

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R127-06

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 692A.090; §2, NRS 679B.130, 692A.090 and 692A.1045.

A REGULATION relating to title insurance; revising provisions governing the supervision and examination of title agents and title insurers; and providing other matters properly relating thereto.

Section 1. NAC 692A.010 is hereby amended to read as follows:

692A.010 As used in this chapter, unless the context otherwise requires:

1. The words and terms defined in NRS ~~[692A.021]~~ **692A.015** to 692A.080, inclusive, have the meanings ascribed to them in those sections.

2. “Bona fide resident” means a:

(a) Person who actually resides in this ~~[state]~~ **State** with the intent that it be his domicile; or

(b) Firm or corporation which maintains its principal place of business in this ~~[state]~~ **State**

and whose articles of incorporation or partnership agreement ~~[authorize]~~ **authorizes** it to do business in this ~~[state.]~~ **State.**

3. “Commissioner” means the Commissioner of Insurance.

4. “Division” means the Division of Insurance of the Department of Business and Industry.

Sec. 2. NAC 692A.130 is hereby amended to read as follows:

692A.130 1. Except as otherwise provided in subsection 2, the fees to be paid by title agents and title insurers for ~~[the]~~ supervision and examination ~~[are those set forth in the scales and limitations recommended for fees]~~ *may include, without limitation:*

(a) For a financial examiner or market conduct examiner, a daily salary as defined in the Examiners Handbook published by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033 ~~[]~~, or such other compensation as the Commissioner may authorize.

(b) For expert assistants, a daily salary or other compensation based upon the rate established in the contract approved by the State Board of Examiners.

(c) The maximum per diem rate for the location of the examination as set forth in the Federal Travel Regulation System, 41 C.F.R. chapters 300 to 304, inclusive.

(d) Expenses for transportation, including, without limitation, the cost of airfare, rail fare, taxicab fare and automobile rental and the reimbursement of any personal automobile expenses necessary to reach the location of the examination. The calculation of expenses for transportation may include expenses for transportation incurred by virtue of the length of time necessary to complete the examination.

(e) Upon approval of the Commissioner, miscellaneous expenses incurred by the examiner and assistants while performing an examination. Miscellaneous expenses may include, without limitation, expenses for telephone calls, facsimile transmissions and postal charges relating to the examination.

2. If, pursuant to subsection 4 of NRS 692A.100, the examination is performed by the Commissioner of Financial Institutions, the fee will be \$50 per hour.

3. In addition to the fee charged pursuant to subsection 1 or 2, the Commissioner *of Insurance* will also charge the title agent or title insurer ~~]:~~

- ~~—(a) A reasonable amount for related travel, hotel and meal expenses; and~~
- ~~—(b) To cover administrative costs,]~~ an amount equal to one-half of the fee charged pursuant to *paragraphs (a) and (b) of* subsection 1 or *subsection 2* ~~]:~~ *to cover administrative costs.*

**NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R127-06**

The Commissioner of Insurance adopted regulations assigned LCB File No. R127-06 which pertain to chapter 692A of the Nevada Administrative Code on July 18, 2006.

Notice date: 5/16/2006
Hearing date: 6/22/2006

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

INFORMATIONAL STATEMENT

A workshop and hearing was held on June 22, 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 revision of provisions governing the supervision and examination of title agents and title insurers.

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 13 interested parties in Carson City and 12 interested parties in Las Vegas. The Division received no written comments on the proposed regulation.

There were additional, but minor, amendments to the proposed regulation pursuant to the workshop and hearing. The Commissioner has issued an order adopting the proposed regulation, LCB File No. R127-06, as amended, as a permanent regulation of the Division.

Based upon the testimony received at the hearing, the regulation is revised to read as follows (see **bold underlined italics**):

1. Section 2 is amended to read as follows: NAC 692A.130 is hereby amended to read as follows:

692A.130 1. Except as otherwise provided in subsection 2, the fees to be paid by title agents and title insurers for ~~the~~ supervision and examination ~~are those set forth in the scales and limitations recommended for fees~~ ***may include, without limitation:***

- (a) *For a financial examiner or market conduct examiner, a daily salary as defined in the Examiners Handbook published by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033 ~~[-]~~ , or such other compensation as the Commissioner may authorize.*
- (b) *For expert assistants, a daily salary or other compensation based upon the rate established in the contract approved by the State Board of Examiners.*
- (c) *The maximum per diem rate for the location of the examination as set forth in the Federal Travel Regulation System of the General Services Administration, 41 C.F.R. Parts 300-1 to 304-9, inclusive.*
- (d) *Expenses for transportation, including, without limitation, the cost of airfare, rail fare, taxicab fare and automobile rental and the reimbursement of any personal automobile expenses necessary to reach the location of the examination. The calculation of expenses for transportation may include expenses for transportation incurred by virtue of the length of time necessary to complete the examination.*
- (e) *Upon approval of the Commissioner, miscellaneous expenses incurred by the examiner and assistants while performing an examination. Miscellaneous expenses may include, without limitation, expenses for telephone calls, facsimile transmissions and postal charges relating to the examination.*

2. If, pursuant to subsection 4 of NRS 692A.100, the examination is performed by the Commissioner of Financial Institutions, the fee will be \$50 per hour.

