

STEVE SISOLAK  
*Governor*

STATE OF NEVADA

TERRY REYNOLDS  
*Director*



BARBARA D. RICHARDSON  
*Commissioner*

DEPARTMENT OF BUSINESS AND INDUSTRY

DIVISION OF INSURANCE

1818 East College Pkwy., Suite 103

Carson City, Nevada 89706

(775) 687-0700 • Fax (775) 687-0787

Website: [doi.nv.gov](http://doi.nv.gov)

E-mail: [insinfo@doi.nv.gov](mailto:insinfo@doi.nv.gov)

**NOTICE OF INTENT TO ACT UPON REGULATION  
LCB File No. R161-22  
AND HEARING AGENDA**

The Nevada Division of Insurance (“Division”) is proposing the adoption of regulations pertaining to chapter(s) 680A, 688C, 689C, 690C, 695B, and 695C of the Nevada Administrative Code (“NAC”). The hearing shall take place as follows:

**Date:** November 29, 2022  
**Time:** 9:00 a.m.  
**Location:** This meeting will be held virtually via Webex, which allows participation by video or telephone.\*

To join by Webex, click on the URL and enter the meeting number and password when prompted.

URL: <https://doinv.webex.com/doinv/j.php?MTID=m96cd3a4b4b549fd687008f3757e572a1>

Meeting Number: 2634 827 4010

Password: WmNx9TGqi24

To join by telephone, call the toll-free number and enter the access code when prompted.

Phone-in Access: 1-844-621-3956 United States Toll Free

Access Code: 2634 827 4010

If you need help using Webex, visit <https://help.webex.com>.

Live public comment and written public comment will be taken as designated in the Hearing Agenda.

\* There is no physical location designated for this hearing. Accordingly, any person planning to participate must participate by using the Webex link, for video access, or by calling the phone-in access for telephone access. Meeting materials are available on the Division’s website at: <https://doi.nv.gov/News-Notices/Regulations/>.

The purpose of the hearing is to solicit comments from interested persons on the general topic(s) that may be addressed in the proposed regulation; and to assist in determining whether the proposed regulation is likely to impose a direct and significant burden upon a small business or directly restricts the formation, operation, or expansion of a small business.

---

## HEARING AGENDA

1. Open Hearing: R161-22.
2. Presentation of Proposed Regulation.

### [LCB File No. R161-22 – REPEAL OF OBSOLETE REGULATIONS](#)

A REGULATION relating to insurance; repealing certain duplicative and obsolete provisions; and providing other matters properly relating thereto. A copy of the proposed regulation prepared by the Legislative Counsel is available by clicking on the following link:

<https://www.leg.state.nv.us/Register/2022Register/R161-22P.pdf>

3. Public Comment.

The hearing officer will indicate when live public comment will be taken. Public comment may be limited to three minutes per speaker.

4. Close Hearing: R161-22.

Note: Any agenda item may be taken out of order; items may be combined for consideration by the public body; items may be pulled or removed from the agenda at any time; and discussion relating to an item may be delayed or continued at any time. The hearing officer, within his/her discretion, may allow for public comment on individual agenda items.

---

A copy of all materials relating to the proposal may be obtained by visiting the Division's internet website at <https://doi.nv.gov/News-Notices/Regulations/> or by contacting the Division ([regs@doi.nv.gov](mailto:regs@doi.nv.gov) or 775-687-0700). Members of the public who would like additional information about a proposed regulation may contact the Division by email to [regs@doi.nv.gov](mailto:regs@doi.nv.gov). Members of the public are encouraged to submit written comments for the record no later than **November 22, 2022**. Persons wishing to comment upon the proposed actions of the Division may appear at the hearing via Webex or telephone and/or may address their comments, data, views, or arguments in written form, by email to [regs@doi.nv.gov](mailto:regs@doi.nv.gov) or by mail to 1818 E. College Parkway, Suite 103, Carson City, NV 89706.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Division of your request for reasonable accommodation in writing, no later than five (5) working days before the hearing via email to [regs@doi.nv.gov](mailto:regs@doi.nv.gov).

