

**PROPOSED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**LCB File No. R091-98**

June 29, 1998

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

AUTHORITY: §§2-12, NRS 686B.1771.

**Section 1.** Chapter 686B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this regulation.

**Sec. 2.** *As used in sections 2 to 10, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3, 4 and 5 of this regulation have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Industrial insurance” means insurance which provides the compensation required by chapters 616A to 617, inclusive, of NRS and employer’s liability insurance provided in connection with that insurance.*

**Sec. 4.** *“Insurer” means the state industrial insurance system and all private carriers authorized to provide industrial insurance in this state.*

**Sec. 5.** *“Nevada Workers’ Compensation Insurance Plan” means the plan submitted by the advisory organization pursuant to subsection 2 of NRS 686B.1771 for the equitable apportionment among insurers of those persons who in good faith are entitled to industrial insurance but who have not been accepted by an insurer.*

**Sec. 6.** *1. The commissioner will appoint a plan administrator to perform the day-to-day management of the Nevada Workers' Compensation Insurance Plan.*

*2. The plan administrator shall select, pursuant to the rules of competitive bidding, an insurer to service the Nevada Workers' Compensation Insurance Plan. The insurer selected pursuant to this section must be approved by the commissioner.*

*3. The plan administrator shall notify the commissioner at least 180 days before the plan administrator terminates his management of the Nevada Workers' Compensation Insurance Plan.*

**Sec. 7.** *1. Each insurer providing industrial insurance in this state shall:*

*(a) Participate in the Nevada Workers' Compensation Insurance Plan; and*

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

*which are hereby adopted by reference.*

*2. Copies of the Nevada Workers' Compensation Insurance Plan and the Articles of Agreement of the National Workers' Compensation Reinsurance Pool may be obtained, free of charge, from the National Council on Compensation Insurance, Residual Market Communications, 750 Park of Commerce Drive, Boca Raton, Florida 33487.*

**Sec. 8.** *1. The premiums paid and losses incurred by insurers for industrial insurance provided pursuant to the Nevada Workers' Compensation Insurance Plan must be:*

*(a) Ceded first to the National Workers' Compensation Reinsurance Pool; and*

*(b) Redistributed periodically based on the proportionate voluntary market share of each participant in the pool, as set forth in:*

*(1) The Articles of Agreement of the National Workers' Compensation Reinsurance Pool; or*

*(2) The Quota Share Reinsurance Agreement of the National Council on Compensation Insurance, which is hereby adopted by reference.*

*2. A copy of the Quota Share Reinsurance Agreement of the National Council on Compensation Insurance may be obtained, free of charge, from the National Council on Compensation Insurance, Residual Market Communications, 750 Park of Commerce Drive, Boca Raton, Florida 33487.*

**Sec. 9.** *1. To qualify for insurance under the Nevada Workers' Compensation Insurance Plan, an employer must have been declined coverage by at least two insurers that are not affiliated with the Nevada Workers' Compensation Insurance Plan, one of which must be the state industrial insurance system.*

*2. The provisions of subsection 1 must not be construed to prohibit an employer from continuing to apply for industrial insurance after the employer has been declined coverage by two qualified insurers.*

**Sec. 10.** *The Nevada Workers' Compensation Insurance Plan becomes effective on July 1, 1999.*

**Sec. 11.** Section 9 of this regulation is hereby amended to read as follows:

1. To qualify for insurance under the Nevada Workers' Compensation Insurance Plan, an employer must have been declined coverage by at least two insurers that are not affiliated with the Nevada Workers' Compensation Insurance Plan . [**, one of which must be the state industrial insurance system.**]

2. The provisions of subsection 1 must not be construed to prohibit an employer from continuing to apply for industrial insurance after the employer has been declined coverage by two qualified insurers.

**Sec. 12.** 1. This section and sections 1 to 6, inclusive, of this regulation become effective upon filing with the secretary of state.

2. Sections 7 to 10, inclusive, of this regulation become effective on July 1, 1999.

3. Section 11 of this regulation becomes effective on January 1, 2001.