

LCB File No. R90-98

NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON PROPOSED REGULATIONS

May 20, 1998

The Department of Business and Industry, Division of Insurance (Division) is proposing the amendment of regulations pertaining to chapters 616B, 683A, 683C, and 686A of the Nevada Administrative Code. A workshop has been set for 9:30 a.m., on June 30, 1998, at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

1. **Amendments to chapter 616B of NAC. The proposed regulation adds the following provisions of Title 57 of NRS as applicable to SIIS:**
 - (a) **Use of licensed agents;**
 - (b) **Report of material transactions;**
 - (c) **Report of risk based capital; and**
 - (d) **Unfair trade practices.**

2. **Amendments to chapters 616B, 683A, and 683C of NAC. The proposed regulation requires solicitors for associations of public and private employers, agents, brokers and insurance consultants to complete an approved course on workers' compensation insurance before selling, soliciting or offering advice on workers' compensation insurance.**

3. **Amendments to chapter 686A of NAC. The proposed regulation:**
 - (a) **Prohibits unfair discrimination to victims of domestic violence;**
 - (b) **Allows a property and casualty broker to charge fees;**
 - (c) **Requires an insurer, agent or administrator to respond within 10 days to complaints filed with the Division;**
 - (d) **Requires an insurer to pay a claim within 30 days after it is approved.**

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be amended will be available at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>.

Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

This Notice of Workshop to Solicit Comments on Proposed Regulation has been sent all persons on the agency's mailing list for administrative regulations and posted at the following locations:

Department of Business and Industry
Division of Insurance
1665 Hot Springs Road, Suite 152
Carson City, NV 89706

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

Legislative Counsel Bureau
Capitol Complex
Carson City, NV 89710

Blasdel Building
Capitol Complex
Carson City, NV 89710

State Capitol
Capitol Complex
Carson City, NV 89710

Capitol Press Room
State Capitol Basement
Carson City, NV 89710

County Clerk
Courthouse
Carson City, NV 89710

Nevada State Library & Archives
Capitol Complex
Carson City, NV 89710

Carson City Library
900 North Roop Street
Carson City, NV 89701

Churchill County Library
553 South Maine Street
Fallon, NV 89406

Las Vegas Library
833 Las Vegas Blvd. North
Las Vegas, NV 89101

Douglas County Library
1625 Library Lane
P.O. Box 337
Minden, NV 89423

Elko County Library
720 Court Street
Elko, NV 89801

Goldfield Public Library
Fourth & Cook Street
P.O. Box 430
Goldfield, NV 89013

Eureka Branch Library
10190 Monroe Street
P.O. Box 293
Eureka, NV 89316

Humboldt County Library
85 East 5th Street
Winnemucca, NV 89445

Battle Mountain Branch Library
P.O. Box 141
Battle Mountain, NV 89820

Lincoln County Library
93 Main Street
P.O. Box 330
Pioche, NV 89043

Lyon County Library
20 Nevin Way
Yerington, NV 89447

Mineral County Library
First & A Street
Hawthorne, NV 89415

Tonopah Public Library
171 Central Street
P.O. Box 449
Tonopah, NV 89049

Pershing County Library
1125 Central Avenue
P.O. Box 781
Lovelock, NV 89419

Storey County Library
95 South R Street
P.O. Box 14
Virginia City, NV 89440

Washoe County Library
301 South Center Street
P.O. Box 2151
Reno, NV 89505

White Pine County Library
950 Campton Street
Ely, NV 89301

Clark County Library
1401 East Flamingo Road
Las Vegas, NV 89119

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, or by calling no later than 5 working days prior to the hearing, (702) 687-4270.

DATED this _____ day of _____, 19____.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Hearing for the Amendment of Regulations of the Department of Business and Industry, Division of Insurance

The Department of Business and Industry, Division of Insurance (Division) will hold a public hearing at 1:30 p.m., on June 30, 1998 at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada. The purpose of the hearing is to receive comments from all interested persons regarding the amendment of regulations pertaining to chapters 616B, 683A and 683C of the Nevada Administrative Code.

REGULATION FOR THE EDUCATION OF AGENTS, BROKERS, INSURANCE CONSULTANTS AND SOLICITORS FOR WORKERS' COMPENSATION INSURANCE

The following information is provided pursuant to the requirements of NRS 233B.060:

1. The proposed regulation is needed to establish education requirements for persons involved with workers' compensation insurance in a competitive environment.
2. The regulation establishes minimum education requirements for agents, brokers, insurance consultants, and solicitors for associations of self-insured public and private employers.
3. Estimated economic effect of the regulation:
On the business which it is to regulate:
 - (a) The regulation should have little beneficial impact on the industry.
 - (b) The regulation may have an immediate impact on persons selling or soliciting workers' compensation insurance as they must satisfy the proposed education requirements and an immediate and long-term adverse impact on insurers as they must ensure that agents and brokers have completed the required training.On the public:

The amended regulation should have no economic impact on the public.
4. The Division anticipates a nominal expense to enforce the proposed regulation.
5. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.
6. The proposed regulation does not establish a new fee or increase an existing fee.

Persons wishing to comment upon the proposed action of the Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706. Written submissions must be received by the Division on or before June 24, 1998. If no

person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be amended will be available at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Department of Business and Industry
Division of Insurance
1665 Hot Springs Road, Suite 152
Carson City, NV 89706

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

Legislative Counsel Bureau
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Carson City, NV 89710

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720 Court Street
Elko, NV 89801

Minden, NV 89423
Goldfield Public Library
P.O. Box 430
Goldfield, NV 89013

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P.O. Box 293
Eureka, NV 89316

Humboldt County Library
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Winnemucca, NV 89445

Battle Mountain Branch Library
P.O. Box 141
Battle Mountain, NV 89820

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93 Main Street
P.O. Box 330
Pioche, NV 89043

Lyon County Library
20 Nevin Way
Yerington, NV 89447

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First & A Street
P.O. Box 1390
Hawthorne, NV 89415

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Lovelock, NV 89419

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DATED this _____ day of _____, 19____.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. R090-98

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

Regulation for the Education of Agents, Brokers, Insurance Consultants and Solicitors
for Workers' Compensation Insurance

Authority: NRS 616B.377(3)(a), NRS 683A.130(1)(h) and NRS 683C.030(2)

Section 1. Chapter 616B of NAC is hereby amended by adding thereto a new section to read as follows:

The commissioner shall require a solicitor for a proposed association of self-insured public or private employers, as a condition precedent to obtaining a license, to complete a course of instruction in workers' compensation insurance approved by the commissioner to establish his competence pursuant to NRS 616B.377(3)(a).

Sec. 2. Chapter 683A of NAC is hereby amended by adding thereto the provisions set forth as sections 3 to 9, inclusive, of this regulation.

Sec. 3. An agent or broker shall not solicit, take an application for, procure or place for others a policy of workers' compensation insurance unless he:

1. Holds a license to transact casualty insurance in the State of Nevada; and
2. Has successfully completed an approved course of instruction on workers' compensation insurance.

Sec. 4. An insurer or agent shall not accept an application for workers' compensation insurance from an agent or a broker unless the insurer or agent has verified that the agent or broker who submitted the application has successfully completed an approved course of instruction on workers' compensation insurance.

- Sec. 5. A course of instruction on workers' compensation insurance and the instructor for the course must be approved by the division before the course is offered to an agent or broker. Approval of a course and the instructor is subject to the applicable provisions of NAC 683A.320 to 683A.370, inclusive.
- Sec. 6. The course of instruction must include:
1. Not less than 6 hours of classroom instruction, the content of which is subject to the minimum standards prescribed by the Commissioner;
 2. A final examination. A grade of at least 70 percent is required for successful completion of the course; and
 3. A certificate of completion on a form approved by the Commissioner for each person who successfully completes the course.
- Sec. 7. An insurer shall accept from an agent or broker a certificate provided pursuant to section 5 of this regulation as evidence of successful completion of a course of instruction on workers' compensation insurance.
- Sec. 8. 1. Successful completion of a course of instruction on workers' compensation shall count toward the total hours of continuing education required pursuant to NAC 683A.330.
2. The exemptions granted pursuant to subsection 2 of NAC 683A.330 are not applicable to the requirements established by this regulation.
- Sec. 9. 1. Except as provided in subsection 1 of section 2, the requirements established by this regulation are applicable only to agents and brokers resident to the state of Nevada.
2. Notwithstanding subsection 1 of this section, an agent or broker residing in a state that imposes education requirements on agents or brokers resident to Nevada as a precondition to writing workers' compensation insurance in that state is subject to the standards established by this regulation.

Sec. 10. Chapter 683C of NAC is hereby amended by adding thereto a new section to read as follows:

An insurance consultant, as defined in NRS 683C.010, may not offer advice, counsel, opinion or service with respect to the benefits, advantages or disadvantages promised pursuant to any policy of workers' compensation insurance unless he has completed a course of instruction on workers' compensation insurance approved by the commissioner.