

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R001-16

**NOTICE OF WORKSHOP
TO SOLICIT COMMENTS ON PROPOSED REGULATIONS
AND
WORKSHOP AGENDA**

The State of Nevada, Department of Business and Industry, Division of Insurance (“Division”), is proposing the adoption, amendment or repeal of regulations pertaining to **chapter(s) 679B and 680C** of the Nevada Administrative Code (“NAC”). A workshop has been set for **9:30 a.m. on March 15, 2016**, at the following location:

**Nevada Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, Nevada 89706**

Interested persons may also participate through a simultaneous videoconference conducted at:

**Nevada Division of Insurance
Bradley Building
2501 E. Sahara Avenue, Suite 312 (3rd floor conference room)
Las Vegas, Nevada 89104**

The purpose of the workshop is to solicit comments from interested persons on the following general topic(s) that may be addressed in the proposed regulation; and to assist in determining whether the proposed regulation is likely to impose a direct and significant burden upon a small business or directly restricts the formation, operation or expansion of a small business. Please submit any written comments no later than **March 8, 2016**.

LCB File No. R001-16. Fund for Administration and Enforcement—Annual Fees. A REGULATION relating to insurance; establishing and revising provisions concerning certain assessments; establishing provisions concerning the payment of an annual fee by certain insurers; establishing provisions concerning the holding of certain public meetings by the Commissioner of Insurance; repealing certain obsolete provisions; 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 visiting the Division’s Internet Web site at <http://doi.nv.gov/> or by contacting the Division, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, (775) 687-0700. A reasonable fee for copying may be charged. Members of the public who would like additional information about the proposed regulation may contact Laurie Squartsoff, Deputy Commissioner, at (775) 687-0789, or via e-mail to lsquartsoff@doi.nv.gov.

Notice of the workshop was provided via electronic means to all persons on the agency's e-mail list for noticing of administrative regulations. This *Notice of Workshop to Solicit Comments on Proposed Regulations* was posted to the agency's Internet Web site at <http://doi.nv.gov/>, the Nevada Legislature's Internet Web site at <http://www.leg.state.nv.us>, and at the following locations:

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

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

Legislative Building
401 South Carson Street
Carson City, Nevada 89701

Grant Sawyer Building
555 East Washington Avenue
Las Vegas, Nevada 89101

Blasdel Building
209 East Musser Street
Carson City, Nevada 89701

Capitol Building Main Floor
101 North Carson Street
Carson City, Nevada 89701

Nevada Department of Employment,
Training and Rehabilitation
2800 E. Saint Louis Ave.
Las Vegas, NV 89104

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

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

Churchill County Library
553 South Main Street
Fallon, Nevada 89406

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

Elko County Library
720 Court Street
Elko, Nevada 89801

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

Eureka Branch Library
P.O. Box 293
Eureka, Nevada 89316

Humboldt County Library
85 East 5th Street
Winnemucca, Nevada 89445

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

Las Vegas-Clark County Library District
7060 W. Windmill Lane
Las Vegas, NV 89113

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

Lyon County Library

Mineral County Public Library

20 Nevin Way
Yerington, Nevada 89447

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

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

White Pine County Library
950 Campton Street
Ely, Nevada 89301

P.O. Box 1390
Hawthorne, Nevada 89415

Storey County Clerk
P.O. Drawer D
Virginia City, Nevada 89440

Washoe County/Downtown Reno Library
P.O. Box 2151
Reno, Nevada 89505-2151

Members of the public who are disabled and require special accommodations or assistance at the workshop are requested to notify the Commissioner's secretary in writing to icommish@doi.nv.gov, or at 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or by calling (775) 687-0700, no later than five (5) working days prior to the workshop.

DATED this 29th day of February, 2016.

/s/
AMY L. PARKS
Acting Commissioner of Insurance

WORKSHOP AGENDA

The Department of Business and Industry, Division of Insurance

March 15, 2016 • 9:30 a.m.

Location of Workshop:

Office of the Division of Insurance
1818 E. College Pkwy., 1st Floor Hearing Room
Carson City, NV 89706
(Division Offices located in Suite 103)

Available via Videoconference at:

Office of the Division of Insurance
2501 E. Sahara Ave., Suite 312 (3rd floor
conference room)
Las Vegas, NV 89104
(Division Offices located in Suite 302)

1. **Call to Order.**
2. **Presentation and Discussion of Proposed Regulation. (For Possible Action)**
LCB File No. R001-16. Fund for Administration and Enforcement—Annual Fees.
A REGULATION relating to insurance; establishing and revising provisions concerning certain assessments; establishing provisions concerning the payment of an annual fee by certain insurers; establishing provisions concerning the holding of certain public meetings by the Commissioner of Insurance; repealing certain obsolete provisions; and providing other matters properly relating thereto.
3. **Public Comment.**
4. **Adjournment.**

Supporting public material for this meeting may be requested from Sue Dummar, Legal Secretary, Nevada Division of Insurance, 1818 E. College Parkway, Carson City, Nevada 89706, by e-mail to sdummar@doi.nv.gov, or by calling (775) 687-0704. In your request, please state that you are requesting meeting materials for LCB File No. **R001-16, Fund for Administration and Enforcement—Annual Fees**, and provide the date of the meeting.

Note: Any agenda item may be taken out-of-order; items may be combined for consideration by the public body; and items may be pulled or removed from the agenda at any time. The Hearing Officer, within his/her discretion, may allow for public comment on individual agenda items. Public Comment may be limited to three minutes per speaker.

Members of the public are encouraged to submit written comments for the record.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify Sheri LeTourneau, Assistant to the Commissioner, at (775) 687-0771, no later than five (5) working days before the meeting.

NOTICES FOR THIS MEETING HAVE BEEN POSTED IN ACCORDANCE WITH NRS 241 AT THE FOLLOWING LOCATIONS:

Nevada Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706

Nevada Division of Insurance, 2501 E. Sahara Avenue, Suite 302, Las Vegas, Nevada 89104

Nevada State Legislative Building, 401 S. Carson Street, Carson City, Nevada 89701

Grant Sawyer State Office Building, 555 E. Washington Avenue, Las Vegas, Nevada 89101

Blasdel State Office Building, 209 E. Musser Street, Carson City, Nevada 89701

Nevada State Capitol, 101 N. Carson Street, Carson City, Nevada 89701

Nevada Dept. of Employment, Training and Rehabilitation, 2800 E. Saint Louis Avenue, Las Vegas, Nevada 89104

The State of Nevada Website (www.nv.gov)

The Nevada State Legislature Website (www.leg.state.nv.us)

The Nevada Division of Insurance Website (www.doi.nv.gov)

**NOTICE OF INTENT TO ACT UPON REGULATION
AND
HEARING AGENDA**

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 **9:30 a.m. on March 31, 2016**, at the Division’s office located at 1818 East College Parkway, 1st 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, Suite 312 (3rd 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 pertain(s) to **chapter(s) 679B and 680C** 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. R001-16. Fund for Administration and Enforcement–Annual Fee.

A REGULATION relating to insurance; establishing and revising provisions concerning certain assessments; establishing provisions concerning the payment of an annual fee by certain insurers; establishing provisions concerning the holding of certain public meetings by the Commissioner of Insurance; repealing certain obsolete provisions; and providing other matters properly relating thereto.

(1) Why is the regulation necessary and what is its purpose?

During the 2015 legislative session, the Legislature passed AB 486 which revised the amount of the annual fee to be paid by certain insurers from a statutory fee schedule to an amount to be determined annually by the Commissioner and repealed certain statutory fees charged for specific activities related to the administration and enforcement of the insurance code and other laws and regulations within the purview of the Division.

(2) What are the terms or substance of the proposed regulation?

Nevada Revised Statutes 680C.110 was amended to require (1) certain annual fees to be paid on or before the date established by regulation of the Commissioner; (2) each insurer authorized to transact casualty insurance, health insurance, life insurance or property insurance and each title insurer, fraternal benefit society, corporation that operates a hospital, medical or dental service plan, health maintenance organization, organization for dental care and prepaid limited health service organization to pay to the Commissioner an initial fee of \$1,000 and an annual fee determined by the Commissioner; and (3) certain other insurers to pay to the Commissioner an initial fee of \$250 and an annual fee of \$250. The latter fee of \$250 was not changed in AB 486.

