

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

LCB FILE NO. R089-17

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”) Chapters 679B, 680A, 681A, 681B, 682A, 683A, 685A, 686B, 687B, 688A, 689B, 689C, 691B, 692A, 694C, 695B, 695C, 695D, 695F, and 696A.

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

The regulation changes were proposed to update information regarding a National Association of Insurance Commissioner (“NAIC”) address change, and publications issued by the NAIC and other organizations that have changed their publication names, and to make other conforming changes as a result of statute changes. The latter includes: 1) a slight narrowing of the definition of a managing general agent (“MGA”) (NAC 683A.450(3)); 2) a correction to a statutory reference regarding money maintained by a nonprofit organization of brokers (NAC 685A.400(1)(c)); 3) removing reference to individual health insurance for coordination of benefits under a franchise plan, no-fault automobile insurance or automobile medical insurance plan (NAC 689B.195); and 4) allowing a health maintenance organization or a provider sponsored organization to also coordinate its benefits with any policy of individual health insurance (NAC 695C.180(1)). NAC 695C.275 is also amended to replace references to the State Board of Health with the Commissioner; and to remove the requirement of an annual report.

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, notice 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 (with the exception of the Carson City Library, as a temporary closure prevented posting there), and were 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 East Saint Louis Avenue
Las Vegas, Nevada 89104*

Public comment was also solicited at the workshop held on November 28, 2017, and at the hearing held on February 22, 2018. The public workshop and hearing 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:

No members of the public were in attendance at either the workshop or the hearing. The Division received one comment letter from the National Association of Mutual Insurance Companies (“NAMIC”) prior to the workshop. This letter supported the updating of the costs of National Association of Insurance Commissioners (“NAIC”) manuals identified in regulation. The NAMIC letter also generally recommended that the regulation include specific reference to the edition, version year or other identifier to manuals incorporated by reference as opposed to just indicating the “current version” of the manuals. The rationale for this recommendation was that the Division, if it makes a similar update every year, could potentially avoid critique that the NAIC is being given authority to revise the regulations without a re-adoption by the Division. The NAMIC letter further maintains that this annual update activity could avert potential allegation of unconstitutional delegation of legislative or regulatory authority to a non-regulator or legislator.

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

The summary in #2(b) above reflects the comments and testimony that transpired with regard to regulation R089-17. A copy of said summary may be obtained by contacting Omar Akel, Chief insurance Examiner, at (775) 687-0743 or oakel@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: *Nine attended; all Division employees. There were seven persons who signed in, plus two who provided testimony on behalf of the Division.*
- (b) Testified at the hearing: *Two Division employees testified.*
- (c) Submitted to the agency written statements: *One; see #2(b).*

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:

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address
<i>Omar Akel</i>	<i>Division</i>	<i>1818 E. College Pkwy. Suite #103 Carson City, NV 89706</i>	<i>775-687-0743</i>	<i>oakel@doi.nv.gov</i>
<i>Jack Childress</i>	<i>Division</i>	<i>1818 E. College Pkwy. Suite #103 Carson City, NV 89706</i>	<i>775-687-0731</i>	<i>jchildress@doi.nv.gov</i>

Submitted to the agency written statements:

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address
<i>Christian John Rataj, Esq.</i>	<i>NAMIC</i>	<i>3601 Vincennes Road Indianapolis, IN 46268</i>	<i>303-907-0587</i>	<i>crataj@namic.org</i>

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 provided above in response to #2(a).

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 Division reviewed the NAMIC letter and appreciates the support indicated therein for updating the prices of NAIC manuals in this regulation. The Division also considered the recommendation discussed in #2(b) above. The Division also appreciates NAMIC's desire to prevent potential challenges for the Division. The phrase "current version" appears four times in this regulation, with each referencing the same items, i.e. the Annual and Quarterly Statement Blanks for Health adopted by the NAIC. There may be more instances in the wider body of Nevada law, but regarding the sections touched by this regulation, there were only four instances. In all four cases, the phrase was already extant in regulation; i.e., the Division did not propose this as new phraseology (though the regulation does newly introduce the Quarterly Statement Blank for Health to go along with the extant Annual Statement Blank for Health). Potential challenges to the Division as posed by NAMIC are, therefore, not new with this regulation, and the Division does not foresee a problem.

The cited Blanks are uniform templates by which certain insurers are required to report financial data to the Division and to other State regulators. A new version of each of the Annual Statement Blank for Health and the Quarterly Statement Blank for Health is supplied annually by the NAIC, identified by the year. The common financial data template was one of the first benefits the NAIC provided to State insurance regulators. Relevantly, these templates generally do not change materially from one year to the next. Moreover, it was considered to be in line with the Governor's initiative of Efficient and Responsive Government to leave "current version" for this data template than to create a new regulation each year just to update the year of the data templates.

7. (a) The estimated economic effect of the adopted regulation on the business which it is to regulate:
 - (1) Both adverse and beneficial effects: *No change since the regulation is an update to incorrect information.*
 - (2) Both immediate and long-term effects: *No change since the regulation is an update to incorrect information.*
- (b) The estimated economic effect of the adopted regulation on the public:
 - (1) Both adverse and beneficial effects: *No change since the regulation is an update to incorrect information.*
 - (2) Both immediate and long-term effects: *No change since the regulation is an update to incorrect information.*
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 not more stringent provisions.

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. The regulation would accurately reflect current price of publications cited, which has increased.