

SENATE BILL NO. 373—SENATOR HARDY

MARCH 17, 2015

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Makes various changes relating to insurance.
(BDR 57-689)

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; providing for the licensure of a producer of limited lines travel insurance; authorizing such producers to offer and disseminate travel insurance through certain travel retailers; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes the Commissioner of Insurance to license producers of
2 insurance to solicit, negotiate and sell insurance in this State. (NRS 683A.261)
3 **Section 7** of this bill authorizes the Commissioner to issue licenses to producers
4 of limited lines travel insurance allowing them to solicit, negotiate and sell policies
5 of travel insurance. **Section 8** of this bill allows a person licensed as a producer of
6 limited lines travel insurance to sell policies of travel insurance through certain
7 travel retailers under certain conditions. **Section 9** of this bill requires a producer of
8 limited lines travel insurance to maintain a register of the travel retailers through
9 which policies of travel insurance are sold. **Section 10** of this bill exempts
10 producers of limited lines travel insurance and travel retailers from the educational
11 and written examination requirements of chapter 683A of NRS. **Section 11** of this
12 bill requires travel retailers to make certain disclosures to purchasers of travel
13 insurance. **Section 12** of this bill prohibits a travel retailer from evaluating,
14 providing advice, or rendering opinions regarding the technical terms and benefits
15 of a policy of travel insurance offered by the travel retailer or a purchaser's existing
16 insurance coverage. **Section 13** of this bill authorizes a producer of limited lines
17 travel insurance to pay compensation to a travel retailer for services related to the
18 sale of travel insurance. **Sections 14 and 15** of this bill make a producer of limited
19 lines travel insurance responsible for the acts of a travel retailer who offers travel
20 insurance and subjects both the producer and retailer to the disciplinary provisions
21 of chapter 683A of NRS and the provisions of chapter 686A of NRS governing
22 insurance trade practices and fraud.



* S B 3 7 3 *

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

1 **Section 1.** Chapter 683A of NRS is hereby amended by
2 adding thereto the provisions set forth as sections 2 to 15, inclusive,
3 of this act.

4 **Sec. 2.** *As used in NRS 683A.201 to 683A.370, inclusive, and*
5 *sections 2 to 15, inclusive, of this act, unless the context otherwise*
6 *requires, the words and terms defined in sections 3 to 6, inclusive,*
7 *of this act have the meanings ascribed to them in those sections.*

8 **Sec. 3.** *“Producer of limited lines travel insurance” means a*
9 *person licensed pursuant to section 7 of this act who is authorized*
10 *by an insurer to solicit travel insurance either directly or through*
11 *a travel retailer.*

12 **Sec. 4.** *“Offer and disseminate” means the provision of*
13 *general information, including, without limitation, a description of*
14 *the coverage and price of travel insurance, as well as the*
15 *processing of applications, collection of premiums and*
16 *performance of other activities that are allowed without obtaining*
17 *a license issued pursuant to this chapter.*

18 **Sec. 5.** 1. *“Travel insurance” means insurance coverage*
19 *for personal risks incident to planned travel, including, without*
20 *limitation:*

21 *(a) Interruption or cancellation of a trip or event;*

22 *(b) Loss of baggage or personal effects;*

23 *(c) Damages to accommodations or rental vehicles; or*

24 *(d) Sickness, accident, disability or death occurring during*
25 *travel.*

26 2. *The term does not include major medical plans which*
27 *provide comprehensive medical protection for travelers whose*
28 *trips are intended to last longer than 6 months, including, without*
29 *limitation, persons working overseas as expatriates or deployed*
30 *military personnel.*

31 **Sec. 6.** *“Travel retailer” means a person that makes,*
32 *arranges or offers travel services and, as an ancillary service to its*
33 *customers, may offer and disseminate travel insurance on behalf*
34 *of, and under the general direction and supervision of, a producer*
35 *of limited lines travel insurance.*

36 **Sec. 7.** *In accordance with the provisions of NRS 683A.201*
37 *to 683A.370, inclusive, and sections 2 to 15, inclusive, of this act,*
38 *the Commissioner may issue a license as a producer of limited*
39 *lines travel insurance to a person who has filed with the*
40 *Commissioner. A license issued pursuant to this section authorizes*
41 *the licensee to sell, solicit or negotiate travel insurance through a*
42 *licensed agent.*



1 **Sec. 8. 1.** *A travel retailer may offer and disseminate*
2 *policies of travel insurance on behalf of and within the scope of a*
3 *license issued pursuant to section 7 of this act under the following*
4 *conditions:*

5 (a) *The producer of limited lines travel insurance or travel*
6 *retailer provides to a purchaser or prospective purchaser of travel*
7 *insurance:*

8 (1) *A description of the material terms, or the actual*
9 *material terms, of the insurance coverage;*

10 (2) *A description of the process for filing a claim;*

11 (3) *A description of the review or cancellation process for*
12 *the policy of travel insurance; and*

13 (4) *The identity and contact information of the insurer and*
14 *the producer of limited lines travel insurance;*

15 (b) *The travel retailer is included in the register maintained by*
16 *the producer of limited lines travel insurance pursuant to section 9*
17 *of this act;*

18 (c) *The producer of limited lines travel insurance has*
19 *designated one of its employees who is licensed as a producer of*
20 *insurance pursuant to this chapter to be responsible for*
21 *compliance with the provisions of this title and any rules or*
22 *regulations adopted pursuant thereto;*

23 (d) *The person designated pursuant to subsection 3 and the*
24 *officers of the producer of limited lines travel insurance, or any*
25 *person who directs or controls the insurance operations of the*
26 *producer of limited lines travel insurance, are in compliance with*
27 *the provisions of this title and the laws, rules and regulations*
28 *governing the provision and sale of insurance in any other state in*
29 *which the producer of limited lines travel insurance is a resident*
30 *or conducts insurance operations;*

31 (e) *The producer of limited lines travel insurance has paid all*
32 *applicable licensing fees in accordance with the provisions of this*
33 *chapter; and*