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

The following information is provided pursuant to the requirements of Nevada Revised Statutes (“NRS”) 233B.0603:

(1) Why is the regulation necessary and what is its purpose?

The Division’s Product Compliance team completed its mandatory 10-year review of Title 57 regulations and identified regulations related to insurance products that are obsolete due to changes in Nevada statutes or federal law, or they are a duplication of language that is already contained in the Nevada Revised Statutes. This regulation is intended to repeal obsolete regulations or regulations that duplicate provisions set forth in statute.

(2) What are the terms or substance of the proposed regulation? Provide a description of the subjects, issues and problems involved.

The sections of the Nevada Administrative Code (“Code”) being repealed come from six different chapters of the Nevada Administrative Code:

1. CHAPTER 680A - AUTHORIZATION OF INSURERS AND GENERAL REQUIREMENTS;
2. CHAPTER 688C - VIATICAL SETTLEMENTS;
3. CHAPTER 689C - HEALTH INSURANCE FOR SMALL EMPLOYERS;
4. CHAPTER 690C - SERVICE CONTRACTS;
5. CHAPTER 695B - NONPROFIT CORPORATIONS FOR HOSPITAL, MEDICAL AND DENTAL SERVICE; and
6. CHAPTER 695C - HEALTH MAINTENANCE ORGANIZATIONS

The repeal of language in NAC chapter 680A is being proposed because countersignatures are no longer allowed in state law after a federal court ruling and countersignature requirements have been removed from Title 57 in prior sessions of the Nevada Legislature. In addition, the licensing requirements related to vending machines are obsolete and therefore not needed.

The repeal of language in NAC chapter 688C relates to viatical settlements, and the language is already provided for in the Nevada Revised Statutes, which makes it a duplication in the NAC.

The repeal of language in NAC chapter 689C is due to changes in the federal Affordable Care Act, which make the requirements for these specific disclosure forms and denial of coverage to small employers obsolete.

The repeal of language in NAC chapter 690C is due to the language already being provided for in the Nevada Revised Statutes, which makes it a duplication in the NAC.

The repeal of language in NAC chapter 695B is due to changes in the federal Affordable Care Act, which make the requirements for these disclosures in advertising and sales materials obsolete.

The repeal of language in NAC chapter 695C is due to changes in the federal Affordable Care Act, which make the requirements for HMOs regarding their applications, filings and disclosures in advertising and

sales materials that are addressed in our code obsolete. In addition, in 2019, HMOs were added to the Nevada Life and Health Guaranty Association, so their policyholders/members are now covered in the event of an insolvency. Therefore, the requirements in NAC 695C.135 and .137 are no longer needed.

(3) What is the anticipated impact of the regulation on the problem(s)?

No impact is anticipated because provisions being repealed are either obsolete or have been changed through federal laws and state statutes.

(4) Do other regulations address the same problem(s)?

No other regulations would address these issues.

(5) Are alternate forms of regulation sufficient to address the problem(s)?

There are no alternative forms of regulation that could address obsolete code other than repeal.

(6) What value does the regulation have to the public?

The public benefits by having laws that are integrated or compatible, making it less confusing for members of the public to understand their rights and the obligations of insurers or other licensees that provide insurance coverage or services to them.

(7) What is the anticipated economic benefit of the regulation? Provide a statement as to potential beneficial impact on the following:

- a. Public
  - 1. Immediate: - No impact, regulations are obsolete or duplicative.
  - 2. Long Term: - No impact, regulations are obsolete or duplicative.
  
- b. Insurance Business
  - 1. Immediate: - No impact, regulations are obsolete or duplicative.
  - 2. Long Term: - No impact, regulations are obsolete or duplicative.
  
- c. Small Businesses
  - 1. Immediate: - No impact, regulations are obsolete or duplicative.
  - 2. Long Term: No impact, regulations are obsolete or duplicative.
  
- d. Small Communities
  - 1. Immediate: No impact, regulations are obsolete or duplicative.
  - 2. Long Term: No impact, regulations are obsolete or duplicative.
  
