

## 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 November 17, 2017**, in the 1<sup>st</sup> Floor Hearing Room, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706. Interested persons may also participate through a simultaneous videoconference conducted in the 4<sup>th</sup> Floor Nevada Room at the Nevada State Business Center/Division of Insurance, 3300 West Sahara Avenue, Suite 275, Las Vegas, Nevada 89102. The purpose of the hearing is to receive comments from all interested persons regarding the adoption, amendment or repeal of regulations pertaining to chapter 616B of the Nevada Administrative Code (“NAC”).

The following information is provided pursuant to the requirements of Nevada Revised Statutes (“NRS”) 233B.0603 and the directives of the Governor:

**LCB File No. R095-17. Financial Matters of Self-Insured Employers and Associations.** A regulation relating to industrial insurance; revising requirements concerning information and security deposits that must be submitted to the Commissioner of Insurance by self-insured employers and associations of self-insured employers; repealing the adoption by reference of certain publications and certain reporting requirements of self-insured employers; and providing other matters properly relating thereto.

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

*Section 1 revises NAC 616B.412 and the definition of Expected Annual Incurred Cost of Claims, by eliminating obsolete language and replacing it with a clear and easily understood definition.*

*Section 2 revises NAC 616B.424 by adding provisions to clarify the requirement of a self-insured employer to provide evidence of excess insurance coverage.*

*Section 3 revises NAC 616B.436 by eliminating obsolete language and clarifying the use of securities when posting a security deposit with the Division.*

*Section 4 revises NAC 616B.540 by adding a provision allowing for the use of securities when posting a security deposit with the Division.*

*Section 5 revises NAC 616B.609 by eliminating a requirement for Associations to submit forms unique to the National Association of Insurance Commissioners in conjunction with the requirement to submit annual audited financial statements.*

*Section 6 repeals NAC 616B.469 as the reporting requirements contained therein are already reported in the annual claims information report of self-insured employers.*

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

*The proposed regulation removes obsolete language and adds replacement or clarifying language. Section 4 adds a provision to allow associations of self-insured employers the use of securities when posting a security deposit with the Division. This mirrors what is already in effect for self-insured employers. Section 5 eliminates the need to submit certain NAIC forms,*

*and Section 6 repeals a section containing reporting requirements already contained in an annual report required of self-insured employers.*

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

*The regulation will provide clearer language and, therefore, better compliance. Section 3 will allow associations of self-insured employers to use an additional type of security when posting a security deposit with the Division. Section 5 eliminates the requirement to submit a financial reporting form that is not applicable to associations of self-insured employers, and Section 6 repeals a regulation that contains requirements already reported in an annual report.*

(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? *None identified.*

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

- 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*

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

- a. Public
  - 1. Immediate: *None anticipated*
  - 2. Long Term: *None anticipated*
- b. Insurance Business
  - 1. Immediate: *None anticipated*
  - 2. Long Term: *None anticipated*

- c. Small Businesses
  - 1. Immediate: *None anticipated*
  - 2. Long Term: *None anticipated*
- d. Small Communities
  - 1. Immediate: *None anticipated*
  - 2. Long Term: *None anticipated*
- e. Government Entities
  - 1. Immediate: *None anticipated*
  - 2. Long Term: *None anticipated*

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

- a. Enactment: *None*
- b. Enforcement: *None*
- c. Compliance: *None*

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

*The proposed regulation does not establish a new fee or increase an existing fee.*

(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.

*Analysis was performed by Terri Chambers, Chief Insurance Examiner for the regulation of Self-Insured entities. Ms. Chambers has been the chief of the section for 9 years, and she is the person most familiar with self-insurance in Nevada and the needs of self-insured employers and associations of self-insured employers. In order to qualify as a self-insured employer, a business must have a tangible net worth of \$2.5 million. Associations of self-insured employers, though comprised of members who are often small businesses, also have a requirement to maintain a tangible net worth of \$2.5 million. These entities are among the largest businesses in Nevada. Therefore, based on Ms. Chambers' review, there is no impact on 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. *None identified.*

(13) If the regulation is required pursuant to federal law, provide a citation and description of the federal law. *Not applicable.*

(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. *Not applicable.*

Persons wishing to comment upon the proposed actions 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 October 25, 2017.** 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 to be adopted, amended or repealed 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 3300 West Sahara Avenue, Suite 275, Las Vegas, Nevada 89102, 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:

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

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

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

Capitol Building Main Floor  
101 North Carson Street  
Carson City, Nevada 89701  
Nevada State Library & Archives  
100 North Stewart Street  
Carson City, Nevada 89701

Carson City Library  
900 North Roop Street

Churchill County Library  
553 South Main Street

Carson City, Nevada 89701

Douglas County Library  
P.O. Box 337  
Minden, Nevada 89423

Esmeralda County Library  
P.O. Box 430  
Goldfield, Nevada 89013

Humboldt County Library  
85 East 5<sup>th</sup> Street  
Winnemucca, Nevada 89445

Las Vegas-Clark County Library District  
7060 W. Windmill Lane  
Las Vegas, NV 89113

Lyon County Library  
20 Nevin Way  
Yerington, Nevada 89447

Pershing County Library  
P.O. Box 781  
Lovelock, Nevada 89419

Tonopah Public Library  
P.O. Box 449  
Tonopah, Nevada 89049

White Pine County Library  
950 Campton Street  
Ely, Nevada 89301

Fallon, Nevada 89406

Elko County Library  
720 Court Street  
Elko, Nevada 89801

Eureka Branch Library  
P.O. Box 293  
Eureka, Nevada 89316

Lander County Library  
P.O. Box 141  
Battle Mountain, Nevada 89820

Lincoln County Library  
P.O. Box 330  
Pioche, Nevada 89043-0330

Mineral County Public Library  
P.O. Box 1390  
Hawthorne, Nevada 89415

Storey County Clerk  
P.O. Drawer D  
Virginia City, Nevada 89440

Washoe County/Downtown Reno Library  
P.O. Box 2151  
Reno, Nevada 89505-2151

Members of the public who would like additional information about the proposed regulation may contact Susan Bell, Legal Secretary, at (775) 687-0704, or via e-mail to [suebell@doi.nv.gov](mailto:suebell@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, no later than five (5) working days before the hearing: 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or [suebell@doi.nv.gov](mailto:suebell@doi.nv.gov).

DATED this   12th   day of October, 2017.

BARBARA D. RICHARDSON



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 secretary, in writing, no later than five (5) working days before the hearing: 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or [suebell@doi.nv.gov](mailto:suebell@doi.nv.gov).

NOTICES FOR THIS HEARING 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 State Business Center, 3300 W. Sahara Avenue, Las Vegas, Nevada 89102

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 and Rehabilitation, 2800 E. Saint Louis Avenue, Las Vegas, Nevada 89104

The State of Nevada Website ([www.nv.gov](http://www.nv.gov))

The Nevada State Legislature Website ([www.leg.state.nv.us](http://www.leg.state.nv.us))

The Nevada Division of Insurance Website ([www.doi.nv.gov](http://www.doi.nv.gov))