34 (f) *The producer of limited lines travel insurance requires*
35 *each employee and authorized representative of the travel retailer*
36 *whose duties include offering and disseminating travel insurance*
37 *to receive a program of instruction or training approved by the*
38 *Commissioner. The training material provided as part of such a*
39 *program must, at a minimum, contain instructions on the types of*
40 *insurance offered, ethical sales practices and required disclosures*
41 *to prospective purchasers.*

42 2. *Travel insurance may be provided as an individual policy*
43 *or under a group or master policy.*

44 **Sec. 9. 1.** *Each producer of limited lines travel insurance*
45 *shall, at the time of licensure, establish and maintain a register, on*



1 *a form and in a manner prescribed by the Commissioner, which*
2 *includes a list of each travel retailer that offers and disseminates*
3 *travel insurance on behalf of the producer of limited lines travel*
4 *insurance. The register must include, without limitation:*

5 *(a) The name, address and contact information of the travel*
6 *retailer;*

7 *(b) The name, address and contact information for each*
8 *officer, or other person who directs or controls the travel retailer's*
9 *operations; and*

10 *(c) The travel retailer's federal tax identification number.*

11 *2. The producer of limited lines travel insurance shall*
12 *regularly update the register and shall submit a copy of the*
13 *register to the Commissioner on an annual basis as directed by*
14 *the Commissioner. In addition to the annual submission of the*
15 *register required by this subsection, the Commissioner may*
16 *require, with reasonable notice and at the Commissioner's sole*
17 *discretion, a producer of limited lines travel insurance to submit a*
18 *copy of the register upon request.*

19 *3. A producer of limited lines travel insurance shall certify*
20 *that the register required pursuant to subsection 1 does not violate*
21 *the provisions of 18 U.S.C. 1033(c).*

22 **Sec. 10.** *1. An applicant for, or holder of, a license issued*
23 *pursuant to section 7 of this act is not required to pass a written*
24 *examination or meet any preclicensing education or continuing*
25 *education requirements to receive or renew a license.*

26 *2. A travel retailer who is listed in the register maintained*
27 *pursuant to section 9 of this act or any employee or authorized*
28 *representative of such a travel retailer who is listed in the register*
29 *of a producer of limited lines travel insurance, is not required to*
30 *pass any written examination or complete any education*
31 *requirements other than the program of instruction or training*
32 *required by subsection 6 of section 8 of this act.*

33 **Sec. 11.** *A travel retailer offering or disseminating travel*
34 *insurance shall make available to prospective purchasers a*
35 *brochure or other written material that:*

36 *1. Provides the identity and contact information of the*
37 *insurer and the producer of limited lines travel insurance;*

38 *2. Explains that the purchase of travel insurance may not be*
39 *required to purchase any other product or service from the travel*
40 *retailer; and*

41 *3. Disclose that a travel retailer may provide general*
42 *information about the insurance offered by the travel retailer,*
43 *including a description of the coverage and the price, but is not*
44 *qualified or authorized to answer technical questions about the*
45 *terms and conditions of the insurance offered by the travel retailer*



1 *or to evaluate the adequacy of any existing travel insurance the*
2 *prospective purchaser may have.*

3 **Sec. 12.** *Any travel retailer, or an employee or authorized*
4 *representative of the travel retailer, who does not hold a valid*
5 *license as a producer of insurance pursuant to this chapter shall*
6 *not:*

7 *1. Evaluate or interpret the technical terms, benefits and*
8 *conditions of an offered travel insurance policy;*

9 *2. Evaluate, provide advice or render an opinion concerning*
10 *a prospective purchaser's existing insurance coverage or whether*
11 *such insurance provides adequate coverage for travel related*
12 *risks; or*

13 *3. Hold himself or herself out as a licensed insurer, licensed*
14 *producer of insurance or insurance expert.*

15 **Sec. 13.** *1. A travel retailer, or any employee or authorized*
16 *representative of a travel retailer, who is listed in the register of a*
17 *limited lines travel insurance producer as being authorized to*
18 *offer and disseminate travel insurance pursuant to section 9 of*
19 *this act may receive from the producer of limited lines travel*
20 *insurance compensation related to the offering and disseminating*
21 *of travel insurance.*

22 *2. A travel retailer, or employee or authorized representative*
23 *of a travel retailer, who does not hold a valid license as a producer*
24 *of insurance or a producer of limited lines travel insurance*
25 *pursuant to this chapter shall not receive any compensation for*
26 *the performance of any insurance related activity or service, other*
27 *than the offering and disseminating of travel insurance as*
28 *authorized pursuant to subsection 1.*

29 **Sec. 14.** *A producer of limited lines travel insurance licensed*
30 *pursuant to this chapter is responsible for the acts of each travel*
31 *retailer, or employee or authorized representative of a travel*
32 *retailer, who offers or disseminates travel insurance under the*
33 *license of the producer of limited lines travel insurance and shall*
34 *use every reasonable means to ensure compliance by the travel*
35 *retailers with the provisions of this chapter and any regulations*
36 *adopted pursuant thereto.*

37 **Sec. 15.** *A producer of limited lines travel insurance and*
38 *each travel retailer, or employee or authorized representative of a*
39 *travel retailer, who offers or disseminates travel insurance under*
40 *the license of a producer of limited lines travel insurance shall be*
41 *subject to the provisions of NRS 683A.451 to 683A.520, inclusive,*
42 *and chapter 686A of NRS.*



1 **Sec. 16.** NRS 683A.201 is hereby amended to read as follows:

2 683A.201 1. A person shall not sell, solicit or negotiate
3 insurance in this state for any class of insurance unless the person is
4 licensed for that class of insurance.

5 2. An insurer is exempt from the requirement for licensure as a
6 producer of insurance ~~†~~ *or producer of limited lines travel*
7 *insurance*, but this exemption does not extend to an insurer's
8 officers, directors, employees, subsidiaries or affiliates who sell,
9 solicit or negotiate insurance.

10 3. A person required to be licensed in this state who transacts
11 insurance without a license is subject to an administrative fine of not
12 more than \$1,000 for each violation.

