

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R078-16

**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 **chapters 679B and 692C** of the Nevada Administrative Code (“NAC”). A workshop has been set for **1:30 p.m. on October 4, 2016**, at the following location:

**Nevada Division of Insurance, 1st Floor Hearing Room
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, 3rd Floor Conference Room
Bradley Building
2501 E. Sahara Avenue, Suite 302
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 **September 27, 2016**.

LCB File No. R078-16. Holding Companies.

A regulation relating to insurance; requiring certain insurers to adopt a conflict of interest policy for certain persons; adopting, in substance, certain provisions of the National Association of Insurance Commissioners’ Insurance Holding Company System Model Regulation which govern the filing of consolidated registration statements; prescribing the form and procedures for filing an annual report of enterprise risk; prescribing certain provisions to be included in an agreement between certain insurers and their affiliates for sharing the costs of certain services; revising previously adopted provisions of the Model Regulation governing the filing of certain required forms and the acquisition of control of certain insurers; 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 Omar Akel, Chief Insurance Examiner, at (775) 687-0743, or via e-mail to oakel@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
20 Nevin Way
Yerington, Nevada 89447
Pershing County Library
P.O. Box 781
Lovelock, Nevada 89419

Mineral County Public Library
P.O. Box 1390
Hawthorne, Nevada 89415
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 are disabled and require special accommodations or assistance at the workshop are requested to notify the Commissioner's secretary, in writing, no later than five (5) working days before the meeting: 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or bgould@doi.nv.gov.

DATED this 15th day of September, 2016.

/s/s
BARBARA D. RICHARDSON
Commissioner of Insurance

WORKSHOP AGENDA

The State of Nevada, Department of Business and Industry, Division of Insurance

October 4, 2016 • 1:30 p.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., 3rd Floor Conference Room
Las Vegas, NV 89104
(Division Offices located in Suite 302)

- 1. Call to Order: R078-16.**
- 2. Presentation and Discussion of Proposed Regulation. (For Possible Action)**

LCB File No. R078-16, Holding Companies.

A regulation relating to insurance; requiring certain insurers to adopt a conflict of interest policy for certain persons; adopting, in substance, certain provisions of the National Association of Insurance Commissioners' Insurance Holding Company System Model Regulation which govern the filing of consolidated registration statements; prescribing the form and procedures for filing an annual report of enterprise risk; prescribing certain provisions to be included in an agreement between certain insurers and their affiliates for sharing the costs of certain services; revising previously adopted provisions of the Model Regulation governing the filing of certain required forms and the acquisition of control of certain insurers; and providing other matters properly relating thereto.

3. Public Comment.

4. Adjournment.

Supporting public material for this meeting may be requested from Betsy Gould, Legal Secretary, Nevada Division of Insurance, 1818 E. College Parkway, Carson City, Nevada 89706, (775) 687-0705, or bgould@doi.nv.gov.

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 the Commissioner's secretary, in writing, no later than five (5) working days before the meeting: 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or bgould@doi.nv.gov.

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 **2:00 p.m. on October 20, 2016**, in the 1st Floor Hearing Room at the Division’s offices located at 1818 East College Parkway, Suite 103, Carson City, Nevada 89706. Interested persons may also participate through a simultaneous videoconference conducted in the 3rd floor conference room, at the Division’s offices located in the Bradley Building, 2501 East Sahara Avenue, Suite 302, 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 **chapters 679B and 692C** 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. R078-16. Holding Companies.

A regulation relating to insurance; requiring certain insurers to adopt a conflict of interest policy for certain persons; adopting, in substance, certain provisions of the National Association of Insurance Commissioners’ Insurance Holding Company System Model Regulation which govern the filing of consolidated registration statements; prescribing the form and procedures for filing an annual report of enterprise risk; prescribing certain provisions to be included in an agreement between certain insurers and their affiliates for sharing the costs of certain services; revising previously adopted provisions of the Model Regulation governing the filing of certain required forms and the acquisition of control of certain insurers; and providing other matters properly relating thereto.

