

**LCB File No. R084-09**

**PROPOSED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

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

The State of Nevada Department of Business and Industry, Division of Insurance (“Division”), (775) 687-4270, is proposing the adoption of regulations pertaining to chapters 687B, 690B, and 694C of the Nevada Administrative Code (“NAC”). A workshop has been set for **9:00 a.m. on October 14, 2009**, 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, Real Estate Division Conference Room, 2<sup>nd</sup> Floor, Las Vegas, Nevada 89104. The purpose of the workshop is to solicit comments from interested persons on the following general topics that may be addressed in the proposed regulations. Please note that the following proposed permanent regulations will replace current temporary regulations.

**Medicare Supplement Policies.** The proposed regulation will amend chapter 687B of the Nevada Administrative Code by making changes authorized by the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) and the Genetic Information Nondiscrimination Act of 2008 (GINA); and will make certain administrative changes for consistency.

**Long-Term Care Producer Compensation.** The proposed regulation will amend chapter 687B of the NAC and provide a correction to Sec. 7 of regulation R121-07 concerning producer compensation for long-term care insurance.

**Automobile Identification Card.** The proposed regulation will amend NAC 690B.030 to provide for the issuance, by a producer of insurance, of a permanent automobile identification card constituting evidence of insurance.

**Officers and Directors of Captive Insurers.** The proposed regulation will amend NAC 694C.280 and require prior approval of the board of directors or subscribers advisory committee for performance and payment of services rendered to the captive by an officer, director or employee of a captive insurance company.

**Captive Insurer Conflict of Interest and Disclosure.** The proposed regulation will amend NAC 694C.290 relating to captive insurers and conflict of interest statements to enhance disclosure requirements.

A copy of all materials relating to the proposal may be obtained at the workshop or by contacting the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, (775) 687-4270. A reasonable fee for copying may be charged.

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 or provided to 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

Capitol Press Room  
Capitol Building Basement  
Carson City, NV 89710

Donald W. Reynolds Press Center  
102 North Curry Street  
Carson City, NV 89701

Legislative Counsel Bureau  
401 South Carson Street  
Carson City, NV 89701

Office of the Attorney General  
100 North Carson Street  
Carson City, NV 89701

Blasdel Building  
209 East Musser Street  
Carson City, NV 89701

Nevada State Library & Archives  
100 North Stewart Street  
Carson City, NV 89701

Office of the Governor  
Capitol Building  
Carson City, NV 89710

Carson City Courthouse  
885 East Musser Street  
Carson City, NV 89701

Carson City Library  
900 North Roop Street  
Carson City, NV 89701

Churchill County Library  
553 South Main Street  
Fallon, NV 89406

Clark County District Library  
833 Las Vegas Boulevard North  
Las Vegas, NV 89101

Douglas County Library  
P.O. Box 337  
Minden, NV 89423

Elko County Library  
720 Court Street  
Elko, NV 89801

Esmeralda County Library  
P.O. Box 430  
Goldfield, NV 89013

Eureka Branch Library  
P.O. Box 293  
Eureka, NV 89316

Humboldt County Library  
85 East 5<sup>th</sup> Street  
Winnemucca, NV 89445

Lander County Library  
P.O. Box 141  
Battle Mountain, NV 89820

Lincoln County Library  
P.O. Box 330  
Pioche, NV 89043-0330

Lyon County Library  
20 Nevin Way  
Yerington, NV 89447

Mineral County Public Library  
P.O. Box 1390  
Hawthorne, NV 89415

Pershing County Library  
P.O. Box 781  
Lovelock, NV 89419

Storey County Public Library  
P.O. Box 14  
Virginia City, NV 89440

Tonopah Public Library  
P.O. Box 449  
Tonopah, NV 89049

Washoe County Library  
P.O. Box 2151  
Reno, NV 89505-2151

White Pine County Library  
950 Campton Street  
Ely, NV 89301

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, (775) 687-4270, extension 260.

DATED this 18th day of September, 2009.

/s/  
SCOTT J. KIPPER  
Commissioner of Insurance

**NOTICE OF INTENT TO ACT UPON REGULATION**  
**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 October 21, 2009**, 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, Real Estate Division Conference Room, 2<sup>nd</sup> Floor, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of the regulation that pertains to chapter 690B of the Nevada Administrative Code (“NAC”). Please note that this regulation will replace a current temporary regulation.

The following information is provided pursuant to the requirements of Nevada Revised Statute (“NRS”) 233B.0603:

1. The need for and the purpose of the proposed regulation or amendment.

The amendment of NAC 690B.030 clarifies that a producer of insurance may issue a permanent automobile insurance identification card constituting evidence of insurance on behalf of an insurer and eliminates the confusing and contradictory language in subsection 3. It also clarifies that the card may not be effective for longer than the policy term.

2. Either the terms or substance of the regulation to be adopted, amended, or repealed, or a description of the subjects and issues involved.

The amendment of NAC 690B.030 eliminates contradictory language regarding a producer’s ability to issue a permanent automobile insurance identification card on behalf of an insurer by deleting subsection 3.

3. The estimated economic effect of the regulation on the business that it is to regulate and on the public.

Business Regulated

Adverse: None

Beneficial: The amendment allows the producer to issue a permanent automobile insurance identification card on behalf of the insurance company when coverage is bound or changes are made to a policy. Immediate effects are to eliminate any confusion about whether a producer can issue a permanent evidence of automobile insurance identification card on behalf of an insurer. Both short-term and long-term effects include: 1) reduces the expense and redundancy of issuing a temporary automobile insurance identification card in addition to a permanent automobile insurance identification card; and 2) allows a producer to provide an extension of service on behalf of the insurer by providing immediate evidence of liability insurance to the insured.

Public

Adverse: None

Beneficial: Immediate and long term effects include: 1) allows a producer to provide an extension of service on behalf of the insurer by providing immediate evidence of liability insurance to the insured; and 2) enhances the producer/consumer relationship through enhanced service.

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

Enforcement of this regulation would be through regularly scheduled market conduct examinations paid for by the company. The examination would determine whether the relevant producers are properly appointed by the insurer or whether proper contracts are in place between the producer and insurer allowing the producer to issue permanent automobile insurance identification cards on its behalf. Therefore, there would be no additional expense to the Division to enforce the regulation.

5. A description of and citation to any regulations of other state or local governmental agencies that the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the proposed regulation overlaps or duplicates a federal regulation, the notice must include the name of the regulating federal agency.

None.

6. If the regulation is required pursuant to federal law, a citation and description of the federal law.

Not applicable.

7. 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.

8. Whether the proposed regulation establishes a new fee or increases an existing fee.

The proposed regulation does not establish a new fee or increase an existing fee.

9. 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.

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 October 7, 2009.** 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 regulation to be adopted 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 regulation to be adopted 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/register>. Copies of this notice and the proposed regulation 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 does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall 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.

This notice of hearing has been posted at or provided to the following locations:

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Division of Insurance  
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Carson City, NV 89701

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Division of Insurance  
2501 East Sahara Avenue, Suite 302  
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Las Vegas, NV 89101

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Eureka, NV 89316

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Battle Mountain, NV 89820

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20 Nevin Way  
Yerington, NV 89447

Pershing County Library  
P.O. Box 781  
Lovelock, NV 89419

Tonopah Public Library  
P.O. Box 449  
Tonopah, NV 89049

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950 Campton Street  
Ely, NV 89301

Carson City, NV 89701

Churchill County Library  
553 South Main Street  
Fallon, NV 89406

Douglas County Library  
P.O. Box 337  
Minden, NV 89423

Esmeralda County Library  
P.O. Box 430  
Goldfield, NV 89013

Humboldt County Library  
85 East 5<sup>th</sup> Street  
Winnemucca, NV 89445

Lincoln County Library  
P.O. Box 330  
Pioche, NV 89043-0330

Mineral County Public Library  
P.O. Box 1390  
Hawthorne, NV 89415

Storey County Public Library  
P.O. Box 14  
Virginia City, NV 89440

Washoe County Library  
P.O. Box 2151  
Reno, NV 89505-2151

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DATED this 18th day of September, 2009.

/s/  
SCOTT J. KIPPER  
Commissioner of Insurance