

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R070-09

September 15, 2009

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

AUTHORITY: §1, NRS 679B.130 and 694C.170.

A REGULATION relating to captive insurers; revising provisions relating to officers and directors of a captive insurer; and providing other matters properly relating thereto.

Section 1. NAC 694C.280 is hereby amended to read as follows:

694C.280 1. Within 30 days after any change in the executive officers and directors of a captive insurer, the captive insurer shall report the change to the Commissioner. The report must include a statement of the business and professional affiliations of the new executive officer or director. The new executive officer or director must meet the same standards that were indicated in the initial application of the captive insurer for that officer or director position.

2. A director, an officer or an employee of a captive insurer shall not, except on behalf of the captive insurer, accept or be the beneficiary of any fee, brokerage, gift or other emolument because of any investment, loan, deposit, purchase, sale, payment or exchange made by or for the captive insurer, but such a person may receive reasonable compensation for necessary services rendered to the captive insurer in his usual private, professional or business capacity. *Prior to receiving compensation pursuant to this subsection, the person performing necessary services must obtain the consent of the board of directors or subscribers' advisory committee for the performance of and compensation for such necessary services.*

3. Any profit or gain received by or on behalf of any person in violation of this section is recoverable by the captive insurer.