

**PROPOSED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**LCB File No. R064-06**

April 25, 2006

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

AUTHORITY: §§1-4, NRS 679B.130 and 694C.170.

A REGULATION relating to captive insurers; revising provisions concerning certain publications applicable to such insurers; revising provisions governing the examination of an applicant for a certificate of authority; and providing other matters properly relating thereto.

**Section. 1.** Chapter 694C of NAC is hereby amended by adding thereto a new section to read as follows:

*“Accountant,” “certified public accountant” and “independent certified public accountant” mean an independent certified public accountant or accounting firm in good standing with the American Institute of Certified Public Accountants and with all states in which the accountant or accounting firm is licensed to practice.*

**Sec. 2.** NAC 694C.010 is hereby amended to read as follows:

694C.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 694C.030 and 694C.080 *and section 1 of this regulation* have the meanings ascribed to them in those sections.

**Sec. 3.** NAC 694C.090 is hereby amended to read as follows:

694C.090 The Commissioner hereby adopts the following publications by reference:

1. The *Property/Casualty Insurance Annual Statement Blanks (ASB-PU)* and the *Annual Statement Instructions for the Property/Casualty Manual* ~~[ ]~~ (*ASI-PU*), published by the National Association of Insurance Commissioners. A copy of these publications may be purchased from NAIC-Publications ~~[, P.O. Box 87 7870,]~~ *Customer Service, 2301 McGee Street, Suite 800*, Kansas City, Missouri ~~[64187-7870, or]~~ *64108-2662*, by telephone at ~~[(816) 374-7259, for \$125 and \$175, respectively.]~~ *(816) 783-8300, by fax at (816) 460-7593 or by electronic mail at prodserv@naic.org at a cost of \$200 for ASB-PU and \$225 for ASI-PU.*

2. The *AICPA Professional Standards*, published by the American Institute of Certified Public Accountants. A copy of this publication may be obtained from the American Institute of Certified Public Accountants, Order Department, P.O. Box 2209, Jersey City, New Jersey 07303-2209, ~~[or]~~ by telephone at (888) 777-7077 ~~[, for \$95 for members of the American Institute of Certified Public Accountants and \$119]~~ *or by fax at (800) 362-5066. This publication is available on CD-ROM at a cost of \$245 for members of the AICPA or \$306.25 for nonmembers. The publication is available in loose-leaf binder at a cost of \$315 for members of the AICPA or \$393.75 for nonmembers.*

3. *Original Pronouncements and Current Text*, published by the Financial Accounting Standards Board. A copy of ~~[:]~~ *each of these publications may be obtained online at <http://www.fasb.org> or by telephone at (800) 748-0659. The cost of:*

(a) The *Original Pronouncements* ~~[may be obtained:~~

~~—(1) For members of the American Institute of Certified Public Accountants, from the American Institute of Certified Public Accountants, Order Department, P.O. Box 2209, Jersey City, New Jersey 07303-2209, or by telephone at 888.777.7077, for \$95.~~

~~—— (2) For all others, from John Wiley and Sons, Inc., Distribution Center, 1 Wiley Drive, Somerset, New Jersey 08875-1272, or by telephone at 800.225.5945, for \$44.95.] is \$125.~~

(b) The *Current Text* ~~[may be obtained:~~

~~—— (1) For members of the American Institute of Certified Public Accountants, from the American Institute of Certified Public Accountants, Order Department, P.O. Box 2209, Jersey City, New Jersey 07303-2209, or by telephone at 888.777.7077, for \$95.~~

~~—— (2) For all others, from John Wiley and Sons, Inc., Distribution Center, 1 Wiley Drive, Somerset, New Jersey 08875-1272, or by telephone at 800.225.5945, for \$44.95.] is \$110.~~

(c) *Both publications purchased as a set is \$215.*

**Sec. 4.** NAC 694C.100 is hereby amended to read as follows:

694C.100 ~~[In addition to the processing of an application of a captive insurer for licensure, the]~~ *The* Commissioner may perform a qualifying investigation or examination of ~~[the]~~ *an* applicant *either* before *or after* the applicant ~~[may receive the license.]~~ *is issued a certificate of authority.* Such an investigation or examination may consist of a general survey of the corporate records of the applicant, including:

1. The charter, bylaws and minute books of the applicant;
2. Verification of the principal place of business of the applicant;
3. A determination of the assets and liabilities of the applicant;
4. A review of the accounting systems and rules for underwriting of the applicant; and
5. A review of such other factors as the Commissioner deems necessary.