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

The regulation is necessary in order to meet National Association of Insurance Commissioners (“NAIC”) Accreditation standards. The regulation will add the following:

- *Guidance for filing Enterprise Risk Report (Form F) which was a new requirement as a result of Senate Bill 67 in 2015;*
- *Conflict of interest policy requirements for attorneys-in-fact, trustees, managers, officers, and directors; and*
- *Minimum provisions for management agreements.*

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

The regulation, which is based on NAIC Model Regulation 450, addresses the following:

- *Adds new definitions such as executive officer, ultimate controlling person, material relationship, etc.*
- *Clarifies instructions on filing Enterprise Risk Reports, which are required per statute.*
- *Adds requirements to adopt conflict of interest policies that contain minimum provisions.*
- *Adds ability for affiliate to file on behalf of the insurer the registration statement whereby a holding company may file only once for multiple insurers it controls.*
- *Adds minimum provisions for management and/or cost-sharing agreements.*

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

The anticipated impacts on the regulated industry are as follows:

- *Definitions will allow for adoption of uniform standards across the country.*
- *Insurers are currently following the regulation by filing the appropriate form. However, the Division of Insurance (“Division”) would not meet NAIC Accreditation standards by having insurers file the form without also having the necessary regulation in place.*
- *Insurers are currently following the regulation by having the appropriate conflict of interest policies. However, the Division of Insurance (“Division”) would not meet NAIC Accreditation standards by having insurers file conflict of interest policies without also having the necessary regulation in place.*
- *Ability to not have to make separate filings for each insurer that is part of the same group. Not having to make separate filings is the practice around the country.*
- *Give the insurers better protection against affiliate agreements that are unfair or could potentially harm the insurer. These new requirements also provide the Commissioner for better support in case of receivership proceedings.*

(4) Do other regulations address the same problem(s)?

No.

(5) Are alternate forms of regulation sufficient to address the problem(s)?

Currently most of what the regulation provides for is already in practice. However, NAIC Accreditation standards also require these practices be part of state law pursuant to a regulation or statute.

(6) What value does the regulation have to the public?

Uniformity is a significant advantage to the public and the industry. Having a state that does not adopt these national standards would do harm to the public and disrupt the marketplace.

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

- a. Public
 - 1. Immediate: *Keeps Nevada as an NAIC accredited state for financial solvency regulation.*
 - 2. Long Term: *Provides protection to insurance companies from getting into unfavorable affiliate agreements that could result in the non-payment of claims.*
- b. Insurance Business
 - 1. Immediate: *Keeps Nevada as an NAIC accredited state for financial solvency regulation.*
 - 2. Long Term: *Protects the insurer from being harmed due to affiliate arrangements.*
- c. Small Businesses
 - 1. Immediate: *Holding companies are not typically small businesses since holding companies are defined as groups with two or more entities.*
 - 2. Long Term: *Holding companies are not typically small businesses since holding companies are defined as groups with two or more entities.*
- d. Small Communities
 - 1. Immediate: *Keeps Nevada as an NAIC accredited state for financial solvency regulation.*
 - 2. Long Term: *Provides protection to insurance companies from getting into unfavorable affiliate agreements that could result in the non-payment of claims.*
- e. Government Entities
 - 1. Immediate: *Keeps the Division as an NAIC accredited state for financial solvency regulation.*
 - 2. Long Term: *Provides the Division with the ability to meet baseline industry standards for insurance regulation.*

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

- a. Public
 - 1. Immediate: *None.*
 - 2. Long Term: *None.*
- b. Insurance Business
 - 1. Immediate: *Insurers are held accountable for their affiliate arrangements, and may not prefer these required regulatory restrictions that limit potential to charge exorbitant fees and then move that money out of the insurance company.*

2. Long Term: *Insurers are held accountable for their affiliate arrangements, and may not prefer these required regulatory restrictions that limit potential to charge exorbitant fees and then move that money out of the insurance company.*

c. Small Businesses

1. Immediate: *Holding companies are not typically small businesses since holding companies are defined as groups with two or more entities.*

2. Long Term: *Holding companies are not typically small businesses since holding companies are defined as groups with two or more entities.*

d. Small Communities

1. Immediate: *None.*

2. Long Term: *None.*

e. Government Entities

1. Immediate: *Provides the Division with more regulation to enforce.*

2. Long Term: *Provides the Division with more regulation to enforce.*

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

a. Enactment – *None to minimal, as the standards are currently in practice.*

b. Enforcement – *The Division has the staff and resources to enforce these regulations since they are similar to other standards the Division already enforces.*

c. Compliance – *Not enacting this regulation could do more harm to the public than the cost of ensuring compliance with the regulation.*

(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.

Currently the Division has 42 insurers that were possibly subject to this holding company focused regulation. Thirty (30) out of the 42 are subject to this regulation, but the other 12 are not because there is only one entity involved (the insurer) and, therefore, there is no holding company structure. Of the 30 insurers and holding company structures, none are considered small businesses, and they typically outsource most functions to affiliate companies within the same holding company system or to third parties.

(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.

No regulation overlaps with the holding company regulation.

