

**ADOPTED REGULATION OF  
THE COMMISSIONER OF INSURANCE**

**LCB File No. R171-08**

Effective February 11, 2009

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §1, NRS 679B.130 and 679B.290.

A REGULATION relating to insurance; revising provisions relating to per diem rates that are applicable to the examination of insurers; and providing other matters properly relating thereto.

**Section 1.** NAC 679B.0335 is hereby amended to read as follows:

679B.0335 ~~[(1)]~~ Reasonable and proper expenses ~~[incurred in an examination conducted pursuant to]~~, *as described in* NRS 679B.290, may include, but are not limited to:

~~[(a)]~~ **1.** For a financial examiner or market conduct examiner, a daily salary as defined in the *Examiners Handbook* published by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033.

~~[(b)]~~ **2.** For expert assistants, a daily salary based upon the rate established in the contract approved by the State Board of Examiners.

~~[(c)]~~ **3.** The maximum per diem rate for the location of the examination as set forth in the Federal Travel Regulation System of the General Services Administration, 41 C.F.R. ~~[chapters]~~ *Chapter* 301 . ~~[to 304, inclusive.~~

~~[(d)]~~ *A current schedule of the maximum per diem rates as set forth in the Federal Travel Regulation System of the General Services Administration, 41 C.F.R. Chapter 301, is available at no cost on the Internet at <http://www.gsa.gov/perdiem>.*

4. Expenses for transportation, including, but not limited to, the cost of airfare, rail fare, taxicab fare and automobile rental and the reimbursement of any personal automobile expenses necessary to reach the location of the examination. The calculation of expenses for transportation may include expenses for transportation incurred by virtue of the length of time necessary to complete the examination.

~~[(e)]~~ 5. Upon approval of the Commissioner, miscellaneous expenses incurred by the examiner and assistants while performing an examination. Miscellaneous expenses may include, but are not limited to, expenses for telephone calls, facsimile transmissions and postal charges relating to the examination.

~~[(f)]~~ 6. An administrative charge, expressed as a percentage of the daily salary of the examiner or assistant, as provided in ~~[paragraphs (a) and (b) of this subsection]~~ *subsections 1 and 2* and as provided in the division budget approved by the Nevada Legislature.

~~[2.— A copy of the Federal Travel Regulation System, stock number 922-002-00000-2, may be obtained from the Superintendent of Documents, U.S. Government Bookstore, Room 118, Federal Building, 1000 Liberty Avenue, Pittsburgh, Pennsylvania 15222, at a price of \$347.]~~

**NOTICE OF ADOPTION OF PROPOSED REGULATION**  
**LCB File No. R171-08**

The Commissioner of Insurance adopted regulations assigned LCB File No. R171-08 which pertain to chapter 679B of the Nevada Administrative Code.

**INFORMATIONAL STATEMENT**

A workshop was held on November 7, 2008, and a hearing was held on November 21, 2008, at the offices of the Department of Business and Industry, Division of Insurance (“Division”), 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, with a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, Real Estate Division Conference Room, 2<sup>nd</sup> Floor, Las Vegas, Nevada 89104, regarding the adoption of the regulation concerning the expense reference correction.

Public comment was solicited by posting notice of the hearing in the following public locations: the Division’s Carson City and Las Vegas offices, Carson City Courthouse, Office of the Attorney General, the Donald W. Reynolds Press Center, Capitol Building Lobby, Capitol Building Press Room, Blasdel Building, Legislative Counsel Bureau, Nevada State Library, Carson City Library, Churchill County Library, Clark County District Library, Douglas County Library, Elko County Library, Esmeralda County Library, Eureka Branch Library, Humboldt County Library, Lander County Library, Lincoln County Library, Lyon County Library, Mineral County Library, Pershing County Library, Storey County Library, Tonopah Public Library, Washoe County Library, and White Pine County Library.

The Division maintains a general list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. These persons were notified of the hearing and that copies of the regulation could be obtained from or examined at the offices of the Division in Carson City.

The hearing was attended by three (3) interested parties in Carson City and four (4) interested parties in Las Vegas. There were no written comments received. Peggy Willard-Ross, Chief Examiner for the Corporate and Financial Section of the Division, testified that the proposed regulation will amend Nevada Administrative Code (“NAC”) 679B.0335 by updating references from which information concerning reimbursement of rates for contract examiners and staff examiners may be obtained, and referring the inquirer to the appropriate Internet link.

After considering the record and the recommendation of the hearing officer, the Commissioner has issued an order adopting the regulation, LCB File No. R171-08, as proposed, as a permanent regulation of the Division.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: None.
- (b) On Small Business: None.
- (c) On the public: None.

The Division does not anticipate an expense to enforce the proposed regulation. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INSURANCE

IN THE MATTER OF THE

CAUSE NO. **08.0657**  
LCB File No. **R171-08**

**REGULATION CONCERNING  
EXPENSE REFERENCE CORRECTION.**

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**SUMMARY OF PROCEEDINGS  
AND ORDER**

**SUMMARY OF PROCEEDINGS**

A public workshop, as required by Nevada Revised Statute (“NRS”) 233B.061, on the proposed regulation concerning expense reference correction, was held before Betty C. Baker, Acting Commissioner of Insurance, on November 7, 2008, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. A public hearing on the proposed regulation was also held before the Acting Commissioner on November 21, 2008, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. The regulation is proposed pursuant to the authority of NRS 679B.130 and 679B.290.

The workshop was attended by six (6) members of the public in Carson City and six (6) in Las Vegas. The hearing was attended by three (3) individuals in Carson City and four (4) in Las Vegas. There was no public testimony either oral or written.

Peggy Willard-Ross, Chief Examiner for the Corporate and Financial Section of the Department of Business and Industry, Division of Insurance (“Division”), testified that the proposed regulation will amend Nevada Administrative Code (“NAC”) 679B.0335 by updating references from which information concerning reimbursement of rates for contract examiners and staff examiners may be obtained, and referring the inquirer to the appropriate Internet link.

Ms. Willard-Ross recommends that the proposed regulation, LCB File No. R171-08, be adopted, as proposed, as a permanent regulation of the Division.

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**RECOMMENDATION OF THE HEARING OFFICER**

Having presided over both the workshop and hearing in this matter, and after reviewing the record for Cause No. 08.0657, LCB File No. R171-08, it is recommended that the proposed regulation be adopted, as proposed, as a permanent regulation of the Division.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_/s/\_\_\_\_\_  
BETTY C. BAKER  
Hearing Officer

**ORDER OF THE COMMISSIONER**

Having reviewed the record in this matter, and considering the recommendation of the hearing officer, it is hereby ordered that the proposed regulation concerning the expense reference correction, LCB File No. R171-08, be adopted, as proposed, as a permanent regulation of the Division.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_/s/\_\_\_\_\_  
SCOTT J. KIPPER  
Commissioner of Insurance