
SENATE BILL NO. 143—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

FEBRUARY 10, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises certain provisions governing insurance.
(BDR 57-723)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

AN ACT relating to insurance; removing the requirement that a resident producer of insurance maintain a place of business in this State which is accessible to the public; providing that a certificate of insurance issued pursuant to a contract of insurance or policy of insurance must contain certain information; revising provisions governing verification by the Department of Motor Vehicles of required insurance coverage for certain vehicles; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Section 1** of this bill removes the requirement that a resident producer of
2 insurance maintain a place of business in this State which is accessible to the public
3 and where he or she principally conducts transactions. **Section 1** also removes the
4 requirement that the license of a producer of insurance be conspicuously displayed
5 in the place of business and instead requires only that the license be made available
6 for public inspection upon request.
7 **Section 2** of this bill amends provisions governing the Nevada Insurance Code
8 (title 57 of NRS) to require that any certificate of insurance issued pursuant to a
9 contract of insurance or policy of insurance which is delivered or issued for
10 delivery in this State include certain provisions, including a statement that the terms
11 set forth in the certificate of insurance are informational only and do not constitute
12 any part of the contract of insurance or policy of insurance.
13 **Section 4** of this bill exempts certain commercial motor vehicles and fleet
14 vehicles from provisions which require the Department of Motor Vehicles to verify
15 that owners of motor vehicles maintain required insurance coverage.



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

1 **Section 1.** NRS 683A.261 is hereby amended to read as
2 follows:

3 683A.261 1. Unless the Commissioner refuses to issue the
4 license under NRS 683A.451, the Commissioner shall issue a
5 license as a producer of insurance to a person who has satisfied the
6 requirements of NRS 683A.241 and 683A.251. A producer of
7 insurance may qualify for a license in one or more of the lines of
8 authority permitted by statute or regulation, including:

9 (a) Life insurance on human lives, which includes benefits from
10 endowments and annuities and may include additional benefits from
11 death by accident and benefits for dismemberment by accident and
12 for disability.

13 (b) Health insurance for sickness, bodily injury or accidental
14 death, which may include benefits for disability.

15 (c) Property insurance for direct or consequential loss or damage
16 to property of every kind.

17 (d) Casualty insurance against legal liability, including liability
18 for death, injury or disability and damage to real or personal
19 property.

20 (e) Surety indemnifying financial institutions or providing bonds
21 for fidelity, performance of contracts or financial guaranty.

22 (f) Variable annuities and variable life insurance, including
23 coverage reflecting the results of a separate investment account.

24 (g) Credit insurance, including life, disability, property,
25 unemployment, involuntary unemployment, mortgage life, mortgage
26 guaranty, mortgage disability, guaranteed protection of assets, and
27 any other form of insurance offered in connection with an extension
28 of credit that is limited to wholly or partially extinguishing the
29 obligation which the Commissioner determines should be
30 considered as limited-line credit insurance.

31 (h) Personal lines, consisting of automobile and motorcycle
32 insurance and residential property insurance, including coverage for
33 flood, of personal watercraft and of excess liability, written over one
34 or more underlying policies of automobile or residential property
35 insurance.

36 (i) Fixed annuities as a limited line.

37 (j) Travel and baggage as a limited line.

38 (k) Rental car agency as a limited line.

39 (l) Continuous care coverage, which includes health insurance,
40 as set forth in paragraph (b), and may include insurance for workers'
41 compensation.



1 2. A license as a producer of insurance remains in effect unless
2 revoked, suspended or otherwise terminated if a request for a
3 renewal is submitted on or before the date for the renewal specified
4 on the license, all applicable fees for renewal and a fee established
5 by the Commissioner of not more than \$15 for deposit in the
6 Insurance Recovery Account are paid for each license and each
7 authorization to transact business on behalf of a business
8 organization licensed pursuant to subsection 2 of NRS 683A.251,
9 and any requirement for education or any other requirement to
10 renew the license is satisfied by the date specified on the license for
11 the renewal. A producer of insurance may submit a request for a
12 renewal of his or her license within 30 days after the date specified
13 on the license for the renewal if the producer of insurance otherwise
14 complies with the provisions of this subsection and pays, in addition
15 to any fee paid pursuant to this subsection, a penalty of 50 percent
16 of all applicable renewal fees, except for any fee required pursuant
17 to NRS 680C.110. A license as a producer of insurance expires if
18 the Commissioner receives a request for a renewal of the license
19 more than 30 days after the date specified on the license for the
20 renewal. A fee paid pursuant to this subsection is nonrefundable.

