

**PROPOSED REGULATION OF THE
DIRECTOR OF THE DEPARTMENT OF MOTOR VEHICLES**

LCB File No. R171-09

February 1, 2010

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

AUTHORITY: §§1-11, NRS 485.130, 485.313, as amended by section 4 of chapter 396, Statutes of Nevada 2009, at page 2206, and 485.314, as amended by section 5 of chapter 396, Statutes of Nevada 2009, at page 2206.

A REGULATION relating to motor vehicles; providing for the electronic verification of a motor vehicle liability policy; requiring an insurer that cannot provide electronic verification to submit a record to the Department of Motor Vehicles if such a policy is issued, amended or terminated; requiring an owner of a motor vehicle to notify the Department if a motor vehicle liability policy covering the motor vehicle is issued, amended or terminated; and providing other matters properly relating thereto.

Section 1. Chapter 485 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. 1. *An electronic query by the Department requesting an insurer to verify a motor vehicle liability policy through a system created pursuant to NRS 485.313 will include, without limitation:*

- (a) The full legal name of the owner of the motor vehicle that is the subject of the query;*
- (b) The vehicle identification number of the motor vehicle that is the subject of the query;*
- (c) The policy number; and*

(d) The company code assigned to the insurer by the National Association of Insurance Commissioners.

2. Upon receipt of such a query from the Department, an insurer shall transmit a response using the system to the Department within the period set forth in the list of specifications published by the Department.

3. The response to the query by the insurer must indicate that the insurer confirms the validity of the insurance or that the validity of the insurance is unconfirmed.

4. A statement that the insurance is confirmed must be provided if:

(a) Information included in the query transmitted by the Department matches information maintained by the insurer which indicates that the insurer has issued or amended a motor vehicle liability policy that covers the vehicle which is the subject of the query;

(b) The motor vehicle liability policy identified in the query:

(1) Meets the requirements set forth in NRS 485.185; and

(2) Is effective on the date specified in the query; and

(c) The insurer:

(1) Is an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State as required by NRS 485.185; and

(2) Has provided evidence of insurance to the insured as required by NRS 690B.023.

5. If an insurer responds to a query that the insurance is unconfirmed, the insurer may include in its response a reason why the query is unconfirmed. The reason must be identified in conformity with the list of specifications published by the Department.

Sec. 3. 1. *If a motor vehicle liability policy covering a motor vehicle that is required to be registered in this State pursuant to NRS 482.205 is issued, amended or terminated, the owner of the motor vehicle shall notify the Department not later than 7 days after the effective date of the issuance, amendment or termination of the policy.*

2. *The notice required by subsection 1 must be in the form prescribed by the Department and include, without limitation:*

(a) The company code assigned to the insurer by the National Association of Insurance Commissioners or the name of the insurer as it appears on the evidence of insurance provided to the owner by the insurer;

(b) The policy number;

(c) The effective date of the policy or the amendment to the policy;

(d) The expiration or termination date of the policy;

(e) The license plate number of the motor vehicle; and

(f) Any other information required by the Department.

3. *An authorized agent of the owner of the motor vehicle may submit, on behalf of the owner, any information required pursuant to this section or any additional information to amend or correct any information previously submitted to the Department pursuant to this section.*

Sec. 4. NAC 485.150 is hereby amended to read as follows:

485.150 ~~[1.]~~ As used in ~~[NRS 485.314, the Department will interpret the term:~~
~~—(a)]~~ *NAC 485.150 to 485.190, inclusive, and sections 2 and 3 of this regulation:*

1. “Amended” ~~[to include:~~

~~(1)~~ *means:*

(a) The addition or removal of a motor vehicle from a motor vehicle liability policy;

~~(2)~~ (b) The addition or removal of a ~~driver~~ *named insured* from a motor vehicle liability policy; ~~and~~

~~(3)~~ *or*

(c) The correction of erroneous information within a motor vehicle liability policy.

~~(b)~~ 2. “Issued” ~~to include:~~

~~(1)~~ *means:*

(a) Issuance of a new motor vehicle liability policy; ~~and~~

~~(2)~~ *or*

(b) Reinstatement of a motor vehicle liability policy after there has been a lapse in coverage.

~~(e)~~ 3. “Terminated” ~~to include:~~

~~(1)~~ *means:*

(a) The expiration ~~and nonrenewal~~ of a motor vehicle liability policy; ~~and~~

~~(2)~~ (b) *The nonrenewal of a motor vehicle liability policy; or*

(c) The cancellation of a motor vehicle liability policy by the insurance company that issued the policy,

↳ whether such expiration, ~~and~~ nonrenewal or cancellation applies to one or all of the motor vehicles covered under the policy.

