

Assembly Bill No. 244—Committee
on Commerce and Labor

CHAPTER.....

AN ACT relating to insurance; authorizing certain types of insurance and insurers to give certain items and gifts not to exceed \$100 in aggregate value per policyholder or insured or prospective policyholder or insured in any 1 calendar year; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits unfair discrimination and rebates from being used in a policy or contract of life insurance, life annuity or health insurance or by a property, casualty, surety or title insurer or underwritten title company or any employee or representative thereof, or by a broker, agent or solicitor. (NRS 686A.100, 686A.110, 686A.130)

Section 1.5 of this bill authorizes the practice of, in the case of a policy or contract of life insurance, life annuity or health insurance, providing to a policyholder or prospective policyholder prizes and gifts, goods and various other items not to exceed \$100 in aggregate value per policyholder or prospective policyholder in any 1 calendar year.

Section 2 of this bill allows any property, casualty or surety insurer or any employee or representative thereof, or any broker, agent or solicitor to provide to an insured or prospective insured prizes and gifts, goods and various other items not to exceed \$100 in aggregate value per insured or prospective insured in any 1 calendar year.

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

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

Section 1. (Deleted by amendment.)

Sec. 1.5. NRS 686A.110 is hereby amended to read as follows:

686A.110 **1.** Except as otherwise expressly provided by law, no person shall knowingly:

~~1.1~~ **(a)** Permit to be made or offer to make or make any contract of life insurance, life annuity or health insurance, or agreement as to such contract, other than as plainly expressed in the contract issued thereon, or pay or allow, or give or offer to pay, allow or give, directly or indirectly, or knowingly accept, as an inducement to such insurance or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any paid employment or contract for services of any kind, or any valuable consideration or inducement whatever not specified in the contract; or



~~121~~ (b) Directly or indirectly give or sell or purchase or offer or agree to give, sell, purchase, or allow as an inducement to such insurance or annuity or in connection therewith, whether or not to be specified in the policy or contract, any agreement of any form or nature promising returns and profits, or any stocks, bonds or other securities, or interest present or contingent therein or as measured thereby, of any insurer or other corporation, association or partnership, or any dividends or profits accrued or to accrue thereon.

2. The provisions of this section do not prohibit any person, in the case of any policy or contract of life insurance, life annuity or health insurance, from providing to a policyholder or prospective policyholder prizes and gifts, goods, wares, merchandise, gift certificates, donations made to charitable organizations, raffle entries, meals, event tickets and other items not to exceed \$100 in aggregate value per policyholder or prospective policyholder in any 1 calendar year.

Sec. 2. NRS 686A.130 is hereby amended to read as follows:

686A.130 1. ~~Not~~ *Except as otherwise provided in subsection 2, no* property, casualty, surety or title insurer or underwritten title company or any employee or representative thereof, and no broker, agent or solicitor may pay, allow or give, or offer to pay, allow or give, directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified or provided for in the policy, except to the extent provided for in an applicable filing with the Commissioner.

2. The provisions of subsections 1 and 4 do not prohibit any property, casualty or surety insurer or any employee or representative thereof, or any broker, agent or solicitor from providing to an insured or prospective insured prizes and gifts, goods, wares, merchandise, gift certificates, donations made to charitable organizations, raffle entries, meals, event tickets and other items not to exceed \$100 in aggregate value per insured or prospective insured in any 1 calendar year.

3. No title insurer or underwritten title company may:

(a) Pay, directly or indirectly, to the insured or any person acting as agent, representative, attorney or employee of the owner, lessee, mortgagee, existing or prospective, of the real property or interest therein which is the subject matter of title insurance or as to which a service is to be performed, any commission, rebate or part of its fee



or charges or other consideration as inducement or compensation for the placing of any order for a title insurance policy or for performance of any escrow or other service by the insurer or underwritten title company with respect thereto; or

(b) Issue any policy or perform any service in connection with which it or any agent or other person has paid or contemplates paying any commission, rebate or inducement in violation of this section.

~~3.~~ ~~No~~

4. *Except as otherwise provided in subsection 2, no* insured named in a policy or any employee of that insured may knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement, credit or reduction of premium, or any such special favor or advantage or valuable consideration or inducement.

~~4.~~ **5.** No such insurer may make or permit any unfair discrimination between insured or property having like insuring or risk characteristics, in the premium or rates charged for insurance, or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of insurance.

~~5.~~ **6.** No casualty insurer may make or permit any unfair discrimination between persons legally qualified to provide a particular service, in the amount of the fee or charge for that service payable as a benefit under any policy or contract of casualty insurance.

~~6.~~ **7.** The provisions of this section do not prohibit:

(a) The payment of commissions or other compensation to licensed agents, brokers or solicitors.

(b) The extension of credit to an insured for the payment of any premium and for which credit a reasonable rate of interest is charged and collected.

(c) Any insurer from allowing or returning to its participating policyholders, members or subscribers, dividends, savings or unabsorbed premium deposits.

(d) With respect to title insurance, bulk rates or special rates for customers of prescribed classes if the bulk or special rates are provided for in the effective schedule of fees and charges of the title insurer or underwritten title company.

~~7.~~ **8.** The provisions of this section do not apply to wet marine and transportation insurance.

Sec. 3. This act becomes effective on July 1, 2017.



