

**LCB File No. R132-01**

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

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

September 24, 2001

The Department of Business and Industry, Division of Insurance (Division) is proposing new regulations pertaining to privacy of consumer financial information, the assessment of insurers for the special investigative account, and interest on preneed contracts. A workshop has been set for 10:00 a.m., on November 1, 2001, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

- 1. Consumer Financial Information: The proposed regulation establishes the requirements for privacy notices sent to consumers, limits the disclosure of nonpublic personal financial information to nonaffiliated third parties, and establishes the opt out requirements for disclosure of information.**
- 2. Assessment of Insurers: The proposed regulation establishes the procedure for determining the pro rata assessment of insurers for funding the special investigative account to investigate certain violations and fraudulent acts.**
- 3. Interest on Preneed Contracts: The proposed regulation establishes the interest rate to be paid on preneed contracts and identifies those contracts for which interest must be paid.**

Members of the insurance industry, business community, and the public are also invited to comment on any impact the proposed regulations may have on small businesses. The Division has reviewed the proposed regulations and determined that they may impose a direct or significant impact on a small business, or directly restrict the formation, operation, or expansion of a small business. The regulation on the assessment of insurers should not have any adverse impact on small businesses.

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, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, 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 [www.leg.state.nv.us](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 to 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  
788 Fairview Drive, Suite 300  
Carson City, NV 89701

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 5<sup>th</sup> Street  
Winnemucca, NV 89445

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

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

White Pine County Library  
950 Campton Street  
Ely, NV 89301

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

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

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

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

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 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, or by calling no later than 5 working days prior to the hearing, (702) 687-4270, extension 260.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

ALICE A. MOLASKY-ARMAN  
Commissioner of Insurance

By:  
JAMES R. JEPPSON  
Chief Insurance Assistant

# **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 November 1, 2001, immediately following a public workshop, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations pertaining to interest on preneed contracts.

### **REGULATIONS CONCERNING INTEREST ON PRENEED CONTRACTS**

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

1. The proposed regulation is needed to establish reasonable requirements for the amount and the timing of interest payments on terminated preneed contracts pursuant to sections 141, 142, 145 and 146 of chapter 446, Statutes of Nevada 2001, at pages 2216 and 2217.
2. The proposed regulation would identify those contracts for which interest must be paid, the rate of interest to be paid, and the timing of the payments.
3. Estimated economic effect of the regulation:  
On the business which it is to regulate:  
The proposed regulation may have both an immediate and long-term impact on the industry.  
On the public:  
The proposed regulations may have an economic impact on the public as it will establish the rate of interest earned on preneed contracts, thus affecting the amount of refunds and the cost of future contracts.
4. The Division may incur some additional expense to enforce the proposed regulation that cannot be measured at this time.
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 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, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Written submissions must be received by the Division on or before October 29, 2001. 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 proposed regulation will be available at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, 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  
788 Fairview Drive, Suite 300  
Carson City, NV 89701

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

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Elko, NV 89801

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Fourth & Cook Street  
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Lovelock, NV 89419

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P.O. Box 14  
Virginia City, NV 89440

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at 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, or by calling no later than 5 working days prior to the hearing, (702) 687-4270, extension 260.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

ALICE A. MOLASKY-ARMAN  
Commissioner of Insurance

By:  
JAMES R. JEPPSON  
Chief Insurance Assistant

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**LCB File No. R132-01**

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

**REGULATIONS CONCERNING INTEREST ON PRENEED CONTRACTS**

Authority: NRS 679B.130.

Section 1. Chapter 689 of NAC is hereby amended by adding a new section to read as follows:

- 1. Interest earned under a contract terminated pursuant to NRS 689.355, 689.365, 689.575 and 689.580 must be paid for any contract terminated after October 1, 2001. Interest shall be earned for the entire term of the contract, irrespective of the effective date of the contract.*
- 2. When there is no express rate of interest specified in the contract, interest must be allowed at a rate equal to the prime rate at the largest bank in Nevada, as ascertained by the commissioner of financial institutions, on January 1 or July 1, as the case may be, immediately preceding the date of the termination of the contract, plus 2 percent. A contract may specify a rate of interest of not less than 5 percent.*
- 3. All refunds, including interest earned, must be paid within 30 days of receipt of a written notice.*

staff/jepson/regs2002/preneed.reg