

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R063-06

Effective June 28, 2006

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

AUTHORITY: §1, NRS 679B.130; §2, NRS 616B.446 and 679B.130.

A REGULATION relating to self-insured employers; revising provisions relating to certain publications applicable to such employers; and providing other matters properly relating thereto.

Section 1. NAC 616B.427 is hereby amended to read as follows:

616B.427 1. To determine whether a governmental employer has the financial ability to qualify as a self-insured employer, the Commissioner will consider the use of fund accounting and waive the requirement for a tangible net worth found in NAC 616B.424. All other requirements for qualification apply to the governmental entity.

2. In addition to the deposit required by NRS 616B.300, a governmental entity that does not meet the requirements of subsection 1 ~~§~~ shall:

(a) Comply with the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which may be obtained from the Governmental Accounting Standards Board, ~~[P.O. Box 30784, Hartford, Connecticut 06150,]~~ *401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116*, at a cost of ~~[\$5.50,]~~ *\$16.25*; or

(b) Set aside, in a special reserve account, an amount equal to the deposit it made with the Commissioner to assure payment of claims. This account must be held in trust for the payment of claims, and all interest and income earned must be credited to that ~~fund~~ *account*. If securities

are used for this account, then the form of the securities must be submitted to the Commissioner for his approval.

Sec. 2. NAC 616B.606 is hereby amended to read as follows:

616B.606 The Commissioner hereby adopts by reference the Property/Casualty Insurance Annual Statement Blanks and the Annual Statement Instructions for the Property/Casualty Manual of the National Association of Insurance Commissioners. A copy of these publications may be purchased from ~~[the National Association of Insurance Commissioners, 120 West 12th Street, Suite 1100, Kansas City, Missouri 64105-1925, for \$75 and \$150,]~~ *NAIC Publications Customer Service, 2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662, for \$200 and \$225*, respectively.

**NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R063-06**

The Commissioner of Insurance adopted regulations assigned LCB File No. R063-06 which pertain to chapter 616B of the Nevada Administrative Code on June 8, 2006.

Notice date: 3/29/2006
Hearing date: 5/4/2006

Date of adoption by agency: 6/8/2006
Filing date: 6/28/2006

INFORMATIONAL STATEMENT

A workshop and hearing was held on May 4, 2006, at the offices of the Department of Business and Industry, Division of Insurance (Division), 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, with a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, Manufactured Housing Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104, regarding the adoption of the regulation on updating certain costs of current publications.

Public comment was solicited by posting notice of the hearing in the following public locations: the Division's Carson City Office, Legislative Counsel Bureau, Capitol Building Lobby, Blasdel Building, Carson City Courthouse, State Library, Capital Press Room, and the Division's Las Vegas Office.

The Division maintains a list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. These persons were notified of the hearing and that copies of the regulation could be obtained from or examined at the offices of the Division in Carson City.

The workshop and hearing was attended by 12 individuals. Gary Cooper, Chief of the Self-Insured Workers' Compensation Section, represented the Division and provided oral testimony explaining the proposed amendments to Nevada Administrative Code (NAC) 616B.427 and NAC 616B.606. No written comments were received.

After considering the testimony provided during the hearing, and the recommendation of the Hearing Officer, the Commissioner has issued an order adopting the Legislative Counsel Bureau's (LCB) version of the proposed regulation, LCB File No. R063-06, as a permanent regulation of the Division.

Based upon the testimony received at the hearing, the regulation is revised to read as follows:

1. Paragraph (a) of subsection 2 of section 1 is amended to read as follows:

(a) Comply with the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which may be obtained from the

Governmental Accounting Standards Board, [~~P.O. Box 30784, Hartford, Connecticut 06150,~~] **401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116**, at a cost of [~~\$5.50;~~] **\$16.25**; or

2. Paragraph (b) of subsection 2 of section 1 is amended to read as follows:

(b) Set aside, in a special reserve account, an amount equal to the deposit it made with the Commissioner to assure payment of claims. This account must be held in trust for the payment of claims, and all interest and income earned must be credited to that [~~fund.~~] **account**. If securities are used for this account, then the form of the securities must be submitted to the Commissioner for his approval.