13 **Sec. 17.** NRS 683A.211 is hereby amended to read as follows:

14 683A.211 The following persons need not be licensed as
15 producers of insurance ~~†~~ *or producers of limited lines travel*
16 *insurance*:

17 1. An officer, director or employee of an insurer , ~~†or†~~ a
18 producer of insurance *or a producer of limited lines travel*
19 *insurance* if the officer, director or employee does not receive any
20 commission on policies written or sold to insure risks residing,
21 located or to be performed in this state and:

22 (a) The officer, director or employee's activities are executive,
23 administrative, managerial or clerical, or a combination thereof, and
24 are only indirectly related to the sale, solicitation or negotiation of
25 insurance;

26 (b) The officer, director or employee's function relates to
27 underwriting, control of losses, inspection or the processing,
28 adjusting, investigating or settling of claims on contracts of
29 insurance; or

30 (c) The officer, director or employee is acting in the capacity of
31 a special agent or supervisor of an agency assisting producers of
32 insurance where his or her activities are limited to providing
33 technical advice and assistance to licensed producers and do not
34 include sale, solicitation or negotiation of insurance.

35 2. A person who secures and furnishes information for the
36 purpose of group life insurance, group property and casualty
37 insurance, group annuities, or group or blanket accident and health
38 insurance, or for the purpose of enrolling natural persons under
39 plans, issuing certificates under plans or otherwise assisting in
40 administering plans, or who performs administrative services related
41 to mass marketed property and casualty insurance, if no commission
42 is paid to the person for the service and the person does not sell,
43 solicit or negotiate insurance. As used in this subsection, "blanket
44 accident and health insurance" has the meaning ascribed to it in
45 NRS 689B.070.



1 3. An employer or association or its officers, directors or
2 employees, or the trustees of an employees' trust plan, to the extent
3 that the employer, association, officers, directors, employees or
4 trustees are engaged in the administration or operation of a program
5 of employees' benefits for the employer's or association's own
6 employees or the employees of its subsidiaries or affiliates, if the
7 program involves the use of insurance issued by an insurer and the
8 employer, association, officers, directors, employees or trustees are
9 not compensated by the insurer issuing the contracts.

10 4. Employees of insurers or organizations employed by
11 insurers who are engaged in the inspection, rating or classification
12 of risks or in the supervision of the training of producers of
13 insurance and are not individually engaged in the sale, solicitation or
14 negotiation of insurance.

15 5. A person whose activities in this state are limited to
16 advertising, without the intent to solicit insurance in this state,
17 through communications in printed publications or electronic mass
18 media whose distribution is not limited to residents of this state, if
19 the person does not sell, solicit or negotiate insurance of risks
20 residing, located or to be performed in this state.

21 6. A salaried full-time employee who counsels or advises his or
22 her employer concerning the interests of the employer, or of the
23 subsidiaries or affiliates of the employer, in insurance, if the
24 employee does not sell or solicit insurance or receive a commission.

25 7. An employee of a producer of insurance , *a producer of*
26 *limited lines travel insurance* or an insurer who responds to
27 requests from holders of policies previously issued, if the employee
28 is not directly compensated according to the volume of premiums
29 that may result from those services and does not solicit insurance or
30 offer advice concerning terms or conditions of policies.

31 **Sec. 18.** NRS 683A.251 is hereby amended to read as follows:

32 683A.251 1. The Commissioner shall prescribe the form of
33 application by a natural person for a license as a resident producer
34 of insurance ~~H~~ *or resident producer of limited lines travel*
35 *insurance*. The applicant must declare, under penalty of refusal to
36 issue, or suspension or revocation of, the license, that the statements
37 made in the application are true, correct and complete to the best of
38 his or her knowledge and belief. Before approving the application,
39 the Commissioner must find that the applicant has:

40 (a) Attained the age of 18 years;

41 (b) Not committed any act that is a ground for refusal to issue,
42 or suspension or revocation of, a license;

43 (c) Completed a course of study for the lines of authority for
44 which the application is made, unless the applicant is exempt from
45 this requirement;



1 (d) Paid all applicable fees prescribed for the license and a fee
2 established by the Commissioner of not more than \$15 for deposit in
3 the Insurance Recovery Account, neither of which may be refunded;
4 and

5 (e) Successfully passed the examinations for the lines of
6 authority for which application is made, unless the applicant is
7 exempt from this requirement.

8 2. A business organization must be licensed as a producer of
9 insurance *or producer of limited lines travel insurance* in order to
10 act as such. Application must be made on a form prescribed by the
11 Commissioner. Before approving the application, the Commissioner
12 must find that the applicant has:

13 (a) Paid all applicable fees prescribed for the license and a fee
14 established by the Commissioner of not more than \$15 for deposit in
15 the Insurance Recovery Account, neither of which may be refunded;

16 (b) Designated a natural person who is licensed as a producer of
17 insurance *or producer of limited lines travel insurance* and who is
18 authorized to transact business on behalf of the business
19 organization to be responsible for the organization's compliance
20 with the laws and regulations of this State relating to insurance; and

21 (c) If the business organization has authorized a producer of
22 insurance *or producer of limited lines travel insurance* not
23 designated pursuant to paragraph (b) to transact business on behalf
24 of the business organization, submitted to the Commissioner on a
25 form prescribed by the Commissioner the name of each producer of
26 insurance *or producer of limited lines travel insurance* authorized
27 to transact business on behalf of the business organization.

28 3. A natural person who is a resident of this State applying for
29 a license must, as part of his or her application and at the applicant's
30 own expense:

31 (a) Arrange to have a complete set of his or her fingerprints
32 taken by a law enforcement agency or other authorized entity
33 acceptable to the Commissioner; and

34 (b) Submit to the Commissioner:

35 (1) A completed fingerprint card and written permission
36 authorizing the Commissioner to submit the applicant's fingerprints
37 to the Central Repository for Nevada Records of Criminal History
38 for submission to the Federal Bureau of Investigation for a report on
39 the applicant's background and to such other law enforcement
40 agencies as the Commissioner deems necessary; or

41 (2) Written verification, on a form prescribed by the
42 Commissioner, stating that the fingerprints of the applicant were
43 taken and directly forwarded electronically or by another means to
44 the Central Repository and that the applicant has given written
45 permission to the law enforcement agency or other authorized entity



1 taking the fingerprints to submit the fingerprints to the Central
2 Repository for submission to the Federal Bureau of Investigation for
3 a report on the applicant's background and to such other law
4 enforcement agencies as the Commissioner deems necessary.

