

STEVE SISOLAK
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STATE OF NEVADA

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Commissioner

DEPARTMENT OF BUSINESS AND INDUSTRY

DIVISION OF INSURANCE

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**NOTICE OF INTENT TO ACT UPON REGULATION
LCB File No. R124-20
AND HEARING AGENDA**

The Nevada Division of Insurance (“Division”) is proposing the adoption, amendment, or repeal of regulations pertaining to chapters 616B and 683A of the Nevada Administrative Code (“NAC”). The hearing shall take place as follows:

Date: February 10, 2021
Time: 10:00 a.m.
Location: This meeting will be held virtually via Webex, which allows participation by video or telephone.*

To join by Webex, click on the URL and enter the meeting number and password when prompted.

URL: <https://doinv.webex.com/doinv/j.php?MTID=m51c1a53932a65dfd157029c9fc854c66>

Meeting Number: 132 724 2158

Password: 8ZWiw3bEm2

To join by telephone, call the toll-free number and enter the access code when prompted.

Phone-in Access: 1-844-621-3956 United States Toll Free

Access Code: 132 724 2158

If you need help using Webex, visit: <https://help.webex.com>.

*Pursuant to Governor Sisolak’s March 22, 2020 Declaration of Emergency Directive 006 (extended by Declaration of Emergency Directive 029), the requirement contained in NRS 241.023.1(b) that there be a physical location designated for meetings of public bodies where members of the public are permitted to attend and participate is suspended in order to mitigate the possible exposure or transmission of COVID-19 (Coronavirus). Accordingly, any person planning to participate must participate using the Webex link for video access or calling the phone-in access for telephone access. Meeting materials are available on the Division’s website at: <https://doi.nv.gov/News-Notices/Regulations/>.

The purpose of the hearing is to solicit comments from interested persons on the following general topic(s) that may be addressed in the proposed regulation; and to assist in determining whether the proposed regulation is likely to impose a direct and significant burden upon a small business or directly restricts the formation, operation, or expansion of a small business.

HEARING AGENDA

1. Open Hearing: R124-20.
2. Presentation of Proposed Regulation.

LCB File No. R124-20. SELF INSURED WORKERS COMPENSATION COMPLIANCE WITH SENATE BILL 86 (2019 Nevada Legislature).

A regulation relating to insurance; removing the requirement that a self-insured employer return the original certificate of qualification as a self-insured employer in certain circumstances; removing the requirement that a policy of excess insurance and certain other documents be countersigned by certain producers of insurance; repealing regulatory language that requires certain administrators to pay certain fees; and providing other matters properly relating thereto.

3. Public Comment.
4. Close Hearing: R124-20.

Note: Any agenda item may be taken out of order; items may be combined for consideration by the public body; items may be pulled or removed from the agenda at any time; and, discussion relating to an item may be delayed or continued at any time. The meeting host/presenter, within his/her discretion, may allow for public comment on individual agenda items. Public comment may be limited to three minutes per speaker.

Supporting public material for this hearing may be requested by sending an email to the Division at regs@doi.nv.gov.

Persons wishing to comment upon the proposed actions of the Division may appear at the hearing via Webex and/or may address their comments, data, views or arguments, in written form, to the Division via email (regs@doi.nv.gov) or mail (1818 East College Parkway, Suite 103, Carson City, Nevada 89706). **Written submissions must be received by the Division on or before February 5, 2021.** Members of the public are encouraged to submit written comments for the record.

A copy of all materials relating to the proposal may be obtained by visiting the Division's internet website at <https://doi.nv.gov/> or by contacting the Division, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, (775) 687-0700. A reasonable fee for copying may be charged. Members of the public who would like additional information about a proposed regulation may contact the Division by email at regs@doi.nv.gov.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Division in writing, no later than five (5) working days before the hearing via email to regs@doi.nv.gov.

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

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

The proposed changes to the regulations are necessary for the Nevada Administrative Code to be consistent with the changes in Statutes that were made in Senate Bill 86, which was passed on June 1, 2019. The purpose of the changes is to eliminate the fees submitted with annual reports for third-party administrators (Section 14), to repeal the requirement for self-insured employers to return the original certificate of authority in certain circumstances (Sections 4 & 13), and to eliminate the requirement for a countersignature for excess insurance for self-insured associations (Section 7).

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

Senate Bill 86 from the 2019 Nevada Legislature included the elimination of the fee for third-party administrator annual reports, the repeal of the requirement to return the original certificate of authority if a self-insured employers requests that a new business or new location be added to the certificate, and the removal of the requirement that an association’s excess insurance and any proof of that excess insurance must be countersigned by a producer of insurance appointed by the insurer which issued the policy. These changes in the regulations are necessary to make the Nevada Administrative Code uniform with the Statutes and were designed to reduce costs and any unneeded regulatory burden on certain regulated entities.

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

The language in this regulation will lessen the regulatory requirements on third-party administrators, self-insured employers and associations by eliminating: 1) a cost to file a report; 2) required filings; and, 3) the requirement to get a second signature (countersignature) by a licensed agent to enact excess insurance.

- (4) Do other regulations address the same problem(s)?

No other regulations address these issues.

- (5) Are alternate forms of regulation sufficient to address the problem(s)?

No.

- (6) What value does the regulation have to the public?

Whenever reduced costs or added efficiencies reduce the regulatory burden on regulated entities,

the potential exists that the costs for services may be reduced for Nevada's consumers.

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

- a. Public
 - 1. Immediate: *None.*
 - 2. Long-Term: *None.*

- b. Insurance Business
 - 1. Immediate: *Eliminate the fee paid by third-party administrators with the filing of their annual report and eliminate the need of self-insured employers to return the original certificate of authority when there are changes in business plan or business locations.*
 - 2. Long-Term: *Eliminate the fee paid by third-party administrators with the filing of their annual report and eliminate the need of self-insured employers to return the original certificate of authority when there are changes in business plan or business locations.*

- 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.*
 - 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*.

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

- a. Enactment: *None directly or indirectly*.
- b. Enforcement: *None directly or indirectly*.
- c. Compliance: *None directly or indirectly*.

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

No.

(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.

There was no method used as the proposed changes do not affect all small businesses, just TPAs and SIEs. The proposed changes attempt to align the statutes with SB 86 which repealed the fee that was required by third-party administrators with the filing of their annual report. SB 86 also repealed the need for an SIE to return its certificate of authority when there are changes in business plan or business locations.

(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.

There are no other regulations that overlap or duplicate the regulations.

(13) If the regulation is required pursuant to federal law, provide a citation and description of the federal law.

There are no federal laws that address or pertain to these requirements in the regulations.

(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.

There are no federal laws that address or pertain to these requirements in the regulations.

Notice of the hearing was provided via electronic means as follows:

To all persons on the Division's e-mail list for noticing of administrative regulations.

To main public libraries in all Nevada counties and the Nevada State Library, Archives and Public Records Administrator.

Division of Insurance website: <https://doi.nv.gov>.

Nevada Legislature website: <https://leg.state.nv.us>.

State of Nevada Public Notice website: <https://notice.nv.gov/>.

| DATED this 6 th day of January 2021.

/s/ Barbara D. Richardson

BARBARA D. RICHARDSON

Commissioner of Insurance