

CREDIT INSURANCE

NRS 690A.015 defines credit insurance as credit life insurance, credit disability insurance, credit involuntary unemployment insurance and any other similar form of insurance. NRS 690A.030(2) establishes the authorized lines of credit insurance as credit life insurance, credit disability insurance and credit involuntary unemployment insurance. Other types of credit insurance are not authorized under NRS 690A. Credit property insurance is not credit insurance within the meaning of NRS 690A.

Credit property insurance is defined in NAC 683A.089 as “insurance which provides for payment of: (1) The outstanding balance of a loan if the property given as security for the loan is destroyed; or (2) The cost of repairing the property given as security for the loan up to the amount of the outstanding balance of the loan.” Insurance that insures property up to its purchase price instead of according to the outstanding balance of a loan is not credit property insurance within the meaning of NAC 683A.089 and, therefore, may not be issued as credit insurance or credit property insurance in the state of Nevada.

The Division of Insurance will initiate disciplinary action against any insurer that markets or issues “credit property insurance” that does not conform to the definition established in NAC 683A.089.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance