

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB FILE NO. R028-18I

**The following document is the initial draft regulation proposed
by the agency submitted on 02/08/2018**

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February 2, 2018

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

AUTHORITY: NRS 679B.130; and Assembly Bill 12 of the 79th Session, Section 10 and Section 18, subsection 5, paragraph (f).

A REGULATION relating to insurance, providing for prelicensing education requirements for applicants for a license as an adjuster; approval of course of instruction and instructor; record retention and timely filing of compliance documentation; and continuing education and the requirements related thereto.

Section 1. Chapter 684A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 24, inclusive, of this regulation.

Sec. 2. *“Instructor” means the person who will be responsible for teaching the material of the course to the participants of the course. The instructor may be, but is not required to be, the same person as the sponsor.*

Sec. 3. *“Sponsor” means the person seeking approval for a course of instruction.*

Sec. 4. *“Unsuitable person” has the meaning ascribed to it in NAC 679B.039.*

Sec. 5. *Requirements for completion of course of instruction. In addition to the requirements of chapter 684A of NRS, an applicant for a license as an independent adjuster, public adjuster, associate adjuster, company adjuster or staff adjuster must complete a course of instruction approved by the Commissioner for the line of insurance for which he or she is applying. The course must have been completed within 2 years immediately preceding the*

date of the application.

Sec. 6. *Approval of course of instruction and instructor: Required documents; grounds for denial; limitation on hours of instruction.*

1. *A course of instruction and the instructor for the course must be approved by the Division before the course is offered to a prospective applicant for a license. The sponsor of the course must submit to the Division:*

(a) *An application for approval of the instructor, specifying his or her experience and qualifications;*

(b) *An application for approval of the course, including a detailed outline of the course and a description of the scale to be used in grading the persons taking the course;*

(c) *A schedule of the times the course is to be taught; and*

(d) *A certification that the content of the course complies with Sec. 5 to Sec. 14, inclusive.*

2. *The Division shall not approve a course which:*

(a) *Substantially involves techniques for taking the licensing examination;*

(b) *Is directed toward teaching techniques of selling, soliciting or negotiating insurance, motivation or finding applicants for insurance;*

(c) *Is substantially a course to teach clerical skills; or*

(d) *Does not meet the requirements of Sec. 5 to Sec. 14, inclusive.*

3. *An approved course must not have more than 8 hours of instruction in the classroom each day.*

Sec. 7. *Qualifications of instructor; limitations on instruction.*

1. *An instructor must:*
 - (a) *Have at least 5 years of relevant experience in the topic to be taught; or*
 - (b) *Be approved by the Nevada System of Higher Education to teach insurance within that System.*
2. *Not more than one-third of any course approved by the Division may be taught by:*
 - (a) *A person who does not satisfy the requirements of subsection 1;*
 - (b) *Videotapes or audiotapes; or*
 - (c) *Any other mechanical teaching aids.*
3. *For the purposes of this section, “mechanical teaching aids” includes, but is not limited to, digital or electronic versions of mechanical methods of instruction such as software which presents a slideshow, video or audio recordings transmitted via the Internet and other similar methods of communication.*

Sec. 8. *Approval of correspondence, extension or self-study course of instruction.*

1. *A correspondence, extension or self-study course may be approved by the Division if:*
 - (a) *The course satisfies all the requirements of Sec. 5 to Sec. 14, inclusive;*
 - (b) *The student has quick and easy access to the sponsor or instructor of the course; and*
 - (c) *The student must pass a final examination at the end of the course to receive credit and the examination is directly monitored by the sponsor, the instructor or the sponsor’s or instructor’s representative.*
2. *The Division shall determine the equivalent number of hours of instruction in the classroom allowed for each approved correspondence, extension or self-study course.*