5 4. The Commissioner may:

6 (a) Unless the applicant's fingerprints are directly forwarded
7 pursuant to subparagraph (2) of paragraph (b) of subsection 3,
8 submit those fingerprints to the Central Repository for submission
9 to the Federal Bureau of Investigation and to such other law
10 enforcement agencies as the Commissioner deems necessary;

11 (b) Request from each such agency any information regarding
12 the applicant's background as the Commissioner deems necessary;
13 and

14 (c) Adopt regulations concerning the procedures for obtaining
15 this information.

16 5. The Commissioner may require any document reasonably
17 necessary to verify information contained in an application.

18 **Sec. 19.** NRS 683A.261 is hereby amended to read as follows:

19 683A.261 1. Unless the Commissioner refuses to issue the
20 license under NRS 683A.451, the Commissioner shall issue a
21 license as a producer of insurance *or producer of limited lines*
22 *travel insurance* to a person who has satisfied the requirements of
23 NRS 683A.241 and 683A.251 ~~†~~ *and sections 2 to 15, inclusive, of*
24 *this act.* A producer of insurance may qualify for a license in one or
25 more of the lines of authority permitted by statute or regulation,
26 including:

27 (a) Life insurance on human lives, which includes benefits from
28 endowments and annuities and may include additional benefits from
29 death by accident and benefits for dismemberment by accident and
30 for disability income.

31 (b) Accident and health insurance for sickness, bodily injury or
32 accidental death, which may include benefits for disability income.

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

35 (d) Casualty insurance against legal liability, including liability
36 for death, injury or disability and damage to real or personal
37 property. For the purposes of a producer of insurance, this line of
38 insurance includes surety indemnifying financial institutions or
39 providing bonds for fidelity, performance of contracts or financial
40 guaranty.

41 (e) Variable annuities and variable life insurance, including
42 coverage reflecting the results of a separate investment account.

43 (f) Credit insurance, including credit life, credit accident and
44 health, credit property, credit involuntary unemployment,
45 guaranteed asset protection, and any other form of insurance offered



1 in connection with an extension of credit that is limited to wholly or
2 partially extinguishing the obligation which the Commissioner
3 determines should be considered as limited-line credit insurance.

4 (g) Personal lines, consisting of automobile and motorcycle
5 insurance and residential property insurance, including coverage for
6 flood, of personal watercraft and of excess liability, written over one
7 or more underlying policies of automobile or residential property
8 insurance.

9 (h) Fixed annuities, including, without limitation, indexed
10 annuities, as a limited line.

11 (i) Travel ~~and baggage~~ *insurance, as defined in section 5 of*
12 *this act*, as a limited line.

13 (j) Rental car agency as a limited line.

14 (k) Portable electronics as a limited line.

15 (l) Crop as a limited line.

16 2. A license as a producer of insurance *or producer of limited*
17 *lines travel insurance* remains in effect unless revoked, suspended
18 or otherwise terminated if a request for a renewal is submitted on or
19 before the date for the renewal specified on the license, all
20 applicable fees for renewal and a fee established by the
21 Commissioner of not more than \$15 for deposit in the Insurance
22 Recovery Account are paid for each license and each authorization
23 to transact business on behalf of a business organization licensed
24 pursuant to subsection 2 of NRS 683A.251, and any requirement for
25 education or any other requirement to renew the license is satisfied
26 by the date specified on the license for the renewal. A producer of
27 insurance *or producer of limited lines travel insurance* may submit
28 a request for a renewal of his or her license within 30 days after the
29 date specified on the license for the renewal if the producer of
30 insurance *or producer of limited lines travel insurance* otherwise
31 complies with the provisions of this subsection and pays, in addition
32 to any fee paid pursuant to this subsection, a penalty of 50 percent
33 of all applicable renewal fees, except for any fee required pursuant
34 to NRS 680C.110. A license as a producer of insurance *or producer*
35 *of limited lines travel insurance* expires if the Commissioner
36 receives a request for a renewal of the license more than 30 days
37 after the date specified on the license for the renewal. A fee paid
38 pursuant to this subsection is nonrefundable.

39 3. A natural person who allows his or her license as a producer
40 of insurance *or producer of limited lines travel insurance* to expire
41 may reapply for the same license within 12 months after the date
42 specified on the license for a renewal without passing a written
43 examination or completing a course of study required by paragraph
44 (c) of subsection 1 of NRS 683A.251, but a penalty of twice all
45 applicable renewal fees, except for any fee required pursuant to



1 NRS 680C.110, is required for any request for a renewal of the
2 license that is received after the date specified on the license for the
3 renewal.

4 4. A licensed producer of insurance *or producer of limited*
5 *lines travel insurance* who is unable to renew his or her license
6 because of military service, extended medical disability or other
7 extenuating circumstance may request a waiver of the time limit and
8 of any fine or sanction otherwise required or imposed because of the
9 failure to renew.

10 5. A license must state the licensee's name, address, personal
11 identification number, the date of issuance, the lines of authority and
12 the date of expiration and must contain any other information the
13 Commissioner considers necessary. The license must be made
14 available for public inspection upon request.

15 6. A licensee shall inform the Commissioner of each change of
16 business or residence address, in writing or by other means
17 acceptable to the Commissioner, within 30 days after the change. If
18 a licensee changes his or her business or residence address without
19 giving written notice and the Commissioner is unable to locate the
20 licensee after diligent effort, the Commissioner may revoke the
21 license without a hearing. The mailing of a letter by certified mail,
22 return receipt requested, addressed to the licensee at his or her last
23 mailing address appearing on the records of the Division, and the
24 return of the letter undelivered, constitutes a diligent effort by the
25 Commissioner.

