

LCB File No. R129-03

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

NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON PROPOSED REGULATIONS

The Department of Business and Industry, Division of Insurance (Division) is proposing new regulations pertaining to prompt payment to providers; complaints; determining minimum nonforfeiture amount for annuity insurance insurers; and medical professional liability insurance. A workshop has been set for 9:00 a.m., on October 2, 2003, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Interested parties may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 East Sahara Avenue, Manufactured Housing Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

- 1. Prompt Payment to Providers.** The proposed regulation will amend Nevada Administrative Code (NAC) 686A.306 to clarify the reporting requirements on prompt payment to providers.
- 2. Complaints.** The proposed regulation ensures that complaint procedures and carrier reporting on complaints are consistent among all licensees under Title 57 of the Nevada Revised Statutes. The new sections added address the changes made by Assembly Bill 79 of the 72nd Session of the Nevada Legislature. Chapters 695C, 695F and 695G of the NAC are amended.
- 3. Determining Minimum Nonforfeiture Amount for Annuity Insurance Insurers.** Presently, chapter 688A of the Nevada Revised Statutes regulates life insurers regarding minimum nonforfeiture amounts. This regulation will extend the nonforfeiture determination compliance to include licensed insurers marketing annuity insurance pursuant to chapters 688A of the laws and regulations.
- 4. Medical Professional Liability Insurance.** Disclosure requirements; statistical reporting requirements; and reporting requirements on excess judgments or settlements.
- 5. External Review Organization Certification.** This regulation adds a new section to chapter 683A of the NAC as required by Assembly Bill 79 of the 72nd Session of the Nevada Legislature. The new section sets forth the provisions in which an External Review Organization is certified by the Commissioner.
- 6. Workers' Compensation Insurance (Industrial Insurance).** Certification procedures, provisions and requirements for external review organizations.

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

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

Elko County Library
720 Court Street
Elko, NV 89801
Humboldt County Library

10190 Monroe Street
P.O. Box 293
Eureka, NV 89316

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 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 August, 2003.

By: _____
ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. R129-03

**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 9:00 a.m., on October 2, 2003, immediately following a public workshop, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Interested persons may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 East Sahara Avenue, Manufactured Housing Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of:

REGULATION CONCERNING PROMPT PAYMENT TO PROVIDERS

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. This regulation will amend Nevada Administrative Code (NAC) 686A.306 to clarify the reporting requirements of the existing regulation on prompt payment to providers.
2. The Commissioner may require the payer to report substantial compliance with the provisions of NAC 686A.280 to 686.306, inclusive.
3. (a) There are no adverse effects to the public or the industry regulated. The beneficial effects of this regulation are that the industry reports substantial compliance without having the regulated entity being examined by the Division. This method is less costly than a Division examination.

(b) The proposed change will be more efficient in both the immediate and long-term.
4. The Division does not incur any additional costs.
5. This regulation does not overlap nor duplicate any other state, local government, or federal regulation.
6. This regulation is not pursuant to federal law.
7. There are no federal regulations regarding these activities.
8. This regulation does not require a new fee 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 September 25, 2003. 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 proposed regulation 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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Division of Insurance
2501 East Sahara Avenue, Suite 302
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Minden, NV 89423

Elko County Library
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Elko, NV 89801

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Fourth & Cook Street
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Eureka, NV 89316

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85 East 5th Street
Winnemucca, NV 89445

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Pioche, NV 89043

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1401 East Flamingo Road
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788 Fairview Drive, Suite 300, Carson City, Nevada 89701, or by calling no later than 5 working days prior to the hearing, (775) 687-4270, extension 260.

DATED this _____ day of August, 2003.

By:

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. R129-03

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

PROMPT PROVIDER PAYMENT

Authority: NRS 679B.130, 679B.138, 686A.015

Section 1. NAC 686A.306 is amended to read as follows:

NAC 686A.306 The ~~[division]~~ *commissioner* may require a payer to ~~[show]~~ *report* substantial compliance with the provisions of NAC 686A.280 to 686A.306, inclusive. Proof that claims are being paid by a payer within the specified limits includes, without limitation, records demonstrating that a tracking system required by NAC 686A.304 has been developed and implemented. ~~[The division may request a report from a payer that demonstrates compliance with NAC 686A.304 if:~~

- ~~1. A violation is identified during an examination by the division;~~
- ~~2. A violation is found as a result of a complaint filed with the division; or~~
- ~~3. The division determines that a pattern of violations exists.]~~