

**LCB File No. R103-09**

**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 amendment of regulations pertaining to chapters 616A, 616B, 680A, 683A, 692A, 695C, 695D and 695F of the Nevada Administrative Code (“NAC”). A workshop has been set for **9:00 a.m., on December 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.

**Fees Pursuant to SB 426. The proposed regulation will amend chapters 616A, 680A, 683A, 692A, 695C, 695D and 695F of the NAC relating to implementation of new fees for the funding of the Insurance Administration and Enforcement Fund, created pursuant to SB 426 during the 75<sup>th</sup> (2009) Nevada Legislative Session.**

**Countersignatures. The proposed regulation will amend chapters 616B and 680A of the NAC to be consistent with the 9<sup>th</sup> Circuit’s ruling and the Legislature’s amendments to NRS 680A.300 by removing residency requirements and reference to commissions and fees for countersignatures that are no longer required. The amendments also update the term “agent” by replacing it with “producer.”**

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

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

Blasdel Building  
209 East Musser Street  
Carson City, NV 89701

Office of the Governor  
Capitol Building  
Carson City, NV 89710

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

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

Elko County Library  
720 Court Street  
Elko, NV 89801

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

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

Lyon County Library  
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

White Pine County Library  
950 Campton Street  
Ely, NV 89301

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

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

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

Carson City Courthouse  
885 East Musser Street  
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



**NOTICE OF INTENT TO ACT UPON REGULATION**  
**Notice of Hearing for the Amendment 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 December 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 E. 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 amendment of regulations pertaining to chapters 616A, 680A, 683A, 692A, 695C, 695D and 695F of the Nevada Administrative Code (“NAC”).

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 amendments.

Pursuant to Senate Bill 426 (“SB 426”), sections one through three, the Fund for Insurance Administration and Enforcement (“Fund”) was created. The Fund is an enterprise fund, the proceeds of which are used to carry out the provisions of the Nevada Insurance Code. Proceeds from the Fund will replace the Division’s reliance on General Fund monies. SB 426 requires new fees to be paid by persons regulated under the Insurance Code, which are in addition to existing fees or assessments to which those persons were subject before passage and approval of SB 426. All new fees dedicated to the Fund are contained in SB 426. However, unlike other licensees, existing fees for external review organizations are contained in the NAC. Consequently, the proposed amendments address the new fees as applied to external review organizations. The proposed amendments also make various changes to other references to fees in order to be consistent with the new fees contained in SB 426.

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 subject of the proposed amendments relate to the implementation of the new fees as approved by the Legislature and used to fund the new Insurance Administration and Enforcement Fund. The proposed amendments reference the relevant provisions of SB 426 and clarify that the new fees are in addition to current fees.

3. The estimated economic effect of the regulation on the business that it is to regulate and on the public. These must be stated separately and in each case must include:

- (a) Both adverse and beneficial effects; and

Because the proposed amendments merely clarify and implement new law created by the 2009 Legislature, the proposed amendments, in and of themselves, have no further economic effect on the

business regulated. However, the new law in SB 426 does require regulated entities to pay more fees, enabling the Division to more effectively regulate the business of insurance in Nevada without having to rely on fluctuating General Fund monies.

(b) Both immediate and long-term effects.

Again, because the proposed amendments merely implement and clarify new laws enacted in SB 426, the proposed regulations, in and of themselves, do not have immediate or long-term effects on the business the proposed regulations regulate.

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

As indicated above, since the proposed regulations themselves simply update existing regulations to be consistent with the new fees contained in SB 426, adoption of the regulations alone will not have an economic impact on the Division. It is anticipated that invoicing, collecting and addressing delinquent payment of the new fees established in SB 426 will have a minimal associated cost. However, the new fees will be invoiced, collected and receipted at the same time as existing fees, and after the initial billing cycles the associated costs are anticipated to drop.

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.

As discussed above, the proposed regulations do not themselves establish a new fee or increase an existing fee that has not already been made law by the 2009 Legislature.

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.

Again, because the proposed regulations do not themselves alter newly enacted law, the proposed

regulations do not have any impact on small business other than that which has already been vetted in the 2009 Legislative Session regarding SB 426.

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 December 14, 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 regulations to be amended 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 amended 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 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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P.O. Box 337  
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Elko, NV 89801

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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

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P.O. Box 141  
Battle Mountain, NV 89820

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P.O. Box 330  
Pioche, NV 89043-0330

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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 five (5) working days prior to the hearing, (775) 687-4270, ext. 260.