~~[2. As used in NRS 485.314 and NAC 485.155, the Department will interpret the phrase “identification number of each insured” to mean:~~

~~—(a) If the insured is a natural person, the social security number or driver’s license number of that person.~~

~~—(b) If the insured is not a natural person, the employer identification number of that entity.]~~

Sec. 5. NAC 485.155 is hereby amended to read as follows:

485.155 **1.** An insurer that is required to ~~[provide the Department with]~~ *maintain* a record *of a motor vehicle liability policy* pursuant to subsection 1 of NRS 485.314 shall ensure that the record includes ~~[, in addition to the items required pursuant to that subsection:~~

~~—1.] :~~

(a) The *full legal* name ~~[or identification number]~~ of each ~~[insured who is]~~ *natural person, company or other entity that is added to or* removed from the motor vehicle liability policy;

~~[2.]~~ (b) *The identification number of each named insured that is added to or removed from the motor vehicle liability policy, if the named insured is:*

(1) A natural person who is a resident of this State and is covered by an operator’s policy of liability insurance or who owns or operates a fleet of vehicles; or

(2) A company or other legal entity that owns or operates a fleet of vehicles;

(c) The ~~[make, year and]~~ vehicle identification number of each motor vehicle , *other than a vehicle that is registered as part of a fleet of vehicles and described in paragraph (b) of subsection 5 of NRS 482.215,* that is *added to or* removed from the motor vehicle liability policy; ~~and~~

~~—3.]~~ (d) *The company code assigned to the insurer by the National Association of Insurance Commissioners;*

(e) *The number, effective date and expiration or termination date of the policy;*

(f) The identification of the policy as:

(1) An owner’s policy for the payment of tort liabilities arising from the maintenance or use of a motor vehicle as described in NRS 485.185;

(2) An operator’s policy of liability insurance as described in NRS 485.186; or

(3) A policy for the payment of tort liabilities arising from the maintenance or use of a motor vehicle issued to a natural person, company or other entity that owns or operates a fleet of motor vehicles;

(g) Data that identifies any incorrect information that the insurer provided to the Department previously, accompanied by new and accurate information ~~{}; and~~

(h) Any other information required by the Department.

2. As used in this section, “identification number” means:

(a) The Nevada driver’s license number of a natural person.

(b) The federal employer identification number of a company or other legal entity.

Sec. 6. NAC 485.160 is hereby amended to read as follows:

485.160 ~~{1. Except as otherwise provided in subsection 3, an}~~ **An** insurer that:

~~{(a)}~~ **1.** Insures motor vehicles which are registered in this State; or

~~{(b)}~~ **2.** Issues motor vehicle liability policies that do not describe specific vehicles to:

~~{(1)}~~ **(a)** Companies who own or operate a fleet of vehicles and whose place of business is located in this State; or

~~{(2)}~~ **(b)** Residents of this State who own or operate a fleet of vehicles,

↪ shall ~~[submit a]~~ *maintain each* record required pursuant to NRS 485.314 *and submit to the Department each record required pursuant to NAC 485.165 to 485.180, inclusive*, in accordance with ~~[subsection 2.~~

~~—2.— A record submitted pursuant to NRS 485.314 must comply with]~~ a list of specifications ~~[that is available from]~~ *published by* the Department.

~~[3.— If an insurer:~~

~~—(a) Insures fewer than 200 vehicles that are registered in this State; or~~

~~—(b) Issues fewer than 200 motor vehicle liability policies that do not describe specific vehicles to:~~

~~——(1) Companies who own or operate a fleet of vehicles and whose place of business is located in this State; or~~

~~——(2) Residents of this State who own or operate a fleet of vehicles,~~

~~↪ the insurer may, in addition to submitting records in accordance with subsection 2, submit a record required pursuant to NRS 485.314 on a computer diskette that is 3 1/2 inches wide, IBM compatible, double sided with double or high density and formatted to comply with a list of specifications which is available from the Department. Such a diskette must be submitted to the Insurance Verification Program, Department of Motor Vehicles, 555 Wright Way, Carson City, Nevada 89711-0800.]~~

Sec. 7. NAC 485.165 is hereby amended to read as follows:

485.165 ~~[If in a particular month an]~~ *An* insurer that ~~[is required to comply with NRS 485.314]~~ *does not provide the Department with electronic access to its records through a system created pursuant to NRS 485.313 shall:*

1. Submit a record to the Department if the insurer issues, amends or terminates a motor vehicle liability policy that covers a motor vehicle which is required to be registered in this State not later than 7 days after the effective date of the issuance, amendment or termination of the policy. The record must:

(a) Include the information that the insurer is required to maintain pursuant to NAC 485.155; and

(b) Conform to the list of specifications published by the Department.

*2. If the insurer has no issuances, amendments or terminations of motor vehicle liability policies to report, ~~the insurer shall, on or before the 15th calendar day of that month,~~ submit to the Department, *each week*, a record stating that the insurer has no activity to report. Such a record must be submitted ~~on a form made available~~ *in a format prescribed* by the Department for this purpose.*

Sec. 8. NAC 485.170 is hereby amended to read as follows:

485.170 1. If pursuant to ~~NRS 485.314~~ *this section or NAC 485.160 or 485.165*, the Department receives from an insurer a record that contains an error, the Department will return the record to the insurer for correction.

2. Upon receipt of a record that is returned for correction pursuant to subsection 1, the insurer shall correct the error and resubmit the record to the Department ~~on or before the 15th calendar day of the following month.~~ *not later than 5 p.m. on the seventh business day after the insurer receives the returned record.*

Sec. 9. NAC 485.175 is hereby amended to read as follows:

485.175 1. If on two or more occasions within a 12-month period an insurer fails to *respond to a query as required pursuant to section 2 of this regulation or to* submit records required pursuant to NAC ~~[485.155,]~~ 485.160 , ~~[or]~~ 485.165 ~~[,]~~ *or 485.170,* the Department will consider the insurer to be in noncompliance with the provisions of NRS 485.314.

2. If the Department determines pursuant to subsection 1 that an insurer is in noncompliance with NRS 485.314, the Department will *notify the Commissioner of Insurance and will* not provide to that insurer information regarding:

- (a) A driver's license; ~~[or]~~
- (b) The registration of a vehicle ~~[,]~~ *;* *or*
- (c) *The title of a vehicle,*

↪ until such time as the *insurer responds to each query as required pursuant to section 2 of this regulation or the* Department receives from that insurer each record that the insurer previously failed to submit.

Sec. 10. NAC 485.180 is hereby amended to read as follows:

485.180 *1.* If an insurer decides that it will discontinue the practice of issuing and renewing motor vehicle liability policies within this State, the insurer shall, within 30 days after making such a decision:

~~[1.]~~ (a) Notify the Department of that decision ~~[,]~~ *on a form provided by the Department;*
and

~~[2.]~~ (b) Submit to the Department a record which contains the date of expiration of each motor vehicle liability policy that the insurer has issued for a vehicle that is registered in this State.

2. If the insurer fails to submit a record required pursuant to subsection 1, the

Department will:

(a) Deem the date of expiration of each such motor vehicle liability policy to be 30 days after the date of the notice provided pursuant to subsection 1; and

(b) Notify the Commissioner of Insurance that the insurer failed to comply with this section.

Sec. 11. NAC 485.190 is hereby amended to read as follows:

485.190 1. If the registered owner of a motor vehicle for which the registration has been suspended pursuant to NRS 485.317 wishes to pay the reduced fee of \$50 to reinstate the registration of the vehicle pursuant to paragraph (a) of subsection ~~¶~~ 7 of NRS 485.317, or to have the suspension of the registration of the vehicle rescinded without the payment of a fee pursuant to paragraph (b) of subsection ~~¶~~ 7 of NRS 485.317, on the ground of extenuating circumstances, the registered owner must present proof satisfactory to the Department that extenuating circumstances existed which prevented the registered owner from renewing the policy of liability insurance covering the vehicle. The proof presented must cover the period specified by the Department and be acceptable to the Department.

2. The Department will not rescind the suspension of the registration of a motor vehicle without the payment of a fee on the ground of extenuating circumstances for a registered owner more than once. The Department will notify the registered owner at the time the suspension is rescinded of the provisions of NRS 485.320, which requires ~~["cancellation"]~~ *surrender* of the registration of the vehicle on or before the date on which the policy of liability insurance covering the vehicle is cancelled or expires.

3. As used in this section, “extenuating circumstances” means that the motor vehicle was neither insured nor operated during a specific period because of circumstances beyond the control of the registered owner that are acceptable to the Department, including, without limitation, the hospitalization of the registered owner, the serious illness or death of a member of the immediate family of the registered owner, or any other catastrophic event.