

LCB File No. T042-01

NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON PROPOSED REGULATIONS

March 29, 2001

The Department of Business and Industry, Division of Insurance (Division) is proposing new regulations pertaining to continuing education, retention of records, and dental care. A workshop has been set for 10:00 a.m., on May 3, 2001, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

- 1. Continuing Education: The proposed regulation amends current regulations to reduce the minimum hours for a course of continuing education from 2 hours to 1 hour; defines one hour as not less than 50 minutes of instruction; and eliminates the maximum number of hours that may be approved.**
- 2. Retention of Records: The proposed regulation establishes requirements for domestic insurers for the retention of records and includes provisions for micrographic, optical, magnetic and electronic media.**
- 3. Pediatric Dental Care: The proposed regulation requires an insurer that covers anesthesia in medical procedures to also cover anesthesia provided in certain dental procedures.**

Members of the insurance industry, business community, and the public are also invited to comment on any impact the proposed regulations may have on small businesses. The Division has reviewed the proposed regulations and determined that they are not likely to impose a direct or significant impact on a small business, or directly restrict the formation, operation, or expansion of a small business. Neither the regulation on continuing education nor the regulation on retention of records should have any adverse impact on small businesses.

A copy of this notice and the proposed regulations will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours.

Additional copies of the notice and the proposed regulations will be available at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulations are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at www.leg.state.nv.us. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

This Notice of Workshop to Solicit Comments on Proposed Regulations has been sent to all persons on the agency's mailing list for administrative regulations and posted at the following locations:

Department of Business and Industry
Division of Insurance
788 Fairview Drive, Suite 300
Carson City, NV 89701

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, NV 89104

Legislative Counsel Bureau
Capitol Complex
Carson City, NV 89710

Blasdel Building
Capitol Complex
Carson City, NV 89710

State Capitol
Capitol Complex
Carson City, NV 89710

Capitol Press Room
State Capitol Basement
Carson City, NV 89710

County Clerk
Courthouse
Carson City, NV 89710

Nevada State Library & Archives
Capitol Complex
Carson City, NV 89710

Carson City Library
900 North Roop Street
Carson City, NV 89701

Churchill County Library
553 South Maine Street
Fallon, NV 89406

Las Vegas Library
833 Las Vegas Blvd. North
Las Vegas, NV 89101

Douglas County Library
1625 Library Lane
P.O. Box 337
Minden, NV 89423

Elko County Library
720 Court Street
Elko, NV 89801

Goldfield Public Library
Fourth & Cook Street
P.O. Box 430
Goldfield, NV 89013

Eureka Branch Library
10190 Monroe Street
P.O. Box 293

Humboldt County Library
85 East 5th Street
Winnemucca, NV 89445

Eureka, NV 89316
Battle Mountain Branch Library
P.O. Box 141
Battle Mountain, NV 89820

Lincoln County Library
93 Main Street
P.O. Box 330
Pioche, NV 89043

Lyon County Library
20 Nevin Way
Yerington, NV 89447

Mineral County Library
First & A Street
P.O. Box 1390
Hawthorne, NV 89415

Tonopah Public Library
171 Central Street
P.O. Box 449
Tonopah, NV 89049

Pershing County Library
1125 Central Avenue
P.O. Box 781
Lovelock, NV 89419

Storey County Library
95 South R Street

Washoe County Library
301 South Center Street

P.O. Box 14
Virginia City, NV 89440

White Pine County Library
950 Campton Street
Ely, NV 89301

P.O. Box 2151
Reno, NV 89505

Clark County Library
1401 East Flamingo Road
Las Vegas, NV 89119

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, or by calling no later than 5 working days prior to the hearing, (702) 687-4270, extension 260.

DATED this _____ day of _____, 2001.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

NOTICE OF INTENT TO ACT UPON REGULATIONS

Notice of Hearing for the Adoption of Regulations of the Department of Business and Industry, Division of Insurance

The Department of Business and Industry, Division of Insurance (Division) will hold a public hearing at 10:00 a.m., on May 3, 2001, immediately following a public workshop, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations pertaining to the retention of records by insurance companies.

REGULATIONS CONCERNING RETENTION OF RECORDS

The following information is provided pursuant to the requirements of NRS 233B.060:

1. The proposed regulation is needed to establish reasonable requirements for the retention of records by domestic insurance companies, recognizing the availability of new technologies.
2. The proposed regulation would allow domestic insurers to retain records using micrographic, optical, magnetic and electronic media.
3. Estimated economic effect of the regulation:
On the business which it is to regulate:
The proposed regulation should not have an immediate or long-term impact of any significance on the industry.
On the public:
The proposed regulations should have no economic impact on the public.
4. The Division may incur some additional expense to enforce the proposed regulation which cannot be measured at this time.
5. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.
6. The proposed regulation does not establish any new fees or increase an existing fee.

