

LCB File No. R140-99

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE OF THE
DEPARTMENT OF BUSINESS AND INDUSTRY**

**NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON
PROPOSED REGULATIONS**

September 3, 1999

The Department of Business and Industry, Division of Insurance (Division) is proposing new regulations pertaining to consolidated insurance programs; amendments to regulations on associations of public and private self-insured employers; and new regulations for chapter 686B of NAC regarding the \$36,000 limitation on payroll and the administration of the Appeals Panel. A workshop has been set for 10:00 a.m., on October 13, 1999, 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. New regulations for consolidated insurance programs, including owner-controlled and contractor-controlled programs, which establish requirements for the filing of the program; certifications regarding the safety coordinator and claims administrators; submission of the plan for the pre-bid conference; and disclosure of other lines of insurance to be included in the program.**
- 2. Amendments to regulations for associations of self-insured public and private employers concerning letters of credit; assessments for the insolvency fund; security deposits; deposit bond for third-party administrators and association administrators; addition of members; assessments paid by members; and deletion of the loss-ratio requirement.**
- 3. New regulations for chapter 686B of NAC to establish a method of prorating the \$36,000 limitation on payroll on a monthly basis, and address the administration of the Appeals Panel.**

A copy of this notice and the proposed regulations 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 proposed regulations 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 regulations 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 Regulations 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

Lincoln County Library
93 Main Street

Battle Mountain, NV 89820

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

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 7th day of September, 1999.

Alice A. Molasky-Arman /s/
ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. R140-99

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE OF THE
DEPARTMENT OF BUSINESS AND INDUSTRY**

NOTICE OF INTENT TO ACT UPON REGULATIONS

Notice of Hearing for the Adoption 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 10:00 a.m., on October 13, 1999, immediately following a public workshop, 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 adoption of regulations for chapter 686B of NAC pertaining to the \$36,000 limitation on payroll and the administration of the Appeals Panel.

**REGULATIONS FOR THE \$36,000 LIMITATION ON PAYROLL AND THE
ADMINISTRATION OF THE APPEALS PANEL**

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

1. The proposed regulation is needed to address amendments to NRS 686B.039 and recognize the transition to a competitive environment; and to allow the effective administration of the Appeals Panel.
2. The proposed regulation requires the proration of the \$36,000 annual limitation on payroll on a monthly basis, and limits the type of appeals that may be heard by the Appeals Panel.
3. Estimated economic effect of the regulation:
On the business which it is to regulate:
 - (a) The regulation should not have any measurable beneficial impact on the industry.
 - (b) The regulation may have both an immediate and long-term adverse impact on insurers by limiting the amount of earned premium on short-term policies.On the public:

The amended regulation should have no economic impact on the public, though it may reduce premium expenditures for some employers.
4. The Division may incur some additional 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 any new fees.

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 October 6, 1999. 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

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

Churchill County Library
553 South Maine Street

Carson City, NV 89701

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
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

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 7th day of September, 1999.

Alice A. Molasky-Arman /s/
ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. R140-99

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE OF THE
DEPARTMENT OF BUSINESS AND INDUSTRY**

**REGULATION CONCERNING THE \$36,000 LIMITATION ON PAYROLL
AND THE ADMINISTRATION OF THE APPEALS PANEL**

Authority: NRS 679B.130

Section 1. Chapter 616B of NAC is hereby amended by adding thereto the provision set forth as section 2 of this regulation.

Sec. 2. *Any notice of cancellation or nonrenewal of a policy of industrial insurance by an insurer pursuant to subsection 3 of NRS 616B.033 is not effective unless it:*

- 1. Explains the employers' obligation to provide industrial insurance for its employees.*
- 2. Contains adequate instructions enabling the employer to apply for insurance through any voluntary or mandatory risk-sharing plan established pursuant to NRS 686B.1771 existing at the time of the notice, for which the policyholder may be eligible.*

Sec. 3. Chapter 686B of NAC is hereby amended by adding thereto the provisions set forth as sections 4 and 5, inclusive, of this regulation.

Sec. 4. *Grievances of employers to be heard by the Appeals Panel established pursuant to chapter 620, Statutes of Nevada 1999, at page 3376, shall be limited to those matters:*

- 1. Described in section 10 of that chapter; and*
- 2. That have been filed with the commissioner and effective on or after July 1, 1999.*

Sec. 5. *To determine the premium earned by an insurer under a policy of industrial insurance, the maximum amount paid to any one employee during the year in which a policy of industrial insurance is effective, as established pursuant to NRS 616B.039, shall be deemed to be earned at the rate of \$3,000 per month.*