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NRS 616B.624 Applicability to officers of quasi-public, private and nonprofit corporations and managers of limited-liability companies; rejection of coverage by certain officers and managers.

1. If a quasi-public or private corporation or a limited-liability company is required to be insured pursuant to chapters 616A to 616D, inclusive, of NRS, an officer of the corporation or a manager of the company who:

(a) Receives pay for services performed as an officer, manager or employee of the corporation or company shall be deemed for the purposes of those chapters to receive a minimum pay of \$6,000 per policy year and a maximum pay of \$36,000 per policy year.

(b) Does not receive pay for services performed as an officer, manager or employee of the corporation or company shall be deemed for the purposes of those chapters to receive a minimum pay of \$500 per month or \$6,000 per policy year.

2. An officer or manager who does not receive pay for services performed as an officer, manager or employee of the corporation or company may elect to reject coverage for himself by filing written notice thereof with the corporation or company and the insurer. The rejection is effective upon receipt of the notice by the insurer.

3. An officer or manager of such a corporation or company who:

(a) Owns the corporation or company;

~~(b) Operates the corporation or company exclusively from his primary residence;~~

~~and~~

(c) Receives pay for the services performed, may elect to reject coverage for himself by filing written notice thereof with the insurer. The rejection is effective upon receipt of the notice by the insurer.

4. An officer or manager who has rejected coverage may rescind that rejection by filing written notice thereof with the corporation or company and the insurer. The rescission is effective upon receipt of the notice by the insurer. Except as otherwise provided in subsection 3, if an officer or manager who has rejected coverage receives pay for services performed as an officer, manager or employee of the corporation or company, the officer or manager shall be deemed to have rescinded that rejection.

5. A nonprofit corporation whose officers do not receive pay for services performed as officers or employees of the corporation may elect to reject coverage for its current officers and all future officers who do not receive such pay by filing written notice thereof with the corporation and the insurer. The rejection is effective upon receipt of the notice by the insurer.

6. A nonprofit corporation which has rejected coverage for its officers who do not receive pay for services performed as officers or employees of the corporation may rescind that rejection by filing written notice thereof with the corporation and the insurer. The rescission is effective upon receipt of the notice by the insurer. If an officer of a nonprofit corporation which has rejected coverage receives pay for services performed as an officer or employee of the corporation, the corporation shall be deemed to have rescinded that rejection.

(Added to NRS by 1987, 597; A 1991, 803; 1993, 41; 1995, 2016, 2136, 2167; 1997, 579, 1499, 1500; 1999, 454, 1723; 2001, 608, 2451)