

LCB File No. R110-04

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

NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON PROPOSED REGULATION

The Department of Business and Industry, Division of Insurance (Division), is proposing new regulations pertaining to the failure to prosecute, or otherwise proceed with an administrative hearing, after having requested the hearing; various provisions relating to property and casualty insurance; self-insured workers' compensation; and the 2001 CSO Mortality Table for life insurance. A workshop has been set for 9:00 a.m., on June 24, 2004, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Interested parties may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 East Sahara Avenue, Manufactured Housing Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

1. Dismissal of Hearings. The proposed regulation updates and amends the hearings procedures before the Nevada Division of Insurance (Division) to expedite the administrative hearing process within the Division. The proposed regulation amends chapter 679B of the Nevada Administrative Code (NAC).
2. Various Provisions Relating to Property and Casualty Insurance. The proposed regulation defines thin file credit reports and addresses how thin files shall be treated. It clarifies that adverse actions based on credit information cannot be retroactive and describes how multi-policy accounts are to be treated. It updates the list of required filings. It provides for a consent-to-rate procedure that allows for lower rates in addition to higher rates. It updates the address of the National Council on Compensation Insurance. It updates the policy limit for air trip insurance in keeping with inflation. It changes the due dates of the medical malpractice loss prevention and control program report to make them consistent with NRS 680A.290. The proposed regulation amends chapters 686A, 686B and 690B of the NRS.
3. Self-Insured Workers' Compensation:
 - (a) Associations of Public or Private Employers - The proposed regulation will establish guidelines for associations requesting a dividend; will change the reporting threshold from \$50,000 to \$100,000 for medical costs or indemnity; will change the reporting requirements on any accident resulting in the hospitalization of three or more employees to five or more employees; and will update and amend the form numbers and schedules required for annual financial reporting.
 - (b) Self-Insured Employers - The proposed regulation will allow the use of multiple letters of credit to satisfy the tangible net worth requirements and will change the reporting threshold from \$50,000 to \$100,000 for medical costs or indemnity.

4. 2001 CSO Mortality Table for Life Insurance. This regulation adds a new section to chapter 688A of the NAC. The new section provides for adoption, by reference, the *2001 CSO Mortality Table for Use In Determining Minimum Reserve Liabilities and Nonforfeiture Benefits Model Regulation*. The proposed regulation applies to all life insurers doing business in this state.

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. 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 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
ATTN: Reference
P.O. Box 2151
Reno, NV 89505-2151

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 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, or by calling no later than 5 working days prior to the hearing, (775) 687-4270, extension 260.

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 9:00 a.m., on June 24, 2004, immediately following a public workshop, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Interested persons may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 East Sahara Avenue, Manufactured Housing Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of:

REGULATION CONCERNING DISMISSAL OF HEARINGS FOR FAILURE TO PROSECUTE OR FAILURE TO APPEAR AT THE HEARING AFTER HAVING REQUESTED THE HEARING

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. The proposed regulation will require parties to an administrative hearing, who have requested a hearing, to proceed with the hearing process without undue delays and continuations of the hearing. When a party requests a hearing, and a hearing is set pursuant to statutory requirements, and the requesting party fails to appear at the hearing, the Commissioner may, under this proposed regulation, dismiss the proceeding, with or without prejudice, proceed with the hearing without the requesting party, or recess the hearing to allow the party an opportunity to be present. The proposed regulation allows the Commissioner discretion in dismissing the case in which a party fails to prosecute, defend, or otherwise proceed with the case.
2. The proposed regulation will allow the administrative hearing process, within the Division of Insurance, to proceed in an expeditious manner, as contemplated in chapter 233B of the Nevada Revised Statutes.
3. Estimated economic effect of the regulation:

On the business which is to be regulated: The proposed regulation provides a more expeditious hearing process and should save the parties money.

On the public: None.

4. There should be no additional cost to the Division and could be reduced costs for hearings.

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 is not pursuant to federal regulation.
7. If the proposed regulations includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions. Not applicable.
8. The proposed regulation does not establish a new fee or increase an existing fee.
9. 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 June 17, 2004. 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.

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 Division of Insurance
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 Carson City, NV 89701

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LCB File No. R110-04

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

**Proposed Regulation Concerning Dismissal of Hearings for Failure to Prosecute or Failure to
Appear at the Hearing After Having Requested the Hearing**

Authority: NRS 679B.130

Section 1. Chapter 679B of the NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 3, inclusive, of this regulation.

Sec. 2. 1. *The Commissioner may, in her discretion, and for good cause, dismiss any action for want of prosecution upon motion of any party, or on the Commissioner's own motion, after due notice to the parties.*

2. *The Commissioner shall dismiss any action for want of prosecution if, after a period of one year from the date the action was filed, the party requesting the hearing, has, without good cause, caused the hearing to be unreasonably delayed.*

Sec. 3. NAC 679B.321 is hereby amended to read as follows:

If ~~the~~ *the* party *requesting the hearing* fails to appear at the time and place set for the hearing, the hearing officer may *proceed with the hearing without the party who has failed to appear*, dismiss the proceeding with or without prejudice, or may recess the hearing to a time set by him to enable the party to attend.