

Amendment No. 430

Senate Amendment to Senate Bill No. 436	(BDR 57-873)
<b>Proposed by:</b> Senate Committee on Commerce and Labor	
<b>Amends:</b> Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION	Initial and Date		SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>
Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>
Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/>	Not <input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.





SENATE BILL NO. 436—COMMITTEE ON COMMERCE AND LABOR

MARCH 27, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to service contracts. (BDR 57-873)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to insurance; requiring the provider of a service contract to maintain or contract for an adequate network or workforce of employees or contractors to carry out its obligations under the service contract in a timely and reasonable manner; providing that the holder of a service contract is entitled to reimbursement of costs incurred as the result of the failure by the provider to comply with such a requirement; requiring the Commissioner of Insurance to submit to the Joint Interim Standing Committee on Commerce and Labor a report concerning the service contract provider industry in this State; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law provides for the regulation of providers of service contracts by the  
2 Commissioner of Insurance. (Chapter 690C of NRS) Existing law defines a service contract as  
3 a contract pursuant to which a provider, in exchange for separately stated consideration, is  
4 obligated for a specified period to a holder to repair, replace or perform maintenance on, or  
5 indemnify or reimburse the holder for the costs of repairing, replacing or performing  
6 maintenance on, goods that are described in the service contract and which have an  
7 operational or structural failure as a result of a defect in materials, workmanship or normal  
8 wear and tear. Types of service contracts include contracts that: (1) pay reimbursement for  
9 towing, rental and emergency road service; and (2) provide for the repair, replacement or  
10 maintenance of goods for damages that result from power surges or accidental damage from  
11 handling. (NRS 690C.080) Existing law authorizes the Commissioner to assess a civil penalty  
12 against a provider who fails to comply with existing law or who violates an order or regulation  
13 of the Commissioner. (NRS 690C.330)

14 ~~This bill~~ **Section 1 of this bill** requires a provider to ensure that the provider maintains  
15 or contracts for an adequate network or workforce of employees or contractors to carry out its  
16 obligations to the holder of a service contract in a timely and reasonable manner, including,  
17 without limitation, the duty to repair, replace or perform maintenance on goods that are  
18 described in the service contract. ~~This bill~~ **Section 1** also provides that if the provider fails to  
19 comply with the requirement to maintain or contract for such an adequate network or  
20 workforce of employees or contractors, then, in addition to any other remedies available to the  
21 holder, a holder is entitled to reimbursement from the provider for any reasonable and  
22 necessary costs incurred by the holder to repair, replace or perform maintenance on the goods.

23 Section 2 of this bill requires the Commissioner of Insurance to submit to the Joint  
24 Interim Standing Committee on Commerce and Labor an annual report that provides  
25 certain information concerning the service contract industry in this State.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Chapter 690C of NRS is hereby amended by adding thereto ~~the~~  
2 ~~new section to read as follows:~~ the provisions set forth as sections 1.5 and 2 of  
3 this act.

4 Sec. 1.5. 1. A provider shall maintain or contract for an adequate  
5 network or workforce of employees or contractors that is sufficient to carry out its  
6 obligations to a holder under a service contract in a timely and reasonable  
7 manner, including, without limitation, the duty to repair, replace or perform  
8 maintenance on goods that are described in the service contract.

9 2. If a provider fails to comply with the provisions of subsection 1, in  
10 addition to any other remedy available to a holder, a holder is entitled to  
11 reimbursement from the provider for any reasonable and necessary costs  
12 incurred by the holder to repair, replace or perform maintenance on the goods.

13 Sec. 2. 1. On or before December 31, 2023, and on or before December  
14 31 of each year thereafter, the Commissioner shall submit a report to the Joint  
15 Interim Standing Committee on Commerce and Labor concerning the service  
16 contract industry in this State.

17 2. The report must include, without limitation:

18 (a) For each report other than the initial report, the number of service  
19 contracts sold by providers, by county, during the calendar year for which the  
20 report is made;

21 (b) The number of providers doing business in this State;

22 (c) The number of providers, by the type of service contract provided;

23 (d) The number of complaints concerning providers received by the Division,  
24 by type of complaint; and

25 (e) Any other matter relating to the service contract industry in this State that  
26 the Commissioner deems appropriate.

27 3. As used in this section:

28 (a) "Provider" has the meaning ascribed to it in NRS 690C.070.

29 (b) "Service contract" has the meaning ascribed to it in NRS 690C.080.

30 Sec. 3. The provisions of subsection 1 of NRS 218D.380 do not apply to  
31 any provision of this act which adds or revises a requirement to submit a  
32 report to the Legislature.