

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R082-06

Effective September 18, 2006

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

AUTHORITY: §1, NRS 679B.130 and 680A.265.

A REGULATION relating to insurance; clarifying that the exemption of an insurer from certain requirements applies only to the immediately preceding calendar year; and providing other matters properly relating thereto.

Section 1. NAC 680A.172 is hereby amended to read as follows:

680A.172 For the purposes of NRS 680A.265, the Commissioner will find that good cause exists for the exemption of an insurer from the requirements of NRS 680A.265 for the *immediately preceding calendar* year if, at the end of ~~[the most previous calendar]~~ *that* year, the insurer has direct premiums written in this State in an amount which is less than \$1,000,000 and has less than 1,000 policyholders, certificate holders, enrollees, members or subscribers of directly written policies in the United States unless:

1. The Commissioner makes a specific finding that compliance by that insurer is necessary for the Commissioner to carry out his statutory responsibilities; or
2. The insurer has assumed premiums pursuant to contracts or treaties of reinsurance in an amount of \$1,000,000 or more.

NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R082-06

The Commissioner of Insurance adopted regulations assigned LCB File No. R082-06 which pertain to chapter 680A of the Nevada Administrative Code on July 18, 2006.

Notice date: 4/12/2006
Hearing date: 5/18/2006

Date of adoption by agency: 7/18/2006
Filing date: 9/18/2006

INFORMATIONAL STATEMENT

A workshop and hearing was held on May 18, 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, Real Estate Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104, concerning the exemption of an insurer from certain requirements applying only to the immediately preceding calendar year.

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, Capitol Press Room, and the Division's Las Vegas Office.

The Division maintains a general list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. These persons were also 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 hearing was attended by three interested parties in Carson City and no interested parties in Las Vegas. The Division received no written comments on the proposed regulation.

Stephen L. Wright, Chief Examiner, Corporate and Financial Section of the Division presented the proposed regulation. There were no revisions made to the proposed regulation. The Commissioner has issued an order adopting the proposed regulation, LCB File No. R082-06, as a permanent regulation of the Division.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: The proposed regulation will not have an adverse impact upon industry.
- (b) On small businesses: The proposed regulation will not have an adverse impact upon small businesses.

- (c) On the public: The proposed regulation will have a beneficial impact upon the public by requiring regular contact with the Division to obtain approval for the year's financial reporting.

The Division will not incur additional expense to enforce the proposed 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 THE

CAUSE NO. **06.435**
LCB File No. R082-06

**PROPOSED REGULATION
REGARDING
EXEMPTION OF AN INSURER FROM
CERTAIN REQUIREMENTS.**

**SUMMARY OF PROCEEDINGS
AND ORDER**

SUMMARY OF PROCEEDINGS

A public workshop, as required by Nevada Revised Statute (“NRS”) 233B.061, on the proposed regulation concerning exemption of an insurer from certain requirements was held before Pamela Mackay, Deputy Insurance Commissioner, on May 18, 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 the Deputy Insurance Commissioner on May 18, 2006, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. The regulation is proposed under the authority of NRS 679B.130.

The Department of Business and Industry, Division of Insurance (“Division”), received no oral or written comments from the public. Stephen L. Wright, representing the Division, presented the regulation. Mr. Wright explained that the changes to the existing regulation are needed to clarify that the exemption of an insurer from certain requirements applies only to the immediately preceding year.

The Hearing Officer closed the hearing and directed Stephen L. Wright to prepare the Informational Statement Letter and Order.

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RECOMMENDED ORDER OF THE HEARING OFFICER

Based upon the testimony received at the hearing, it is recommended that the proposed regulation regarding exemption of an insurer from filing certain requirements, LCB File No. R082-06, be adopted, as a permanent regulation of the Division.

SO RECOMMENDED this _____ day of July, 2006.

PAMELA A. MACKAY
Hearing Officer

ORDER OF THE COMMISSIONER

Having reviewed the record in this matter, it is hereby ordered that the proposed regulation regarding exemption of an insurer from filing certain requirements, LCB File No. R082-06, be adopted as a permanent regulation of the Division.

SO ORDERED this _____ day of July, 2006.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance