

LCB File No. R063-06

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

AMENDED

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

The Department of Business and Industry, Division of Insurance (Division), is proposing new regulations pertaining to current costs of certain publications, special deposits for insurers of workers' compensation, and examiner rates as published by the NAIC. A workshop has been set for **9:00 a.m., on May 4, 2006**, 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. **Update Current Costs of Certain Publications.** NAC 616B.427 and NAC 616B.606 are amended to update the current costs of certain publications cited in those regulations.
2. **Establishing Special Deposits for Insurers of Workers' Compensation.** NAC 682B.020 is amended to establish special deposits for insurers of workers' compensation. The proposal will increase the amount of the deposit most insurers presently have pledged for benefit of this State for the benefit of claimants of insolvent insurers of workers' compensation policies in the future.
3. **Remove Reference to Examiner Rates as Published by the NAIC.** NAC 679B.0335 is amended to remove reference to examiner rates as published by the National Association of Insurance Commissioners (NAIC). The proposed amendment to NAC 679B.0335 eliminates the reference to posted NAIC rates for examiner compensation. The purpose of removing the reference to examiner rates as published by the NAIC will provide greater latitude in procuring well qualified, competent contract examiner resources.

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

Lincoln County Library

Battle Mountain Branch Library
P.O. Box 141
Battle Mountain, NV 89820

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, (702) 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 May 4, 2006**, 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 AMENDMENTS TO NAC 616B.427 and NAC 616B.606 TO UPDATE COSTS OF CERTAIN PUBLICATIONS

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

1. A statement of the need for and purpose of the proposed regulation:

NAC 616B.427 identifies requirements for qualifying as a self-insured employer and references to compliance with Statement No. 10 of the Governmental Accounting Standards Board. This regulation includes the cost and the location where the Statement may be obtained. This amendment will provide the current cost of Statement 10.

NAC 616B.606 references publications available for purchase from the National Association of Insurance Commissioners. This regulation includes the cost of each item and the location where it can be obtained. This amendment will provide the current cost of those publications.

2. Either the terms or substance of the proposed regulation or a description of the subjects and issues involved:

See 1., above.

3. Estimated economic effect of the regulation:

(I) On the business which it is to regulate: Nothing of significance.

(II) On the public: Nothing of significance.

4. A statement identifying the methods used by the agency in determining the impact on a small

business prepared pursuant to subsection 3 of NRS 233B.0608:

The agency's familiarity with the minimal cost to obtain certain publications.

5. The estimated cost to the agency for enforcement of the proposed regulation:

No new cost.

6. A description of any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary; if the regulation overlaps or duplicates a federal regulation, the notice must include the name of the regulating federal agency:

None.

7. If the regulation is required pursuant to federal law, a citation and description of the federal law:

Not applicable.

8. If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions:

Not applicable.

9. Include a statement indicating whether the regulation establishes a new fee or increases an existing fee:

The proposed regulation does not establish any new fees or increase any 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 April 27, 2006. 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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Goldfield, NV 89013

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

Lyon County Library
20 Nevin Way
Yerington, NV 89447

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

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

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1401 East Flamingo Road
Las Vegas, NV 89119

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LCB File No. R063-06

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

PROPOSED AMENDMENT TO UPDATE COSTS IN THE
REGULATION FOR GOVERNMENTAL EMPLOYER: QUALIFICATION AS SELF-
INSURED EMPLOYER;

PROPOSED AMENDMENT TO UPDATE COSTS IN THE REGULATION
FOR ADOPTION BY REFERENCE OF CERTAIN PUBLICATIONS

AUTHORITY: NRS 679B.130

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

616B.427 1. To determine whether a governmental employer had 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, 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. 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 1. 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]~~ *\$200 and \$200*, respectively.