

# **PROPOSED REGULATION OF THE COMMISSIONER OF INSURANCE**

## **LCB File No. R054-12**

### **NOTICE OF WORKSHOP TO SOLICIT COMMENTS ON PROPOSED REGULATIONS**

The State of Nevada, Department of Business and Industry, Division of Insurance (“Division”), (775) 687-0700, is proposing the adoption, amendment or repeal of regulations pertaining to **chapter(s) 616A, 683A, 686A, 689, 686B, 693A and 695C** of the Nevada Administrative Code (“NAC”). A workshop has been set for **1:30 p.m., on September 17, 2012**, at the Division’s office located at 1818 East College Parkway, 1<sup>st</sup> floor hearing room, Carson City, Nevada 89706. Interested parties may also participate through a simultaneous videoconference conducted at the Bradley Building, 2501 East Sahara Avenue, 2<sup>nd</sup> floor conference room, Las Vegas, Nevada 89104. The purpose of the workshop is to solicit comments from interested persons on the following general topics that may be addressed in the proposed regulation(s). Please submit any written comments no later than **September 10, 2012**.

#### **LCB File No. R053-12. External Reviews and Reapproval Period/Fees.**

A regulation relating to insurance; amending provisions relating to the external reviews of adverse determinations of certain health carriers; increasing the fee for reapproval of an independent review organization to conduct external reviews of adverse determinations; and providing other matters properly relating thereto.

#### **LCB File No. R054-12. Statutory Reference for Broker/Agent.**

A regulation relating to insurance brokers and agents; revising certain references to the terms “broker” and “agent” in provisions governing insurance trade practices; and providing other matters properly relating thereto.

#### **LCB File No. R055-12. Repeal of Funeral Agent Examination.**

A regulation relating to funeral services; repealing a provision requiring a certain minimum score to pass the examination for a license as an agent authorized to sell prepaid contracts for funeral services; and providing other matters properly relating thereto.

#### **LCB File No. R102-12. HMO Schedules of Charges.**

A regulation relating to insurance; repealing certain provisions concerning the schedules of charges of health maintenance organizations and provider-sponsored organizations; and providing other matters properly relating thereto.

#### **LCB File No. R143-12. Penalties for Failure to File.**

A regulation relating to insurance; revising an obsolete reference to Statutes of Nevada establishing the penalties for failure of an insurer to file certain financial and statistical information; and providing other matters properly relating thereto.

A copy of all materials relating to the proposal(s) may be obtained at the workshop or by contacting the Division, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, (775) 687-0700. A reasonable fee for copying may be charged.

Notice of the workshop(s) was provided via electronic means to all persons on the agency's e-mail list for administrative regulations, and this Notice of Workshop to Solicit Comments on Proposed Regulations was posted to the agency's Internet Web site at <http://doi.nv.gov/> and provided to or posted at the following locations:

Department of Business and Industry  
Division of Insurance  
1818 East College Parkway, Suite 103  
Carson City, NV 89706

Department of Business and Industry  
Division of Insurance  
2501 East Sahara Avenue, Suite 302  
Las Vegas, NV 89104

Capitol Press Room  
Capitol Building Basement  
Carson City, NV 89710

Donald W. Reynolds Press Center  
102 North Curry Street  
Carson City, NV 89701

Legislative Counsel Bureau  
401 South Carson Street  
Carson City, NV 89701

Office of the Attorney General  
100 North Carson Street  
Carson City, NV 89701

Blasdel Building  
209 East Musser Street  
Carson City, NV 89701

Nevada State Library & Archives  
100 North Stewart Street  
Carson City, NV 89701

Office of the Governor  
Capitol Building  
Carson City, NV 89710

Carson City Courthouse  
885 East Musser Street  
Carson City, NV 89701

Carson City Library  
900 North Roop Street  
Carson City, NV 89701

Churchill County Library  
553 South Main Street  
Fallon, NV 89406

Clark County District Library  
833 Las Vegas Boulevard North  
Las Vegas, NV 89101

Douglas County Library  
P.O. Box 337  
Minden, NV 89423

Elko County Library  
720 Court Street  
Elko, NV 89801

Esmeralda County Library  
P.O. Box 430  
Goldfield, NV 89013

Eureka Branch Library

Humboldt County Library

P.O. Box 293  
Eureka, NV 89316

85 East 5<sup>th</sup> Street  
Winnemucca, NV 89445

Lander County Library  
P.O. Box 141  
Battle Mountain, NV 89820

Lincoln County Library  
P.O. Box 330  
Pioche, NV 89043-0330

Lyon County Library  
20 Nevin Way  
Yerington, NV 89447

Mineral County Public Library  
P.O. Box 1390  
Hawthorne, NV 89415

Pershing County Library  
P.O. Box 781  
Lovelock, NV 89419

Storey County Public Library  
P.O. Box 14  
Virginia City, NV 89440

Tonopah Public Library  
P.O. Box 449  
Tonopah, NV 89049

Washoe County Library  
P.O. Box 2151  
Reno, NV 89505-2151

White Pine County Library  
950 Campton Street  
Ely, NV 89301

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 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, or by calling (775) 687-0700, no later than five (5) working days prior to the hearing.

