

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB FILE NO. R124-201

**The following document is the initial draft regulation proposed
by the agency submitted on 06/30/2020**

**PROPOSED PERMANENT REGULATION OF THE
COMMISSIONER OF INSURANCE**

May 26, 2020

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

AUTHORITY: NRS 679B.130; 686A.015; and 680C.110

A REGULATION relating to self-insured entities and third-party administrators; removing annual fees paid by third-party administrators, repealing the return of the certificate of authority by self-insured entities and third-party administrators, and removal of the countersignature required on the policy of excess insurance by self-insured entities.

Section 1. NAC 616B.451 of is hereby amended to read as follows:

1. A self-insured employer may request that the Commissioner issue one certificate of authority to cover the employer and any subsidiary or affiliated corporation. In reviewing such a request, the Commissioner will apply the standards of [NAC 616B.424](#) to all of the subsidiaries and corporations as if they were a single entity.

2. The businesses that wish to be covered by one certificate shall file a statement with the Commissioner that lists the owners of the businesses and the percentage of the businesses held by each owner and that verifies that the operations of each business are controlled by the same owners. The Commissioner may require each business, or the owner of each business, or both, to indemnify the other businesses or owners who will be covered by the certificate and hold them harmless from liability for any claim for compensation filed pursuant to [chapters 616A to 617](#), inclusive, of NRS.

3. The Commissioner may issue one certificate to cover a business and one or more subsidiaries or affiliated corporations if:

(a) The operations of each business are controlled by the same natural persons or corporation; and

(b) An independent auditor determines that there is sufficient similarity in the control of the businesses to present a combined financial statement for all of the businesses that will be covered by the certificate.

4. A certificate issued by the Commissioner pursuant to this section will list the names and locations of all the businesses covered by the certificate.

5. If the self-insured employer later requests that a new business or a new location be added to the certificate, the Commissioner will review that request in accordance with this section. If approved, a new certificate will be issued to the self-insured employer and list all covered businesses or locations. ~~[The self-insured employer shall return the original certificate to the Commissioner.]~~

Sec. 2. NAC 616B.534 is hereby amended to read as follows:

1. *Each association shall maintain a policy of specific and aggregate excess insurance with a self-insured retention of no less than \$100,000.*
2. ~~*[The policy of excess insurance and any proof of that insurance must be countersigned by a producer of insurance appointed by the insurer which issued the policy.]*~~
3. *The Commissioner will review the amount of insurance required for an association and may adjust the amount if he or she determines that changed conditions warrant an adjustment.*
4. ~~*[As used in this section, “producer of insurance” has the meaning ascribed to it in NRS 679A.117.]*~~

Sec. 3. NAC 683A.133 is hereby being repealed:

Text of repealed Section:

NAC 683A.133: An administrator who files an annual report with the Commissioner pursuant to NRS 683A.08528 must pay the filing fee required pursuant to subsection 3 of NRS 680B.010.