American Property Casualty Insurance Association℠
INSURING AMERICA apci.org

To: The Honorable Daniele Monroe-Moreno – Chair
The Honorable Shea M. Backus - Vice Chair
Assembly Ways and Means Committee

From: Mark Sektnan, Vice President

Re: AB 376 – Relating to Insurance
APCIA Position: SUPPORT

Date: Tuesday, May 20, 2025
8:00 a.m., Room 3137

Dear Chair Monroe-Moreno, Vice Chair Backus and Members of the Committee:

The American Property Casualty Insurance Association (APCIA) is pleased to **support AB 376** which will encourage insurers to innovate and develop new products for the Nevada market. The American Property Casualty Insurance Association is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.

AB 376 does the following:

Flex Rating
The bill would require the Commissioner to develop a program allow for flex rating to allow insurers to obtain adequate premiums with tight regulatory control.

- Insurers would be able to submit rate filings without prior approval within the flex band that would be determined by the Commissioner.
- In highly inflationary times, with increasing risk, this approach to pricing flexibility can help insurers to ensure the rate matches the risk.
- The Commissioner will determine the rating band to ensure appropriate consumer protection.

Captive Insurance
The bill would give a homeowners association (HOA) or a common interest community the opportunity to create a "captive" insurance company.

- A captive insurance company may be a less expensive tool for these organizations to use to purchase insurance.

- The bill requires the captive to ensure the captive has the financial capacity to pay for claims.
- The bill also authorizes the captive to purchase insurance to cover losses over a specific amount. These provisions act much like a large deductible.

Regulatory Experimentation Program for Property Insurance Innovation

The bill would allow for innovation by insurance companies to better meet the challenges of a changing environment.

- Insurers who exit markets typically point to two overriding issues: lack of adequate rate and the inability to bring new products to market which may provide other types of coverages that would better meet the needs of consumers.

APCIA looks forward to continuing working with the author and the Division of Insurance on this novel regulatory approach.