PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE

LCB File No. R080-16

July 21, 2016

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

AUTHORITY: §§1, 2 and 5-10, NRS 679B.130 and 694C.170; §§ 3 and 4, NRS 679B.130, 694C.170, 694C.390 and 694C.400; §11, NRS 679B.130, 694C.170 and 694C.410.

A REGULATION relating to captive insurers; updating certain publications and forms that have been adopted by reference; revising certain financial report and audit requirements; revising provisions relating to service provider and reinsurance contracts; revising the requirements for the disclosure of conflicts of interest by persons holding certain positions with a captive insurer; revising provisions related to reimbursable expenses for examinations by the Commissioner of Insurance; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:
Existing law authorizes the Commissioner of Insurance to administer and carry out the provisions of existing law governing captive insurers. (NRS 679B.130, 694C.170) Sections 1 and 2 of this regulation update certain publications and forms that the Commissioner has adopted by reference.

Existing law requires a captive insurer, including, without limitation, a state-chartered risk retention group that is formed as an association captive insurer, to submit to the Commissioner on or before March 1 of each year a report of its financial condition. Under existing law, the report filed by a captive insurer other than a pure captive insurer must be in the same form as the annual statement of financial condition filed with the Commissioner by insurers authorized to transact insurance in this State. Existing law requires the Commissioner to adopt regulations designating the form in which a pure captive insurer must annually report its financial condition. (NRS 680A.270, 694C.390, 694C.400) Section 3 of this regulation excludes pure captive insurers and state-chartered risk retention groups from certain requirements for the annual report and prescribes the requirements for the annual report filed by a state-chartered risk retention group. Section 3 also authorizes the Commissioner to grant an extension of the filing date for the annual report under certain circumstances.

Existing regulations require a captive insurer to have an annual audit by an independent certified public accountant who is authorized by the Commissioner to conduct the audit and
specify the information that must be included in the audit. (NAC 694C.210) **Section 4** of this regulation prescribes the requirements for such an annual audit of a state-chartered risk retention group that is formed as an association captive insurer and revises the information that must be included in the annual audit of a captive insurer. In addition, **section 4** authorizes the Commissioner to grant extensions of the filing date for the annual audit and exemptions from compliance with the requirements for an annual audit under certain circumstances.

Existing regulations authorize the Commissioner to require a captive insurer to provide a security deposit or furnish a letter of credit if the Commissioner determines that the financial condition of a captive insurer warrants additional security. (NAC 694C.240) **Section 5** of this regulation requires a captive insurer that furnishes a letter of credit to furnish a letter of credit to furnish to the Commissioner, as soon as practicable, an updated copy of the letter of credit if there are changes to the letter of credit.

**Section 6** of this regulation provides that if a material service provider contract between a captive insurer and a service provider that has been filed with the Division of Insurance of the Department of Business and Industry is amended, the captive insurer must refile the contract within 60 days after the effective date of the amended contract.

Existing law authorizes a captive insurer to reinsure risks ceded by another insurer and to cede risks to a reinsurer that is in compliance with existing law governing reinsurance. (NRS 694C.350) Existing regulations require a captive insurer who is seeking to terminate or modify a reinsurance treaty or agreement held by the captive insurer to provide advance notice of the termination or modification to the insured and the Commissioner. Upon receipt of that notice, the Commissioner has the discretion to order the captive insurer to cease writing new insurance until the Commissioner approves the modification or a replacement reinsurance treaty or agreement obtained by the captive insurer. (NAC 694C.250) **Section 7** of this regulation requires a captive insurer to enter into an agreement to cede or assume reinsurance or to terminate an existing reinsurance treaty. **Section 7** also authorizes the Commissioner to order a captive insurer to terminate any reinsurance transaction or prohibit a captive insurer from obtaining reinsurance under certain circumstances.

Under existing regulations, if a material change occurs in the operations of a captive insurer or in its organizational structure, the manager, certified public accountant or actuary of the captive insurer must notice the board of directors of the captive insurer within 60 days after the change occurs. (NAC 694C.260) **Section 8** of this regulation requires the captive insurer to file a copy of this notice with the Commissioner not later than 60 days after it is provided to the board of directors of the captive insurer.

**Section 9** of this regulation defines the term “material change” for the purpose of determining whether a change in the nature of the business of a captive insurer is a material change that requires the prior approval of the Commissioner pursuant to existing regulations.

