. 83 of the 2017 Legislative Session amended the statutory requirement to be an authorization. (Section 120 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2378) **Section 3** of this regulation makes conforming changes by repealing the regulatory requirement that an insurer must submit such information to the Commissioner on or before September 1 of each year.

State law previously required each insurer that issues a policy of professional liability insurance to certain practitioners to submit to the Commissioner on or before September 15 of each year a report on its loss prevention and control program. (NRS 690B.370; NAC 690B.570) Assembly Bill No. 83 of the 2017 Legislative Session repealed this statutory requirement. (Section 168 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2406) **Section 3** makes conforming changes by repealing the associated regulation.

State law previously required the Commissioner to establish by regulation the minimum amount of unearned premiums that must remain outstanding at the time of cancellation of credit personal property insurance in order for a person to be entitled to refund. (NRS 691C.390) Existing regulations set forth this minimum amount. (NAC 691C.070) Assembly Bill No. 83 of the 2017 Legislative Session deleted the statutory requirement to establish this minimum amount. (Section 131 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2383) **Section 3** makes conforming changes by repealing the regulation that sets forth this minimum amount.

State law previously required the Commissioner to establish by regulation reasonable rates for credit personal property insurance. (NRS 691C.340) Existing regulations set forth these rates. (NAC 691C.100-691C.190) Assembly Bill No. 83 of the 2017 Legislative Session deletes this statutory requirement to establish reasonable rates. (Section 130 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2383) **Section 3** makes conforming changes by repealing the rates and related requirements.

**Section 1.** NAC 686A.710 is hereby amended to read as follows:

686A.710 1. For the purposes of *paragraph (f) of* subsection ~~16~~ **1** of NRS 686A.680, *as amended by section 33 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2341*, if a company issues more than one policy under a line of business based on the same credit

information and the policies have different effective dates, the 90-day period described in *paragraph (f) of subsection ~~16~~ 1 of NRS 686A.680 , as amended by section 33 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2341*, shall be deemed to apply to the policy with the earliest effective date.

2. If there is an addition or renewal of a policy under the line of business, the consumer credit report or insurance score used on the policy with the earliest effective date may be used at the addition or renewal of policies under the line of business . ~~{provided that the credit information is not more than 36 months old.}~~

**Sec. 2.** NAC 690B.520 is hereby amended to read as follows:

690B.520 1. Pursuant to NRS 690B.350, *as amended by section 119 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2377*, the Commissioner ~~{will}~~ *may, after a hearing convened at the discretion of the Commissioner pursuant to subsection 1 of NRS 690B.350, as amended by section 119 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2377*, determine whether any medical specialties in this State are essential as a matter of public policy.

2. A medical specialty ~~{will}~~ *may, after a hearing convened at the discretion of the Commissioner pursuant to subsection 1 of NRS 690B.350, as amended by section 119 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2377*, be deemed by the Commissioner to be essential as a matter of public policy if he or she determines that an unsafe condition exists because public access to a practitioner of the medical specialty is impaired as a result of insufficient availability of professional liability insurance to a practitioner of the medical specialty.

**Sec. 3.** NAC 690B.510, 690B.570 and 691C.070 to 691C.170, inclusive, are hereby repealed.

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**TEXT OF REPEALED SECTIONS**

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**690B.510 Annual submission of certain information required by Commissioner. (NRS 679B.130, 690B.360)** On or before September 1 of each year, an insurer offering professional liability insurance to a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS shall submit, on a form prescribed by the Commissioner, to the Commissioner the information required by the Commissioner pursuant to NRS 690B.360.

**690B.570 Annual reports on programs of insurer: Submission; forms. (NRS 679B.130, 690B.370)**

1. Each insurer that issues a policy of medical malpractice insurance must submit a report to the Commissioner on the loss prevention and control programs of the insurer, including, without limitation, the qualified risk management systems offered by the insurer.

2. On or before July 15 of each year, the Commissioner will provide to each insurer the form for making the report.

3. On or before September 15 of each year, the report must be returned to the Commissioner.

**691C.070 Refund of unearned premium: Minimum amount. (NRS 679B.130, 691C.390, 691C.430)** A person is not entitled to a refund if the amount of any unearned premium that remains outstanding at the time of cancellation of his or her policy of credit personal property insurance is less than \$5.

**691C.100 Rates considered to be reasonable in relation to benefits provided and not excessive. (NRS 679B.130, 691C.340, 691C.430)** For the purposes of subsection 1 of NRS 691C.340, the Commissioner will consider rates for policies of credit personal property insurance, including, without limitation, guaranteed asset protection insurance, that are not in excess of the rates set forth in NAC 691C.110 to 691C.170, inclusive, to be reasonable in relation to the benefits provided and not excessive.

**691C.110 Credit personal property insurance with closed-end single premium: Recommended premium rate for dual-interest coverage with theft. (NRS 679B.130, 691C.340, 691C.430)** For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for dual-interest coverage with theft is \$1.03 per \$100 of initial net indebtedness per year.

**691C.120 Credit personal property insurance with closed-end single premium: Recommended premium rate for dual-interest coverage without theft. (NRS 679B.130, 691C.340, 691C.430)** For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for dual-interest coverage without theft is 77 cents per \$100 of initial net indebtedness per year.

**691C.130 Credit personal property insurance with closed-end single premium: Recommended premium rate for single-interest coverage with theft. (NRS 679B.130, 691C.340, 691C.430)** For a policy of credit personal property insurance with a closed-end

single premium, the recommended premium rate for single-interest coverage with theft is 51 cents per \$100 of initial net indebtedness per year.

