

**LCB File No. R170-03**

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

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

The Department of Business and Industry, Division of Insurance (Division), is proposing new regulations pertaining to risk based capital reporting; reinsurance; criminal history report, repeal of NAC 683A.273 and continuing education; administrators; the Workers' Compensation Appeals Panel; and payment of dividends, savings, unearned premium deposits or an equivalent abatement of premiums allowed or returned for a policy of industrial insurance. A workshop has been set for 9:00 a.m., on November 13, 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, 2<sup>nd</sup> 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. Risk Based Capital Reporting. The proposed regulation provides for health entities to meet certain risk based capital reporting requirements.
2. Reinsurance. The proposed regulation adds the provision that outlines the requirements which must be met before reinsurance credit can be taken by the ceding insurer.
3. Criminal History Report, Repeal of NAC 683A.273 and Continuing Education. NRS 683A.251 requires resident producers to provide a criminal history report with their licensing application. NAC 683A.272 is being amended to comply with the procedures adopted by the Nevada Highway Patrol Division and the Federal Bureau of Investigations. NAC 683A.273 is being repealed because NRS 683A.261 was amended to include the renewal and penalty language that was contained in this regulation. NAC 683A.335 is being amended to allow the Commissioner to contract with an independent vendor for administering parts of the continuing education program.
4. Administrators. The proposed regulation sets forth the conditions whereby an administrator may be considered financially unsound, identifies the items included in an administrator's financial statement and identifies the filing fee for submission of the financial statement.
5. Workers' Compensation Appeals Panel. The proposed regulation will replace a temporary regulation adopted March 24, 2003 which provides due process standards for appeals made to the Workers' Compensation Appeals Panel.
6. Payment of Dividends, Savings, Unearned Premium Deposits or an Equivalent Abatement of Premiums Allowed or Returned for a Policy of Industrial Insurance. The

proposed regulation will establish the procedures for the filing of dividends, savings, unearned premium deposits or an equivalent abatement for premiums allowed or returned for a policy of industrial insurance.

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](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 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  
Eureka, NV 89316

Humboldt County Library  
85 East 5<sup>th</sup> 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  
ATTN: Reference  
P.O. Box 2151  
Reno, NV 89505-2151

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, (775) 687-4270, extension 260.

**LCB File No. R170-03**

**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 November 13, 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, 2<sup>nd</sup> Floor, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of:

**REGULATION CONCERNING CRIMINAL HISTORY REPORT, REPEAL OF  
NAC 683A.273 AND CONTINUING EDUCATION**

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

1. Amend various regulations in NAC 683A dealing with producers and continuing education.
2. NRS 683A.251 requires resident producers to provide a criminal history report with their licensing applications. NAC 683A.272 is being amended to comply with the procedures adopted by the Nevada Highway Patrol Division and the Federal Bureau of Investigations. NAC 683A.273 is being repealed because NRS 683A.261 was amended to include the renewal and penalty language that was contained in this regulation. NAC 683A.335 is being amended to allow the Commissioner to contract with an independent vendor for administering parts of the continuing education program.
3. Economic effect:
  - (a) There is no adverse or beneficial effect to the public or regulated industry because of this regulation.
  - (b) There is no immediate or long-term effect on the public. The immediate and long term effect on the regulated industry is a change in procedure for obtaining a criminal history report and for late license renewal.
4. There should be no additional cost to the Division.
5. This regulation does not overlap any other state, local government or federal regulations.

6. If the regulation is required pursuant to federal law, a citation and description of the federal law: Not applicable.
7. If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions: Not applicable.
8. There is no new fee for the State. The proposed language in NAC 683A.335 allows the Commissioner to contract with an independent vendor to administer the continuing education program. There would be a cost to the provider for submission of continuing education courses. The fee would be paid directly to the independent vendor.

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 November 6, 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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Department of Business and Industry  
 Division of Insurance  
 788 Fairview Drive, Suite 300  
 Carson City, NV 89701

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 2501 East Sahara Avenue, Suite 302  
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First & A Street  
P.O. Box 1390  
Hawthorne, NV 89415

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20 Nevin Way  
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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  
ATTN: Reference  
P.O. Box 2151  
Reno, NV 89505-2151

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1401 East Flamingo Road  
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LCB File No. R170-03

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

Proposed Regulations for Obtaining a Criminal History Report, Repeal of Regulations for  
Producer Renewal and Regulation to Allow the Division to Contract with a Vendor for the  
Approval of Continuing Education Courses

Authority: NRS 679B.130 and NRS 683A.251

**Section 1.** NAC 683A.272 is hereby amended to read as follows:

1. An applicant for a license as a resident producer of insurance must:

(a) ~~[Request a copy of a]~~ *Provide with his application 2 completed fingerprint cards and a cashiers check or money order made payable to the Nevada highway patrol division of the department of public safety. The division will submit the fingerprint cards and fees to the Nevada highway patrol division to obtain a* search concerning him conducted by the Federal Bureau of Investigation in its national criminal records, and of a search concerning him of the central repository for Nevada records of criminal history *as required by NRS 683A.251*;

(b) Comply with the procedures for obtaining the information required in this subsection that are established by the Nevada highway patrol division of the department of public safety in NRS 179A.075 to 179A.160, inclusive, and pay the applicable fees established by the Nevada highway patrol division~~[- and~~

~~—(c) Request the Nevada highway patrol division to mail the information obtained pursuant to this subsection directly to the division.]~~

2. The commissioner may issue a license as a resident producer of insurance before the information obtained pursuant to subsection 1 is received if the applicant:

(a) Indicates and certifies on his application for a license that he has no criminal history; and

(b) *Has complied with all applicable procedures for obtaining the criminal history search.* ~~[Provides evidence of the request for a copy of the searches required pursuant to subsection 1 by furnishing a copy of the receipt obtained from the Nevada highway patrol division or other documentation that shows proof of the request.]~~

3. *The division may utilize the services of a contractor for processing fingerprints electronically. When available, the electronic submission of the electronic fingerprints may be transmitted directly to the Nevada highway patrol division, other law enforcement agency or authorized entity.*

**Sec. 2.** NAC 683A.335 is hereby amended to read as follows:

1. Any person who requests approval for a course for continuing education shall furnish to the commissioner at least 60 days before the beginning of the course:

(a) An outline of the subject matter;

(b) The method of presentation;

(c) The qualifications of the instructor;

(d) The number of classroom hours or, if for a correspondence course ~~[or]~~, self-study course, *or on-line computer course*, the equivalent of classroom hours, and a written procedure for conducting a supervised final examination; and

(e) Any other information required by the commissioner.

2. Submission of the information required by subsection 1 must be on an application approved by the commissioner.

3. The course must be designed to increase the knowledge and understanding of the licensee of:

- (a) Principles and coverage of insurance;
- (b) Applicable laws, rules and regulations concerning insurance;
- (c) Recent changes in coverages; and
- (d) The duties, ethics and responsibilities of the licensee.

4. The commissioner will not approve a course that:

(a) Is provided by a producer of insurance or an agency licensed to sell insurance in this state unless the producer of insurance or agency is a trade association of the insurance industry; or

(b) Teaches:

- (1) Prelicensing training;
- (2) Motivation or psychology;
- (3) Marketing;
- (4) Prospecting;
- (5) Recruiting;
- (6) Sales;
- (7) Computer applications that are unrelated to insurance;
- (8) Skills for communication; or
- (9) The management of personnel or of an office.

The provisions of this subsection do not limit the authority of the commissioner to refuse to approve a course for noncompliance with any other provision of NAC 683A.320 to 683A.370, inclusive.

5. The commissioner will not approve a course if the total number of classroom hours is less than 1 hour. One hour of credit will be awarded for each 50 minutes of instruction, or the equivalent in self-study approved pursuant to NAC 683A.211.

6. The commissioner will grant or deny approval of each course in writing within 60 days after he receives the information required pursuant to subsection 1.

7. Any material change in the content of a course approved by the commissioner must be submitted for approval before presentation of the course.

8. A course that has been approved by the commissioner is not required to be approved for any subsequent presentation of the course, except that the provider of the course shall submit a notice to the commissioner, not later than 30 days before the course is offered, that includes the following information:

- (a) The name and number of the course;
- (b) The name of the instructor of the course;
- (c) The place where the course will be offered; and
- (d) The date and time when the course will be offered.

***9. The commissioner may, at his discretion, contract with an independent vendor to perform all or part of the administrative duties of the continuing education program subject to the direction and approval of the commissioner. The fees charged by the independent vendor shall be paid by the continuing education providers directly to the vendor.***

**Sec. 3.** NAC 683A.273 is hereby repealed.