

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R090-98

June 29, 1998

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

AUTHORITY: §§2-13, NRS 679B.130, §14, NRS 683C.030; §15, NRS 616B.374, 616B.377 and 679B.130.

Section 1. Chapter 683A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 13, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 13, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Course” includes, without limitation, a program of instruction, correspondence course, course of independent study or seminar.*

Sec. 4. *“Industrial insurance” means insurance which provides the compensation required by chapters 616A to 617, inclusive, of NRS and employer’s liability insurance incidental to and provided in connection with that insurance.*

Sec. 5. *Sections 2 to 13, inclusive, of this regulation apply to:*

- 1. An agent, broker or solicitor who is a resident of this state.*
- 2. An agent, broker or solicitor who is a resident of another state and transacts industrial insurance in this state if the other state requires an agent, broker or solicitor of this state to*

complete a course in industrial insurance before the agent, broker or solicitor of this state may transact industrial insurance in the other state.

Sec. 6. *An agent, broker or solicitor shall:*

1. Have a license to transact casualty insurance in this state; and

2. Complete a course in industrial insurance approved by the commissioner,

before the agent, broker or solicitor may transact industrial insurance in this state.

Sec. 7. *An insurer or agent shall not accept an application for industrial insurance from an agent, broker or solicitor unless the insurer or agent has verified, by examining a copy of the certificate issued pursuant to section 10 of this regulation, that the agent, broker or solicitor has successfully completed a course in industrial insurance approved by the commissioner.*

Sec. 8. *1. A person who provides a course in industrial insurance shall furnish to the commissioner at least 60 days before the beginning of the course:*

(a) An outline of the subject matter;

(b) The method of presentation;

(c) The qualifications of the instructor;

(d) The number of classroom hours or, if for a correspondence course, the equivalent of classroom hours; and

(e) Any other information required by the commissioner.

2. Submission of the information required by subsection 1 must be on an application approved by the commissioner.

3. *The course must be designed to increase the knowledge and understanding of the student of:*

- (a) Principles and coverage of industrial insurance;*
- (b) Applicable laws, rules and regulations concerning industrial insurance;*
- (c) Recent changes in coverages; and*
- (d) The duties, ethics and responsibilities of the student concerning industrial insurance.*

4. *The commissioner will not approve a course that teaches:*

- (a) Prelicensing training;*
- (b) Motivation or psychology;*
- (c) Marketing;*
- (d) Prospecting;*
- (e) Recruiting;*
- (f) Sales;*
- (g) Computer applications that are unrelated to industrial insurance;*
- (h) Skills for communication; or*
- (i) The management of personnel or of an office.*

The provisions of this subsection do not limit the authority of the commissioner to refuse to approve a course for noncompliance with any other provision of sections 2 to 13, inclusive, of this regulation.

5. *The commissioner will not approve a course unless:*

- (a) The total number of classroom hours consists of at least 6 hours;*

(b) The students enrolled in the course are required to pass a final examination with a score of not less than 70 percent.

6. The commissioner will grant or deny approval of each course in writing within 60 days after he receives the information required pursuant to subsection 1.

7. Any material change in the content of a course approved by the commissioner must be submitted for the approval of the commissioner before presentation of the course.

Sec. 9. *1. A course in industrial insurance must not be advertised as an approved course unless the commissioner has approved the course in writing.*

2. If a course in industrial insurance is advertised:

(a) After an application for approval of the course has been submitted to the commissioner; and

(b) Before the commissioner has approved the course in writing, the advertisement must contain a statement indicating that an application has been submitted for approval of the course, and that submission of the application does not guarantee that the course will be approved for credit.

3. An advertisement of an approved course in industrial insurance must contain:

(a) The title of the course;

(b) The name and address of the person approved to provide the course;

(c) The number of hours of credit for continuing education and industrial insurance for which the course has been approved; and

(d) A brief summary or outline of the contents of the course.

Sec. 10. *The provider of a course approved by the commissioner shall:*

1. *Provide a certificate of completion to each person who successfully completes the course. The certificate must be on a form approved by the commissioner.*

2. *Maintain records of attendance and examination scores for 4 years.*

3. *Make the records and scores available to the commissioner upon request.*

Sec. 11. *A licensee may apply the number of hours of credit earned in a course in industrial insurance to the hours of continuing education required by NAC 683A.330.*

Sec. 12. 1. *Each licensee must furnish to the commissioner before transacting industrial insurance:*

(a) *An affidavit that certifies his successful completion of the required hours of instruction in industrial insurance; and*

(b) *The original certificate of completion issued by the provider for each course.*

2. *The licensee shall keep a copy of each certificate of completion for 4 years after the completion of the course.*

3. *Failure to provide verification of credits upon request by the commissioner is evidence that the licensee did not complete the required course.*

Sec. 13. 1. *The commissioner may suspend or revoke his approval of a course if he determines that:*

(a) *The content of the course has been changed without notice to the commissioner and the change affects the number of hours of credit assigned to the course;*

(b) *A certificate of completion has been issued and hours have been credited to a person who has not completed the course;*

- (c) A certificate of completion has not been issued and hours have not been credited when requested to a person who has successfully completed the course;*
- (d) The quality of instruction is inadequate;*
- (e) The content of the course does not meet the objectives of subsection 3 of section 8 of this regulation; or*
- (f) The provider has not maintained the records required by subsection 2 section 10 of this regulation.*

2. The division or its designated representative may audit a course to ensure that the content or instructor meets the requirements of section 8 of this regulation.

3. If approval of a course is suspended or revoked by the commissioner, approval may be reinstated at the discretion of the commissioner and after the commissioner receives proof that the conditions giving rise to the suspension or revocation have been corrected.

Sec. 14. Chapter 683C of NAC is hereby amended by adding thereto a new section to read as follows:

1. An insurance consultant shall not offer his advice, counsel, opinion or service with respect to the benefits, advantages or disadvantages promised pursuant to a policy of industrial insurance unless he has completed a course in industrial insurance that satisfies the requirements of sections 8 to 13, inclusive, of this regulation.

2. As used in this section, "industrial insurance" means insurance which provides the compensation required by chapters 616A to 617, inclusive, of NRS and employer's liability insurance incidental to and provided in connection with that insurance.

Sec. 15. Chapter 616B of NAC is hereby amended by adding thereto a new section to read as follows:

1. A person who has been issued a solicitor's permit pursuant to NRS 616B.377 shall not advertise or offer for sale in this state any policies or memberships or solicit or receive any money, subscriptions, applications, premiums, assessments, memberships or any other fee or charge in connection with a proposed association of self-insured public or private employers unless he has completed a course in industrial insurance that satisfies the requirements of sections 8 to 13, inclusive, of this regulation.

Sec. 16. NAC 616B.510 is hereby amended to read as follows:

616B.510 As used in NAC 616B.510 to 616B.612, inclusive, *and section 15 of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 616B.513 to 616B.522, inclusive, have the meanings ascribed to them in those sections.