

Chapter 687B of NAC

LCB File No. T009-09

**PROPOSED TEMPORARY REGULATION OF THE
COMMISSIONER OF INSURANCE**

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

The State of Nevada Department of Business and Industry, Division of Insurance (Division), (775) 687-4270, is proposing the adoption of temporary regulations pertaining to chapters 687B and 690B of the Nevada Administrative Code (NAC). A workshop has been set for **9:00 a.m., on March 3, 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, 2nd 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 temporary regulations.¹

Long-Term Care Producer Compensation. The proposed temporary 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 temporary 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.

A copy of all materials relating to the proposals 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 Temporary Regulations has been 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

Department of Business and Industry
Division of Insurance

¹ NRS 233B.063(3) An agency may adopt a temporary regulation between August 1 of an even-numbered year and July 1 of the succeeding odd-numbered year without following the procedure required by this section and NRS 233B.064, but any such regulation expires by limitation on November 1 of the odd-numbered year. A substantively identical permanent regulation may be subsequently adopted.

788 Fairview Drive, Suite 300
Carson City, NV 89701

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
Loveland, NV 89419

2501 East Sahara Avenue, Suite 302
Las Vegas, NV 89104

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 5th 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

NOTICE OF INTENT TO ACT UPON TEMPORARY REGULATION

Notice of Hearing for the Adoption of Temporary Regulations of the Department of Business and Industry, Division of Insurance²

The State of Nevada Department of Business and Industry, Division of Insurance (Division), will hold a public hearing at **9:00 a.m., on March 10, 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, 2nd Floor, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of the temporary regulation that pertains to chapter 687B of the Nevada Administrative Code (NAC) and R121-07.

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. This temporary regulation is necessary to update current regulations for long-term care producer compensation.
2. This temporary regulation provides a correction to the current regulation, R121-07, concerning producer compensation for long-term care insurance.
3. Estimated economic effect of the temporary regulation:
On the business which is to be regulated: The proposed temporary regulation will correct an error in the calculation of producer compensation for long-term care insurance.
On the public: The proposed temporary regulation should have no economic impact on the public.
4. There should only be a minimal cost to the Division to review forms updated to comply with the temporary regulation.
5. The proposed temporary regulation does not overlap or duplicate a federal regulation.
6. This temporary regulation is not required by any federal law.

The temporary regulation does not include provisions which are more stringent than a federal regulation that regulates the same activity.

8. The proposed temporary regulation does not establish a new fee or increase an existing fee.
9. The Division of Insurance regulates the insurance industry. These carriers are not small

² NRS 233B.063(3) An agency may adopt a temporary regulation between August 1 of an even-numbered year and July 1 of the succeeding odd-numbered year without following the procedure required by this section and NRS 233B.064, but any such regulation expires by limitation on November 1 of the odd-numbered year. A substantively identical permanent regulation may be subsequently adopted.

businesses. Consequently, there would not be any impact on small businesses in Nevada.

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 **February 24, 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 temporary regulation 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 temporary 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 temporary 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 temporary 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 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
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Blasdel Building
209 East Musser Street
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Carson City, NV 89710

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Carson City, NV 89701

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Las Vegas, NV 89101

Elko County Library
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Elko, NV 89801

Eureka Branch Library
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Eureka, NV 89316

Lander County Library
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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

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 5th 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

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, extension 260.

DATED this 6th day of February, 2009.

/s/
SCOTT J. KIPPER
Commissioner of Insurance

Chapter 687B of NAC

LCB File No. T009-09

**PROPOSED TEMPORARY REGULATION OF THE
COMMISSIONER OF INSURANCE**

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

AUTHORITY: NRS 679B.130

A TEMPORARY 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 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.