(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 October 13, 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 North 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

Department of Business and Industry
Division of Insurance

1818 East College Parkway, Suite 103
Carson City, Nevada 89706

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
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

Washoe County/Downtown Reno Library
P.O. Box 2151

Tonopah, Nevada 89049

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 Omar Akel, Chief Insurance Examiner, Corporate and Financial Affairs, at (775) 687-0743, or via e-mail to oakel@doi.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, no later than five (5) working days before the meeting: 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or bgould@doi.nv.gov.

DATED this 15th day of September, 2016.

/s/
BARBARA D. RICHARDSON
Commissioner of Insurance

HEARING AGENDA

The State of Nevada, Department of Business and Industry, Division of Insurance

October 20, 2016 • 2:00 p.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., 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. R078-16. Holding Companies.**

A regulation relating to insurance; requiring certain insurers to adopt a conflict of interest policy for certain persons; adopting, in substance, certain provisions of the National Association of Insurance Commissioners' Insurance Holding Company System Model Regulation which govern the filing of consolidated registration statements; prescribing the form and procedures for filing an annual report of enterprise risk; prescribing certain provisions to be included in an agreement

between certain insurers and their affiliates for sharing the costs of certain services; revising previously adopted provisions of the Model Regulation governing the filing of certain required forms and the acquisition of control of certain insurers; and providing other matters properly relating thereto.

3. Public Comment.

4. Adjournment.

Supporting public material for this meeting may be requested from Betsy Gould, Legal Secretary, Nevada Division of Insurance, 1818 E. College Parkway, Carson City, Nevada 89706, (775) 687-0705, or bgould@doi.nv.gov.

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 the Commissioner's secretary, in writing, no later than five (5) working days before the meeting: 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or bgould@doi.nv.gov.

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)

**STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE**

Determination of Necessity of Small Business Impact Statement

LCB File No. R078-16

INSURANCE HOLDING COMPANIES AMENDMENT TO UPDATE TO NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (“NAIC”) STANDARDS AND TO RESEMBLE NAIC MODEL #450.

EFFECTIVE DATE OF REGULATION:
Upon filing with the Nevada Secretary of State

1. **BACKGROUND**

The regulation is necessary in order to meet National Association of Insurance Commissioners (“NAIC”) Accreditation standards. The regulation will add the following:

- Guidance for filing Enterprise Risk Report (Form F) which was a new requirement as a result of Senate Bill 67 in 2015;
- Conflict of interest policy requirements for attorneys-in-fact, trustees, managers, officers, and directors; and
- Minimum provisions for management agreements.

2. **DESCRIPTION OF SOLICITATION**

Currently no small business is subject to this regulation. The regulation applies to holding companies that, in addition to an insurance company, hold other operations and other types of legal entities. These holding companies typically have more than 150 employees.

3. **DOES THE PROPOSED REGULATION IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN UPON A SMALL BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF A SMALL BUSINESS? (NRS 233B.0608.1)**

NO (answer #4) YES (skip to #5)

4. **HOW WAS THAT CONCLUSION REACHED? (NRS 233B.0608.3)**

Currently the Division has 42 insurers that were possibly subject to this holding company focused regulation. Thirty (30) out of the 42 are subject to this regulation, but the other 12 are not because there is only one entity involved (the insurer) and, therefore, there is no holding company structure. Of the 30 insurers and holding company structures, none are considered small businesses, and they typically outsource most functions to affiliate companies within the same holding company system or to third parties.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby certify to the best of my knowledge or belief a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was prepared properly and the information contained herein is accurate. (NRS 233B.0608.3)

9/15/16

(DATE)

/s/

BARBARA D. RICHARDSON
Commissioner of Insurance

Small Business Impact Statement

LCB File No. R078-16

5. SUMMARY OF COMMENTS RECEIVED FROM SMALL BUSINESSES (NRS 233B.0609.1.a)
N/A

6. ESTIMATED ECONOMIC EFFECT ON SMALL BUSINESSES THE REGULATION IS TO REGULATE (NRS 233B.0609.1.c)
N/A

7. METHODS CONSIDERED TO REDUCE IMPACT ON SMALL BUSINESSES (NRS 233B.0609.1.d)
N/A

8. ESTIMATED COST OF ENFORCEMENT (NRS 233B.0609.1.e)
N/A

9. FEE CHANGES (NRS 233B.0609.1.f)
N/A

10. DUPLICATIVE PROVISIONS (NRS 233B.0609.1.g)
N/A

11. HOW WAS THE ANALYSIS CONDUCTED? (NRS 233B.0609.1.b)
N/A

12. REASONS FOR CONCLUSIONS (NRS 233B.0609.1.h)
N/A

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby certify to the best of my knowledge or belief a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was prepared properly and the information contained herein is accurate. (NRS 233B.0609.2)

9/15/16
(DATE)

/s/
BARBARA D. RICHARDSON
Commissioner of Insurance