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Insurance; unfair practices in settling claims

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Existing law also states that an insurer may not discriminate² against an automobile liability insurance policyholder because of the insured's age.³ Chapter 466 prohibits an insurer from responding to a casualty or property insurance claim, when the insured is not at fault, by cancelling, refusing to renew, or increasing the policy's premium for renewal.⁴ Chapter 466 applies to all binders⁵ and insurance agreements,⁶ although the commissioner of insurance may exempt certain policies.⁷ Chapter 466, however, permits the rescission or reformation of any life or health insurance contract not otherwise denied by the contract's terms.⁸

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2. *Id.* § 687B.400 1 (by refusing to issue policies, reducing liability limits, or increasing premiums).

3. *Id.* *But see id.* § 687B.400 2. Rate increases caused by the insured's age must be justified to the commissioner of insurance. *Id.* Medical examinations requested to justify rate increases must be paid for by the insurer. *Id.*

4. 1987 Nev. Stat. ch. 466, sec. 1, at ____ (enacting NEV. REV. STAT. § 687B.____).

5. NEV. REV. STAT. § 687B.015 (definition of binders).

6. *Id.* § 687B.310 1 (amended by 1987 Nev. Stat. ch. 466, sec. 2, at ____) (except as otherwise statutorily provided).

7. *Id.* § 687B.310 3 (amended by 1987 Nev. Stat. ch. 466, sec. 2, at ____) (the commissioner of insurance may exempt classes of insurance contracts where the policyholders do not need protection against arbitrary termination).

8. *Id.* § 687B.310 5 (amended by 1987 Nev. Stat. ch. 466, sec. 2, at ____) (or by any other statute). *See also id.* § 687B.310 3 (amended by 1987 Nev. Stat. ch. 466, sec. 2, at ____) (the rights provided by Chapter 466 are in addition to, and do not prejudice, any other rights the policyholder may have at common law or under other statutes).

Insurance; unfair practices in settling claims

NEV. REV. STAT. § 686A.310 (amended).

AB 811 (Committee on Commerce); 1987 STAT. Ch 470

Existing law sets forth unfair practices of insurance.¹ Under Chapter 470, the following are also considered unfair practices: (1) Failing to promptly supply the insured with a reasonable explanation of a denial of an insured's claim or offer; (2) advising an insured claimant not to seek legal counsel; (3) misleading an insured or claimant about

1. NEV. REV. STAT. § 686A.310 (unfair practices in settling claims). *See* NEV. REV. STAT. § 679A.100 (definition of insurer).

a statute; and (4) failing to comply with the provisions on the cancellation and renewal of an insurance policy.² In addition, Chapter 470 imposes liability on an insurer for any damages sustained by the insured as a result of an unfair practice.³

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2. 1987 Nev. Stat. ch. 470, sec. 1, at ___ (amending NEV. REV. STAT. § 686A.310). The cancellation of an insurance policy must not be made at midterm, unless the premium was not paid or a provision of the policy was not satisfied. *Id.* § 687B.320. When made by the insurer, the cancellation must give the policyholder adequate instructions to apply for insurance through a risk-sharing plan. *Id.* § 687B.370. When the insurer purports to renew the policy on different terms and the policyholder elects to cancel the policy, the cancellation must provide the insured with a pro rata refund of the paid premium. *Id.* § 687B.350. The cancellation must not be made on the basis of age, residence, race, color, creed, national origin, ancestry or occupation. *Id.* § 687B.390. Renewal of an insurance policy must not be denied by an insurer on the basis of age, residence, race, color, creed, national origin, ancestry or occupation. *Id.*

3. *Id.* at ___ (enacting NEV. REV. STAT. § 686A.310 2) (parent or their authorized representative).

Insurance; risk retention groups

NEV. REV. STAT. § 000.____ (new); §§ 679A.160, 680A.310, 687A.020 (amended).

SB 565 (Committee on Commerce and Labor); 1987 STAT. Ch 559 (*Effective January 1, 1988*)

The Liability Risk Retention Act of 1986 allows individual states¹ to regulate the formation of risk retention² and purchasing

1. 15 U.S.C. § 3901(a)(6) (West 1986) (definition of state).

2. 15 U.S.C. § 3901 (West 1986). A risk retention group is any corporation or association with limited liability whose primary activity consists of assuming and spreading all or any portion of the liability exposure of the group's members. *Id.* The group must be chartered and licensed as a liability insurer and authorized to transact insurance, or before January 1, 1985, was chartered or licensed and authorized to transact insurance and had certified to the commissioner of insurance of at least one state that it satisfied the state's requirements for capitalization. *Id.* Such a group is considered a risk retention group, however, only if it has been engaged in business continuously since January 1, 1987, and only for the purpose of continuing to provide insurance to cover product liability or completed operations liability. *Id.* See 1987 Nev. Stat. ch. 559, sec. 12, at ___ (same as 15 U.S.C. § 3901 (West 1986)). 15 U.S.C. § 3901(a)(3) (West 1982); 1987 Nev. Stat. ch. 559, sec. 10, at ___ (definition of product liability). 15 U.S.C. § 3901(a)(1) (West 1982); 1987 Nev. Stat. ch. 559, sec. 4, at ___ (definition of completed operations liability). 15 U.S.C. § 3901(a)(1) (West 1986) (definition of insurance). The group may not exclude a person from membership in the group solely to provide for members of the group a competitive advantage over an excluded person. 15 U.S.C. § 3901(a)(4)