

LCB File No. R127-06

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

**NOTICE OF WORKSHOP TO SOLICIT COMMENTS ON
PROPOSED REGULATIONS**

The Department of Business and Industry, Division of Insurance (Division), is proposing a new regulation pertaining to examiner rates and examinations. A workshop has been set for **9:00 a.m., on June 22, 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 regulation.

**PROPOSED AMENDMENT TO NEVADA ADMINISTRATIVE CODE
(NAC) 692A.130 CONCERNING EXAMINER RATES AND EXAMINATIONS**

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 **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 is being 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

Battle Mountain Branch Library
P.O. Box 141
Battle Mountain, NV 89820

Lincoln County Library
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

Washoe County Library

95 South R Street
P.O. Box 14
Virginia City, NV 89440

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 June 22, 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 AMENDMENT TO NAC 692A.130 CONCERNING EXAMINER RATES AND EXAMINATIONS

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 proposed amendments accomplish two purposes: 1) provide greater latitude in procuring well qualified, competent contract examiner resources; and 2) provides for the Commissioner's examination of title agent, insurer, or escrow officer on an interval of not less than every 3 years and a CPA prepared report of examination in the years when the Commissioner's examination does not occur.

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

The substance of the first proposed amendment to chapter 692A.130 of the Nevada Administrative Code describes what may be included in fees. The second feature of the proposal provides for the Commissioner to schedule examinations not less than every 3 years with CPA prepared reports submitted in the interim periods.

3. Estimated economic effect of the regulation:

(I) The total cost of an examination could increase with a partial offset in savings realized from a decrease in the length of time it takes to complete an examination. An additional savings will be spread over time as the examinee's CPA conducts a similar examination in lieu of the Commissioner's staff or representative.

(II) The proposed regulation should have no economic impact upon the public.

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:

The Division has determined the impact upon small business is anticipated to generate a small, net savings spread over several years.

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 relevant to this activity.

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 June 15, 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

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Division of Insurance
2501 East Sahara Avenue, Suite 302
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85 East 5th Street

Eureka, NV 89316

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P.O. Box 1390
Hawthorne, NV 89415

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P.O. Box 449
Tonopah, NV 89049

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95 South R Street
P.O. Box 14
Virginia City, NV 89440

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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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**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

PROPOSED AMENDMENT TO NAC 692A.130 CONCERNING
EXAMINER RATES AND EXAMINATIONS

AUTHORITY: NRS 679B.130 and 692A.1045.

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

Sec. 2 1. Except as otherwise provided in subsection 2, *reasonable and proper expenses* ~~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 in the *Examiners Handbook* published by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033.]~~ *may include, but are not limited to:*

*(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. chapters 301 to 304, inclusive.**

(d) Expenses for transportation, including but not limited to, the cost of airfare, railfare, 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 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, but are not limited to, 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 ~~fe~~C Commissioner will also charge the title agent or title insurer ~~fe~~ *an amount equal to one half of the fee charged pursuant to sections 1 or 2 to cover administrative costs.*

~~[(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 subsection 1 or 2.]~~

4. *The Commissioner, or his representative, or the commissioner of financial institutions of the Department of Business and Industry, or his representative, will examine the affairs, transactions, agreements, assets, records and accounts, including the escrow accounts of a title agent, title insurer, or escrow officer for the purpose of determining its financial condition, fulfillment of its contractual obligations and compliance with law not less than every three years. Pursuant to NRS 692A.100 the Commissioner will instruct the title agent, title insurer, or escrow officer to engage a certified public accountant to perform a similar examination in lieu of the Commissioner during the years when the Commissioner does not perform the examination.*