This proposed regulation contains two sections. The first section establishes a process by which those insurers pursuant to section 4 of AB 486 will be notified of the Division's intent to review its budget as approved by the Legislature and make a determination of the amount of the annual fee that will be required to be paid by each insurer for the next fiscal year. The second section of the proposed regulation sets forth a process by which the Division will present for public input its preliminary biennial budget request and the projected impact that such a request would have on the annual fee for the coming biennium.

(3) What is the anticipated impact of the regulation on the problem(s)?

It sets forth an open and public process for the regulated entities on the cost of the annual fee.

(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?

There is no value to the public directly, but the fee helps fund the Division's administrative and regulatory efforts to ensure a stable insurance marketplace and protect consumers.

(7) What is the anticipated economic benefit of the regulation?

a. Public

1. Immediate: **None**
2. Long Term: **None**

b. Insurance Business

1. Immediate: **Annual Fee**
2. Long Term: **Annual Fee**

c. Small Businesses

1. Immediate: **None**
2. Long Term: **None**

d. Small Communities

1. Immediate: **None**
2. Long Term: **None**

e. Government Entities

1. Immediate: **Funds Division of Insurance Budget**
2. Long Term: **Funds Division of Insurance Budget**

- (8) What is the anticipated adverse impact, if any?
- a. Public
 - 1. Immediate: **Without funding the Division of Insurance will not be able to meet statutory obligations.**
 - 2. Long Term: **Without funding the Division of Insurance will not be able to meet statutory obligations.**
 - b. Insurance Business
 - 1. Immediate: **Without funding the Division of Insurance will not be able to meet statutory obligations.**
 - 2. Long Term: **Without funding the Division of Insurance will not be able to meet statutory obligations.**
 - c. Small Businesses
 - 1. Immediate: **None**
 - 2. Long Term: **Without funding the Division of Insurance will not be able to meet statutory obligations.**
 - d. Small Communities
 - 1. Immediate: **None**
 - 2. Long Term: **Without funding the Division of Insurance will not be able to meet statutory obligations.**
 - e. Government Entities
 - 1. Immediate: **None**
 - 2. Long Term: **None**
- (9) What is the anticipated cost of the regulation, both direct and indirect?
- a. Enactment: **None**
 - b. Enforcement: **None**
 - c. Compliance: **None**

(10) Does the regulation establish a new fee or increase an existing fee?

In 2009, the Fund for Insurance Administration and Enforcement (Fund) was established as an enterprise fund to support the general duties of the Division of Insurance and the Legislature established the annual fee in statute at \$1,300.00. Current law requires that all insurers with a certificate of authority granted by the Division pay an initial and annual fee which is deposited into this Fund. In revising the law, the Legislature determined that the fee should be set annually by the Commissioner and by regulation, set forth the process for determination of the annual fee to be assessed, and provided that certain factors such as direct premium written in the preceding calendar year as reported to the National Association of Insurance Commissioners must be considered when making the determination.

(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.

The Division is not intending to conduct a solicitation since the statutory requirements for the annual fee are based on premium written in the State for the prior year and on the budget for the Division's operations as authorized and approved by the Legislature. Pursuant to current statutory licensing requirements, any insurer maintaining a certificate of authority in Nevada is required to pay the annual fee regardless of whether the insurer writes any premium in the State of Nevada. Prior to the change in NRS 680C.110, any insurer that did not write premium was required to pay the statutorily set annual fee of \$1,300.00. The change in the law does not remove this annual fee requirement for those insurers which do not write premium in the State. The regulation will apply to these insurers seeking to maintain a certificate of authority.

(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 March 8, 2016.** 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.

Notice of the hearing was provided via electronic means to all persons on the agency's e-mail list for administrative regulations, and this Notice of Intent to Act Upon Regulation was posted to the agency's Internet Web site at <http://doi.nv.gov/> and was provided to or posted at the following locations:

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

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

Legislative Building
401 South Carson Street
Carson City, Nevada 89701

Grant Sawyer Building
555 East Washington Avenue
Las Vegas, Nevada 89101

Blasdel Building
209 East Musser Street
Carson City, Nevada 89701

Capitol Building Main Floor
101 North Carson Street
Carson City, Nevada 89701

Nevada Department of Employment,
Training and Rehabilitation
2800 E. Saint Louis Ave.
Las Vegas, NV 89104

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

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

Churchill County Library
553 South Main Street
Fallon, Nevada 89406

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

Elko County Library
720 Court Street
Elko, Nevada 89801

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

Eureka Branch Library
P.O. Box 293
Eureka, Nevada 89316

Humboldt County Library
85 East 5th Street
Winnemucca, Nevada 89445

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

Las Vegas-Clark County Library District
7060 W. Windmill Lane

Lincoln County Library
P.O. Box 330

Las Vegas, NV 89113

Pioche, Nevada 89043-0330

Lyon County Library
20 Nevin Way
Yerington, Nevada 89447

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

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

Storey County Clerk
P.O. Drawer D
Virginia City, Nevada 89440

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

Washoe County/Downtown Reno Library
P.O. Box 2151
Reno, Nevada 89505-2151

White Pine County Library
950 Campton Street
Ely, Nevada 89301

Members of the public who would like additional information about the proposed regulation may contact Laurie Squartsoff, Deputy Commissioner, at (775) 687-0789, or via e-mail to lsquartsoff@doι.nv.gov.

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 before the meeting.

DATED this 29th day of February, 2016.

/s/

AMY L. PARKS
Acting Commissioner of Insurance

HEARING AGENDA

The Department of Business and Industry, Division of Insurance

March 31, 2016 • 9:30 a.m.

Location of Hearing:

Office of the Division of Insurance
1818 E. College Pkwy., 1st Floor Hearing Room
Carson City, NV 89706
(Division Offices located in Suite 103)

Available via Videoconference at:

Office of the Division of Insurance
2501 E. Sahara Ave., Suite 312 (3rd floor
conference room)
Las Vegas, NV 89104
(Division Offices located in Suite 302)

- 1. Call to Order.**
- 2. Presentation, Discussion and Adoption of Proposed Regulation. (For Possible Action)**

LCB File No. R001-16, Fund for Administration and Enforcement—Annual Fee.

A REGULATION relating to insurance; establishing and revising provisions concerning certain assessments; establishing provisions concerning the payment of an annual fee by certain insurers; establishing provisions concerning the holding of certain public meetings by the Commissioner of Insurance; repealing certain obsolete provisions; and providing other matters properly relating thereto.

- 3. Public Comment.**
- 4. Adjournment.**

Supporting public material for this meeting may be requested from Sue Dummar, Legal Secretary, Nevada Division of Insurance, 1818 E. College Parkway, Carson City, Nevada 89706, by e-mail to sdummar@doi.nv.gov, or by calling (775) 687-0704. In your request, please state that you are requesting meeting materials for LCB File No. R001-16, Fund for Administration and Enforcement—Annual Fee, and provide the date of the meeting.

Note: Any agenda item may be taken out-of-order; items may be combined for consideration by the public body; and items may be pulled or removed from the agenda at any time. The Hearing Officer, within his/her discretion, may allow for public comment on individual agenda items. Public Comment may be limited to three minutes per speaker.

Members of the public are encouraged to submit written comments for the record.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify Sheri LeTourneau, Assistant to the Commissioner, at (775) 687-0771, no later than five (5) working days before the meeting.

NOTICES FOR THIS MEETING HAVE BEEN POSTED IN ACCORDANCE WITH NRS 241 AT THE FOLLOWING LOCATIONS:

Nevada Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706

Nevada Division of Insurance, 2501 E. Sahara Avenue, Suite 302, Las Vegas, Nevada 89104

Nevada State Legislative Building, 401 S. Carson Street, Carson City, Nevada 89701

Grant Sawyer State Office Building, 555 E. Washington Avenue, Las Vegas, Nevada 89101

Blasdel State Office Building, 209 E. Musser Street, Carson City, Nevada 89701

Nevada State Capitol, 101 N. Carson Street, Carson City, Nevada 89701

Nevada Dept. of Employment, Training and Rehabilitation, 2800 E. Saint Louis Avenue, Las Vegas, Nevada 89104

The State of Nevada Website (www.nv.gov)

The Nevada State Legislature Website (www.leg.state.nv.us)

The Nevada Division of Insurance Website (www.doi.nv.gov)