

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R053-09

September 15, 2009

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

AUTHORITY: §1, NRS 679B.130.

A REGULATION relating to insurance; revising provisions relating to compensation for long-term care insurance; and providing other matters properly relating thereto.

Section 1. Section 7 of LCB File No. R121-07 is hereby amended to read as follows:

1. An insurer or similar organization may pay compensation to ~~[an agent]~~ *a producer* for the sale of a policy or certificate of long-term care insurance ~~[, except that the]~~ *on the basis of a set schedule. 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.]~~ *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 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.]~~ *The compensation provided by the insurer or similar organization for the renewal of a replacement policy in subsequent years by the replacing insurer must be the same compensation schedule as provided by the replacing insurer unless the original insurer cannot renew the policy or certificate of long-term care insurance.*

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.]~~ *If long-term care insurance is provided as part of an annuity, life insurance policy or rider, the requirements of this section apply only to the compensation attributable to the long-term care insurance provided by the policy.*

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.]~~ *has the meaning ascribed to it in NAC 683A.708.*