

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS INFORMATIONAL STATEMENT AS REQUIRED BY NRS 233B.066

LCB FILE NO. R024-17

The following statement is submitted by the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) for adopted amendments to Nevada Administrative Code (“NAC”) Chapter 680C.

1. A clear and concise explanation of the need for the adopted regulation.

In 2015, the Legislature amended NRS 680C.110, giving the Commissioner the authority to determine annual fees based on certain factors. With the ability to determine fees, other fees were eliminated with the intent of capturing these fees through the one fee for administrative efficiency. In developing the fee structure, the statute requires the Commissioner to consider the direct written premiums for the prior year, the number of insurers required to pay the annual fee, the direct written premiums written by all insurers required to pay the annual fee, and the budget of the Division. Regulation R001-16, adopted by the Commissioner on April 27, 2016, and filed with the Secretary of State on June 28, 2016, created the framework for the Division to develop the fee structure, imposing the time period when the Division must notify carriers of the annual fee, and a requirement that public meetings be held to present the preliminary budget. This regulation is the next step to implement the annual fees to be assessed against certain companies.

The purpose of the regulation is to establish the fees for administration and enforcement of NRS Title 57, based on the Division’s needs as expressed through the proposed budget for the next budget cycle.

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

(a) A description of how public comment was solicited:

Public comment was solicited by e-mailing the proposed regulation, notice of workshop, notice of intent to act upon the regulation, and small business impact statement, to persons on the Division’s mailing list requesting notification of proposed regulations. The documents were also made available on the website of the Division, <http://doi.nv.gov/>, mailed to the main library for each county in Nevada, and posted at the following locations:

Nevada Division of Insurance
1818 East College Parkway, Suite 103
Carson City, Nevada 89706

Nevada Division of Insurance
3300 West Sahara Avenue, Suite 275
Las Vegas, Nevada 89102

Legislative Building
401 South Carson Street

Nevada State Business Center
3300 West Sahara Avenue

Carson City, Nevada 89701

Las Vegas, Nevada 89102

Blasdel Building
209 East Musser Street
Carson City, Nevada 89701

Grant Sawyer Building
555 East Washington Avenue
Las Vegas, Nevada 89101

Capitol Building
101 North Carson Street
Carson City, Nevada 89701

Nevada Department of Employment,
Training and Rehabilitation
2800 E. Saint Louis Avenue
Las Vegas, Nevada 89104

Public comment was also solicited at the workshop held on October 3, 2017, and at the hearing held on October 18, 2017. The public meetings took place at the offices of the Division, 1818 East College Parkway, Carson City, Nevada 89706, with simultaneous videoconferencing to the Nevada State Business Center, 3330 West Sahara Avenue, Las Vegas, Nevada 89102.

(b) A summary of the public response:

There were no public comments submitted to the Division.

(c) An explanation of how other interested persons may obtain a copy of the summary:

The summary in part 2(b) above reflects the comments and testimony that transpired with regard to regulation R024-17. A copy of said summary may be obtained by contacting Laurie Squartsoff, at (775) 687-0700 or lsquartsoff@doi.nv.gov. This summary will also be made available by e-mail request to insinfo@doi.nv.gov.

3. The number of persons who:

(a) Attended each hearing: 0.

(b) Testified at each hearing: 0.

(c) Submitted to the agency written statements: 0.

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3 (b) and (c), as provided to the agency:

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address

N/A				

5. A description of how comment was solicited from affected businesses, a summary of their responses, and an explanation of how other interested persons may obtain a copy of the summary.

Comments were solicited from affected businesses in the same manner as they were solicited from the public. Please see the description, summary and explanation provided above in response to question #2.

6. If after consideration of public comment the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The proposed regulation was adopted as presented, as the Division anticipates the annual fees in the regulation will fund the Division's administration and enforcement operations.

7. (a) The estimated economic effect of the adopted regulation on the business which it is to regulate:

(1) Both adverse and beneficial effects: The legislative history of this regulation anticipated that it would take a few budget cycles to transition to this flexible annual fee model.

(2) Both immediate and long-term effects: There is a slight increase in annual fees due to other fees being eliminated, and the examination override fee is not being charged in exchange for incorporating those fees into the annual fee to spread the costs more equitably across more companies.

(b) The estimated economic effect of the adopted regulation on the public:

(1) Both adverse and beneficial effects: None.

(2) Both immediate and long-term effects: None.

8. The estimated cost to the agency for enforcement of the adopted regulation.

There are no direct costs but the Division is now required to review fees annually based on the Division's proposed budget, and hold public meetings.

9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency. N/A

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of those provisions. N/A

11. If the regulation establishes a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The Division anticipates collecting \$3.5M in fees from the Administration and Enforcement Assessment in FY2019.