

**PROPOSED REGULATION  
OF THE COMMISSIONER OF INSURANCE**

**LCB File No. R024-17**

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: NRS 679B.130 and 680C.110

A REGULATION relating to insurance; revising initial and annual fees paid by certain insurers.

**Section 1.** Chapter 680C of NAC is hereby amended by adding thereto a new section to read as follows:

- 1. All persons identified in subsection 5 of NRS 680C.110 shall pay the following annual fee based on the insurer's reported written annual premium:*

<i>a. \$0 Written Premiums.....</i>	<i>\$1,500</i>
<i>b. \$1 to \$100,000.....</i>	<i>\$1,800</i>
<i>c. \$100,001 to \$1,000,000.....</i>	<i>\$2,100</i>
<i>d. \$1,000,001 to \$5,000,000.....</i>	<i>\$2,800</i>
<i>e. Over \$5 million.....</i>	<i>\$3,600</i>

- 2. The annual fee shall be paid not later than July 1 of each year.*
- 3. This fee schedule applies starting fiscal year 2019.*

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS  
INFORMATIONAL STATEMENT AS REQUIRED BY NRS 233B.066**

LCB FILE NO. T006-16

The following statement is submitted by the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) for adopted amendments to Nevada Administrative Code (“NAC”) Chapter(s) 680C.

1. A clear and concise explanation of the need for the adopted regulation.

Pursuant to NRS 680C.110.6, the Commissioner is required to determine an annual fee that certain insurers must pay the Division. The regulation specifies the date-certain for collection of certain fees, how the Commissioner will determine assessments and fees, and how the Commissioner will establish a process to ensure those subject to a changing annual fee can participate in the process for determining the fee based on the Division’s budget. In July 2016, the Division promulgated regulations to identify the process for arriving at the annual fee. (*See* R001-16.) This regulation establishes the fees that will be charged against certain insurance carriers.

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

(a) A description of how public comment was solicited:

Public comment was solicited by e-mailing the proposed regulation, notice(s) of workshop, notice(s) of intent to act upon the regulation, and small business impact statement to persons on the Division’s mailing list requesting notification of proposed regulations. The documents were also made available on the website of the Division, <http://doi.nv.gov/>, mailed to the main library for each county in Nevada, and 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  
101 North Carson Street  
Carson City, Nevada 89701

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

Public comment was also solicited at the workshop(s) held on November 16, 2016, and at the hearing(s) held on November 30, 2016. The public meetings took place at the offices of the Division, 1818 East College Parkway, Carson City, Nevada 89706, with simultaneous videoconferencing to the Bradley Building, 2501 East Sahara Avenue, Las Vegas, Nevada 89104.

(b) A summary of the public response:

The Division did not receive any public response in favor of or against the regulation. The Division was asked for a clarification on when the change in the fees would start being charged to insurance carriers.

(c) An explanation of how other interested persons may obtain a copy of the summary:

The summary in part 2(b) above reflects the comments and testimony that transpired with regard to regulation T006-16. A copy of said summary may be obtained by contacting Tracy Zehner, at (775) 687-0779 or tzehner@doi.nv.gov. This summary will also be made available by e-mail request to insinfo@doi.nv.gov.

3. The number of persons who:

(a) Attended each hearing: Workshop (11/16/16) - 0  
 Hearing (11/30/16) - 1

(b) Testified at each hearing: 1 question from 1 person

(c) Submitted to the agency written statements: 0

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3 (b) and (c), as provided to the agency:

<b>Name</b>	<b>Entity/Organizat ion Represented</b>	<b>Business Address</b>	<b>Telephone No./ Business Telephone No.</b>	<b>E-Mail Address</b>
Jeannette Belz	JK Belz and Associates	121 Washington Street Reno, NV	775-329-0119	jb@jkbels.com

5. A description of how comment was solicited from affected businesses, a summary of their responses, and an explanation of how other interested persons may obtain a copy of the summary.

Comments were solicited from affected businesses in the same manner as they were solicited from the public. Please see the description, summary and explanation provided above in response to question #2.

6. If after consideration of public comment the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

No public comment was received that necessitated a change to the regulation.

7. (a) The estimated economic effect of the adopted regulation on the business which it is to regulate:

(1) Both adverse and beneficial effects:

The estimated economic effect is unknown. The regulation implements the statutorily required fees. The fee is based on direct written premium. While all insurance carriers will be required to pay a fee to the Division, the fee is intended to cover the services provided to all insurance carriers, which directly correlates to the direct written premium. The benefit is that the costs of services provided by the Division are more equitably distributed among all carriers. However, the fee is not expected to have a significant impact on any insurance carrier.

(2) Both immediate and long-term effects:

The immediate and long-term effects are unknown. The regulation implements the statutorily required fees. The fee is based on direct written premium. While all insurance carriers will be required to pay a fee to the Division, the fee is intended to cover the services provided to all insurance carriers, which directly correlates to the direct written premium. The benefit is that the costs of services provided by the Division are more equitably distributed among all carriers. However, the fee is not expected to have a significant impact on any insurance carrier.

(b) The estimated economic effect of the adopted regulation on the public:

(1) Both adverse and beneficial effects:

There are no direct adverse or beneficial estimated economic effects on the public.

(2) Both immediate and long-term effects:

There are no direct immediate or long-term estimated economic effects on the public.

8. The estimated cost to the agency for enforcement of the adopted regulation.

The Division will incur a nominal cost to hold the public meetings each year to determine fees.

9. A description of any regulations of other state or government 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, the name of the regulating federal agency.

To the Division's knowledge, the regulation does not overlap or duplicate any other state, federal or government agency's regulations.

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of those provisions.

Not applicable.

11. If the regulation establishes a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The regulation does not establish a new fee; it sets the fee amounts that insurance carriers are required to pay based on direct written premium, as set out in NRS 680C.110.6.