

LCB File No. R091-98

**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 chapter 686B of the Nevada Administrative Code. A workshop has been set for 9:00 a.m., on Thursday, May 7, 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.

ASSIGNED RISK PLAN FOR WORKERS' COMPENSATION INSURANCE

Proposed regulations, pursuant to NRS 686B.1771, to carry out the plan submitted by the advisory organization designated pursuant to NRS 686B.1764, for equitable apportionment among insurers of those persons who in good faith are entitled to industrial (workers' compensation) insurance, but who have not been accepted by an insurer, commonly referred to as the assigned risk plan.

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. Copy of this notice 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

Blasdel Building

Capitol Complex
Carson City, NV 89710

State Capitol
Capitol Complex
Carson City, NV 89710

County Clerk
Courthouse
Carson City, NV 89710

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

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

Elko County Library
720 Court Street
Elko, NV 89801

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

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

Lyon County Library
20 Nevin Way
Yerington, NV 89447

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

Capitol Complex
Carson City, NV 89710

Capitol Press Room
State Capitol Basement
Carson City, NV 89710

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

Churchill County Library
553 South Maine Street
Fallon, NV 89406

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

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

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

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

Mineral County Library
First & A Street
Hawthorne, NV 89415

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 chapter 616B of the Nevada Administrative Code.

REGULATION REGARDING THE PLAN FOR EQUITABLE APPORTIONMENT AMONG INSURERS OF THOSE PERSONS WHO IN GOOD FAITH ARE ENTITLED TO INSURANCE BUT WHO HAVE NOT BEEN ACCEPTED BY AN INSURER

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

1. The proposed regulation is needed to establish provisions for the administration of the assigned risk plan for workers' compensation insurers.
2. The regulation provides for the appointment of a plan administrator, participation in any reinsurance program, and the mandatory declination from SIIS.
3. Estimated economic effect of the regulation:
On the business which it is to regulate:
 - (a) The regulation should have a long-term beneficial impact on the industry as it establishes provisions for a plan that apportions unacceptable risks among all insurers.
 - (b) The regulation may have both an immediate and long-term adverse impact on the industry as it establishes a role for a plan administrator whose expenses will be covered by all qualified insurers.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
Capitol Complex
Carson City, NV 89710

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Carson City, NV 89710

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Fallon, NV 89406

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833 Las Vegas Blvd. North
Las Vegas, NV 89101

Douglas County Library
1625 Library Lane
Minden, NV 89423

Elko County Library
720 Court Street
Elko, NV 89801

Goldfield Public Library
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
P.O. Box 1390
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

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P.O. Box 14
Virginia City, NV 89440

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Reno, NV 89505

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Ely, NV 89301

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1401 East Flamingo Road
Las Vegas, NV 89119

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DATED this _____ day of _____, 19 ____.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. R091-98

**STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE**

**REGULATION REGARDING PLAN FOR EQUITABLE APPORTIONMENT AMONG
INSURERS OF THOSE PERSONS WHO IN GOOD FAITH ARE ENTITLED TO
INSURANCE BUT WHO HAVE NOT BEEN ACCEPTED BY AN INSURER**

Authority: NRS 686B.1771

Section 1. Chapter 686B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 12, inclusive, of this regulation.

Sec. 2. As used in sections 2 to 12, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 6, inclusive, of this regulation have the meanings ascribed to them in those sections.

Sec. 3. "Advisory organization" has the meaning ascribed to it in NRS 686B.1752.

Sec. 4. "Insurer" means the State Industrial Insurance System and all private carriers authorized to provide industrial insurance in this state, as defined in NRS 686B.1759.

Sec. 5. "Nevada Workers' Compensation Insurance Plan" means the plan submitted, pursuant to NRS 686B.1771(2) and NAC 616B.639(1)(b), by the advisory organization for the equitable apportionment among insurers of those persons who in good faith are entitled to insurance but who have not been accepted by an insurer.

Sec. 6. "Plan administrator" means the person designated by the Commissioner to handle the affairs of the plan and provide for its day-to-day operations.

Sec. 7. The plan administrator must provide not less than 180 days notice to the commissioner prior to terminating his administration of the plan.

Sec. 8. Each insurer providing workers' compensation insurance in this state shall:

(a) Participate in the Nevada Workers' Compensation Insurance Plan in accordance with the participation provisions of such plan; and

(b) Subscribe to the Articles of Agreement of the National Workers' Compensation Reinsurance Pool.

A copy of the Nevada Workers' Compensation Insurance Plan and the Articles of Agreement are available from:

The National Council on Compensation Insurance

Residual Market Communications

750 Park of Commerce Drive

Boca Raton, FL 33487

There is no associated charge for the documents.

Sec. 9. The plan administrator shall select an insurer to service the plan by a competitive bid process or by appointment, subject to the approval of the Commissioner.

Sec. 10. Premiums and losses are first ceded to the National Workers' Compensation Reinsurance Pool and are periodically redistributed based on each pool participant's proportionate voluntary market share in accordance with the Pool's Articles of Agreement or the Quota Share Reinsurance Agreement.

Sec. 11. 1. In order to qualify for insurance under the plan, an employer must receive a declination from a minimum of 2 non-affiliated insurers. One such declination must be from the State Industrial Insurance System. The mandatory declination from the system is a transitory procedure which expires on January 1, 2001.

2. The provisions of subsection 1 of this section do not prohibit an employer from submitting an application for insurance to more than two qualified insurers.

Sec. 12. 1. The plan administrator must have the plan available for workers' compensation insurance on and after July 1, 1999.

2. The plan becomes effective on July 1, 1999.