- e. Government Entities
  - 1. Immediate: No impact, regulations are obsolete or duplicative.
  - 2. Long Term: No impact, regulations are obsolete or duplicative.

(8) What is the anticipated adverse impact, if any? Provide a statement as to any anticipated adverse impact, including adverse economic effects, on the following:

- a. Public
  - 1. Immediate: none
  - 2. Long Term: none
- b. Insurance Business
  - 1. Immediate: none
  - 2. Long Term: none
- c. Small Businesses
  - 1. Immediate: none
  - 2. Long Term: none
- d. Small Communities
  - 1. Immediate: none
  - 2. Long Term: none
- e. Government Entities
  - 1. Immediate: none
  - 2. Long Term: none

(9) What is the anticipated cost of the regulation, both direct and indirect? Provide a statement as to the cost of:

- a. Enactment – There will be no additional cost from the enactment of this regulation.
- b. Enforcement - There will be no additional cost from the enforcement of this regulation.
- c. Compliance - There will be no additional cost from the compliance of this regulation.

(10) Provide a statement indicating whether the regulation establishes a new fee or increases an existing fee.

No new or increased fee will result from the enactment of this regulation.

(11) Provide a statement which identifies the methods used by the agency in determining the impact of the proposed regulation on a small business, prepared pursuant to subsection 3 of NRS 233B.0608.

Division experts within the Product Compliance Section conducted an analysis of regulations in the Nevada Administrative Code to identify those that are obsolete or duplicative. Given that the regulations are obsolete or duplicative, the analysis indicated that the repeal of these regulations would have no economic impact.

(12) Provide a description of any regulations of other state or local governmental 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, state the name of the regulating federal agency.

There are not any other overlaps or duplications with other state or local governmental agencies.

(13) If the regulation is required pursuant to federal law, provide a citation and description of the federal law.

Federal law is not implicated for the following regulations proposed for repeal in these chapters: Chapter 680A; Chapter 688C; Chapter 689C; Chapter 690C; Chapter 695B;

Federal law was enacted which makes the regulations proposed for repeal under Chapter 695C obsolete.

(14) If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, provide a summary of such provisions.

Not applicable

Notice of the hearing has been provided as follows:

By email to all persons on the Division's e-mail list for noticing of administrative regulations.  
By email for posting by the Nevada State Library, Archives and Public Records Administrator.  
By email for posting by the Nevada Legislature.  
Published to the Nevada Legislature website: <https://leg.state.nv.us/>.  
Published to the Division of Insurance website: <https://doi.nv.gov/>.  
Published to the State of Nevada Public Notice website: <https://notice.nv.gov/>.

DATED this 13th day of October 2022.

  
\_\_\_\_\_  
BARBARA D. RICHARDSON  
Commissioner of Insurance

STATE OF NEVADA  
DEPARTMENT OF BUSINESS & INDUSTRY  
DIVISION OF INSURANCE

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

REPEAL OF OBSOLETE REGULATIONS

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

1. BACKGROUND.

The Nevada Division of Insurance completed its mandatory 10-year review of our Insurance Title 57 regulations and determined that numerous regulations were obsolete, either due to changes in Nevada statutes or federal law, or they are a duplication of language that is already contained in the Nevada Revised Statutes. This regulation is intended to repeal those sections of code that were identified.

2. 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

3. METHODS USED TO DETERMINE IMPACT AND REASONS FOR CONCLUSION.  
NRS 233B.0608(3).

The regulation strictly repeals sections of code that are either duplications of statutes, are obsolete due to the license no longer being issued by the Division of Insurance; the law is no longer valid due to changes in the Affordable Care Act; or are no longer needed since HMOs are now a part of the Nevada Life and Health Guaranty Association. In all cases, repealing the language proposed in this regulation should not have any impact on the state's small businesses.

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

Division staff considered changes to relevant laws that resulted in the proposed regulations being repealed. The Division discussed who is currently impacted by the existing regulation. Because the provisions are obsolete, no small businesses are impacted by the current regulation.