3. In addition to the fee charged pursuant to subsection 1 or 2, the Commissioner will also charge the title agent or title insurer ~~[-]~~

~~(a) A reasonable amount for related travel, hotel and meal expenses; and~~

~~(b) To cover administrative costs,]~~ an amount equal to one-half of the fee charged pursuant to paragraphs (a) and (b) of subsection 1 or subsection 2 ~~[-]~~ to cover administrative costs.

The further amendments are necessary to eliminate any confusion regarding the Division's administrative costs which are to be based upon amounts calculated as provided under paragraphs (a) and (b) of subsection 1 of section 2, or subsection 2 of section 2, of the revised regulation.

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 not have an adverse impact upon the public.

The Division will not incur additional expense to enforce the proposed regulation. The Division is also 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. **06.469**
LCB File No. R127-06

**PROPOSED REGULATION REGARDING
TITLE INSURANCE, REVISING
PROVISIONS GOVERNING THE
SUPERVISION AND EXAMINATION OF
TITLE AGENTS AND TITLE INSURERS.**

**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 title insurance, revising provisions governing the supervision and examination of title agents and title insurers was held before Alice A. Molasky-Arman, Commissioner of Insurance and Hearing Officer, and Gary Cooper, Chief of the Self-Insured Workers’ Compensation Section as Co-Hearing Officer, on June 22, 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 Commissioner of Insurance on June 22, 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 make the language of the regulation more consistent with the intent of NRS 679B.290.

The Hearing Officer directed that the proposed regulation be further clarified with respect to the Division’s administrative charge and that the charge is limited only to amounts billed as examiner compensation as is contemplated under similar language in Nevada Administrative Code (“NAC”) 679B.0335.

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

Based upon the testimony received at the hearing, the proposed regulation, LCB File No. R127-06, is further revised to read as follows:

1. Section 2 is further amended to read as follows (see ***bold underlined italics***):

692A.130 1. Except as otherwise provided in subsection 2, the fees to be paid by title agents and title insurers for ~~the~~ supervision and examination ~~are those set forth in the scales and limitations recommended for fees~~ ***may include, without limitation:***

(b) ***For a financial examiner or market conduct examiner, a daily salary as defined in the Examiners Handbook published by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033 ~~[-]~~, or such other compensation as the Commissioner may authorize.***

(c) ***For expert assistants, a daily salary or other compensation based upon the rate established in the contract approved by the State Board of Examiners.***

(d) ***The maximum per diem rate for the location of the examination as set forth in the Federal Travel Regulation System of the General Services Administration, 41 C.F.R. Parts 300-1 to 304-9, inclusive.***

(e) ***Expenses for transportation, including, without limitation, the cost of airfare, rail fare, taxicab fare and automobile rental and the reimbursement of any personal automobile expenses necessary to reach the location of the examination. The calculation of expenses for transportation may include expenses for transportation incurred by virtue of the length of time necessary to complete the examination.***

(f) ***Upon approval of the Commissioner, miscellaneous expenses incurred by the examiner and assistants while performing an examination. Miscellaneous expenses may include, without limitation, expenses for telephone calls, facsimile transmissions and postal charges relating to the examination.***

4. If, pursuant to subsection 4 of NRS 692A.100, the examination is performed by the Commissioner of Financial Institutions, the fee will be \$50 per hour.
5. In addition to the fee charged pursuant to subsection 1 or 2, the Commissioner will also charge the title agent or title insurer ~~the~~
 - (a) ~~A reasonable amount for related travel, hotel and meal expenses; and~~
 - (b) ~~To cover administrative costs,~~ an amount equal to one-half of the fee charged pursuant to ***paragraphs (a) and (b) of*** subsection 1 or ***subsection 2*** ~~to cover~~ ***administrative costs.***

ORDER OF THE COMMISSIONER

Having reviewed the record in this matter, it is hereby ordered that the proposed regulation regarding title insurance, revising provisions governing the supervision and examination of title agents and title insurers, LCB File No. R127-06, be adopted, as amended, as a permanent regulation of the Division.

SO ORDERED this _____ day of July, 2006.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance