ADOPTED REGULATION OF THE

COMMISSIONER OF INSURANCE

LCB File No. R039-08

Effective June 17, 2008

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

AUTHORITY: §1, NRS 616B.300 and 679B.130.

A REGULATION relating to self-insured employers; revising provisions related to the cost of publications of the Governmental Accounting Standards Board applicable to such employers; and providing other matters properly relating thereto.

Section 1. NAC 616B.427 is hereby amended to read as follows:

616B.427 1. To determine whether a governmental employer has the financial ability to qualify as a self-insured employer, the Commissioner will consider the use of fund accounting and waive the requirement for a tangible net worth found in NAC 616B.424. All other requirements for qualification apply to the governmental entity.

2. In addition to the deposit required by NRS 616B.300, a governmental entity that does not meet the requirements of subsection 1 shall:

(a) Comply with the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which may be obtained from the Governmental Accounting Standards Board, 401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116, ***or on the Internet at http://www.gasb.org,*** at a cost of [~~$16.25;~~] ***$18.50;*** or

(b) Set aside, in a special reserve account, an amount equal to the deposit it made with the Commissioner to assure payment of claims. This account must be held in trust for the payment of claims, and all interest and income earned must be credited to that account. If securities are used for this account, then the form of the securities must be submitted to the Commissioner for his approval.

NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R039-08

The Commissioner of Insurance adopted regulations assigned LCB File No. R039-08 which pertain to chapter 616B of the Nevada Administrative Code.

INFORMATIONAL STATEMENT

A workshop was held on May 20, 2008, and a hearing was held on May 27, 2008, at the offices of the Department of Business and Industry, Division of Insurance ("Division"), 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, with a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, Real Estate Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104, regarding the adoption of the regulation concerning updating the cost of certain publications cited in Nevada Administrative Code ("NAC") 616B.427.

Public comment was solicited by posting notice of the hearing in the following public locations: the Division's Carson City and Las Vegas offices, Carson City Courthouse, Office of the Attorney General, the Donald W. Reynolds Press Center, Capitol Building Lobby, Capitol Building Press Room, Blasdel Building, Legislative Counsel Bureau, Nevada State Library, Carson City Library, Churchill County Library, Clark County District Library, Douglas County Library, Elko County Library, Esmeralda County Library, Eureka Branch Library, Humboldt County Library, Lander County Library, Lincoln County Library, Lyon County Library, Mineral County Library, Pershing County Library, Storey County Library, Tonopah Public Library, Washoe County Library, and White Pine County Library.

The Division maintains a list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. These persons were notified of the hearing and that copies of the regulation could be obtained from or examined at the offices of the Division in Carson City.

Notice was also e-mailed to members of the Workers' Compensation Subcommittee of the Commissioner's Advisory Committee on Property and Casualty Insurance.

No members of the public attended the hearing. No comments were received from the public regarding the proposed regulation.

The Commissioner has issued an order adopting the proposed regulation, LCB File No. R039-08, as a permanent regulation of the Division.

The proposed regulation amends paragraph (a) of subsection 2 of NAC 616B.427 to read as follows: "Comply with the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which may be obtained from the Governmental Accounting Standards Board, 401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116, ***or on the Internet at http://www.gasb.org,*** at a cost of ~~[$16.25;]~~ ***$18.50;*** or".

The economic impact of the regulation is as follows:

(a) On the business it is to regulate: The impact of the regulation is neutral. This regulation only updates information already contained in NAC 616B.427.

(b) On small business: The proposed regulation should not have any impact upon small business. This regulation only updates information already contained in NAC 616B.427.

(c) On the public: This regulation will provide the public with up-to-date information regarding how certain publications may be obtained.

The Division anticipates no expense to administer the proposed regulation. No enforcement of this regulation is required. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.