STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE

Determination of Necessity of Small Business Impact Statement - REVISED
NRS 233B.0608(1)

REGULATION CONCERNING ANNUAL FEES
LCB FILE NO. R115-26

The Commissioner is amending the amount of the annual fee to be assessed on certain insurers operating under NRS title 57 starting in fiscal year 2028.

EFFECTIVE DATE OF REGULATION:
Upon Filing with the Nevada Secretary of State

1. BACKGROUND.

In regulating the business of insurance in Nevada, the Commissioner is required to collect fees from licensees as set out in NRS 680C. Specifically, insurers are required to pay the Commissioner an annual administration and enforcement fee based on factors set by statute. NRS 680C.110(6). When determining the annual fee amounts, the Commissioner must 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. Having reviewed these factors for the 2028 biennium (fiscal years 2028 and 2029), the Commissioner proposes to amend the annual fees.

2. DESCRIPTION OF SOLICITATION SHOWING A CONCERTED EFFORT. NRS 233B.0608(1).

The Division evaluated past public meeting attendance and comments, past public participation and attendance of annual fee rulemaking workshops and hearings, fees charged by other states' insurance regulators, and the distribution of services provided to companies. The Division also presented the topic for public discussion at past advisory committee meetings (Life & Health Advisory Committee and Property & Casualty Advisory Committee, whose participants include insurers and other insurance licensees, as well as the public) and considered who would be affected by this annual fee change. Along with this information, the Division conducted an analysis of the impact of a changed annual fee based on services provided and consulted with various Division financial experts to determine how a changed annual fee would impact the companies.

3. DOES THE PROPOSED REGULATION IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN UPON A SMALL BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF A SMALL BUSINESS? NRS 233B.0608(1).

☒ NO ☐ YES

4. HOW WAS THAT CONCLUSION REACHED? NRS 233B.0608(3).

The only persons affected by this annual fee change are the insurers listed in NRS 680C.110(5) (companies transacting in casualty insurance, health insurance, life insurance, property insurance, title insurance, fraternal benefit societies, corporations, health maintenance organizations, organizations for dental care, and prepaid limited health service organizations). While some of these entities may have fewer than 150 employees (technically qualifying them as a "small business" under NRS 233B.0382), insurers are sophisticated entities required to have considerable financial resources and extensive expertise. The term "small business" would not generally apply to an insurance company.

This annual fee is based on the amount of premium revenue collected by insurers (for risks located in NV) and by applying factors the Legislature identifies in the statute. These fees cover the Division's budget, enabling it to perform regulatory duties. The Division has proposed modest fee increases which are not expected to impose a burden on any of the companies affected or to restrict the formation, operation, or expansion of a small business.

The business of insurance requires an efficient regulatory process so that applications and policy language can be properly reviewed on an expected schedule; an efficient regulatory process benefits policyholders, insurers, and producers. Approval delays due to inadequate resourcing of the Division can be far more costly to the insurers operating in NV (and their agents, *who may actually be small businesses)* than a nominal fee increase which preserves the core functioning of the Division.

During public meetings, rulemaking, and advisory committee meetings held since 2017, no public comments have been raised about annual fees.

I, Ned Gaines, Commissioner of Insurance for the State of Nevada, hereby certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this statement is accurate. (NRS 233B.0608(3))

26 June 2026
(DATE)

NED GAINES
Commissioner of Insurance