

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB FILE NO. R128-24I

**The following document is the initial draft regulation proposed
by the agency submitted on 06/17/2024**

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

LCB File No. R...-24

February 27, 2024

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

AUTHORITY: § 1, NRS 679B.130 and 683A.0857; § 2, NRS 679B.130

A REGULATION relating to insurance;

Section 1. NAC 683A.155 is hereby amended to read as follows:

NAC 683A.155 1. Except as otherwise provided in subsection 3, and in addition to the amount prescribed by statute, the amount of the bond for each administrator must be increased as follows for each \$1,000,000 of the total amount of money handled by the administrator within this State during an average month:

Amount of Money Handled	Total Amount of Bond
\$1,000,000 or less	\$100,000
More than \$1,000,000, but less than \$2,000,000	200,000
\$2,000,000 or more, but less than \$3,000,000	300,000
\$3,000,000 or more, but less than \$4,000,000	400,000
\$4,000,000 or more, but less than \$5,000,000	500,000
\$5,000,000 or more	10 percent of the amount of money handled, but not more than \$1,000,000

2. ~~[If the Commissioner finds that the increased bonds are unavailable, the Division will accept proof of coverage over \$100,000 in the additional amounts specified in subsection 1 under a fidelity policy and a policy which covers the errors and omissions of the administrator or his or her employees. The policies must be reviewed and approved by the Division and provide for notice to the Division 90 days before their cancellation or nonrenewal.]~~ Proof of the increases in the bond ~~[or the policies of insurance]~~ must be furnished to the Division within 30 days after the increase.

3. If an administrator is not authorized to issue a check or draft and only handles claims for the person employing him or her, the administrator is only required to maintain the bond for \$100,000.

4. For the purposes of this section, the amount of money handled by the administrator during an average month is the total amount of money handled by the administrator on behalf of contracted entities in connection with his or her activities as an administrator in this State during a fiscal year, divided by 12. *The amount reported pursuant to this section is distinct from any amount reported pursuant to NAC 616B.549.*

5. An administrator may submit a certificate of deposit from a financial institution in this State that is insured federally, made payable to the Commissioner of Insurance and the administrator, in lieu of the bond required by NRS 683A.0857. The certificate of deposit must:

(a) State that the amount of the deposit is unavailable for withdrawal except upon the signed authorization of the Division; and

(b) Be accompanied by a statement or letter from the issuing financial institution which verifies that:

(1) The requisite amount of money is being held to satisfy the requirement for a deposit; and

(2) The amount of the deposit is unavailable for withdrawal except upon the signed authorization of the Division.

Sec. 2. NAC 683A.125 is hereby repealed.

TEXT OF REPEALED SECTIONS

NAC 683A.125 Duty to notify Commissioner of certain changes. An administrator shall notify the Commissioner of any change in:

1. Its members, owners, directors or officers within 30 days after the change. The administrator shall submit a notarized affidavit as described in subsection 6 of NRS 683A.08522 for each new member, owner, director or officer within 30 days after the change.

2. The physical location, mailing address or electronic mail address of an office of the administrator within 30 days after the change.