**Section 10** of this regulation requires the conflict of interest policy of a captive insurer to contain a requirement that an attorney-in-fact, trustee, manager, officer or director of the captive insurer update his or her conflict of interest disclosure within 60 days after any change in the information disclosed.
Existing law requires a captive insurer to pay to the Commissioner the cost of any examination of the captive insurer by the Commissioner. (NRS 694C.410) Under existing regulations, the cost of the examination includes a daily salary for a financial examiner, market conduct examiner or expert assistant. (NAC 694C.295) **Section 11** of this regulation authorizes such an examiner or expert to be paid either a daily salary or at an hourly rate.

**Section 1.** NAC 694C.090 is hereby amended to read as follows:

694C.090 The Commissioner hereby adopts the following publications by reference:

1. The *Property/Casualty Insurance Annual and Quarterly* Statement Blanks (ASB-PU) and the *Property/Casualty Annual and Quarterly* Statement Instructions [for the *Property/Casualty Manual*] (ASI-PU), published by the National Association of Insurance Commissioners. A copy of these publications may be purchased from NAIC Insurance Products and Services Division [2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662] by telephone at (816) 783-8300, [by fax at (816) 460-7593] or by electronic mail at prodserv@naic.org [or at the Internet address http://www.naic.org//prod_serv_alpha_listing.htm], at a cost of $200, plus $32 for shipping, for ASB-PU and $225, plus $32 for shipping, for ASI-PU.

2. The most recent edition of the *AICPA Professional Standards*, [2007 edition] published by the American Institute of Certified Public Accountants. A copy of this publication may be obtained from the American Institute of Certified Public Accountants [Order Department, P.O. Box 2209, Jersey City, New Jersey 07303-2209] by telephone at (888) 777-7077 [by fax at (800) 362-5066] or at the Internet address [https://www.cpa2biz.com/default.htm].

http://www.aicpastore.com, at a cost of $119 for members of the AICPA or $148.75 for nonmembers [or as an online subscription at a cost of $159 for members of the AICPA or $199 for nonmembers. If the publication adopted by reference pursuant to this subsection is revised, the Commissioner will review the revision to determine its suitability for this State. If the Commissioner determines that the revision is not suitable for this State, the
Commissioner will hold a public hearing to review his or her determination and give notice of that hearing within 90 days after the date of the publication of the revision. If, after the hearing, the Commissioner does not revise his or her determination, the Commissioner will give notice that the revision is not suitable for this State within 90 days after the hearing. If the Commission does not give such notice, the revision becomes part of the publication adopted by reference pursuant to this subsection.

3. [Original Pronouncements As Amended, 2007–2008 edition, and Current Text, 2007–2008 edition.] *FASB Accounting Standards Codification* published by the Financial Accounting Standards Board. A copy of *each of these publications* this publication may be obtained at the Internet address [http://www.fasb.org](http://www.fasb.org) or by telephone at (800) 748-0659. The cost of:

— (a) The Original Pronouncements As Amended is $140.
— (b) The Current Text is $125.
— (c) Both publications purchased as a set is $240. at a cost of $895 for the Professional View online subscription or $240 for the bound edition. The Basic View online subscription is available free of charge.

4. The *Domestic Per Diem Rates*, published by the General Services Administration. A copy of this publication may be obtained, free of charge, from the General Services Administration at the Internet address [http://www.gsa.gov/perdiem](http://www.gsa.gov/perdiem).

**Sec. 2.** NAC 694C.092 is hereby amended to read as follows:

694C.092 The Commissioner will periodically review:

1. The Property/Casualty Insurance Annual and Quarterly Statement Blanks *(ASB-PU)* and the Property/Casualty Annual and Quarterly Statement Instructions *(ASI-PU)*, as adopted by reference in subsection 1 of NAC 694C.090;
2. The AICPA Professional Standards, as adopted by reference in subsection 2 of NAC 694C.090;

3. The Original Pronouncements As Amended, and the Current Text, FASB Accounting Standards Codification, as adopted by reference in subsection 3 of NAC 694C.090; and

4. The Domestic Per Diem Rates, as adopted by reference in subsection 4 of NAC 694C.090,

and determine within 30 days after the review whether any change made to a publication listed in subsection 1 to 4, inclusive, 2 or 3 is appropriate for application in this State. If the Commissioner does not disapprove a change to an adopted publication within 30 days after the review, the change is deemed to be approved by the Commissioner.

