

LCB File No. R138-99

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

**NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON
PROPOSED REGULATIONS**

September 3, 1999

The Department of Business and Industry, Division of Insurance (Division) is proposing new regulations pertaining to consolidated insurance programs; amendments to regulations on associations of public and private self-insured employers; and new regulations for chapter 686B of NAC regarding the \$36,000 limitation on payroll and the administration of the Appeals Panel. A workshop has been set for 10:00 a.m., on October 13, 1999, at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

- 1. New regulations for consolidated insurance programs, including owner-controlled and contractor-controlled programs, which establish requirements for the filing of the program; certifications regarding the safety coordinator and claims administrators; submission of the plan for the pre-bid conference; and disclosure of other lines of insurance to be included in the program.**
- 2. Amendments to regulations for associations of self-insured public and private employers concerning letters of credit; assessments for the insolvency fund; security deposits; deposit bond for third-party administrators and association administrators; addition of members; assessments paid by members; and deletion of the loss-ratio requirement.**
- 3. New regulations for chapter 686B of NAC to establish a method of prorating the \$36,000 limitation on payroll on a monthly basis, and address the administration of the Appeals Panel.**

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, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, 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 <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.

This Notice of Workshop to Solicit Comments on Proposed Regulations has been sent 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
1665 Hot Springs Road, Suite 152
Carson City, NV 89706

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
Eureka, NV 89316

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

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
P.O. Box 14
Virginia City, NV 89440

Washoe County Library
301 South Center Street
P.O. Box 2151
Reno, NV 89505

White Pine County Library
950 Campton Street
Ely, NV 89301

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 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, or by calling no later than 5 working days prior to the hearing, (702) 687-4270.

DATED this 7th day of September, 1999.

Alice A. Molasky-Arman /s/
ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. R138-99

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

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 October 13, 1999, immediately following a public workshop, at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations pertaining to consolidated insurance programs.

REGULATIONS FOR CONSOLIDATED INSURANCE PROGRAMS

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

1. The proposed regulation is needed to establish effective oversight and regulation of consolidated insurance programs and to ensure compliance with statutory standards.
2. The proposed regulation delineates the documentation that must be submitted with each contract to provide industrial insurance coverage for a consolidated program, including, but not limited to, certifications regarding the safety coordinator and claims administrators; submission of the plan for the pre-bid conference; and disclosure of other lines of insurance to be included in the program.
3. Estimated economic effect of the regulation:
On the business which it is to regulate:
 - (a) The amendments should have little beneficial impact on the industry.
 - (b) The amendments should have neither an immediate nor long-term adverse impact on consolidated insurance programs.On the public:

The amended regulation should have no economic impact on the public.
4. The Division anticipates a nominal additional expense to enforce the proposed regulation.
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.

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, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706. Written submissions must be received by the Division on or before October 6, 1999. 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, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, 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.

This notice of hearing has been posted at the following locations:

Department of Business and Industry
Division of Insurance
1665 Hot Springs Road, Suite 152
Carson City, NV 89706

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

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Fourth & Cook Street
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Goldfield, NV 89013

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Eureka, NV 89316

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Winnemucca, NV 89445

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P.O. Box 141
Battle Mountain, NV 89820

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93 Main Street
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Pioche, NV 89043

Lyon County Library
20 Nevin Way
Yerington, NV 89447

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Hawthorne, NV 89415

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1401 East Flamingo Road
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DATED this 3rd day of September, 1999.

Alice A. Molasky-Arman /s/
ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. R138-99

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

REGULATION CONCERNING CONSOLIDATED INSURANCE PROGRAMS

Authority: Section 21 of chapter 582, Statutes of Nevada 1999, at page 3146.

Section 1. As used in section 2 of this regulation, unless the context otherwise requires, the terms have the meanings ascribed to them in chapter 582, Statutes of Nevada 1999, at page 3139.

Sec. 2. Each contract to provide industrial insurance coverage for a consolidated insurance program that is filed with the commissioner pursuant to section 20 of chapter 582, Statutes of Nevada 1999, at page 3146, must contain all of the elements required by that section. The filing must also include:

1. A statement of the estimated total cost of the project indicating the amounts for:
 - (a) Actual construction costs;
 - (b) Designing the project;
 - (c) Acquiring the real property on which the project will be constructed;
 - (d) Connecting the project to utilities;
 - (e) Excavating and carrying out underground improvements for the project; and
 - (f) Acquiring equipment and furnishing for the project.
2. A statement or certification from the administrator that the two persons selected to serve as the primary and alternate coordinators for safety possess adequate credentials in the field of safety.

3. A statement that the primary and alternate coordinators for safety will not serve as coordinators for safety for another construction project that is covered by a different consolidated insurance program.

4. A statement that the administrator of claims for industrial insurance for the construction project will not serve as an administrator of claims for industrial insurance for another construction project that is covered by a different consolidated insurance program.

5. A copy of the plan for the pre-bid conference containing the information to be given to potential bidders for the project.

6. A complete list of any other lines of insurance that will be included in the consolidated insurance program for the project.

7. Any changes to items 2 through 6 must be submitted to the commissioner as soon as practicable, but in no event shall the notice be more than 14 calendar days after the change.