Persons wishing to comment upon the proposed action of the Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Written submissions must be received by the Division on or before April 26, 2001. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the proposed regulation will be on file at the State Library, 100

Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be amended will be available at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will 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.

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Division of Insurance
788 Fairview Drive, Suite 300
Carson City, NV 89701

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720 Court Street
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Humboldt County Library
85 East 5th Street

Eureka, NV 89316

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First & A Street
P.O. Box 1390
Hawthorne, NV 89415

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171 Central Street
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Tonopah, NV 89049

Storey County Library
95 South R Street
P.O. Box 14
Virginia City, NV 89440

White Pine County Library
950 Campton Street
Ely, NV 89301

Winnemucca, NV 89445

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P.O. Box 330
Pioche, NV 89043

Lyon County Library
20 Nevin Way
Yerington, NV 89447

Pershing County Library
1125 Central Avenue
P.O. Box 781
Lovelock, NV 89419

Washoe County Library
301 South Center Street
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Reno, NV 89505

Clark County Library
1401 East Flamingo Road
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DATED this _____ day of _____, 2001.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. T042-01

**PROPOSED TEMPORARY REGULATION OF THE DIVISION OF
INSURANCE OF THE DEPARTMENT OF BUSINESS AND INDUSTRY**

REGULATION FOR RETENTION OF RECORDS

Authority: NRS 679B.130

Section 1. *Permissible forms of storage. Any insurer domiciled in this state may store any records required to be maintained by law or under section 3 in any of the following forms or formats:*

1. Original or paper copy.

2. Electronic records, including:

(a) The use of electronic signatures, and the acceptance and transmission of electronic records, in transactions relating to insurance; and

(b) The electronic filing of forms and payment of fees, and the storage and reproduction of records.

3. As used in this section:

(a) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

(b) "Electronic record" means a record created, generated, sent, communicated, received or stored by electronic means and may include:

(c) "Electronic signature" means an electronic sound, symbol or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the

record.

(d) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in fully legible form.

(e) "Transaction" means an action or set of actions occurring between two or more persons relating to the transaction of business, commercial or governmental affairs.

Sec. 2. *Period of retention.* *Except as otherwise provided by law, any insurer domiciled in this state must maintain records as provided in this regulation.*

1. Each period of retention starts with the date of the final action on the policy or claim, the closing date of the account, the expiration of the policy or contract; or the payment date of the claims settlement.

2. If a record or printout generated by a computer can be related to a document or record listed below, the insurer shall retain the record so generated for the period listed for the related record.

3. The period of retention for any record which is not listed in this section and constitutes an insurer's internal work form may be set by the insurer to meet its auditing requirements.

4. The period determined in the NAIC Guide to Compliance with State Audit Requirements handbook(or any similar guideline).

Sec. 3. *Specific business records to be retained.*

1. Every domestic insurer shall retain its business records for the periods prescribed in the following schedule:

Type of Record *Period of Retention*

Administration:

- | | | |
|----|----------------------------------|------------------|
| 1. | <i>Articles of Incorporation</i> | <i>Permanent</i> |
| 2. | <i>Charter</i> | <i>Permanent</i> |
| 3. | <i>By-laws and amendments</i> | <i>Permanent</i> |
| 4. | <i>Real Estate Titles</i> | <i>Permanent</i> |
| 5. | <i>Annual Statements</i> | <i>Permanent</i> |

Minutes of meeting:

- | | | |
|----|--|------------------|
| 1. | <i>Stockholders, directors, committees</i> | <i>Permanent</i> |
| 2. | <i>Accounting and auditing:</i> | <i>6 years</i> |

Capital:

- | | | |
|----|--|------------------|
| 1. | <i>Capital stock certificates, record of or stubs of</i> | <i>Permanent</i> |
| 2. | <i>Capital stock ledger</i> | <i>Permanent</i> |
| 3. | <i>Capital stock transfer register</i> | <i>Permanent</i> |

Insurance policies issued:

- | | | |
|----|---------------------------------------|------------------|
| 1. | <i>Property and casualty policies</i> | <i>Permanent</i> |
| 2. | <i>Life or annuity policies</i> | <i>Permanent</i> |
| 3. | <i>Health policies</i> | <i>Permanent</i> |
| 4. | <i>Surety</i> | <i>Permanent</i> |

5. *Record of policies in force* *Permanent*

Accounts:

1. *Official checks* *6 years*

2. *List of contents of forced safe deposit boxes* *6 years*

3. *Tax records* *7 years*

4. *Bills, statements, invoices* *3 years*

5. *Accounting records* *6 years*

Reinsurance ceded or assumed:

1. *Ceded* *6 years after term*

2. *Assumed* *6 years after term*

Other

1. *Producer licensing* *6 years after term*

2. *Underwriting/Rating* *6 years*

3. *Marketing/Advertising* *6 years*

4. *Claims* *6 years*

5. *Complaints* *6 years*