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OFFER OF REPLACEMENT COST COVERAGE AND OTHER OPTIONS FOR MOBILE OR MANUFACTURED HOMES

Effective January 1, 2013 (Assembly Bill 74, Sec. 57 (2011)), property and casualty insurers that provide a policy for a personal line of property insurance covering a manufactured or mobile home that was manufactured within the preceding 15 years are required to offer to the insured the option to purchase replacement-value coverage (commonly referred to as "replacement-cost" coverage). Additionally, the offer of coverage must include reasonable costs for transporting and installing the home as well as debris removal. The offer must be made on all new business and on the first renewal of existing policies on or after January 1, 2013. No offer is required at renewal thereafter if the insurer obtains the written signature of the insured rejecting the replacement-value coverage or selecting a coverage that provides less than replacement-value coverage. This mandatory coverage offer does not apply to a policy of insurance placed on a manufactured or mobile home by a creditor or lender.

The offer of replacement-value coverage must be made on a form approved by the Commissioner. The form must require the written signature of an insured if the insured rejects replacement-value coverage or selects less coverage. Also, pursuant to NRS 686B.070, insurers must submit their proposed rates and rules for replacement-value coverage for review and approval by the Commissioner. Rates, rules and forms may be submitted for approval at any time using the System for Electronic Rate and Form Filing (SERFF) and must receive approval by the Commissioner before use.

AMY L. PARKS
Acting Commissioner of Insurance