26 **Sec. 20.** NRS 683A.271 is hereby amended to read as follows:

27 683A.271 1. Unless the Commissioner refuses to issue the
28 license under NRS 683A.451, the Commissioner shall issue a
29 license as a producer of insurance *or producer of limited lines*
30 *travel insurance* to a nonresident person if the nonresident person:

31 (a) Is currently licensed as a resident and in good standing in his
32 or her home state;

33 (b) Has made the proper request for licensure and paid all
34 applicable fees prescribed for the license and a fee established by
35 the Commissioner of not more than \$15 for deposit in the Insurance
36 Recovery Account;

37 (c) Has sent to the Commissioner the application for licensure
38 that the nonresident person made in his or her home state, or a
39 completed uniform application; and

40 (d) Has a home state which issues nonresident licenses as
41 producers of insurance *or producer of limited lines travel*
42 *insurance* to residents of this State pursuant to substantially the
43 same procedure.

44 2. The Commissioner may participate with the National
45 Association of Insurance Commissioners or a subsidiary in a



1 centralized registry in which licensing and appointment of producers
2 of insurance *or producers of limited lines travel insurance* may be
3 effected for all states that require licensing and participate in the
4 registry. If the Commissioner finds that participation is in the public
5 interest, the Commissioner may adopt by regulation any uniform
6 standards and procedures necessary for participation, including
7 central collection of fees for licensing and appointment that are
8 handled through the registry.

9 3. A nonresident producer who moves from one state to
10 another state shall file a change of address and certification from the
11 new state of residence within 30 days after the change of legal
12 residence. No fee or application for license is required.

13 4. A nonresident licensed as a producer for surplus lines in his
14 or her home state must be issued a nonresident license of that kind
15 in this State pursuant to subsection 1, subject in all other respects to
16 chapter 685A of NRS. A nonresident licensed as a producer for
17 limited lines in his or her home state is entitled to a nonresident
18 license of that kind in this State pursuant to subsection 1, granting
19 the same scope of authority as the license issued in the home state.
20 As used in this subsection, insurance for limited lines is authority
21 granted by the home state which is restricted to less than the total
22 authority prescribed for the associated major lines pursuant to
23 NRS 683A.261.

24 **Sec. 21.** NRS 683A.281 is hereby amended to read as follows:

25 683A.281 1. Every nonresident licensed by this state as a
26 producer of insurance *or producer of limited lines travel insurance*
27 shall appoint the Commissioner in writing as his or her attorney
28 upon whom may be served all legal process issued in connection
29 with any action or proceeding brought or pending in this state
30 against or involving the licensee and relating to transactions under
31 his or her Nevada license. The appointment is irrevocable and
32 continues in force for so long as any such action or proceeding may
33 arise or exist. Duplicate copies of process must be served upon the
34 Commissioner or other person in apparent charge of the Division
35 during the Commissioner's absence, accompanied by payment of
36 the fee for service of process. Upon such service the Commissioner
37 shall promptly forward a copy of the process by certified mail with
38 return receipt requested to the nonresident licensee at his or her
39 business address last of record with the Division. Process served and
40 the copy thereof forwarded as provided in this subsection constitutes
41 for all purposes personal service thereof upon the licensee.

42 2. Every such licensee shall likewise file with the
43 Commissioner his or her written agreement to appear before the
44 Commissioner pursuant to notice of hearing, show cause order or
45 subpoena issued by the Commissioner and deposited, postage paid,



1 by certified mail with the United States Postal Service, addressed to
2 the licensee at his or her address last of record in the Division, and
3 that upon failure of the licensee so to appear the licensee thereby
4 consents to any subsequent suspension, revocation or refusal of the
5 Commissioner to continue the licensee's license.

6 **Sec. 22.** NRS 683A.301 is hereby amended to read as follows:

7 683A.301 1. An applicant for a license as a producer of
8 insurance *or producer of limited lines travel insurance*, or a
9 licensee who desires to use a name other than his or her true name
10 as shown on the license shall submit a request for approval of the
11 name and file with the Commissioner a certified copy of the
12 certificate or any renewal certificate filed pursuant to chapter 602 of
13 NRS. An incorporated applicant or licensee shall file with the
14 Commissioner a document showing the corporation's true name and
15 all fictitious names under which it conducts or intends to conduct
16 business. A licensee shall file promptly with the Commissioner a
17 written notice of any change in or discontinuance of the use of a
18 fictitious name.

19 2. The Commissioner may disapprove in writing the use of a
20 true name, other than the true name of a natural person who is the
21 applicant or licensee, or a fictitious name of any applicant or
22 licensee, on any of the following grounds:

23 (a) The name interferes with or is deceptively similar to a name
24 already filed and in use by another licensee.

25 (b) Use of the name may mislead the public in any respect.

26 (c) The name states or implies that the applicant or licensee is an
27 insurer, motor club or hospital service plan or is entitled to engage
28 in activities related to insurance not permitted under the license
29 applied for or held.

30 (d) The name states or implies that the licensee is an
31 underwriter, but:

32 (1) A natural person licensed as an agent or broker for life
33 insurance may describe himself or herself as an underwriter or
34 "chartered life underwriter" if entitled to do so;

35 (2) A natural person licensed for property and casualty
36 insurance may use the designation "chartered property and casualty
37 underwriter" if entitled thereto; and

38 (3) An insurance agent or brokers' trade association may use
39 a name containing the word "underwriter."

40 (e) The licensee submits a request to use more than one
41 fictitious name at a single business location.

42 3. A licensee shall not use a name after written notice from the
43 Commissioner indicates that its use violates the provisions of this
44 section. If the Commissioner determines that the use is justified by
45 mitigating circumstances, the Commissioner may permit, in writing,



1 the use of the name to continue for a specified reasonable period
2 upon conditions imposed by the Commissioner for the protection of
3 the public consistent with this section.

4 4. Paragraphs (a), (c) and (d) of subsection 2 do not apply to
5 the true name of an organization which on July 1, 1965, held under
6 that name a type of license similar to those governed by this chapter,
7 or to a fictitious name used on July 1, 1965, by a natural person or
8 organization holding such a license, if the fictitious name was filed
9 with the Commissioner on or before July 1, 1965.

10 **Sec. 23.** NRS 683A.321 is hereby amended to read as follows:

11 683A.321 1. A producer of insurance *or producer of limited*
12 *lines travel insurance* shall not act as an agent unless he or she is
13 appointed as an agent by the insurer. A producer who is not acting
14 as an agent is a broker who does not need to be appointed.

