

LCB File No. R065-06

**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 AMENDMENT TO NAC 682B.020 ESTABLISHING SPECIAL DEPOSITS FOR INSURERS OF WORKERS' COMPENSATION

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:

The purpose of the amendment is to establish a specific amount for special deposits pertinent to workers' compensation insurers. 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.

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

The proposed regulation provides for an increase in the amount of the special deposit provided for under NRS 682B.015 and 682B.010, 682B.020, and 682B.030 of the Nevada Administrative Code for specific application to insurers of workers' compensation insurance written in Nevada.

3. Estimated economic effect of the regulation:

(I) The net effect upon regulated business will be a requirement to increase the amount of the collateral on deposit with the Commissioner.

(II) The estimated economic effect of the regulation will increase the amount of collateral available to the Commissioner for benefit of claimants of insolvent insurers of workers' compensation policies in the future.

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:

Insurers underwriting workers' compensation coverage in Nevada are not small businesses, therefore the regulation will have no impact upon small businesses.

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

The Division will not incur additional expense for enforcement of the proposed regulation.

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:

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

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

The proposed regulation is not pursuant to federal law.

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

There are no federal regulations pertaining to examinations of insurers.

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
788 Fairview Drive, Suite 300
Carson City, NV 89701

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
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Eureka, NV 89316

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Hawthorne, NV 89415

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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

Winnemucca, NV 89445

Lincoln County Library
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

Clark County Library
1401 East Flamingo Road
Las Vegas, NV 89119

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LCB File No. R065-06

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

**PROPOSED AMENDMENT TO REGULATION CONCERNING
SPECIAL DEPOSITS FOR INSURERS OF WORKERS' COMPENSATION**

AUTHORITY: NRS 679B.130

Section 1. NAC 682B.020 is hereby amended to read as follows:

682B.020 1. The commissioner may require any authorized insurer who is subject to the provisions of chapter 680A of NRS, at the time of or any time after its admission, and any eligible insurer who is subject to the provisions of chapter 685A of NRS, at the time of becoming or any time after becoming eligible, to deposit with the commissioner a special deposit. To determine which insurer will be required to make a special deposit and in what amount, the commissioner will consider:

- (a) The amount of business being transacted or to be transacted in this state by the insurer;
- (b) The financial strength of the insurer; and
- (c) The ability of the insurer to fulfill its policy obligations.

2. The required amount of the special deposit for insurers of workers' compensation is 2% of the annual written premium attributed to workers' compensation policies in Nevada as reported in the insurer's annual financial report but not less than \$100,000.

~~2~~ 3. Any deposit made pursuant to this section must be deposited, released and maintained in accordance with NRS 682B.015.