

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R077-10

Effective December 16, 2010

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

AUTHORITY: §§1-5, NRS 679B.130.

A REGULATION relating to insurance; establishing certain requirements relating to continuous care coverage; and providing other matters properly relating thereto.

Section 1. Chapter 683A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 5, inclusive, of this regulation, unless the context otherwise requires, “continuous care coverage” has the meaning ascribed to it in NRS 681A.022.*

Sec. 3. *A person who sells, solicits or negotiates continuous care coverage must:*

- 1. Be licensed as a producer of accident and health insurance and as a producer of casualty insurance; or*
- 2. Be licensed as a producer of accident and health insurance and receive approval from the Commissioner to market continuous care coverage pursuant to section 4 of this regulation.*

Sec. 4. *A producer of accident and health insurance may submit to the Commissioner a written request to sell, solicit and negotiate continuous care coverage. The Commissioner will approve such a request if, within the 6 months immediately preceding the date on which the request is submitted, the producer has successfully completed not less than 8 hours of*

instruction approved by the Commissioner for continuous care coverage, including, without limitation, instruction concerning workers' compensation insurance and employers' liability insurance.

Sec. 5. *The instruction required by section 4 of this regulation may be counted toward the continuing education hours required by NAC 683A.330.*

NOTICE OF ADOPTION OF PROPOSED REGULATION

The Commissioner of Insurance adopted regulations assigned LCB File No. R077-10 which pertain to chapter 683A of the Nevada Administrative Code.

INFORMATIONAL STATEMENT

A workshop was held on October 8, 2010, and a hearing was held on October 22, 2010, at the offices of the Nevada State Health Division, 4150 Technology Way, Suite 303, Carson City, Nevada 89706, with a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, 2nd Floor Conference Room, Las Vegas, Nevada 89104, regarding the adoption of the regulation prescribing requirements for the marketing of continuous care coverage.

Public comment was solicited by posting notice of the hearing in the following public locations: the Division's Website, Division's Carson City and Las Vegas offices, Carson City Courthouse, Office of the Attorney General, Capitol Building Lobby, Capitol Building Press Room, Blasdel Building, and Legislative Counsel Bureau; and by providing notice of the hearing to the Donald W. Reynolds Press Center, 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.

The workshop was attended by three members of the public in Carson City. The hearing was attended by one individual in Carson City. The proposed regulation was presented by Janice Moskowitz, on behalf of the Division. The Division did not receive any written comments concerning the regulation.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: The combined marketing of workers' compensation and health insurance for small businesses may expand the market for health insurance and increase business for companies marketing continuous care coverage.
- (b) On the small businesses: It is expected that the marketing of workers' compensation insurance and health insurance together may reduce the price of workers' compensation and health insurance.

- (c) On the public: If the availability of the continuous care coverage expands the market for health insurance to more small businesses, more members of the public will be covered by health insurance.

The Division **will not** incur any additional expense to enforce this regulation.

The Division **is not** aware of any overlap or duplication of the regulation with any state, local or federal regulation.

Based upon the oral comments and explanation received at the workshop and hearing, Section 4 of the proposed regulation, LCB File No. R077-10, was amended as follows:

Sec. 4. A producer of accident and health insurance may submit to the Commissioner a written request to sell, solicit and negotiate continuous care coverage. The Commissioner will approve such a request if, within the 6 months immediately preceding the date the request is submitted, the producer has successfully completed not less than 8 hours of instruction approved by the Commissioner for continuous care coverage[-], ***including, without limitation, workers' compensation and employers' liability coverages.***

The proposed regulation, LCB File No. R077-10, was adopted, as proposed with amendment, as a permanent regulation of the Division. See attached Order.

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

IN THE MATTER OF THE

CAUSE NO. **10.0313**
LCB FILE NO. **R077-10**

**PRESCRIBED REQUIREMENTS FOR
THE MARKETING OF CONTINUOUS
CARE COVERAGE**

**SUMMARY OF PROCEEDINGS
AND ORDER**

SUMMARY OF PROCEEDINGS

A public workshop, as required by Nevada Revised Statute (“NRS”) 233B.061, on the proposed regulation prescribing requirements for the marketing of continuous care coverage was held before Amy L. Parks, Esq. (“Hearing Officer”), on October 8, 2010, at the offices of the Nevada State Health Division in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. A public hearing on the proposed regulation was also held before the Hearing Officer, on October 22, 2010, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. The regulation is proposed under the authority of NRS 679B.130.