Sec. 9. *Subject matter of course of instruction; hours of instruction.*

1. *A course must consist of:*
 - (a) *At least 5 hours of instruction in the classroom, or the equivalent in a self-study course approved by the Division pursuant to Sec. 5, in the provisions of title 57 of NRS and the regulations adopted pursuant thereto, at least one-half of which must cover the laws and regulations common to all lines of insurance; and*
 - (b) *At least 15 hours of instruction in the classroom covering:*
 - (1) *Principles and concepts of insurance in general;*
 - (2) *Basic principles and concepts of the line of authority for which the applicant is applying;*
 - (3) *The processes related to adjusting a claim;*
 - (4) *The ethical responsibilities of the adjuster; and*
 - (5) *Regulation by the government.*
2. *The Division shall determine pursuant to Sec. 8 if a correspondence, extension or self-study course meets the requirements of subsection 1.*

Sec. 10. *Records; quarterly submission of certain information; certificate of completion.*

1. *Each sponsor of a course shall maintain a complete record of each person attending the course. The record must:*
 - (a) *Indicate each person's attendance;*
 - (b) *Indicate his or her final grade in the course;*
 - (c) *Be available for review by the Division upon request during normal business hours; and*
 - (d) *Be retained by the sponsor for not less than 4 years.*
2. *Each sponsor of a course shall submit quarterly to the Division for each course*

offered, the name of the sponsor of the course, the date the course was completed, and the name and grade of each person attending the course. If the course is a self-study course, the sponsor shall also submit the name and description of the course.

3. Except as otherwise provided in subsection 4, each sponsor of a course shall give to each person who successfully completes the course an original certificate of completion. The certificate must list the sponsor and instructor of the course, the grade obtained by the student in the course, the location and times the course was offered and the fact that the course was for an adjuster. An applicant for a license [pursuant to chapter 684A of NRS] must submit the certificate of completion with his or her application.

4. The sponsor of a course may comply with the provisions of subsection 3 by providing to a person who successfully completes a course an electronically generated certificate of completion, provided that the electronically generated certificate of completion cannot be altered in any way. The sponsor of a course that elects to issue an electronically generated certificate of completion shall upload the applicant's course completion directly to the Division's education database as soon as practicable.

Sec. 11. *Changes in instructor or outline of course of instruction; suspension and revocation of approval of course.*

1. If the instructor or outline of a course changes after approval has been granted, the new instructor or outline of the course must be approved by the Division before the course may be offered again.

2. If the instructor or outline of the course has changed and has not been reapproved, or if the instructor is not following the approved outline of the course, the Division may suspend its approval of that course.

3. *If the sponsor or instructor has not taken appropriate action to correct the conditions that were the basis of the suspension within 30 days, the Division may terminate its approval of the course.*

4. *If the sponsor or instructor of an approved course solicits from any person information on the content of the questions of the Division's certification examination, the Division may suspend its approval of that instructor for at least 1 year.*

Sec. 12. *Suspension or revocation of approval of course; auditing of course; reinstatement of approval.*

1. *The Commissioner or a designated representative thereof may suspend or revoke the approval of a course if he or she determines that:*

(a) *The content of the course has been changed without notice to the Commissioner or designated representative and the change affects the number of hours of credit assigned to the course;*

(b) *A certificate of completion has been issued and hours credited to a person who has not completed the course;*

(c) *A certificate of completion has not been issued and hours have not been credited when requested to a person who has successfully completed the course;*

(d) *The quality of instruction is inadequate;*

(e) *The content of the course does not meet the objectives of Sec 8;*

(f) *The sponsor has not maintained the records required by of Sec. 10; or*

(g) *The sponsor has employed an unsuitable person as an instructor for the course.*

2. *The Commissioner or a designated representative may audit a course to ensure that the content or instructor meets the requirements of Sec. 5 to Sec. 9, inclusive.*

3. *If approval of a course is suspended or revoked by the Commissioner or a designated representative, approval may be reinstated at the discretion of the Commissioner or a designated representative and after the Commissioner or designated representative receives proof that the conditions giving rise to the suspension or revocation have been corrected.*

Sec. 13. *Submission or issuance of false or fraudulent documents; determination of sponsor or instructor as unsuitable person.*

1. *The Commissioner will refuse to issue a license to, or will suspend or revoke the license of, any person who knowingly submits to the Division a false or fraudulent certificate of completion of a course of instruction.*