**691C.140 Credit personal property insurance with closed-end single premium: Recommended premium rate for single-interest coverage without theft. (NRS 679B.130, 691C.340, 691C.430)** For a policy of credit personal property insurance with a closed-end single premium, the recommended premium rate for single-interest coverage without theft is 38 cents per \$100 of initial net indebtedness per year.

**691C.150 Open-end credit property insurance with monthly outstanding balance: Recommended premium rate for dual-interest coverage with theft. (NRS 679B.130, 691C.340, 691C.430)** For a policy of open-end credit property insurance with a monthly outstanding balance, the recommended premium rate for dual-interest coverage with theft is 13 cents per \$100 of the outstanding balance of initial net indebtedness per month.

**691C.160 Open-end credit property insurance with monthly outstanding balance: Recommended premium rate for dual-interest coverage without theft. (NRS 679B.130, 691C.340, 691C.430)** For a policy of open-end credit property insurance with a monthly outstanding balance, the recommended premium rate for dual-interest coverage without theft is 9 cents per \$100 of the outstanding balance per month.

**691C.170 Guaranteed asset protection insurance: Recommended premium rates. (NRS 679B.130, 691C.340, 691C.430)** For a policy of guaranteed asset protection insurance, the recommended premium rates are as follows:

Term	Recommended Premium Rate	Suggested Commission	Percent of Commission	Company Retained Amount
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1-48 months	\$285	\$85	30%	\$200
49-60 months	\$342	\$102	30%	\$240
61-72 months	\$412	\$124	30%	\$288
73-84 months	\$495	\$149	30%	\$346
85-96 months	\$594	\$178	30%	\$416
97-108 months	\$713	\$214	30%	\$499
109-120 months	\$855	\$256	30%	\$599

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS  
INFORMATIONAL STATEMENT AS REQUIRED BY NRS 233B.066**

**LCB FILE NO. R027-17**

The following statement is submitted by the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) for adopted amendments to Nevada Administrative Code (“NAC”) Chapter 686A, 690B, and 691C.

1. A clear and concise explanation of the need for the adopted regulation.

*This regulation is necessary to amend the Nevada Administrative Code (“NAC”) to correspond to the changes made to the Nevada Revised Statutes (“NRS”) in Assembly Bill 83 during the 2017 Legislative Session. The regulation repeals requirements in NAC to correspond with the repeal of the same requirements in NRS.*

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

- (a) A description of how public comment was solicited:

*Public comment was solicited by e-mailing the proposed regulation, notice of workshop, notice of intent to act upon the regulation, and small business impact statement to persons on the Division’s mailing list requesting notification of proposed regulations. The documents were also made available on the website of the Division, <http://doi.nv.gov/>, mailed to the main library for each county in Nevada, and posted at the following locations:*

Department of Business and Industry  
Division of Insurance  
1818 East College Parkway, Suite 103  
Carson City, Nevada 89706

Department of Business and Industry  
Division of Insurance  
3300 West Sahara Avenue, Suite 275  
Las Vegas, Nevada 89102

Legislative Building  
401 South Carson Street  
Carson City, Nevada 89701

Grant Sawyer Building  
555 East Washington Avenue  
Las Vegas, Nevada 89101

Blasdel Building  
209 East Musser Street  
Carson City, Nevada 89701

Capitol Building  
101 North Carson Street  
Carson City, Nevada 89701

Nevada Department of Employment,  
Training and Rehabilitation  
2800 E. Saint Louis Avenue  
Las Vegas, Nevada 89104

*Public comment was also solicited at the workshop held on September 22, 2017, and at the hearing held on September 29, 2017. The public meetings took place at the offices of the Division, 1818 East College Parkway, Carson City, Nevada 89706, with simultaneous videoconferencing to the Las Vegas office of the Division, 3300 West Sahara Avenue, Las Vegas, Nevada 89102.*

- (b) A summary of the public response:

*The Division received no written or oral comments.*

- (c) An explanation of how other interested persons may obtain a copy of the summary:

*The summary in part 2(b) above reflects the comments and testimony that transpired with regard to regulation R027-17. A copy of said summary may be obtained by contacting Rajat Jain, at (775) 687-0700 or [rjain@doi.nv.gov](mailto:rjain@doi.nv.gov). This summary will also be made available by e-mail request to [insinfo@doi.nv.gov](mailto:insinfo@doi.nv.gov).*

3. The number of persons who:

- (a) Attended each hearing: 5  
 (b) Testified at each hearing: 1  
 (c) Submitted to the agency written statements: 0

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3 (b) and (c), as provided to the agency:

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address
Erin Summers	Division of Insurance	1818 E College Pkwy Carson City NV 89706	(775) 687-0765	esummers@doi.nv.gov

5. A description of how comment was solicited from affected businesses, a summary of their responses, and an explanation of how other interested persons may obtain a copy of the summary.

*Comments were solicited from affected businesses in the same manner as they were solicited from the public. Please see the description, summary and explanation provided above in response to question #2.*

6. If after consideration of public comment the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

*The regulation was adopted as drafted and without revision; no public comment was given.*

7. (a) The estimated economic effect of the adopted regulation on the business which it is to regulate:

(1) Both adverse and beneficial effects: *Reduced reporting requirements could lead to a reduction in administrative costs.*

(2) Both immediate and long-term effects: *Same*

(b) The estimated economic effect of the adopted regulation on the public:

(1) Both adverse and beneficial effects: *Reduced reporting requirements could lead to lower insurance rates. Insureds may have more control over their credit information used in insurance rating.*

(2) Both immediate and long-term effects: *Same*

8. The estimated cost to the agency for enforcement of the adopted regulation.

*None*

9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

*N/A*

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of those provisions.

*N/A*

11. If the regulation establishes a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

*N/A*