Sec. 3. NAC 694C.200 is hereby amended to read as follows:

694C.200 1. A report of financial condition filed by an association captive insurer, an agency captive insurer or a rental captive insurer pursuant to NRS 694C.400 must be verified by the oath of two executive officers of the captive insurer.

2. A captive insurer other than a pure captive insurer or a state-chartered risk retention group shall file with the Commissioner an audited statement a report of its financial condition. The audited statement report must be:

(a) Prepared in accordance with generally accepted accounting principles in the United States and stated in United States dollars, and must contain the footnotes and opinions of the independent certified public accountant or other person who prepared the statement report; and

(b) Accompanied by a statement, prepared by the independent certified public accountant or other person who prepared the audited statement report certifying that all financial
requirements established by law and the articles of incorporation, bylaws and the business plan of the captive insurer have been met.

3. In addition to any other statements and schedules which a captive insurer other than a pure captive insurer or a state-chartered risk retention group is required by law to file, a captive insurer other than a pure captive insurer or a state-chartered risk retention group shall submit to the Commissioner the following exhibits and schedules from the Property/Casualty Insurance Annual and Quarterly Statements Blanks, published by the National Association of Insurance Commissioners, which is adopted by reference in NAC 694C.090:

(a) Exhibit 1 - Analysis of Nonadmitted Assets and Related Items;
(b) Schedule A - Real Estate;
(c) Schedule B - Mortgage Loans;
(d) Schedule BA - Other Long-Term Invested Assets;
(e) Schedule D - Bonds and Stocks;
(f) Schedule DA - Short-Term Investments; and
(g) Schedule P - Parts 1 through 4 - Analysis of Losses and Loss Expenses.

The exhibits and schedules must be prepared in accordance with the Property/Casualty Annual and Quarterly Statement Instructions, published by the National Association of Insurance Commissioners, which is adopted by reference in NAC 694C.090.

4. A report of financial condition filed by a pure captive insurer pursuant to NRS 694C.400 must be verified by the oath of two executive officers of the pure captive insurer. The report must be on the form prescribed by the Commissioner known as “Captive Annual Statement: Pure.”
5. A state-chartered risk retention group shall file with the Commissioner an annual and quarterly statement in accordance with the provisions of NAC 680A.160. In addition to the information required by NAC 680A.160, the report must include, without limitation:

   (a) A reconciliation between the accounting principles identified in paragraph (a) of subsection 2 and the principles identified in NRS 680A.270, unless the report is prepared in accordance with subparagraph (2) of paragraph (b) of subsection 1 of NRS 680A.270; and

   (b) If an annual report, a copy of the “Statement of Actuarial Opinion,” “Actuarial Opinion Summary” and “Actuarial Report” filed pursuant to NAC 681B.250 to 681B.290, inclusive.

6. Upon a showing of good cause by the captive insurer and subject to the provisions of NRS 694C.390 and 694C.400, the Commissioner may grant a reasonable extension of the filing date for the report of financial condition required by this section. Such a request for extension must be submitted to the Commissioner in writing not less than 10 days before the date on which the report of financial condition is due and must contain sufficient details to permit the Commissioner to make an informed decision with respect to the requested extension.

Sec. 4. NAC 694C.210 is hereby amended to read as follows:

694C.210 1. [A] Except as otherwise provided in subsection 2 or 7, a captive insurer shall have an annual audit by an independent certified public accountant who is authorized by the Commissioner to conduct the audit. The captive insurer shall file the audited financial report with the Commissioner on or before June 30 for the year ending on the immediately preceding December 31.
2. **Unless exempted pursuant to subsection 7 or NAC 680A.172, 680A.199 or 680A.205, a state-chartered risk retention group shall have an annual audit pursuant to NAC 680A.172 to 680A.211, inclusive. Unless the Commissioner grants an extension pursuant to subsection 5 or NAC 680A.177, a state-chartered risk retention group shall file the audited financial report with the Commissioner on or before June 1 for the year ending on the immediately preceding December 31.**

3. The Commissioner will deem the annual audit conducted pursuant to this section to be a part of the annual report of financial condition of the captive insurer which is filed pursuant to NRS 694C.400.

4. **The annual audit required by this section must include:**

   (a) *A statement, prepared by the independent certified public accountant who conducted the audit, certifying that all financial requirements established by law, the articles of incorporation, the bylaws and the business plan of the captive insurer have been met.*

   (b) The opinion of the independent certified public accountant who conducted the audit which states that the financial statements of the captive insurer were examined in accordance with generally accepted auditing standards, as determined by the American Institute of Certified Public Accountants and included in the publication *AICPA Professional Standards*, which is adopted by reference in NAC 694C.090. The opinion must:

   (1) Cover all years presented in the audit;

   (2) Be addressed to the captive insurer on stationery of the accountant; and

   (3) Include the address of the accountant issuing the opinion, original manual signatures and the date on which the opinion was issued.

   (c) A report of an evaluation of the internal controls of the captive insurer relating to:
(1) The methods and procedures used in the securing of assets; and

(2) The reliability of the financial records of the captive insurer, including, without limitation, the controls for the system of authorization and approval, and the separation of duties.

{(c) (d)} A letter from the independent certified public accountant which includes:

(1) A statement that the accountant is independent with respect to the captive insurer and that he or she conforms to the standards of his or her profession as set forth in the AICPA Professional Standards, published by the American Institute of Certified Public Accountants, and adopted by reference in NAC 694C.090, and the pronouncements of the Financial Accounting Standards Board;

(2) A general description of the background and experience of the staff of the accountant engaged in the audit, including the experience of the staff in auditing captive insurers and other insurance companies;

(3) A statement that the accountant understands that the audited annual report and his or her opinions thereon will be filed with the Commissioner pursuant to {this section:} subsection 1;

(4) A statement that the accountant will comply with NAC 694C.230 and consents and agrees to make his or her work papers available for review by the Commissioner or a designee thereof; and

(5) A statement that the accountant is properly licensed by the appropriate state licensing authority and is a member in good standing of the American Institute of Certified Public Accountants.

{(d) (e)} Financial statements, including:

(1) A balance sheet;

(2) A statement of gain or loss from operations;
(3) A statement of changes in financial position;

(4) A statement of changes in paid-up capital, gross paid-in contributed surplus and unassigned money or assets; and

(5) Notes to financial statements required by generally accepted accounting principles, or as required by any other comprehensive basis of accounting in use by the captive insurer and approved by the Commissioner, including:

(I) A reconciliation of differences, if any, between the audited financial report and the report filed with the Commissioner pursuant to NRS 694C.400, with a written description of the nature of these differences.

(II) A summary of ownership and relationships of the company and all affiliated corporations or companies insured by the captive insurer; and

(III) A narrative explanation of all material transactions and balances with the captive insurer.

(e) An annual actuarial certification of loss reserves and loss expense reserves which includes an opinion of the adequacy of the loss reserves and loss expense reserves of the captive insurer, in a format acceptable to the Commissioner. The person who certifies the adequacy of the reserves must be approved by the Commissioner and must be a Fellow of the Casualty Actuarial Society, a Fellow of the Society of Actuaries, a member in good standing of the American Academy of Actuaries or a person who has otherwise demonstrated competence in the evaluation of loss reserves to the Commissioner. The annual actuarial certification must be in such form as the Commissioner determines appropriate.
5. Upon a showing of good cause by the captive insurer and subject to the provisions of NRS 694C.390 and 694C.400, the Commissioner may grant a reasonable extension of the filing date for the annual audit required by this section. Such a request for extension must be submitted to the Commissioner in writing not less than 10 days before the date on which the audited financial report is due and must contain sufficient details to permit the Commissioner to make an informed decision with respect to the requested extension.

6. If an extension for the filing of the audited financial report is granted pursuant to subsection 5, the same extension will be deemed granted for the filing of the Management’s Report on Internal Control Over Financial Reporting.

7. Upon a showing of good cause by the captive insurer and subject to the provisions of NRS 694C.390 and 694C.400, the Commissioner may grant an exemption from compliance with any provisions of this section if he or she determines, upon review of an application for exemption that compliance with any or all provisions of this section would constitute a financial or organizational hardship on the captive insurer or that the captive insurer has shown other good cause why such an exemption should be granted. A request for an exemption must be submitted in writing not less than 30 days before the date on which the audited financial report is due and must contain sufficient details to permit the Commissioner to make an informed decision with respect to the requested exemption.

Sec. 5. NAC 694C.240 is hereby amended to read as follows:

694C.240 1. If the Commissioner determines that the financial condition of a captive insurer warrants additional security, the Commissioner may require the captive insurer to:

(a) Deposit with the State Treasurer:

(1) Cash; or
(2) Securities which have been approved by the Commissioner; or

(b) Furnish the Commissioner a clean irrevocable letter of credit issued by a bank chartered by the State of Nevada, or a bank that is a member of the United States Federal Reserve System, on a form approved by the Commissioner. *If there is a change to such a letter of credit, the captive insurer shall, as soon as practicable, file an updated copy of the letter of credit with the Commissioner.*

2. A captive insurer may:

(a) Receive interest or dividends from the security deposit; or

(b) With the approval of the Commissioner, exchange the deposit for other deposits of equal value.

4. If the captive insurer discontinues business, the Commissioner will return the deposit to the captive insurer only after being satisfied that all obligations of the captive insurer have been discharged.

Sec. 6. NAC 694C.245 is hereby amended to read as follows:

694C.245 1. A material service provider contract between a captive insurer and a service provider:

(a) Must be for a period of not more than 5 years;

(b) Requires the approval of the majority of the captive insurer’s directors or subscribers’ advisory committee members for its initial term and for all renewals; and

(c) Must be filed with the Division within 30 days after the effective date of the contract; and

(d) If subsequently amended, must be refiled with the Division within 60 days after the effective date of the amended contract.
2. As used in this section:

(a) “Material service provider contract” means any contract between a captive insurer and a service provider under the terms of which the amount to be paid to the service provider by the captive insurer is greater than $15,000 during any one 12-month period.

(b) “Service provider” means a captive manager, auditor, accountant, actuary, investment adviser, attorney, managing general underwriter, managing general agent, attorney-in-fact or any other party responsible for underwriting, the determination of rates, the collection of premiums, adjusting and settling claims or the preparation of financial statements.

Sec. 7. NAC 694C.250 is hereby amended to read as follows:

694C.250 1. Except as approved by the Commissioner, a captive insurer shall give at least 90 days’ advance notice to the insured and the Commissioner of the termination or modification of any reinsurance treaty or agreement held by the captive insurer. not:

(a) Enter into any agreement to cede reinsurance;

(b) Enter into any agreement to assume reinsurance; or

(c) Terminate an existing reinsurance treaty, except at its natural expiration as stated within the contract of reinsurance.

2. The effective date of any reinsurance agreement or modification of a reinsurance agreement entered into by a captive insurer may be before or after the date of the Commissioner’s approval, except that such effective date must not be before the date on which the captive insurer was initially formed as an insurer domiciled in this State. However, a captive insurer may not enter into or execute a reinsurance agreement before approval by the Commissioner.
3. The Commissioner may require a captive insurer to terminate any reinsurance transaction or prohibit a captive insurer from obtaining any or all reinsurance, if the Commissioner:

(a) Determines that the terms of a particular reinsurance agreement or agreements pose any material risk or disadvantage to the general public; or

(b) Determines that reinsurance is inappropriate when considering the captive insurer’s financial condition or the type, nature or volume of business written by the captive insurer.

4. Upon notification of termination or modification of a reinsurance treaty or agreement held by a captive insurer, the Commissioner may order the captive insurer to cease writing any new business until (the):

(a) The Commissioner approves the modification of the existing reinsurance treaty or agreement, or any replacement reinsurance treaty or agreement obtained by the captive insurer;

(b) The captive insurer ceases to utilize any or all reinsurance, if such cessation is determined to be appropriate by the Commissioner.

5. Reinsurance and excess insurance must be effected through a written agreement of reinsurance, or a written contract setting forth the terms, provisions and conditions governing the reinsurance.

6. Complete copies of all reinsurance treaties, agreements and contracts entered into by a captive insurer must be:

— (a) Filed by the captive insurer with the Commissioner;

— (b) Approved by the Commissioner; or
Sec. 8.  NAC 694C.260 is hereby amended to read as follows:

694C.260  If any material change occurs in the operations of a captive insurer or in the organizational structure within the captive insurer:

1.  The manager, certified public accountant or actuary of the captive insurer shall notify the board of directors of the captive insurer of the material change within 60 days after the material change occurs; and

2.  The captive insurer shall file a copy of the notice required by subsection 1 with the Commissioner not later than 60 days after the date such notice is provided to the board of directors.