I, BARBARA D. RICHARDSON, 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))

6/30/22  
(DATE)

  
\_\_\_\_\_  
BARBARA D. RICHARDSON  
Commissioner of Insurance



**Small Business Impact Statement**  
**NRS 233B.0608(2)-(4) and 233B.0609**

**REPEAL OF OBSOLETE REGULATIONS**

1. **SUMMARY OF COMMENTS RECEIVED FROM SMALL BUSINESSES. NRS 233B.0609(1)(a).**

The changes being proposed in this regulation are strictly repealing obsolete language from the Nevada Administrative Code, which will have no effect or impact on Nevada's small business community, so no direct solicitation was made with Nevada's small businesses. Input will be available to the public during the workshop and hearing for this proposed regulation.

Other interested parties may receive a copy of this summary by contacting the Nevada Division of Insurance at (775) 687-0700 or [regs@doi.nv.gov](mailto:regs@doi.nv.gov).

2. **HOW WAS THE ANALYSIS CONDUCTED? NRS 233B.0609(1)(b).**

The Nevada Division of Insurance completed its mandatory 10-year review of our Insurance Title 57 regulations and determined that numerous regulations were obsolete, either due to changes in Nevada statutes or federal law, or they are a duplication of language that is already contained in the Nevada Revised Statutes. This regulation is intended to repeal those sections of code that were identified. The language being repealed was analyzed and discussed with members of the Nevada Division of Insurance, and it was determined that the language being repealed would not have any potential negative impact on small business. If a small business carries their group insurance with an HMO, there is a potential the repealing of NAC 695C.135 and .137 could eventually have a positive impact on their health insurance premiums.

3. **ESTIMATED ECONOMIC EFFECT ON SMALL BUSINESSES THE REGULATION IS TO REGULATE. NRS 233B.0609(1)(c).**

(a) BOTH ADVERSE AND BENEFICIAL EFFECTS.

- (1) Adverse: none
- (2) Beneficial: none

(b) BOTH DIRECT AND INDIRECT EFFECTS.

- (1) Direct: none
- (2) Indirect: none

4. METHODS CONSIDERED TO REDUCE IMPACT ON SMALL BUSINESSES. NRS 233B.0609(1)(d).

No methods were considered to reduce the impact upon small businesses, as the analysis done by the Nevada Division of Insurance Product Compliance section determined there is no direct or significant negative impact to be considered. There is a potential positive economic benefit for small businesses that insure with HMOs, but it is not possible to calculate any potential savings in premiums.

5. ESTIMATED COST OF ENFORCEMENT. NRS 233B.0609(1)(e).

NONE

6. FEE CHANGES. NRS 233B.0609(1)(f).

This regulation will not generate any new or increased fees.

7. DUPLICATIVE PROVISIONS. NRS 233B.0609(1)(g).

This regulation does not duplicate any existing federal, state or local standards.


8. REASONS FOR CONCLUSIONS. NRS 233B.0609(1)(h).

The Nevada Division of Insurance completed its mandatory 10-year review of our Insurance Title 57 regulations and determined that numerous regulations were obsolete, either due to changes in Nevada statutes or federal law, or they are a duplication of language that is already contained in the Nevada Revised Statutes. This regulation is intended to repeal those sections of code that were identified.

Members of the Product Compliance Section created the analysis of obsolete regulations in the Nevada Administrative Code and analyzed the potential for any economic impact from the repealing of this language. HMOs will no longer be required to carry specific reinsurance and reserve requirements directly related to their insolvency. The specific changes in NAC 695C.135 and .137 will have a financial impact on the carriers, which will hopefully create a reduction in rates for the public. Potentially, small business policyholders of HMO contracts could see a benefit in lower premiums due to this regulation, with changes made to NAC 695C.135 and .137.

I, BARBARA D. RICHARDSON, 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 this statement was prepared properly, and the information contained herein is accurate. (NRS 233B.0609(2))

6/30/22  
(DATE)

  
\_\_\_\_\_  
BARBARA D. RICHARDSON  
Commissioner of Insurance