

**PROPOSED REGULATION OF
THE COMMISSIONER OF INSURANCE**

LCB File No. R024-17

August 7, 2017

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

AUTHORITY: §§1-6, NRS 679B.130 and 680C.110.

A REGULATION relating to insurance; providing the annual fees that certain insurers pay; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires 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 of Insurance an initial fee of \$1,000 and an annual fee determined by the Commissioner. (NRS 680C.110) **Section 1** of this regulation sets forth the annual fee that has been determined by the Commissioner. **Sections 2-5** of this regulation make conforming changes.

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

1. Each insurer who is required to pay the initial fee pursuant to subsection 5 of NRS 680C.110 shall also pay the following annual fee that is determined by the Commissioner pursuant to subsection 6 of NRS 680C.110 and is based on the direct written premiums reported to the Commissioner by the insurer during the previous year:

- (a) Less than \$1 in direct written premiums.....\$1,500*
- (b) At least \$1 but not more than \$100,000 in direct written premiums.....\$1,800*
- (c) More than \$100,000 but not more than \$1,000,000 in direct written premiums.....\$2,100*

- (d) More than \$1,000,000 but not more than \$5,000,000 in direct written premiums..\$2,800*
- (e) More than \$5,000,000 in direct written premiums.....\$3,600*

2. The insurer shall pay the annual fee required in subsection 1 pursuant to section 12 of

LCB File No. R001-16.

Sec. 2. Section 11 of LCB File No. R001-16 is hereby amended to read as follows:

Sec. 11 On or before May 31 of each year, the Commissioner will notify each insurer of the amount of the annual fee determined by the Commissioner pursuant to subsection 6 of NRS 680C.110, as amended by section 4 of Assembly Bill No. 486, chapter 480, Statutes of Nevada 2015, at page 2833 ~~H~~, *and set forth in section 1 of LCB File No. R024-17.*

Sec. 3. Section 12 of LCB File No. R001-16 is hereby amended to read as follows:

Sec. 12 1. Except as otherwise provided in subsection 2, an insurer shall pay the annual fee determined by the Commissioner pursuant to subsection 6 of NRS 680C.110, as amended by section 4 of Assembly Bill No. 486, chapter 480, Statutes of Nevada 2015, at page 2833, *and set forth in section 1 of LCB File No. R024-17*, not later than July 1 of each year.

2. If an insurer pays the initial fee required pursuant to subsection 5 of NRS 680C.110, as amended by section 4 of Assembly Bill No. 486, chapter 480, Statutes of Nevada 2015, at page 2833:

(a) On or before July 1, the insurer shall pay the annual fee determined by the Commissioner pursuant to subsection 6 of NRS 680C.110, as amended by section 4 of Assembly Bill No. 486, chapter 480, Statutes of Nevada 2015, at page 2833, *and set forth in section 1 of LCB File No. R024-17*, on or before July 15 of that year. The

insurer shall pay all subsequent annual fees *set forth in section 1 of LCB File No. R024-17* not later than July 1 of each year.

(b) After July 1, the insurer shall pay the annual fee determined by the Commissioner pursuant to subsection 6 of NRS 680C.110, as amended by section 4 of Assembly Bill No. 486, chapter 480, Statutes of Nevada 2015, at page 2833, *and set forth in section 1 of LCB File No. R024-17*, not later than 30 days after the insurer pays the initial fee. The insurer shall pay all subsequent annual fees *set forth in section 1 of LCB File No. R024-17* not later than July 1 of each year.

3. An insurer who fails to pay the annual fee *set forth in section 1 of LCB File No. R024-17* by the date the fee is due is subject to an administrative fine of not less than \$25 for each day the fee remains unpaid.

Sec. 4. Section 13 of LCB File No. R001-16 is hereby amended to read as follows:

Sec. 13 1. Each year before the amount of the annual fee is determined by the Commissioner pursuant to subsection 6 of NRS 680C.110, as amended by section 4 of Assembly Bill No. 486, chapter 480, Statutes of Nevada 2015, at page 2833, *and set forth in section 1 of LCB File No. R024-17*, the Commissioner will hold a public meeting to present the budget of the Division as approved by the Legislature and the proposed amount of the annual fee. Notice of the meeting must be posted:

(a) At least 5 working days before the meeting; and

(b) At a minimum:

(1) At the Grant Sawyer Office Building located at 555 East Washington Avenue, Las Vegas, Nevada, the Legislative Building and all offices of the Division; and

(2) In the location established on the official website of the State pursuant to NRS 232.2175 and on the official website of the Division.

2. In addition to the notice posted pursuant to subsection 1, the Commissioner will also send a notice of the meeting to each person included on the mailing list that the Division is required to maintain pursuant to paragraph (e) of subsection 1 of NRS 233B.0603.

Sec. 5. Section 14 of LCB File No. R001-16 is hereby amended to read as follows:

Sec. 14 1. On or before April 30 of each even-numbered year, the Commissioner will hold a public meeting to present his or her preliminary budget request to be submitted for inclusion in the executive budget pursuant to the guidelines determined by the Office of Finance. Notice of the meeting must be posted at least 5 working days before the meeting.

2. The preliminary budget request presented by the Commissioner must:

(a) To the extent practicable, contain:

(1) Base budget expenditures, including, without limitation, expenditures relating to personnel, operations, equipment and technology and other expenses necessary for the efficient and effective functioning of the Division as a regulatory agency; and

(2) Recommended enhancements to the budget.

(b) Provide any estimated change to the annual fee determined by the Commissioner pursuant to subsection 6 of NRS 680C.110, as amended by section 4 of Assembly Bill No. 486, chapter 480, Statutes of Nevada 2015, at page 2833, *and set forth in section 1 of LCB File No. R024-17*, and the reason therefor.

3. The public meeting held pursuant to this section must provide all interested parties with an opportunity to comment on the preliminary budget request.

Sec. 6. This regulation becomes effective on July 1, 2019, or upon filing with the Secretary of State, whichever occurs later.