

# **PROPOSED REGULATION OF THE COMMISSIONER OF INSURANCE**

## **LCB File No. R072-10**

### **NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON PROPOSED REGULATIONS**

The State of Nevada Department of Business and Industry, Division of Insurance (“Division”), (775) 687-0701, is proposing the adoption, amendment or repeal of regulations pertaining to **chapters 681B, 683A 686B, 687B, 689A and 689C** of the Nevada Administrative Code (“NAC”). Workshops have been set for **October 8, 2010**, at the offices of the Nevada State Health Division, 4150 Technology Way, Suite 303, Hearing Room, Carson City, Nevada 89706. Interested parties may also participate through a simultaneous videoconference conducted at the Bradley Building, 2501 East Sahara Avenue, 2<sup>nd</sup> Floor Conference Room, Las Vegas, Nevada 89104. The purpose of the workshops is to solicit comments from interested persons on the following general topics that may be addressed in the proposed regulations. Please submit any written comments no later than October 1, 2010.

#### **The following matters will begin at 10:00 a.m. on October 8, 2010:**

Actuarial Opinions. The proposed regulation, R072-10, will amend chapter 681B of the NAC by prescribing requirements for the filing of actuarial opinions and supporting documents and maintenance thereof. This regulation is based upon a model law of the National Association of Insurance Commissioners (“NAIC”) and is an accreditation requirement of the NAIC.

SERFF Mandate. The proposed regulation, R097-10, will amend chapters 686B, 687B, 689A, and 689C of the NAC by mandating electronic filing of required rates, rules or forms and electronic submission of fees.

Accelerated Report Repeal. The proposed regulation, R098-10, will amend chapter 686B of the NAC by repealing the requirement to submit the data required to produce the Accelerated Report to statistical agents.

#### **The following matter will begin at 1:30 p.m. on October 8, 2010:**

Continuous Care Coverage. The proposed regulation, R077-10, will amend chapter 683A of the NAC by prescribing requirements for the marketing of continuous care coverage as defined pursuant to NRS 681A.022. It clarifies the type of licensure required and prescribes minimum training requirements. The clarification of the type of licensure required is necessary because some interested parties are confused by the language in Senate Bill 195. The inclusion of the type of licensure required clarifies the intent of the legislation. The minimum training requirements are proposed to address concerns from interested parties that a producer of accident and health insurance that is not also licensed as a producer of casualty

insurance may not have even a basic understanding of the workers' compensation coverage that is part of the continuous care coverage. Because workers' compensation is mandatory for most Nevada employers and because its purpose is to ensure the quick and efficient payment of compensation to employees who are injured or disabled at a reasonable cost to the employers, it is important that those marketing the coverage understand the coverage and the laws applicable to the coverage. NRS 683A.241 provides that the Commissioner of Insurance may adopt regulations requiring examinations which test knowledge of the lines of authority for which a producer seeks licensure.

A copy of all materials relating to the proposals may be obtained at the workshops or by contacting the Division at (775) 687-0701. 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  
Director's Office  
901 S. Stewart Street, Suite 1003  
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

Esmeralda County Library



## 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 **10:00 a.m. on October 22, 2010**, at the offices of the Nevada State Health Division, 4150 Technology Way, Suite 303, Hearing Room, Carson City, Nevada 89706. Interested persons may also participate through a simultaneous videoconference conducted at the Bradley Building, 2501 East Sahara Avenue, 2<sup>nd</sup> Floor Conference Room, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of a regulation that pertains to **chapter 681B** 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.

The proposed regulation, R072-10, will prescribe requirements for the filing of property and casualty insurance company actuarial opinions and supporting documents and maintenance thereof. Adoption of the proposed regulation is **necessary to meet the accreditation standards** of the National Association of Insurance Commissioners (“NAIC”). The accreditation standards promote sound company financial solvency regulation. Adoption of this model is required for Nevada to maintain its status as an NAIC-accredited state.

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 proposed regulation provides that every property and casualty insurer doing business in the state shall file both a Statement of Actuarial Opinion and an Actuarial Opinion Summary annually and shall provide its Actuarial Report and underlying work papers upon request of the Commissioner. The regulation also provides that the Commissioner shall maintain the Actuarial Opinion Summary, the Actuarial Report and the underlying work papers as confidential documents, with certain exceptions, consistent with NAIC accreditation standards.

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  
The proposed regulation is not expected to have any economic effect on the insurance industry or on the public because actuarial opinions, actuarial opinion summaries and actuarial work papers are already routinely produced and filed with the state. This proposed regulation merely clarifies existing filing and maintenance requirements and is necessary for Nevada to maintain its status as an NAIC-accredited state.

(b) Both immediate and long-term effects.

The proposed regulation is not expected to have any economic effect on the insurance industry or on the public because actuarial opinions, actuarial opinion summaries and actuarial work papers are already routinely produced and filed with the state.

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

None.

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.

The proposed regulation may positively impact property and casualty insurers. It does not impact small businesses.

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 15, 2010.** 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 in Carson City by calling (775) 687-0701, or at 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:

Department of Business and Industry  
Director's Office  
901 S. Stewart Street, Suite 1003  
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  
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Fallon, NV 89406

Clark County District Library

Douglas County Library

833 Las Vegas Boulevard North  
Las Vegas, NV 89101

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 five (5) working days prior to the hearing, (775) 687-0701.

DATED this 25th day of August, 2010.

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/S/  
BRETT J. BARRATT, ESQ.  
Commissioner of Insurance