15 2. To appoint a producer of insurance *or producer of limited*
16 *lines travel insurance* as its agent, an insurer must file, in a form
17 approved by the Commissioner, a notice of appointment within 15
18 days after the contract is executed or the first application for
19 insurance is submitted. An insurer may appoint a producer to act as
20 agent for all or some insurers within its holding company or group
21 by filing a single notice of appointment. A notice of appointment
22 may include several agents.

23 3. Upon receipt of a notice of appointment, the Commissioner
24 shall determine within 30 days whether the producer of insurance *or*
25 *producer of limited lines travel insurance* is eligible for
26 appointment. If the producer of insurance *or producer of limited*
27 *lines travel insurance* is not, the Commissioner shall so notify the
28 insurer within 5 days after the determination is made.

29 4. An insurer shall pay an appointment fee and remit an annual
30 renewal fee for each producer of insurance *or producer of limited*
31 *lines travel insurance* appointed as its agent. A payment or
32 remittance may include fees for several agents.

33 5. A broker shall not place insurance, other than life insurance,
34 health insurance, annuity contracts or coverage written pursuant to
35 the Nonadmitted Insurance Law set forth in chapter 685A of NRS,
36 that covers property or risks within this state unless the broker does
37 so with a licensed agent of an authorized insurer.

38 6. A producer who is acting as an agent may also act as and be
39 a broker with regard to insurers for which he or she is not acting as
40 an agent. The sole relationship between an insurer and a broker who
41 is appointed as an agent by the insurer as to any transactions arising
42 during the period in which the broker is appointed as an agent is that
43 of insurer and agent, and not insurer and broker.

44 7. As used in this section:



1 (a) "Agent" means a producer of insurance *or producer of*
2 *limited lines travel insurance* who is compensated by the insurer
3 and sells, solicits or negotiates insurance for the insurer.

4 (b) "Broker" means a producer of insurance *or producer of*
5 *limited lines travel insurance* who:

6 (1) Is not an agent of an insurer;

7 (2) Solicits, negotiates or procures insurance on behalf of an
8 insured or prospective insured; and

9 (3) Does not have the power, by his or her own actions as a
10 broker, to obligate an insurer upon any risk or with reference to any
11 transaction of insurance.

12 **Sec. 24.** NRS 683A.325 is hereby amended to read as follows:

13 683A.325 1. ~~1A~~ *Except as provided in section 13 of this act,*
14 *a producer of insurance or producer of limited lines travel*
15 *insurance* who is appointed as an agent may pay a commission or
16 compensation for or on account of the selling, soliciting, procuring
17 or negotiating of insurance in this State only to a licensed and
18 appointed producer of insurance *or producer of limited lines travel*
19 *insurance* of the insurer with whom insurance was placed or to a
20 licensed producer acting as a broker.

21 2. A licensee shall not accept any commission or compensation
22 to which the licensee is not entitled pursuant to the provisions of this
23 title.

24 **Sec. 25.** NRS 683A.331 is hereby amended to read as follows:

25 683A.331 1. An insurer or its authorized representative who
26 terminates the appointment, employment or other relationship of a
27 producer of insurance to the insurer *or producer of limited lines*
28 *travel insurance* for any reason shall notify the Commissioner
29 within 30 days after the effective date of the termination, in a form
30 prescribed by the Commissioner. The insurer shall provide
31 additional information or documents if so requested in writing by
32 the Commissioner.

33 2. If the reason for termination is an activity described in NRS
34 683A.451 as a cause for disciplinary action or the insurer knows that
35 the producer has been found to have engaged in such an activity by
36 a court, governmental agency or self-regulatory organization
37 authorized by law, the insurer or its authorized representative shall
38 notify the Commissioner, in a form acceptable to the Commissioner,
39 if upon further review or investigation the insurer discovers
40 additional information that would have been reportable originally to
41 the Commissioner if the insurer had then known it.

42 3. Within 15 days after notifying the Commissioner under
43 subsection 1 or 2, the insurer shall mail a copy of the notification to
44 the producer of insurance *or producer of limited lines travel*
45 *insurance* at his or her last known address. If the termination was



1 for an activity described in subsection 2, the copy must be sent by
2 certified mail, return receipt requested, or by overnight delivery
3 using a nationally recognized carrier.

4 4. Within 30 days after the producer has received the original
5 or additional notification, the producer may file written comments
6 concerning the substance of the notification with the Commissioner.
7 The producer shall send a copy of the comments, by the same means
8 and at the same time, to the reporting insurer. The comments
9 become a part of the Commissioner's file and must accompany
10 every copy of the underlying report that is distributed or disclosed
11 by the Commissioner.

12 5. In the absence of actual malice, an insurer, its authorized
13 representative, a producer of insurance, *a producer of limited lines*
14 *travel insurance*, the Commissioner, and any organization of which
15 the Commissioner is a member which compiles information and
16 makes it available to other commissioners of insurance or to
17 regulatory or law enforcement agencies are not subject to civil
18 liability, and no cause of action arises against any of them or their
19 respective agents or employees, as a result of any statement or
20 information required by or provided pursuant to this section or any
21 statement by a terminating insurer or a producer to another insurer
22 or producer limited to whether a termination for a cause described in
23 subsection 2 was reported to the Commissioner, if in the latter case
24 the propriety of termination for that cause is certified in writing by
25 an officer or authorized representative of the insurer or by the
26 producer.

27 6. In an action brought against a person who may have
28 immunity under subsection 5 for making a statement or providing
29 information required by this section or requested by the
30 Commissioner under this section, the plaintiff must plead
31 specifically that subsection 5 does not apply because the person
32 making the statement or providing the information did so with
33 actual malice.

34 7. Subsections 5 and 6 do not abrogate or modify any other
35 privilege or immunity under statute or the common law.

36 **Sec. 26.** NRS 683A.341 is hereby amended to read as follows:

37 683A.341 A producer of insurance *or producer of limited lines*
38 *travel insurance* shall report to the Commissioner:

39 1. Any administrative action taken against the producer of
40 insurance *or producer of limited lines travel insurance* in another
41 jurisdiction or by another governmental agency in this state, within
42 30 days after the final disposition of the matter. The report must
43 include a copy of the complaint filed, the order issued and any other
44 relevant legal documents.



