

LCB File No. R101-06

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

**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 rate service organizations and lost cost adoption; use of chargeable accidents and proposed repeal of Nevada Administrative Code (NAC) 690B.230; and repeal of certain regulations concerning company rate and form filing requirements. A workshop has been set for **9:00 a.m., on May 25, 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. Rate Service Organizations and Loss Cost Adoption. The proposed amendments to Chapter 686B of the NAC provide that rate service organizations shall be examined at intervals not less than 5 years. Also clarified is that insurers underwriting policies of industrial insurance (workers' compensation) must use the current approved loss costs filed by the advisory organization. Some insurers may have been confused by the language in NAC 686B.460 which was never intended to apply to policies of industrial insurance.**
- 2. Use of Chargeable Accidents and Proposed Repeal of NAC 690B.230. The proposed amendment to Chapter 687B of the NAC clarifies that insurers cannot use non-chargeable accidents in rating, cancellation or non-renewal of a private passenger auto policy. Also, proposed repeal of NAC 690B.230.**
- 3. Repeal of Certain Publications Concerning Company Rate and Form Filing Requirements. Repeal of NAC 680B.060 which allows an insurer to submit one rate and form filing on behalf of a group of insurers rather than submitting one rate and form filing for each insurer. Repeal of NAC 680B.080 which requires surplus lines carriers to pay certain filing fees to the Division.**

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 25, 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:

PROPOSED REPEAL OF CERTAIN REGULATIONS CONCERNING COMPANY RATE AND FORM FILING REQUIREMENTS

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

Repealing NAC 680B.060 eliminates the rule that allows a group to file one rate and/or form filing on behalf of multiple companies within that group. Requiring a company to submit individual filings allows the Division to more efficiently track rate and form filings.

The repeal of NAC 680B.080 is housekeeping. Surplus Lines insurers are required to submit an amended affidavit and report of coverage to the Nevada Surplus Lines Association. There is no fee for an amended affidavit.

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

Repeals NAC 680B.060 and NAC 680B.080.

3. Estimated economic effect of the regulation:

(I) Both adverse and beneficial effects: The filing fee for companies under a group would increase by having to submit a separate filing fee for each company. This charge is minimal (\$25 each rate/policy, \$10 each endorsement/policy jacket). The filing fees collected by the Division might increase slightly.

There is no economic impact by repealing NAC 680B.080.

(II) Both immediate and long-term effects: See (I) above.

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:

There is no impact on a small business. Only companies under a group might be affected.

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

There is no additional cost to the agency for enforcement of the proposed regulation. If a group filing is received, the Division will request separate company filings at that time.

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:

There is no new fee or increase in an 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 May 18, 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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Carson City, NV 89701

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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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COMMISSIONER OF INSURANCE**

**PROPOSED REPEAL OF CERTAIN REGULATIONS CONCERNING COMPANY RATE
AND FORM FILING REQUIREMENTS**

AUTHORITY: NRS 679B.130

Repeal of regulation that allows an insurer to submit one rate and form filing on behalf of a group of insurers rather than submitting one rate and form filing for each insurer.

Repeal of regulation that requires Surplus Lines carriers to pay certain filing fees to the Division of Insurance.

Section 1. NAC 680B.060 is repealed.

Sec. 2. NAC 680B.080 is repealed.