

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R081-16

**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) 686A, 687B, 695C, and 695D** of the Nevada Administrative Code (“NAC”). A workshop has been set for **9:30 a.m. on August 24, 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 **August 17, 2016**.

LCB File No. R081-16. Required Industry Reports. (NAC 686A, 687B, 695C, 695D) A REGULATION relating to insurance; revising the requirements for the filing of certain reports and documentation with the Commissioner of Insurance and the Division of Insurance of the Department of Business and Industry; 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 Kim Everett, Assistant Chief, Life and Health Section, at (775)

687-0735, or via e-mail to keverett@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

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 are disabled and require special accommodations or assistance at the workshop are requested to notify the Commissioner's secretary in writing at 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or via e-mail to icommish@doi.nv.gov, or by calling (775) 687-0771, no later than five (5) working days prior to the workshop.

DATED this 3rd day of August, 2016.

/s/
BARBARA D. RICHARDSON
Commissioner of Insurance

WORKSHOP AGENDA

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

August 24, 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., 3rd Floor Conference Room
Las Vegas, NV 89104
(Division Offices located in Suite 302)

1. Call to Order: R080-16.

2. Presentation and Discussion of Proposed Regulation. (For Possible Action)

LCB File No. R080-16. Captive Insurers. (NAC 694C)

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.

3. Public Comment.

4. Closure: R080-16.

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5. Call to Order: R081-16.

6. Presentation and Discussion of Proposed Regulation. (For Possible Action)

LCB File No. R081-16. Required Industry Reports. (NAC 686A, 687B, 695C, 695D)

A regulation relating to insurance; revising the requirements for the filing of certain reports and documentation with the Commissioner of Insurance and the Division of Insurance of the Department of Business and Industry; and providing other matters properly relating thereto.

7. Public Comment.

8. Closure: R081-16.

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9. Adjournment.

Supporting public material for this meeting may be requested from Sue Bell, Legal Secretary, Nevada Division of Insurance, 1818 E. College Parkway, Carson City, Nevada 89706, by e-mail to suebelle@doi.nv.gov, or by calling (775) 687-0704.

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 Assistant 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 & 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 September 7, 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 **chapter(s) 686A, 687B, 695C, and 695D** 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. R081-16. Required Industry Reports. (NAC 686A, 687B, 695C, 695D) A REGULATION relating to insurance; revising the requirements for the filing of certain reports and documentation with the Commissioner of Insurance and the Division of Insurance of the Department of Business and Industry; and providing other matters properly relating thereto.

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

The Life and Health Section (“Section”), Division of Insurance (“Division”), is responsible for receiving, tracking and review of 31 required industry reports. It is important that the carriers know exactly when a report must be submitted. It is also important that the Section be able to accurately account for receipt of said reports.

The purpose of the regulation is to provide the carrier with a specific date that a required industry report is due rather than the current broad requirement that certain Life and Long-term Care reports be submitted annually.

Additionally, the regulation provides for a common reporting date for Medicare Supplement policy data, and for submission to be accomplished in a uniform format. This will result in combining the three separate Medicare Supplement reports into one submission.

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

The designation of a specific date for submission of a report is applicable to life and long-term care products; and the introduction of a common reporting date and uniform reporting format for Medicare Supplement products.

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

The changes to the existing regulations provide for more uniformity and clarity as to the reporting requirements that are already in place.

(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 amendments to the existing regulations provide no direct value to the public.

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

a. Public

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

b. Insurance Business

1. Immediate: *May help streamline operations*
2. Long Term: *May help streamline operations*

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: *None*
2. Long Term: *None*

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

a. Public

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

b. Insurance Business

1. Immediate: *None*

- 2. Long Term: *None*
- 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: *None*
 - 2. Long Term: *None*

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

- a. Enactment: *No cost*
- b. Enforcement: *No cost*
- c. Compliance: *No cost*

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

No new or additional fees are established.

(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 changes proposed to the existing regulations only change or specify the date by which a carrier must report certain information to the Commissioner. There is no impact to small businesses.

(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.

There is no overlapping or duplication of regulations.

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

This regulation is not required by federal law.

(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 August 17, 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
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
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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
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 Kim Everett, Assistant Chief, Life and Health Section, at (775) 687-0735, or via e-mail to keverett@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 to icommish@doi.nv.gov, or at 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or by calling (775) 687-0771, no later than five (5) working days before the meeting.

DATED this 3rd day of August, 2016.

/s/

BARBARA D. RICHARDSON
Commissioner of Insurance

HEARING AGENDA

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

September 7, 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., 3rd Floor Conference Room
Las Vegas, NV 89104
(Division Offices located in Suite 302)

1. **Call to Order: R080-16.**

2. **Presentation, Discussion and Adoption of Proposed Regulation. (For Possible Action)**
LCB File No. R080-16. Captive Insurers. (NAC 694C)
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.

3. **Public Comment.**

4. **Closure: R080-16.**

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5. **Call to Order: R081-16.**

6. **Presentation, Discussion and Adoption of Proposed Regulation. (For Possible Action)**
LCB File No. R081-16. Required Industry Reports. (NAC 686A, 687B, 695C, 695D)
A regulation relating to insurance; revising the requirements for the filing of certain reports and documentation with the Commissioner of Insurance and the Division of Insurance of the Department of Business and Industry; and providing other matters properly relating thereto.

7. **Public Comment.**

8. **Closure: R081-16.**

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9. **Adjournment.**

Supporting public material for this meeting may be requested from Sue Bell, Legal Secretary, Nevada Division of Insurance, 1818 E. College Parkway, Carson City, Nevada 89706, by e-mail to suebelle@doi.nv.gov, or by calling (775) 687-0704.

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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

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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)