

# LEGISLATIVE REVIEW OF ADOPTED REGULATIONS INFORMATIONAL STATEMENT AS REQUIRED BY NRS 233B.066

LCB FILE NO. R161-22

The following statement is submitted by the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) for adopted amendments to Nevada Administrative Code (“NAC”) Chapter(s) 680A, 688C, 689C, 690C, 695B, and 695C.

1. A clear and concise explanation of the need for the adopted regulation.

The Nevada Division of Insurance completed its mandatory 10-year review of our Insurance Title 57 regulations and determined that numerous regulations were obsolete, either due to changes in Nevada statutes or federal law, or they are a duplication of language that is already contained in the Nevada Revised Statutes. This regulation is intended to repeal those sections of code that were identified, and to amend any remaining sections of code that reference any of the sections that are being repealed by this regulation.

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

- (a) A description of how public comment was solicited:

Public comment was solicited by emailing the proposed regulation, notice of workshop, notice of intent to act upon the regulation, and small business impact statement to persons on the Division’s mailing list requesting notification of proposed regulations. The documents were also made available on the website of the Division, <http://doi.nv.gov/>, the website of the Nevada Legislature, <http://www.leg.state.nv.us>, and the Nevada Public Notice website, <http://www.notice.ng.gov>. The documents were also emailed, or mailed where no email address was available, to the main library for each county in Nevada.

Public comment was also solicited at the workshop held on November 3, 2022, and at the hearing held on November 29, 2022. The public workshop and hearing took place virtually via Webex.

- (b) A summary of the public response:

No written public comment was received by the Nevada Division of Insurance regarding this regulation and no oral public comment was given during the workshop or hearing. No concerns or opposition to the proposed language was provided by the public.

- (c) An explanation of how other interested persons may obtain a copy of the summary:

The summary in part 2(b) above reflects the public comments and testimony that transpired with regard to regulation R161-22. A copy of said summary may be obtained by e-mail request to [regs@doi.nv.gov](mailto:regs@doi.nv.gov).

3. The number of persons who:

- (a) Attended the hearing: 11
- (b) Testified at the hearing: 1
- (c) Submitted to the agency written statements: 0

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3 (b) and (c), as provided to the agency:

**Testified at the hearing:**

<b>Name</b>	<b>Entity/Organization Represented</b>	<b>Business Address</b>	<b>Telephone No./ Business Telephone No.</b>	<b>E-Mail Address</b>
Nick Stosic	Nevada Division of Insurance	1818 E. College Parkway, Suite 103 Carson City, NV 89706	775-687-0783	nstosic@doi.nv.gov

**Submitted to the agency written statements: NONE**

5. A description of how comments were solicited from affected businesses, a summary of their responses, and an explanation of how other interested persons may obtain a copy of the summary.

- (a) A description of how comments were solicited from affected businesses:

Comments were solicited from affected businesses in the same manner as they were solicited from the public. Please see the description provided above in response to #2(a).

- (b) A summary of the responses from affected businesses:

No responses were received. This regulation only impacts life insurance insurers who are domiciled in this state, which none currently are. The NAIC model that this regulation is based upon is passed by a vote of the Insurance Commissioners of the 50 states and U.S. Territories after a collaborative process of meetings and hearings that involves input from industry representatives.

- (c) An explanation of how other interested persons may obtain a copy of the summary:

The summary in part 5(b) above reflects the public comments and testimony that transpired with regard to regulation R161-22. A copy of said summary may be obtained by e-mail request to [regs@doi.nv.gov](mailto:regs@doi.nv.gov).

6. If, after consideration of public comments, the regulation was adopted without changing any part of the proposed regulation, provide a summary of the reasons for adopting the regulation without change.

No public comments were received so the Division had no basis for changing any part of the proposed regulation.

7. (a) The estimated economic effect of the adopted regulation on the business which it is to regulate:

(1) Both adverse and beneficial effects:  
i. Beneficial: Health Maintenance Organizations will no longer need to maintain the reinsurance and additional reserving requirement related to insolvencies due to the repeal of NAC 695C.135 and .137.  
ii. Adverse: There is no adverse economic impact to Title 57 licensees due to the adoption of this regulation.

(2) Both immediate and long-term effects:  
i. Immediate: Health Maintenance Organizations (“HMO”) will no longer need to maintain the reinsurance and additional reserving requirement related to insolvencies due to the repeal of NAC 695C.135 and .137.  
ii. Long-Term: HMO’s will no longer need to maintain the reinsurance and additional reserving requirement related to insolvencies due to the repeal of NAC 695C.135 and .137.

(b) The estimated economic effect of the adopted regulation on the public:

(1) Both adverse and beneficial effects:  
i. Beneficial: This regulation is not expected to have a direct impact on the public, however there is a potential that expenses of HMOs will be reduced, which could possibly reduce the cost of health insurance for members of the public that are insured by HMOs.  
ii. Adverse: There is no adverse impact to the public.

(2) Both immediate and long-term effects:  
i. Immediate: This regulation is not expected to have a direct impact on the public, however there is a potential that expenses of HMOs will be reduced, which could possibly reduce the cost of health insurance for members of the public that are insured by HMOs.  
ii. Long-Term: This regulation is not expected to have a direct impact on the public, however there is a potential that expenses of HMOs will be reduced, which could possibly reduce the cost of health insurance for members of the public that are insured by HMOs.

8. The estimated cost to the agency for enforcement of the adopted regulation.

This regulation will not create any additional enforcement costs to the Division.

9. A description of any regulations of other state or government 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, the name of the regulating federal agency.

There are no other state or government agency regulations that duplicate or overlap with this regulation.

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of those provisions.

This regulation does not include any provisions that are included in federal law.

11. If the regulation establishes a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

This regulation does not create a new fee or increase an existing fee.