3. Section 2 is amended to read as follows:

The Commissioner hereby adopts by reference the Property/Casualty Insurance Annual Statement Blanks and the Annual Statement Instructions for the Property/Casualty Manual of the National Association of Insurance Commissioners. A copy of these publications may be purchased from [~~the National Association of Insurance Commissioners, 120 West 12th Street, Suite 1100, Kansas City, Missouri 64105-1925, for \$75 and \$150,~~] **NAIC Publications Customer Service, 2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662, for \$200 and \$225**, respectively.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: None
- (b) On the public: None

The regulation imposes no additional cost to enforce the regulation.

The Division is not aware of any overlap or duplication of the regulation with any state, local, or federal regulation.

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

IN THE MATTER OF

CAUSE NO. **06.402**
LCB FILE NO. R063-06

**THE PROPOSED REGULATION
CONCERNING CERTAIN COSTS OF
CURRENT PUBLICATIONS.**

**SUMMARY OF PROCEEDINGS
AND ORDER**

A public workshop, as required by Nevada Revised Statute (NRS) 233B.061, on the proposed regulation concerning amendments to Nevada Administrative Code (NAC) 616B.427 and NAC 616B.606 was held before Pamela Mackay, Deputy Insurance Commissioner, on May 4, 2006, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. A public hearing on the proposed regulation was also held before Pamela Mackay, Deputy Insurance Commissioner, on May 4, 2006, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. The amendments are proposed pursuant to NRS 679B.130 and update information concerning the current cost and mailing addresses for certain publications.

The hearing was attended by 12 individuals. Testimony was received at the hearing from Gary Cooper, Chief of the Self-Insured Workers' Compensation Section, representing the Nevada Department of Business and Industry, Division of Insurance (Division). No written comments were received by the Division.

Mr. Cooper testified that the intent of the proposed regulation was to make three changes to the current language. The first change is an address and a monetary cost update for the *Statement No. 10 of the Governmental Accounting Standards Board* in NAC 616B.427(2)(a). The second change clarifies language by replacing the word "fund" with "*account*" in NAC 616B.427(2)(b). The third change revises the costs and addresses of the *Property/Casualty*

Insurance Annual Statement Blanks and the Annual Statement Instructions for the Property/Casualty Manual in NAC 616B.606.

Based upon the testimony received at the hearing, the regulation is revised to read as follows:

1. Paragraph (a) of subsection 2 of section 1 is amended to read as follows:

(a) Comply with the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which may be obtained from the Governmental Accounting Standards Board, [~~P.O. Box 30784, Hartford, Connecticut 06150,~~] **401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116**, at a cost of [~~\$5.50;~~] **\$16.25**; or

2. Paragraph (b) of subsection 2 of section 1 is amended to read as follows:

(b) Set aside, in a special reserve account, an amount equal to the deposit it made with the Commissioner to assure payment of claims. This account must be held in trust for the payment of claims, and all interest and income earned must be credited to that [~~fund.~~] **account**. If securities are used for this account, then the form of the securities must be submitted to the Commissioner for his approval.

3. Section 2 is amended to read as follows:

The Commissioner hereby adopts by reference the Property/Casualty Insurance Annual Statement Blanks and the Annual Statement Instructions for the Property/Casualty Manual of the National Association of Insurance Commissioners. A copy of these publications may be purchased from [~~the National Association of Insurance Commissioners, 120 West 12th Street, Suite 1100, Kansas City, Missouri 64105-1925, for \$75 and \$150,~~] **NAIC Publications Customer Service, 2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662, for \$200 and \$225**, respectively.

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RECOMMENDED ORDER OF THE HEARING OFFICER

Based upon the testimony received at the hearing, it is recommended that the Legislative Counsel Bureau's (LCB) version of the proposed regulation concerning certain costs of current publications, LCB File No. R063-06, be adopted, as amended, as a permanent regulation of the Division. See attached.

SO RECOMMENDED this _____ day of June, 2006.

PAMELA MACKAY
Hearing Officer

ORDER OF THE COMMISSIONER

Having reviewed the record in this matter, it is hereby ordered that LCB's version of the proposed regulation concerning certain costs of current publications, proposing amendments to NAC 616B.427 and NAC 616B.606, LCB File No. R063-06, be adopted, as amended, as a permanent regulation of the Division.

SO ORDERED this _____ day of June, 2006.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance