

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

LCB FILE NO. R087-17

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 683A.

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

The proposed regulation pertains to third-party administrators.

Section 1 of the proposed regulation allows administrators to submit parent company financial statements and a parental guaranty in lieu of the requirement to submit their own financial statements. This standard was added to NRS 683A.08528 during the 2015 Legislative Session. The proposed permanent regulation adds this standard to current regulation to match the statute. This section also adds a reference to NRS 683A.08522, clarifying the contents of a financial statement required of an applicant for a certificate of registration as an administrator.

Section 2 of the proposed regulation makes conforming changes resulting from the changes noted in section 1.

Section 3 of the proposed regulation requires administrators to notify the Commissioner of any change in mailing address, electronic mail address or physical location within 30 days of a change. The proposed regulation also requires that an administrator submit biographical affidavits for any changes in officers, owners, or directors within 30 days of a change. Additionally, this section repeals subsection 2 of NAC 683A.125, which requires an administrator to provide to the Commissioner a copy of each written agreement that the administrator enters into with an insurer or other entity.

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 of workshop, notices 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:

Nevada Division of Insurance
1818 East College Parkway, Suite 103
Carson City, Nevada 89706

Nevada Division of Insurance
3300 West Sahara Avenue, Suite 275
Las Vegas, Nevada 89102

Legislative Building
401 South Carson Street
Carson City, Nevada 89701

Nevada State Business Center
3300 West Sahara Avenue
Las Vegas, Nevada 89102

Blasdel Building
209 East Musser Street
Carson City, Nevada 89701

Grant Sawyer Building
555 East Washington Avenue
Las Vegas, Nevada 89101

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 held on October 25, 2017, and at the hearings held on January 22, 2018 and May 21, 2018. The workshop and hearings took place at the offices of the Division, 1818 East College Parkway, Carson City, Nevada 89706, with simultaneous videoconferencing to the Nevada State Business Center, 3300 West Sahara Avenue, Las Vegas, Nevada 89102.

(b) A summary of the public response:

The Division received oral comment from an individual at the workshop with concerns about changing the administrator's 90-day reporting requirements to 30 days.

The Division received one (1) written comment in response to the regulation proposal, and oral comments at each of the two (2) public hearings, from Jack Kim of United Health Care. Mr. Kim testified at the hearing on January 22, 2018, to voice his objection about the need for administrators to provide the Commissioner with copies of agreements between the administrators and insurers. After discussion, the Division agreed to remove the requirement for administrators to provide these agreements. Section 3 of the proposed regulation repeals subsection 2 of NAC 683A.125 as a result of this discussion. Mr. Kim also testified on May 21, 2018, to express support for the regulation as proposed.

(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 R087-17. A copy of said summary may be obtained by contacting Terri Chambers, Section Chief, by telephone at (775) 687-0777, or by e-mail

to tchambers@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 the hearing: *Six (6) on May 21, 2018; Twelve (12) on January 22, 2018.*
- (b) Testified at the hearing: *One (1) at each of two (2) hearings.*
- (c) Submitted to the agency written statements: *One (1).*

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:

Testified at the hearing(s):

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address
Jack Kim	United Health Care			

Submitted to the agency written statements:

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address
Jack Kim	United Health Care			

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

(a) A description of how comments were solicited from affected businesses:

Comments were solicited from affected businesses in the same manner as they were solicited from the public. Please see the description provided above in response to #2(a).

(b) A summary of the responses solicited from affected businesses:

The summary of the responses solicited from affected businesses is the same as the summary of the public response. Please see the summary provided above in response to #2(b).

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

A copy of said summary may be obtained by contacting Terri Chambers, Section Chief, at (775) 687-0777, or tchambers@doi.nv.gov. This summary will also be made available by e-mail request to insinfo@doi.nv.gov.

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.

The regulation was adopted with changes pursuant to public comments received at the hearings. The Division provided testimony during the hearing on May 21, 2018, regarding the background and nature of the changes made.

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

- (1) Both adverse and beneficial effects: *None*
- (2) Both immediate and long-term effects: *None*

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

- (1) Both adverse and beneficial effects: *None*
- (2) Both immediate and long-term effects: *None*

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

None.

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.

Not applicable, as there is no overlap or duplication.

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, as there are no provisions that are more stringent than a federal regulation which regulates the same activity.

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.

Not applicable, as this regulation does not establish a new fee or increase an existing fee.