

Department of Business and Industry, Division of Insurance

Sec. 4. NAC 686B.503 is hereby amended to read as follows:

NAC 686B.503 *1.* A filing for an increase or decrease in rates for homeowners' insurance or for property insurance for dwellings, commonly referred to as "dwelling fire insurance," must:

~~1.~~ *(a)* Identify the largest theoretical rate increase proposed by the filing; and

~~2.~~ *(b)* Identify the contribution of each component of the increase, including, but not limited to, the contribution of the amount of insurance, the protection class, the territory and the construction class.

*2. The Commissioner will consider a rate filed pursuant to subsection 1 to be unfairly discriminatory if the rate was established using a method that:*

*(a) Includes, without limitation, the use of:*

*(1) Zip code or territory data in such a manner as to clearly fail to reflect equitably the differences in expected losses and expenses among the zip codes or territories in question;*

*(2) Market value of the home or dwelling when the market value has no direct correlation to the replacement cost of the home or dwelling; or*

*(3) Any model deemed supplementary rate information used in conjunction with other underwriting factors if the other underwriting factors are duplicative of factors considered as part of the model.*

~~*(b) Does not include the use of a program created by the Commissioner pursuant to NRS 679B.129 to provide incentives to insurers to promote and encourage property owners to take measures to mitigate the risk of property loss or damage caused by wildfire.*~~