

LCB File No. R053-09

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

(This regulation was previously adopted as T009-09)

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

AUTHORITY: NRS 679B.130

A REGULATION relating to Regulation R121-07 regarding producer compensation for long-term care insurance.

Section 1. Section 7 of R121-07 is hereby amended as follows:

- ~~1. An insurer or similar organization may pay compensation to an agent for the sale of a policy or certificate of long term care insurance, except that the amount of the compensation paid in the first year in which the compensation is paid must not exceed 200 percent of the amount of the compensation payable in the second or any subsequent year.~~
- ~~2. The amount of the compensation payable in any year following the second year must be equal to that paid in the second year and must be provided for a reasonable number of renewal years.~~
- ~~3. The amount of the compensation payable to an agent for the sale or replacement of a policy or certificate of long term care insurance must not exceed the compensation payable to the agent for the renewal of a policy or certificate of long term care insurance.~~
- ~~4. As used in this section, “compensation” means any pecuniary or nonpecuniary remuneration of any kind relating to the sale, replacement or renewal of a policy or certificate of long term care insurance, including, without limitation, any commission, bonus, gift, prize, award or finder’s fee.]~~

- 1. An insurer or similar organization may pay compensation to a producer for the sale of the policy or certificate of long-term care insurance on a set schedule basis. The amount of compensation paid for the replacement of a policy or certificate of long-term care insurance must be made in accordance with the renewal schedule of the replacing insurer unless the policy or certificate cannot be renewed by the original insurer.*
- 2. The compensation provided by the insurer or similar organization for a replacement policy in subsequent (renewal) years by the replacing insurer shall be the same compensation schedule as provided by the replacing insurer unless the original insurer cannot renew the long-term care policy or certificate.*
- 3. If long-term care insurance is provided under annuities or life insurance policies or riders, the requirements of this section shall apply only to the compensation attributable to the long-term care insurance provided by these policies.*
- 4. "Compensation" is defined as in NAC 683A.708.*

Sec. 2. *Effective date. Pursuant to NRS 233B.063, as a temporary regulation, sections 1 to 2 become effective as of the date filed with the Secretary of State and remain in effect until November 1, 2009, unless otherwise replaced or repealed prior to that date.*