

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

LCB FILE NO. R039-14

The following statement is submitted by the Division of Insurance ("Division") for adopted amendments to Nevada Administrative Code ("NAC") Chapter(s) 689A.

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

Assembly Bill 425 of the 77th (2013) Legislative Session ("AB 425") made a multitude of changes to Title 57 of the Nevada Revised Statutes ("NRS") with the intent of bringing state law into conformity with federal laws enacted in the Patient Protection and Affordable Care Act ("ACA"). The changes contained within AB 425 rendered several existing regulations outdated or obsolete. This proposed regulation effectuates the amendment or repeal of these outdated and obsolete regulations, as appropriate.

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 e-mailing the proposed regulation, notice(s) of workshop, notice(s) 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/>, mailed to the main library for each county in Nevada, and posted at the following locations:

Department of Business and Industry  
Division of Insurance  
1818 East College Parkway, Suite 103  
Carson City, Nevada 89706

Department of Business and Industry  
Division of Insurance  
2501 East Sahara Avenue, Suite 302  
Las Vegas, Nevada 89104

Legislative Building  
401 South Carson Street  
Carson City, Nevada 89701

Grant Sawyer Building  
555 East Washington Avenue  
Las Vegas, Nevada 89101

Blasdel Building  
209 East Musser Street  
Carson City, Nevada 89701

Capitol Building  
101 North Carson Street  
Carson City, Nevada 89701

Nevada Department of Employment,  
Training and Rehabilitation  
2800 E. Saint Louis Avenue  
Las Vegas, Nevada 89104

Public comment was also solicited at the workshop held on February 10, 2016, and at the hearing held on February 17, 2016. The public meetings took place at the offices of the Division, 1818 East College Parkway, Carson City, Nevada 89706, with simultaneous videoconferencing to the Bradley Building, 2501 East Sahara Avenue, Las Vegas, Nevada 89104.

(b) A summary of the public response:

The Division received one written comment and 2 persons testified at the workshop; there was 1 written comment after the workshop and 1 person testified at the hearing regarding R039-14. The written comments supported all parts of the proposed regulation with the exception of the addition of the words “Internet websites” to the definition of “Advertisement” in Section 1 of NAC 689A.020. If that term was eliminated or other suitable language was to be substituted, the regulation would then be acceptable. The writers did not offer alternative language to use in place of “Internet websites.”

At the workshop, two persons testified that the term “Internet websites” was too vague and therefore problematic. Both persons suggested that other language should be found to be more limiting in nature to sales or marketing material or to merely strike the term altogether as the existing language of NAC 689A.020 already includes the requirement for a carrier to maintain all sorts of advertisements for three years and provide the records to the Commissioner at any time.

At the hearing one person testified that the removal of the term “Internet websites” from the definition of “Advertisement” in Section 1 of NAC 689A.020 would make R039-14 acceptable.

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

The summary in part 2(b) above reflects the comments and testimony that transpired with regard to regulation R039-14. A copy of the summary may be obtained by contacting Cliff King, Chief Insurance Examiner, Life and Health Section, at (775) 687-0736 or [cking@doi.nv.gov](mailto:cking@doi.nv.gov). This summary will also be made available by e-mail request to [insinfo@doi.nv.gov](mailto:insinfo@doi.nv.gov).

3. The number of persons who:
  - (a) Attended the hearing: 1
  - (b) Testified at the hearing: 1
  - (c) Submitted to the agency written statements: 2: 1 before the workshop and 1 before the hearing
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:

Name	Entity/Organization Represented	Address	Telephone No.	E-Mail Address
Jim Wadhams	Fennemore Craig, Attorneys	300 S. Fourth St., Suite 1400 Las Vegas, NV 89101	702-692-8031	jwadhams@fclaw.com

5. **A description of how comment was solicited from affected businesses, a summary of their response, and an explanation of how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected businesses in the same manner as they were solicited from the public. Please see the description, summary and explanation provided above in response to question #2.

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

The original draft of the regulation was amended as a result of the comments and testimony received from the workshop and hearing.

7. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public. These must be stated separately, and in each case must include:

(a) Both adverse and beneficial effects;

Insurers are relieved from filing reports no longer considered necessary. Also, since many of the regulations that were repealed are obsolete, nobody is affected.

(b) Both immediate and long-term effects.

The immediate and long-term effects are positive to the insurers since they are no longer required to file unnecessary reports; there is no impact on the public.

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

There is no additional cost for 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 R039-14 duplicates.

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

There are no federal regulations that apply.

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.

There are no fees assessed as a result of R039-14.