

## DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or [library@lcb.state.nv.us](mailto:library@lcb.state.nv.us).

HOFFMAN, TEST, GUINAN & COLLIER

ATTORNEYS AND COUNSELORS AT LAW  
SOUTHWEST PROFESSIONAL CENTRE  
429 WEST PLUMB LANE  
RENO, NEVADA 89509

John W. Hoffman  
Louis S. Test  
David J. Guinan  
John A. Collier

Mailing Address:  
P.O. Box 187  
Reno, Nevada 89504-0187  
Telephone (775) 322-4081  
Fax (775) 322-3841

April 2, 2003

Assembly Taxation Committee  
State Legislature  
Carson City, NV 89701

Re: AB517 as it affects the Nevada Insurance Guaranty Association  
Tentatively scheduled for hearing on April 10, 2003

Ladies and Gentlemen:

This office represents the Nevada Insurance Guaranty Association (NIGA). NIGA was created in 1971 by NRS 687A.040, and is governed by the provisions of Chapter 687A of NRS. It is charged by statute to pay "covered claims" in the event of an insurance company insolvency. In brief, it is the "FDIC" of property and casualty insurance companies licensed to do business in Nevada. It acts as the statutory surrogate for insolvent insurance companies in Nevada and steps in to protect Nevada insureds and pay claims within the guidelines of the statute.

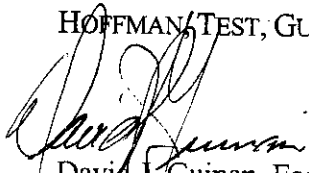
AB517, being considered by your Committee, seeks to impose a 14% excise tax on "financial institutions" as defined in section 4 of the bill. NIGA, which is a statutory non-profit association, is not a financial institution as defined in the bill. Nevertheless, section 43 of AB517 proposes to amend NRS 687A.130, which specifically exempts NIGA from payment of all fees and taxes except property taxes. This amendment to NRS 687A.130 would also exclude the excise tax from NIGA's tax exemption.

On behalf of NIGA I request that section 43 be deleted from AB517. NIGA is not a financial institution, and there is no good reason to create an ambiguity by referring to the excise tax in the Nevada Insurance Guaranty Association Act.

If you have any questions, I would be pleased to discuss this matter with you in greater detail.

Sincerely,

HOFFMAN, TEST, GUINAN & COLLIER



David J. Guinan, Esq.

DJG  
cc: Randy Livingston

ASSEMBLY TAXATION  
DATE: 4/10/03 ROOM: 4100 EXHIBIT L  
SUBMITTED BY: David Guinan