DATED this \_\_\_\_\_ day of August, 2012.

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SCOTT J. KIPPER  
Commissioner of Insurance

## NOTICE OF INTENT TO ACT UPON REGULATION

### Notice of Hearing for the Adoption, Amendment or Repeal of Regulations of The Department of Business and Industry, Division of Insurance

The State of Nevada Department of Business and Industry, Division of Insurance (“Division”), (775) 687-0700, will hold a public hearing at **1:30 p.m., on September 26, 2012**, at the Division’s office located at 1818 East College Parkway, 1<sup>st</sup> floor hearing room, Carson City, Nevada 89706. Interested persons may also participate through a simultaneous videoconference conducted at the Bradley Building, 2501 East Sahara Avenue, 2<sup>nd</sup> floor conference room, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption, amendment or repeal of the regulation(s) that pertains to **chapter(s) 686A and 693A** of the Nevada Administrative Code (“NAC”).

The following information is provided pursuant to the requirements of Nevada Revised Statute (“NRS”) 233B.0603 and the directives of the Governor:

#### **LCB File No. R054-12. Statutory Reference for Broker/Agent.**

A regulation relating to insurance brokers and agents; revising certain references to the terms “broker” and “agent” in provisions governing insurance trade practices; and providing other matters properly relating thereto.

- (1) Why is the regulation necessary and what is its purpose? **The proposed regulation amends references to two statutes that were repealed in the 2001 Legislative Session. Nevada Revised Statute (“NRS”) 683A.030 and 683A.040 were repealed and replaced with a new reference, NRS 683A.321, which clarifies an insurance producer’s duties and defines when the producer’s actions are considered acts of an agent or acts of a broker.**
- (2) What are the terms or substance of the proposed regulation? **The proposed regulation removes repealed statutory references and replaces them with the appropriate statutory language.**
- (3) What is the anticipated impact of the regulation on the problem(s)? **The proposed amendment sets out the criteria for a producer acting as an agent and that of a producer acting in the capacity of a broker.**
- (4) Do other regulations address the same problem(s)? **No.**
- (5) Are alternate forms of regulation sufficient to address the problem(s)? **No.**
- (6) What value does the regulation have to the public? **The proposed regulation will remove two statutory citations that were repealed in 2001 and replace the citations with the new statutory reference.**
- (7) What is the anticipated economic benefit of the regulation?

- a. Public
  - 1. Immediate: **Neutral**
  - 2. Long Term: **Neutral**
- b. Insurance Business
  - 1. Immediate: **Neutral**
  - 2. Long Term: **Neutral**
- c. Small Businesses
  - 1. Immediate: **Neutral**
  - 2. Long Term: **Neutral**
- d. Small Communities
  - 1. Immediate: **Neutral**
  - 2. Long Term: **Neutral**
- e. Government Entities
  - 1. Immediate: **Neutral**
  - 2. Long Term: **Neutral**

(8) What is the anticipated adverse impact, if any?

- a. Public
  - 1. Immediate: **N/A**
  - 2. Long Term: **N/A**
- b. Insurance Business
  - 1. Immediate: **N/A**
  - 2. Long Term: **N/A**
- c. Small Businesses
  - 1. Immediate: **N/A**
  - 2. Long Term: **N/A**
- d. Small Communities
  - 1. Immediate: **N/A**
  - 2. Long Term: **N/A**
- e. Government Entities
  - 1. Immediate: **N/A**
  - 2. Long Term: **N/A**

(9) What is the anticipated cost of the regulation, both direct and indirect?

- a. Enactment: **Only LCB and workshop/hearing costs.**

- b. Enforcement: N/A
- c. Compliance: N/A

(10) Does the regulation establish a new fee or increase an existing fee? **No.**

(11) Provide a statement which identifies the methods used by the agency in determining the impact of the proposed regulation on a small business, prepared pursuant to subsection 3 of NRS 233B.0608. **There should be no impact on small business. The proposed amendment will correct an inaccurate statutory citation that was repealed during the 2001 Legislative Session.**

(12) Provide a description of any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, state the name of the regulating federal agency. **N/A**

(13) If the regulation is required pursuant to federal law, provide a citation and description of the federal law. **N/A**

(14) If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, provide a summary of such provisions. **N/A**

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, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706. **Written submissions must be received by the Division on or before September 10, 2012.** 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 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 will be available at the offices of the Division, 1818 East College Parkway, Suite 103, 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://leg.state.nv.us/register/>**. Copies of this notice and the proposed regulation will be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall 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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Fallon, NV 89406

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Las Vegas, NV 89101

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Minden, NV 89423

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Esmeralda County Library  
P.O. Box 430  
Goldfield, NV 89013

Eureka Branch Library  
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Eureka, NV 89316

Humboldt County Library  
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DATED this \_\_\_\_ day of August, 2012.

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SCOTT J. KIPPER  
Commissioner of Insurance