

**PROPOSED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**LCB File No. R128-06**

June 26, 2006

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

AUTHORITY: §§1 and 2, NRS 679B.130 and 680A.265.

A REGULATION relating to insurance; authorizing qualified independent certified public accountants to enter into agreements with insurers to resolve disputes concerning annual audited financial reports by mediation or arbitration; and providing other matters properly relating thereto.

**Section 1.** Chapter 680A of NAC is hereby amended by adding thereto a new section to read as follows:

*1. Except as otherwise provided in subsection 2, a qualified independent certified public accountant may enter into an agreement with an insurer to have any dispute relating to an annual audited financial report certified by the accountant resolved by mediation or arbitration.*

*2. If a delinquency proceeding pursuant to chapter 696B of NRS has commenced against an insurer, any such mediation or arbitration provision is enforceable at the option of the successor in interest to the insurer.*

**Sec. 2.** NAC 680A.174 is hereby amended to read as follows:

680A.174 1. A foreign or alien insurer which files an audited financial report in another state, in accordance with that state's requirements for filing audited financial reports, is exempt

from filing its annual audited financial report in accordance with NAC 680A.172 to 680A.204, inclusive, *and section 1 of this regulation* if:

(a) The Commissioner determines that the requirements of the other state for filing such reports are substantially similar to the requirements set forth in NAC 680A.172 to 680A.204, inclusive ~~§~~, *and section 1 of this regulation*;

(b) The foreign or alien insurer files with the Commissioner, in accordance with the appropriate filing dates specified in NRS 680A.265 and NAC 680A.172 to 680A.204, inclusive, *and section 1 of this regulation*, a copy of its audited financial report, its report, if any, on significant deficiencies in internal controls, and the certified public accountant's letter of qualifications which have been filed with the insurance regulatory authority of the other state; and

(c) The foreign or alien insurer files with the Commissioner a copy of each notification of a report of adverse financial condition filed with the insurance regulatory authority of the other state within the time specified in NAC 680A.198.

2. For the purposes of this section, an insurer which is domiciled in Canada may submit its accountants' reports which the insurer filed with the Canadian Dominion Department of Insurance.