21 3. A natural person who allows his or her license as a producer
22 of insurance to expire may reapply for the same license within 12
23 months after the date specified on the license for a renewal without
24 passing a written examination or completing a course of study
25 required by paragraph (c) of subsection 1 of NRS 683A.251, but a
26 penalty of twice all applicable renewal fees, except for any fee
27 required pursuant to NRS 680C.110, is required for any request for a
28 renewal of the license that is received after the date specified on the
29 license for the renewal.

30 4. A licensed producer of insurance who is unable to renew his
31 or her license because of military service, extended medical
32 disability or other extenuating circumstance may request a waiver of
33 the time limit and of any fine or sanction otherwise required or
34 imposed because of the failure to renew.

35 5. A license must state the licensee's name, address, personal
36 identification number, the date of issuance, the lines of authority and
37 the date of expiration and must contain any other information the
38 Commissioner considers necessary. ~~[A resident producer of
39 insurance shall maintain a place of business in this State which is
40 accessible to the public and where the resident producer of
41 insurance principally conducts transactions under his or her license.
42 The place of business may be in his or her residence.]~~ The license
43 must be ~~[conspicuously displayed in an area of the place of business
44 which is open to the public.]~~ *made available for public inspection
45 upon request.*



1 6. A licensee shall inform the Commissioner of ~~each change~~
2 ~~of location from which the licensee conducts business as a producer~~
3 ~~of insurance and~~ each change of business or residence address, in
4 writing or by other means acceptable to the Commissioner, within
5 30 days after the change. If a licensee changes ~~the location from~~
6 ~~which the licensee conducts business as a producer of insurance or~~
7 his or her business or residence address without giving written
8 notice and the Commissioner is unable to locate the licensee after
9 diligent effort, the Commissioner may revoke the license without a
10 hearing. The mailing of a letter by certified mail, return receipt
11 requested, addressed to the licensee at his or her last mailing address
12 appearing on the records of the Division, and the return of the letter
13 undelivered, constitutes a diligent effort by the Commissioner.

14 **Sec. 2.** Chapter 687B of NRS is hereby amended by adding
15 thereto a new section to read as follows:

16 *A certificate of insurance issued pursuant to a contract of*
17 *insurance or policy of insurance which is delivered or issued for*
18 *delivery in this State must include, without limitation:*

19 1. *A description of the principal benefits and coverage*
20 *provided by the contract of insurance or policy of insurance;*

21 2. *A statement of the principal exclusions, reductions and*
22 *limitations contained in the contract of insurance or policy of*
23 *insurance; and*

24 3. *A statement that the terms set forth in the certificate of*
25 *insurance are informational only and do not constitute any part of*
26 *the contract of insurance or policy of insurance.*

27 **Sec. 3.** NRS 695B.320 is hereby amended to read as follows:

28 695B.320 Nonprofit hospital and medical or dental service
29 corporations are subject to the provisions of this chapter, and to the
30 provisions of chapters 679A and 679B of NRS, NRS 686A.010 to
31 686A.315, inclusive, 687B.010 to 687B.040, inclusive, 687B.070 to
32 687B.140, inclusive, *and section 2 of this act*, 687B.150, 687B.160,
33 687B.180, 687B.200 to 687B.255, inclusive, 687B.270, 687B.310
34 to 687B.380, inclusive, 687B.410, 687B.420, 687B.430, and
35 chapters 692C and 696B of NRS, to the extent applicable and not in
36 conflict with the express provisions of this chapter.

37 **Sec. 4.** NRS 485.313 is hereby amended to read as follows:

38 485.313 1. The Department:

39 (a) Shall, in cooperation with insurers, create a system for
40 verifying through the secure transmission and receipt of information
41 that the owners of motor vehicles maintain the insurance required by
42 NRS 485.185; and

43 (b) May enter into a contract with any person to provide services
44 relating to the system.



1 2. The Director shall adopt regulations to carry out the
2 provisions of this section . ~~[, including, without limitation,~~
3 ~~regulations for verifying that registered owners described in~~
4 ~~paragraph (b) of subsection 5 of NRS 482.215 maintain the~~
5 ~~insurance required by NRS 485.185.]~~

6 3. As used in this section, “motor vehicle” ~~[~~

7 ~~(a) Does] does~~ not include ~~[, except] :~~

8 (a) *Except* as otherwise provided in subsection 1 of NRS
9 482.398, a golf cart as that term is defined in NRS 482.044.

10 (b) ~~[Includes, without limitation:~~

11 ~~(1)]~~ A motortruck, truck-tractor, bus or other vehicle that is
12 registered pursuant to paragraph (c) of subsection 1 of NRS 482.482
13 or NRS 706.801 to 706.861, inclusive.

14 ~~(2)]~~ (c) A vehicle that is registered as part of a fleet of
15 vehicles and described in paragraph (b) of subsection 5 of
16 NRS 482.215.

17 **Sec. 5.** This act becomes effective on July 1, 2011.