Sec. 9.  NAC 694C.270 is hereby amended to read as follows:

694C.270  1.  A captive insurer shall not, without the prior approval of the Commissioner, make any material change in the nature of its business from that stated in its plan of operation filed with the Commissioner.

2.  Any change in any other information filed with the application must be filed with the Commissioner as soon as practicable, but does not require the prior approval of the Commissioner to make the change.

3.  As used in this section, “material change” includes, without limitation:

(a)  The entry into any agreement to cede reinsurance;

(b)  The entry into any agreement to assume reinsurance;

(c)  The termination of an existing reinsurance treaty, except at its natural expiration as stated within the contract of reinsurance;

(d)  The writing of a new line of business;
(e) The exit from an existing line of business;

(f) Any change to limits of coverage written by the captive insurer; or

(g) The expansion into a new state of a state-chartered risk retention group.

Sec. 10. NAC 694C.290 is hereby amended to read as follows:

694C.290 1. A captive insurer chartered in this State shall adopt a conflict of interest policy for its attorneys-in-fact, trustees, managers, officers and directors. The policy must contain:

(a) A requirement that the attorney-in-fact, trustee, manager, officer or director must annually and within 60 days after any subsequent change disclose that he or she has no outside commitments, personal or otherwise, that would divert him or her from the duty to further the interests of the captive insurer that he or she represents;

(b) A clear expression that the attorney-in-fact, trustee, manager, officer or director has a duty of care to protect the interests of the captive insurer above those of any person including, but not limited to, the attorney-in-fact, trustee, manager, officer or director or any service provider; and

(c) A requirement that each attorney-in-fact, trustee, manager, officer or director must annually and within 60 days after any subsequent change provide a complete annual disclosure of each material relationship that he or she has with the captive insurer.

2. Each attorney-in-fact, trustee, manager, officer or director of a captive insurer shall file a disclosure of his or her conflicts of interest with the board of directors or subscribers’ advisory committee of the captive insurer annually and within 60 days after any subsequent change.
3. Nothing in this section shall be construed to prevent an attorney-in-fact, trustee, manager, officer or director of a captive insurer from being a director or officer in more than one insurance company or captive insurer.

4. As used in this section:
   (a) “Material relationship” means any relationship in which an attorney-in-fact, trustee, manager, officer or director of a captive insurer, any member of such a person’s immediate family or any business with which such a person is affiliated receives compensation or payment of any other items of value from the captive insurer or a consultant or service provider to the captive insurer of an amount greater than $15,000 within any one 12-month period.
   (b) “Service provider” means a captive manager, auditor, accountant, actuary, investment adviser, attorney, managing general underwriter, managing general agent, attorney-in-fact or any other party responsible for underwriting, the determination of rates, the collection of premiums, adjusting and settling claims or the preparation of financial statements.

Sec. 11. NAC 694C.295 is hereby amended to read as follows:

694C.295 Reasonable and proper expenses incurred in an examination conducted pursuant to NRS 694C.410 may include, without limitation:

1. For a financial examiner or market conduct examiner, a daily salary as defined in the Financial Condition Examiners Handbook, which is adopted by reference in NAC 679B.033, or an hourly rate based upon the rate established in the contract approved by the State Board of Examiners.

2. For expert assistants, a daily salary or an hourly rate based upon the rate established in the contract approved by the State Board of Examiners.
3. The maximum per diem rate for the location of the examination established by the Administrator of General Services in the Federal Trade Regulation System of the General Services Administration, 41 C.F.R. Chapters 300 to 304, inclusive, and set forth in Domestic Per Diem Rates, which is adopted by reference in NAC 694C.090.

4. Expenses for transportation, including, without limitation, 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.

5. Upon approval of the Commissioner, miscellaneous expenses incurred by the examiner and assistants while performing an examination. Miscellaneous expenses may include, without limitation, expenses for telephone calls, facsimile transmissions and postal charges relating to the examination.

6. An administrative charge, expressed as a percentage of the daily salary or hourly rate of the examiner or assistant, as provided in subsections 1 and 2 and as provided in the division budget approved by the Nevada Legislature.