

**PROPOSED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**LCB FILE NO. R156-24I**

**The following document is the initial draft regulation proposed  
by the agency submitted on 06/25/2024**

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

Date, 20\_\_\_\_

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

AUTHORITY: NRS 679B.130; 694C.170; and 694C.240

A REGULATION relating to captive insurance; revising the requirements for material change in the nature of a captive insurer's business which require prior approval of the Commissioner of Insurance.

**Section 1.** NAC 694C.270 is hereby amended to read as follows:

1. A captive insurer shall not, without the prior approval of the Commissioner, make any material change in the nature of its business from that stated in its plan of operation filed with the Commissioner. *For a captive, other than a state-chartered risk retention group, any changes in the nature of its business that increases the actuarially determined premium by 15% or more are considered a material change.*

2. Any change in any other information filed with the application must be filed with the Commissioner [~~as soon as practicable~~] *within 60 days* but does not require the prior approval of the Commissioner to make the change.

3. As used in this section, "material change" *for a state-chartered risk retention group* includes, without limitation:

- (a) The entry into any agreement to cede reinsurance;
- (b) The entry into any agreement to assume reinsurance;
- (c) The termination of an existing reinsurance treaty, except at its natural expiration as stated within the contract of reinsurance;
- (d) The writing of a new line of business;
- (e) The exit from an existing line of business;
- (f) Any change to limits of coverage written [~~by the captive insurer~~]; or
- (g) The expansion into a new state of a state-chartered risk retention group.