1 2. Any criminal prosecution against the producer of insurance
2 *or producer of limited lines travel insurance* in any jurisdiction,
3 within 30 days after the initial pretrial hearing. The report must
4 include a copy of the complaint filed, the order as a result of the
5 pretrial hearing and other relevant legal documents.

6 **Sec. 27.** NRS 683A.351 is hereby amended to read as follows:

7 683A.351 1. Every producer of insurance *or producer of*
8 *limited lines travel insurance* shall keep complete records of
9 transactions under his or her license. The records must show, for
10 each insurance policy placed or countersigned by or through
11 the licensee, not less than the names of the insurer and insured, the
12 number and expiration date of, and premium payable as to, the
13 policy or contract, the names of all other persons from whom
14 business is accepted or to whom commissions are promised or paid,
15 all premiums collected, and such additional information as the
16 Commissioner may reasonably require.

17 2. The records must be open to examination of the
18 Commissioner at all times, and the Commissioner may at any time
19 require the licensee to furnish to the Commissioner, in such a
20 manner or form as the Commissioner requires, any information kept
21 or required to be kept in those records. The records may be kept in
22 an electronic format if, using the electronic format, the records are
23 retained in accordance with this section.

24 3. Records of a particular policy or contract may be destroyed
25 3 years after expiration of the policy or contract.

26 **Sec. 28.** NRS 683A.361 is hereby amended to read as follows:

27 683A.361 1. An insurer, ~~for a~~ producer of insurance *or*
28 *producer of limited lines travel insurance* shall not pay a
29 commission, brokerage, fee for service or other valuable
30 consideration to a person for selling, soliciting or negotiating
31 insurance in this State if the activities of the person require the
32 person to be licensed under this title and the person is not so
33 licensed.

34 2. A person shall not accept a commission, brokerage, fee for
35 service or other valuable consideration for selling, soliciting or
36 negotiating insurance in this State if the activities of the person
37 require the person to be licensed under this title and the person is not
38 so licensed.

39 3. Commissions for renewal and other deferred commissions
40 may be paid to a person whose activities required the person to be
41 licensed under this title at the time of the sale, solicitation or
42 negotiation and the person was so licensed at that time.

43 4. An insurer, ~~for a~~ producer of insurance *or producer of*
44 *limited lines travel insurance* may pay or assign commissions,
45 brokerage, fees for service or other valuable considerations to a



1 person who does not sell, solicit or negotiate insurance in this State
2 unless the payment would violate the provisions of NRS 686A.110
3 or 686A.120.

4 5. An insurer shall not pay a commission, directly or indirectly,
5 to a producer of insurance *or producer of limited lines travel*
6 *insurance* for selling, soliciting or negotiating insurance in this
7 State unless the producer of insurance *or producer of limited lines*
8 *travel insurance* is appointed as an agent of the insurer as provided
9 in NRS 683A.321. This subsection does not apply to a broker for
10 reinsurance or to business placed pursuant to subsection 3, NRS
11 683A.325 or 685A.155, or contracts entered into pursuant to NRS
12 693A.110 which are approved by the Commissioner.

13 6. A producer of insurance *or producer of limited lines travel*
14 *insurance* shall not accept a commission from an insurer for selling,
15 soliciting or negotiating insurance in this State unless the producer
16 of insurance *or producer of limited lines travel insurance* is
17 appointed as an agent of the insurer as provided in NRS 683A.321.
18 This subsection does not apply to a broker for reinsurance or to
19 business placed pursuant to subsection 3, NRS 683A.325 or
20 685A.155, or contracts entered into pursuant to NRS 693A.110
21 which are approved by the Commissioner.

22 7. As used in this section, “broker for reinsurance” has the
23 meaning ascribed to it in NRS 681A.280.

24 **Sec. 29.** NRS 683A.365 is hereby amended to read as follows:

25 683A.365 1. A business organization which is licensed as a
26 producer of insurance *or producer of limited lines travel insurance*
27 and which authorizes another producer of insurance *or producer of*
28 *limited lines travel insurance* to transact business on its behalf shall
29 notify the Commissioner within 15 days after the effective date of
30 the authorization in the manner prescribed by the Commissioner.

31 2. A business organization which is licensed as a producer of
32 insurance *or producer of limited lines travel insurance* and which
33 terminates the authorization of a producer of insurance *or producer*
34 *of limited lines travel insurance* for any reason shall notify the
35 Commissioner within 30 days after the effective date of the
36 termination in the manner prescribed by the Commissioner. The
37 business organization shall provide additional information or
38 documents if so requested in writing by the Commissioner.

39 3. If the reason for termination is an activity described in NRS
40 683A.451 as a cause for disciplinary action or the business
41 organization knows that the producer of insurance *or producer of*
42 *limited lines travel insurance* has been found to have engaged in
43 such an activity by a court, governmental agency or self-regulatory
44 organization authorized by law, the business organization shall
45 notify the Commissioner, in the manner prescribed by the



1 Commissioner, if the business organization discovers additional
2 information that would have been reportable originally to the
3 Commissioner if the business organization had then known it.

4 **Sec. 30.** NRS 683A.370 is hereby amended to read as follows:

5 683A.370 1. A licensed producer of insurance or *producer of*
6 *limited lines travel insurance* insurer may solicit for and issue
7 personal travel accident insurance policies by means of mechanical
8 vending machines supervised by the producer and placed at airports
9 and similar places of convenience to the traveling public, if the
10 Commissioner finds that:

11 (a) The policy provides reasonable coverage and benefits, is
12 suitable for sale and issuance by vending machine, and that use of
13 such a machine in a proposed location would be of material
14 convenience to the public;

15 (b) The type of machine proposed to be used is reasonably
16 suitable for the purpose;

17 (c) Reasonable means are provided for informing prospective
18 purchasers of policy coverages and restrictions;

19 (d) Reasonable means are provided for the refund of money
20 inserted in defective machines and for which insurance so paid for is
21 not received; and

22 (e) The cost of maintaining such a machine at a particular
23 location is reasonable in amount.

24 2. For each machine to be used, the Commissioner shall issue
25 to the producer upon the producer's application a special vending
26 machine license. The license is subject to annual continuation, to
27 expiration, suspension or revocation coincidentally with that of the
28 producer. The Commissioner shall also revoke the license of any
29 machine as to which the Commissioner finds that the license
30 qualifications no longer exist. Proof of the existence of a subsisting
31 license must be displayed on or about each machine in use in such
32 manner as the Commissioner reasonably requires.

33 **Sec. 31.** NRS 683A.383 is hereby amended to read as follows:

34 683A.383 1. A natural person who applies for the issuance or
35 renewal of a certificate of registration as an administrator or a
36 license as a producer of insurance, *producer of limited lines travel*
37 *insurance* or managing general agent shall submit to the
38 Commissioner the statement prescribed by the Division of Welfare
39 and Supportive Services of the Department of Health and Human
40 Services pursuant to NRS 425.520. The statement must be
41 completed and signed by the applicant.

42 2. The Commissioner shall include the statement required
43 pursuant to subsection 1 in:



1 (a) The application or any other forms that must be submitted
2 for the issuance or renewal of the certificate of registration or
3 license; or

4 (b) A separate form prescribed by the Commissioner.

5 3. A certificate of registration as an administrator or a license
6 as a producer of insurance , *producer of limited lines travel*
7 *insurance* or managing general agent may not be issued or renewed
8 by the Commissioner if the applicant is a natural person who:

9 (a) Fails to submit the statement required pursuant to subsection
10 1; or

11 (b) Indicates on the statement submitted pursuant to subsection
12 1 that he or she is subject to a court order for the support of a child
13 and is not in compliance with the order or a plan approved by the
14 district attorney or other public agency enforcing the order for the
15 repayment of the amount owed pursuant to the order.

16 4. If an applicant indicates on the statement submitted pursuant
17 to subsection 1 that the applicant is subject to a court order for the
18 support of a child and is not in compliance with the order or a plan
19 approved by the district attorney or other public agency enforcing
20 the order for the repayment of the amount owed pursuant to the
21 order, the Commissioner shall advise the applicant to contact the
22 district attorney or other public agency enforcing the order to
23 determine the actions that the applicant may take to satisfy the
24 arrearage.

25 **Sec. 32.** NRS 683A.385 is hereby amended to read as follows:

26 683A.385 1. If the Commissioner receives a copy of a court
27 order issued pursuant to NRS 425.540 that provides for the
28 suspension of all professional, occupational and recreational
29 licenses, certificates and permits issued to a person who is the
30 holder of a certificate of registration as an administrator or a license
31 as a producer of insurance , *producer of limited lines travel*
32 *insurance* or managing general agent, the Commissioner shall
33 suspend the certificate of registration or license issued to that person
34 at the end of the 30th day after the date on which the court order was
35 issued unless the Commissioner receives a letter issued to the holder
36 of the certificate of registration or license by the district attorney or
37 other public agency pursuant to NRS 425.550 stating that the holder
38 of the certificate of registration or license has complied with the
39 subpoena or warrant or has satisfied the arrearage pursuant to
40 NRS 425.560.

41 2. The Commissioner shall reinstate a certificate of registration
42 as an administrator or a license as a producer of insurance ,
43 *producer of limited lines travel insurance* or managing general
44 agent that has been suspended by a district court pursuant to NRS
45 425.540 if the Commissioner receives a letter issued by the district



1 attorney or other public agency pursuant to NRS 425.550 to the
2 person whose certificate of registration or license was suspended
3 stating that the person whose certificate of registration or license
4 was suspended has complied with the subpoena or warrant or has
5 satisfied the arrearage pursuant to NRS 425.560.

6 **Sec. 33.** NRS 683A.387 is hereby amended to read as follows:

7 683A.387 The application of a natural person who applies for
8 the issuance of a certificate of registration as an administrator or a
9 license as a producer of insurance, *producer of limited lines travel*
10 *insurance* or managing general agent must include the social
11 security number of the applicant.

12 **Sec. 34.** NRS 683A.400 is hereby amended to read as follows:

13 683A.400 1. All money of others received by any person in
14 any way licensed or acting as a producer of insurance, *producer of*
15 *limited lines travel insurance*, surplus lines broker, motor club
16 agent or bail agent under any insurance policy or undertaking of bail
17 is received and held by the person in a fiduciary capacity. Any such
18 person who diverts or appropriates such fiduciary money to his or
19 her own use is guilty of embezzlement.

20 2. Each such person who does not make immediate remittance
21 of the money to the insurer or other person entitled thereto, shall
22 elect and follow with respect to money received for the account of a
23 particular insurer or person either of the following methods:

24 (a) Remit received premiums, less applicable commissions, if
25 any, and return premiums to the insurer or other person entitled
26 thereto within 15 days after receipt; or

27 (b) Establish and maintain in a commercial bank, credit union or
28 other established financial institution depository in this state one or
29 more accounts, separate from accounts holding his or her general
30 personal, firm or corporate money, and forthwith deposit and retain
31 in the accounts pending transmittal to the insurer or other person
32 entitled thereto, all such premiums, net of applicable commissions,
33 if any, and return premiums. Money belonging to more than one
34 principal may be so deposited and held in the same such account if
35 the amount so held for each principal is readily ascertainable from
36 the records of the depositor. The depositor may commingle with
37 such fiduciary money in a particular account such additional money
38 as the depositor may deem prudent to advance premiums, establish
39 reserves for the payment of return commissions, or for other
40 contingencies arising in his or her business of receiving and
41 transmitting premiums or return premiums.

42 3. Such a person may commingle with his or her own money to
43 an unlimited amount money of a particular principal if the principal
44 in writing in advance has specifically waived the segregation
45 requirements of subsection 2.



1 4. Any commingling of money with money of any such person
2 permitted under this section does not alter the fiduciary capacity of
3 that person with respect to the money of others.

4 **Sec. 35.** This act becomes effective upon passage and approval
5 for the purpose of adopting any regulations and performing any
6 other preparatory administrative tasks necessary to carry out the
7 provisions of this act, and on January 1, 2016, for all other purposes.



