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*Governor*

STATE OF NEVADA

TERRY REYNOLDS  
*Director*



BARBARA D. RICHARDSON  
*Commissioner*

DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INSURANCE

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**NOTICE OF WORKSHOP  
TO SOLICIT COMMENTS ON PROPOSED REGULATION  
LCB File No. R187-22  
AND WORKSHOP AGENDA**

The Nevada Division of Insurance (“Division”) is hosting a workshop to propose the adoption, amendment, or repeal of regulations pertaining to Nevada Administrative Code (“NAC”) chapter 681A.

**Date:** Oct. 13, 2022  
**Time:** 9:00 a.m.  
**Location:** This workshop 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=m3304eb275983f615c5e1a0975d1c0e4e>

Meeting Number: 2631 945 0449

Password: NFwUh4ye7Q4

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: 2631 945 0449

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 Workshop Agenda.

\* There is no physical location designated for this workshop. 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 workshop 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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## WORKSHOP AGENDA

1. Open Workshop: R187-22.
2. Presentation of Proposed Regulation.

### [LCB File No. R187-22 - ESTABLISHES PROVISIONS GOVERNING TERM AND UNIVERSAL LIFE INSURANCE](#)

A REGULATION relating to insurance; establishing uniform standards governing reserve financing arrangements pertaining to certain life insurance policies; requiring certain ceding insurers to hold certain levels of primary security and other security in reserve financing arrangements; 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/R187-22P.pdf>

3. Public Comment.

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

4. Close Workshop: R187-22.

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 meeting presenter, 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 **October 10, 2022**. Written comments may be emailed to [regs@doi.nv.gov](mailto:regs@doi.nv.gov) or mailed 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 workshop via email to [regs@doi.nv.gov](mailto:regs@doi.nv.gov).

Notice of the workshop 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 26th day of September 2022.



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BARBARA D. RICHARDSON  
Commissioner of Insurance

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS & INDUSTRY  
DIVISION OF INSURANCE**

**Determination of Necessity of Small Business Impact Statement**

**R187-22**

**NRS 233B.0608(1)**

TERM AND UNIVERSAL LIFE INSURANCE RESERVE FINANCING

EFFECTIVE DATE OF REGULATION:

Upon Adoption

1. **BACKGROUND.**

The purpose and intent of this regulation is to establish uniform national standards governing reserve financing arrangements pertaining to life insurance policies containing guaranteed non-level gross premiums, guaranteed non-level benefits, and universal life insurance policies with secondary guarantees; and to ensure that, with respect to each such financing arrangement, funds consisting of Primary Security and Other Security, as defined in Sections 11 and 12, are held by or on behalf of ceding insurers in the forms and amounts required therein. In general, reinsurance ceded for reserve financing purposes has one or more of the following characteristics: Some or all of the assets used to secure the reinsurance treaty or to capitalize the reinsurer (1) are issued by the ceding insurer or its affiliates, (2) are not unconditionally available to satisfy the general account obligations of the ceding insurer, or (3) create a reimbursement, indemnification or other similar obligation on the part of the ceding insurer or any if its affiliates (other than a payment obligation under a derivative contract acquired in the normal course and used to support and hedge liabilities pertaining to the actual risks in the policies ceded pursuant to the reinsurance treaty). The State needs to implement this regulation as a result of the 2017 Nevada Legislature, Assembly Bill 83, Section 22, which is now codified as NRS 681A.145; and to maintain National Association of Insurance Commissioners (“NAIC”) Accreditation Standards.

2. **DESCRIPTION OF SOLICITATION SHOWING A CONCERTED EFFORT. NRS 233B.0608(1).**

The Division relied upon the expertise and experience of the Division staff, along with testimony from industry representatives at the NAIC meetings. The Division also relied upon the evaluation of the entities that this proposed regulation would impact.

3. **DOES THE PROPOSED REGULATION IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN UPON A SMALL BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF A SMALL BUSINESS? NRS 233B.0608(1).**

NO

YES

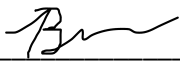
4. **HOW WAS THAT CONCLUSION REACHED? NRS 233B.0608(3).**

Currently there are no life insurers domiciled in Nevada, so this proposed regulation would not impact any Nevada insurers. Life insurance products and regulation of the associated reserving do not affect small

businesses.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby certify to the best of my knowledge or belief a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was prepared properly, and the information contained herein is accurate. (NRS 233B.0608(3))

September 26, 2022  
(DATE)

  
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BARBARA D. RICHARDSON  
Commissioner of Insurance

**Small Business Impact Statement**  
**NRS 233B.0608(2)-(4) and 233B.0609**

TERM AND UNIVERSAL LIFE INSURANCE RESERVE FINANCING

1. SUMMARY OF COMMENTS RECEIVED FROM SMALL BUSINESSES. NRS 233B.0609(1)(a).

Comments were received from industry and other interested parties at the NAIC committee hearings that were held on the proposed Model Regulation No. 787 (Term and Universal Life Insurance Reserve Financing Model Regulation). The Nevada Division of Insurance has not received any additional comments from small businesses in Nevada. Since there are currently no life insurers domiciled in Nevada, this regulation would not impact any Nevada domestic insurance carriers. Life insurance products and regulation of the associated reserving do not affect small businesses.

A copy of this summary may be requested by emailing [regs@doi.nv.gov](mailto:regs@doi.nv.gov).

2. HOW WAS THE ANALYSIS CONDUCTED? NRS 233B.0609(1)(b).

The regulation applies to life insurers domiciled in Nevada, and currently there are no life insurers domiciled in Nevada that write the products described in the regulation. The Corporate and Financial Affairs Section of the Division of Insurance analyzed this proposed regulation and the comments presented at NAIC committee hearings.

3. ESTIMATED ECONOMIC EFFECT ON SMALL BUSINESSES THE REGULATION IS TO REGULATE. NRS 233B.0609(1)(c).

There is no anticipated impact on small businesses, either by rate increases or by limiting the participants in the market.

4. METHODS CONSIDERED TO REDUCE IMPACT ON SMALL BUSINESSES. NRS 233B.0609(1)(d).

Since there are no life insurers domiciled in Nevada, there would be no impact on Nevada insurers or small businesses. Methods to reduce impact are not applicable.

5. ESTIMATED COST OF ENFORCEMENT. NRS 233B.0609(1)(e).

There is no additional cost to enforce this regulation.

6. FEE CHANGES. NRS 233B.0609(1)(f).

No new fees will be generated by the adoption of this regulation.

7. DUPLICATIVE PROVISIONS. NRS 233B.0609(1)(g).


There are no duplicative regulations or provisions in Nevada statutes or regulations.

8. REASONS FOR CONCLUSIONS. NRS 233B.0609(1)(h).

Division staff expertise and discussions at NAIC meetings where this regulation was created, reviewed, and approved provide the basis for this conclusion. This regulation would only impact Nevada domiciled life insurers, of which there are currently none. Additionally, such life insurance carriers are not small businesses. Because of this, there will be no impact on small businesses in this state.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was prepared properly, and the information contained herein is accurate. (NRS 233B.0609(2))

September 26, 2022  
(DATE)

  
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BARBARA D. RICHARDSON  
Commissioner of Insurance