2. *The Division shall terminate its approval of any sponsor or instructor who knowingly submits or issues a false or fraudulent:*

(a) *Certificate of completion of a course of instruction;*

(b) *Outline or schedule for a course; or*

(c) *Application for approval as an instructor or sponsor.*

3. *The Division shall not approve any sponsor or instructor who has had his or her approval revoked pursuant to this section for at least 1 year after the approval of the sponsor or instructor was revoked.*

Sec. 14. *Forms.* *Every application, certificate or other form required to be filed with the Division pursuant to Sec. 5 to Sec. 14, inclusive, must be on a form provided by the Division.*

CONTINUING EDUCATION

Sec. 15. *Requirements for renewal of licensee.* *To renew a license, each licensee must certify that he or she has successfully completed 24 hours of approved continuing education within*

the renewal period and before the date of renewal, pursuant to NRS 684A.130. Three of the 24 hours of approved continuing education must be in a subject of ethics. The hours of continuing education must be related to the line or lines of insurance for which the licensee holds such a license.

Sec. 16. Requirements for approval of course.

1. Any person who requests approval for a course of continuing education shall furnish to the Commissioner or to a designated representative thereof at least 60 days before the beginning of the course:

- (a) An outline of the subject matter;*
- (b) The method of presentation;*
- (c) The qualifications of the instructor;*
- (d) The number of classroom hours or, if for a correspondence course, a self-study course or an on-line computer course, the equivalent of classroom hours, and a written procedure for conducting a supervised final examination;*
- (e) Any applicable fee established and required by the Commissioner; and*
- (f) Any other information required by the Commissioner or a designated representative.*

2. Submission of the information required by subsection 1 must be on an application approved by the Commissioner.

3. The course must be designed to increase the knowledge and understanding of the certificate holder of:

- (a) Principles of adjusting insurance claims;*
- (b) Applicable laws, rules and regulations concerning insurance;*

- (c) Recent changes in adjusting principles or practices; and*
- (d) The duties, ethics and responsibilities of the licensee.*

4. Credits will only be awarded for courses whose subject matter will increase technical knowledge of insurance principles, coverage, laws or regulations and will not be awarded for topics such as personal improvement, motivation, time management, supportive office skills or other matters not related to technical insurance knowledge.

5. The provisions of this subsection do not limit the authority of the Commissioner or a designated representative to refuse to approve a course of noncompliance with any other provision of Sec. 15 to Sec. 24, inclusive.

6. The Commissioner or a designated representative will not approve a course if the total number of classroom hours is less than 1 hour. One hour of credit will be awarded for each 50 minutes of instruction, or the equivalent in self-study approved pursuant to Sec. 8.

7. The Commissioner or a designated representative will grant or deny approval of each course in writing within 60 days after receiving the information required pursuant to subsection 1.

8. Any material change in the content of a course approved by the Commissioner or a designated representative must be submitted for approval before presentation of the course.

9. A course that has been approved by the Commissioner or a designated representative is not required to be approved for any subsequent presentation of the course, except that the provider of the course shall submit a notice to the Commissioner or a designated representative, not later than 30 days before the course is offered, that includes the following information:

- (a) The name and number of the course;*

- (b) The name of the instructor of the course;*
- (c) The place where the course will be offered; and*
- (d) The date and time when the course will be offered.*

Sec. 17. Requirements for advertisement of course.

- 1. A course of continuing education must not be advertised unless the Commissioner or a designated representative has approved the course in writing.*
- 2. Any advertisement of an approved course of continuing education must contain:*
 - (a) The title of the course;*
 - (b) The name and address of the person approved to provide the course;*
 - (c) The lines of insurance for which the course has been approved;*
 - (d) The number of hours of credit for continuing education for which the course has been approved; and*
 - (e) A brief summary or outline of the contents of the course.*

Sec. 18. Duties of provider of approved course. The provider of a course of continuing education approved by the Commissioner or a designated representative thereof shall:

- 1. Provide a certificate of completion to each person who successfully completes the course. The certificate must be on a form approved by the Commissioner.*
- 2. Maintain records of attendance and examination scores for not less than 4 years.*
- 3. Make these records and scores available to the Division upon request.*
- 4. Not employ an unsuitable person as an instructor for the course.*

Sec. 19. Credit for completion of certain unapproved courses. A licensee who is seeking approval for hours of continuing education after completing a course organized by and conducted with the supervision of a trade association of the insurance industry or a national

association of agents, brokers or adjusters that was not approved by the Commissioner or a designated representative must:

- 1. Request approval of the hours from the Commissioner or a designated representative;*
- 2. Submit the information required by subsection 1 of Sec. 16; and*
- 3. Submit a document signed by the instructor or provider of the course which verifies the attendance of the licensee and his or her successful completion of each portion of the course for which credit is sought.*

Sec. 20. *Credit for licensee who teaches course.*

A licensee who teaches an approved course may receive credit for continuing education for the number of hours that would be granted to a licensee taking and successfully completing the course. A licensee will receive credit in this manner only once during a renewal period for each course taught.

Sec. 21. *Limitations on receipt and use of credit. A licensee:*

- 1. May receive credit for continuing education only once during a renewal period for each course taken.*
- 2. May not carry forward to the next renewal period any hours of continuing education that are accumulated during a renewal period in excess of the hours required pursuant to Sec. 15.*

Sec. 22. *Verification of completion.*

- 1. Each licensee shall furnish to the Division upon the renewal of his or her license or upon the request of the Division, the original certificate of completion issued by the provider for each course of continuing education.*
- 2. The licensee shall keep a copy of each certificate of completion for not less than 4*

years after the completion of the course.

3. Failure to provide verification of continuing education credits upon request by the Division is evidence that the licensee did not complete the required continuing education.

Sec. 23. *Suspension or revocation of approval of course; auditing of course; reinstatement of approval.*

1. The Commissioner or a designated representative thereof may suspend or revoke the approval of a course if he or she determines that:

(a) The content of the course has been changed without notice to the Commissioner or designated representative and the change affects the number of hours of credit assigned to the course;

(b) A certificate of completion has been issued and hours credited to a person who has not completed the course;

(c) A certificate of completion has not been issued and hours have not been credited when requested to a person who has successfully completed the course;

(d) The quality of instruction is inadequate;

(e) The content of the course does not meet the objectives of subsection 3 of Sec. 16;

(f) The provider has not maintained the records required by subsection 2 of Sec. 18; or

(g) The provider has employed an unsuitable person as an instructor for the course.

2. The Commissioner or a designated representative may audit a course to ensure that the content or instructor meets the requirements of Sec. 16.

3. *If approval of a course is suspended or revoked by the Commissioner or a designated representative, approval may be reinstated at the discretion of the Commissioner or a designated representative and after the Commissioner or designated representative receives proof that the conditions giving rise to the suspension or revocation have been corrected.*

Sec. 24. *Compliance with requirements; submission of false or fraudulent affidavit.*

1. *The Division shall not:*

(a) *Renew the certificate of a licensee who fails to comply with the requirements of Sec. 15 to Sec. 24 inclusive; or*

(b) *Issue a license to an applicant until he or she complies with the requirements of Sec. 15 to Sec. 24, inclusive.*

2. *Any person who submits a false or fraudulent affidavit that certifies his or her compliance with the requirements of Sec. 15 to Sec. 24, inclusive, shall be deemed to have:*

(a) *Violated a regulation for the purposes of subsection 2 of NRS 683A.451;*

(b) *Made a material misrepresentation in application for a license for the purposes of subsection 1 or 3 of NRS 683A.451; and*

(c) *Proven himself or herself untrustworthy for the purposes of subsection 8 of NRS 683A.451.*

Sec. 25. NAC 684A.010 is hereby amended to read as follows:

NAC 684A.010 Required score on examination. (NRS 679B.130, 684A.100) An applicant for a license as an adjuster must attain a score of ~~80~~ 70 or more points in order to pass the licensing examination.