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DEPARTMENT OF BUSINESS AND INDUSTRY

DIVISION OF INSURANCE

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**NOTICE OF INTENT TO ACT UPON REGULATION  
LCB File No. R102-22  
AND HEARING AGENDA**

The Nevada Division of Insurance (“Division”) is proposing the adoption of regulations pertaining to chapter(s) 690C of the Nevada Administrative Code (“NAC”). The hearing shall take place as follows:

**Date:** November 29, 2022  
**Time:** 1:30 p.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=m6f6c179c1ad76cbb92c6a0b656dd47fc>

Meeting Number: 2632 503 9458

Password: cHPjNqim263

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: 2632 503 9458

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

Live public comment and written public comment will be taken as designated in the Hearing Agenda.

\* There is no physical location designated for this hearing. Accordingly, any person planning to participate must participate by using the Webex link, for video access, or by 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 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.

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## **HEARING AGENDA**

1. Open Hearing: R102-22.
2. Presentation of Proposed Regulation.

### **LCB File No. R102-22 SERVICE CONTRACT PROVIDER ELECTRONIC REPORTING**

A REGULATION relating to service contracts; revising the manner in which a provider of certain service contracts is to provide a status report to the Commissioner of Insurance; and providing other matters properly relating thereto. A copy of the proposed regulation prepared by the Legislative Counsel is available by clicking on the following link:  
<https://www.leg.state.nv.us/Register/2022Register/R102-22P.pdf>

3. Public Comment.

The hearing officer will indicate when live public comment will be taken. Public comment may be limited to three minutes per speaker.

4. Close Hearing: R102-22.

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 hearing officer, within his/her discretion, may allow for public comment on individual agenda items.

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A copy of all materials relating to the proposal may be obtained by visiting the Division's internet website at <https://doi.nv.gov/News-Notices/Regulations/> or by contacting the Division ([regs@doi.nv.gov](mailto:regs@doi.nv.gov) or 775-687-0700). Members of the public who would like additional information about a proposed regulation may contact the Division by email to [regs@doi.nv.gov](mailto:regs@doi.nv.gov). Members of the public are encouraged to submit written comments for the record no later than **November 22, 2022**. Persons wishing to comment upon the proposed actions of the Division may appear at the hearing via Webex or telephone and/or may address their comments, data, views, or arguments in written form, by email to [regs@doi.nv.gov](mailto:regs@doi.nv.gov) or by mail to 1818 E. College Parkway, Suite 103, Carson City, NV 89706.

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

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.

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 regulation is necessary to address an inefficiency in the service contractor provider (“SCP”) reporting process. The purpose of this regulation is to allow the Division of Insurance (“Division”) to receive reports from SCPs through the same system SCPs use to submit contract form filings.

(2) What are the terms or substance of the proposed regulation? Provide a description of the subjects, issues and problems involved.

NAC 690C.110 requires Service Contract Providers (“SCPs”) who issue contracts to repair products that are essential to the health and safety of the holder, such as heating and air conditioning, to report to the holder and to the Commissioner within 3 calendar days from the date the claim was reported if the repairs cannot be completed. Currently, these reports are required to be submitted to the Commissioner by electronic mail.

The proposed regulation amends NAC 690C.110 to allow the Commissioner to specify an electronic format by which SCPs must notify the Commissioner when emergency repairs cannot be completed within 3 calendar days. The intent is to provide SCPs with a uniform system to report to the Division, and this will eliminate manual staff processing and allow for more efficient electronic review of the reports. The language also allows for increased efficiency for SCPs submitting reports when changes in technology render the current reporting system obsolete.

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

Allowing the Division to require emergency repair reports to be filed in the same manner as other form filings will eliminate manual processing of emergency reports, freeing staff processing time and ensuring consistency and uniformity in database information, and allowing for better access, search, and review capabilities of filed documents.

(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?

Because of the potential impact to vulnerable persons when certain home systems, such as heating or air conditioning units, cannot be promptly repaired, SCPs are required to report when they are unable to repair the system within 3 calendar days. The ability to accurately track emergency repairs is essential to identifying trends and potential issues related to public health and safety. Through a consistent report filing system, the Division can more efficiently identify these trends and issues.

(7) What is the anticipated economic benefit of the regulation? Provide a statement as to potential beneficial impact on the following:

- a. Public
  - 1. Immediate: Consumers who need emergency repairs may see better response time to their claims since reporting a failure to complete a repair within 3 calendar days may incentivize SCPs to try to accomplish this to avoid reporting.
  - 2. Long Term: Consumers may see improved response times to claims for emergency repairs as data is analyzed to determine emergency repair trends and unfair trade practices.
- b. Insurance Business
  - 1. Immediate: None
  - 2. Long Term: The proposed regulation will allow for increased efficiency in communication between SCPs and the Commissioner.
- 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? Provide a statement as to any anticipated adverse impact, including adverse economic effects, on the following:

- a. Public
  - 1. Immediate: None
  - 2. Long Term: None
- b. Insurance Business
  - 1. Immediate: There is a small fee imposed by the vendor for submitting the reports.
  - 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? Provide a statement as to the cost of:

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

(10) Provide a statement indicating whether the regulation establishes a new fee or increases an existing fee.

The regulation does not directly establish a new fee or increase an existing fee. However, most filing systems charge a small fee to cover their costs, which is charged to the entity submitting the filing or report.

(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. Attached.

(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.

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

(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. N/A

Notice of the hearing has been provided as follows:

- By email to all persons on the Division's e-mail list for noticing of administrative regulations.
- By email for posting by the Nevada State Library, Archives and Public Records Administrator.
- By email for posting by the Nevada Legislature.
- Published to the Nevada Legislature website: <https://leg.state.nv.us/>.
- Published to the Division of Insurance website: <https://doi.nv.gov/>.
- Published to the State of Nevada Public Notice website: <https://notice.nv.gov/>.

DATED this \_\_\_\_\_ day of October 2022.

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BARBARA D. RICHARDSON  
Commissioner of Insurance