The workshop was attended by three members of the public in Carson City. The hearing was attended by one member of the public in Carson City. There were no written comments received.

At the workshop, Janice Moskowitz, lead actuary for the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”), explained that continuous care coverage is a health insurance policy marketed in conjunction with a workers’ compensation insurance policy. Ms. Moskowitz explained that the proposed regulation prescribes requirements for the marketing of this product, clarifies the type of producer license required for said marketing, and prescribes minimum training requirements for health insurance producers

who market the product. She stated that the clarification of license type is necessary because there has been some confusion with respect to the language in Senate Bill 195 adopted during the 2009 Legislative Session, and particularly with Section 14 which is now NRS 683A.367. The purpose of the regulation is to make clear that health producers may obtain additional training about workers' compensation insurance, and then apply to the Commissioner to be allowed to market the continuous care product. Ms Moskowitz further indicated that the minimum training requirements in the regulation are proposed in order to address concerns raised by interested parties that a producer of accident and health insurance, who is not also licensed as a producer of casualty insurance, may not have the necessary basic understanding of workers' compensation coverage. Ms. Moskowitz indicated that, prior to the workshop, the Division held several meetings with interested parties to get input concerning the proposed regulation. Ms. Moskowitz also indicated that there are 1,257 Nevada producer firms which currently maintain casualty licenses in Nevada. Of these, 1,030 (82 percent) are also licensed to sell health insurance.

Two members of the public testified at the workshop in Carson City. First, Jim Werbeckes, representing Employers Insurance Group, stated his support for the proposed regulation. Mr. Werbeckes explained that the continuous care legislation in Senate Bill 195 was brought forth by Employers Insurance Group to mirror an integrated workers' compensation and health insurance product that is available in California. He indicated that Senate Bill 195 was submitted near the end of the 2009 Legislative session, and agreed that its wording needed to be cleaned up.

Kay Lockhart, representing Nevada Independent Insurance Agents, then testified that her group does not have a problem with this product, but does believe that there is an inequity with the licensure provision in the statute, that is, that health insurance producers are permitted to market this product but casualty insurers are not, unless they are also licensed as health insurance producers. Ms. Lockhart asked that the proposed regulation be amended to explicitly require that the new training requirement for health insurance producers also include training about the third-party liability coverage that is part of the workers' compensation policy coverage, because health

insurance producers might not have the requisite familiarity with the third-party liability coverage. Ms. Moskowitz suggested that Section 4 of the proposed regulation, therefore, be amended to read as follows: “A producer of accident and health insurance may submit to the Commissioner a written request to sell, solicit and negotiate continuous care coverage. The Commissioner will approve such a request if, within the 6 months immediately preceding the date the request is submitted, the producer has successfully completed not less than 8 hours of instruction approved by the Commissioner for continuous care coverage, including, without limitation, workers’ compensation and employers’ liability coverages.”

Ms. Lockhart stated that the proposed regulation is acceptable with this change.

At the hearing, Ms. Moskowitz again presented the regulation with the amendment and summarized the proceedings of the workshop. Mr. Werbeckes indicated his support for the proposed regulation as amended. Ms. Moskowitz then recommended that the proposed regulation, LCB File No. R077-10, be adopted as proposed, with the amendment concerning employers’ liability training.

RECOMMENDED ORDER OF THE HEARING OFFICER

Based upon the testimony received at the workshop and hearing, it is recommended that the proposed regulation prescribing requirements for the marketing of continuous care coverage, LCB File No. R077-10, be adopted, as proposed with amendment, as a permanent regulation of the Division. See Exhibit “A”.

SO RECOMMENDED this 17th day of November, 2010.

/s/
AMY L. PARKS
Hearing Officer

