

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R072-10

May 4, 2010

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

AUTHORITY: §§1-10, NRS 679B.130, 679B.137, 680A.270 and 681B.050.

A REGULATION relating to insurance; requiring certain insurance companies to file an actuarial opinion annually; establishing requirements for the actuarial opinion and supporting documents; providing for the confidentiality of documents supporting the actuarial opinion under certain circumstances; and providing other matters properly relating thereto.

Section 1. Chapter 681B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 10, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 6, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Appointed actuary” means a qualified actuary who is appointed or retained by a property and casualty insurance company to prepare the opinion and supporting documents required by sections 7 to 10, inclusive, of this regulation.*

Sec. 4. *“Domiciliary commissioner” means the Commissioner of Insurance or similar officer of the state in which a property and casualty insurance company is domiciled.*

Sec. 5. *“Property and casualty insurance company” means an insurance company authorized to write:*

1. Casualty insurance as defined in NRS 681A.020;

2. *Marine and transportation insurance or wet marine and transportation insurance as defined in NRS 681A.050;*

3. *Property insurance as defined in NRS 681A.060; or*

4. *Surety insurance as defined in NRS 681A.070.*

Sec. 6. 1. *“Qualified actuary” means a person who meets the qualification requirements for actuaries set forth in the standards of the American Academy of Actuaries or a successor organization approved by the Commissioner.*

Sec. 7. *Every property and casualty insurance company doing business in this State, unless otherwise exempted by the domiciliary commissioner, shall annually submit the opinion of an appointed actuary entitled “Statement of Actuarial Opinion.” This opinion must be filed in accordance with the Property and Casualty Annual Statement Instructions as adopted by the National Association of Insurance Commissioners for the year in which the property and casualty insurance company files the opinion and must be treated as a public document.*

Sec. 8. *Each opinion required by section 7 of this regulation must be supported by a document entitled “Actuarial Opinion Summary” prepared by the appointed actuary of the property and casualty insurance company. This summary must be filed with the Commissioner in accordance with the appropriate instructions adopted by the National Association of Insurance Commissioners:*

1. *Annually by every property and casualty insurance company domiciled in this State that is required to submit an opinion pursuant to section 7; and*

2. *Upon request of the Commissioner by a property and casualty insurance company licensed by, but not domiciled in, this State.*

Sec. 9. *Each opinion required by section 7 of this regulation must be supported by a document entitled “Actuarial Report” prepared by the appointed actuary of the property and casualty insurance company in accordance with the Property and Casualty Annual Statement Instructions as adopted by the National Association of Insurance Commissioners for the year in which the property and casualty insurance company files the opinion. This report and all underlying work papers must be made available to the Commissioner upon his request. If a property and casualty insurance company fails to provide a supporting Actuarial Report or work papers at the request of the Commissioner or the Commissioner determines that the supporting Actuarial Report or work papers provided by the company are otherwise unacceptable to the Commissioner, the Commissioner may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare the supporting Actuarial Report or work papers.*

Sec. 10. *1. If submitted with the express condition that they remain confidential, all documents filed pursuant to sections 8 and 9 of this regulation, and any other materials provided by a property and casualty insurance company to the Commissioner in connection therewith, must be kept confidential by the Commissioner, are privileged, are not open to the public and are not subject to subpoena.*

2. Neither the Commissioner nor any person who received documents, other materials or information contained therein while acting under the authority of the Commissioner is permitted or required to testify in any private civil action concerning any documents, other materials or information contained therein made confidential pursuant to this section.

3. The provisions of this section shall not be construed to limit the Commissioner’s authority:

(a) To release documents or other materials to the Actuarial Board for Counseling and Discipline or its successor organization if the documents or other materials are required for the purpose of professional disciplinary proceedings and the Actuarial Board for Counseling and Discipline establishes procedures satisfactory to the Commissioner for preserving the confidentiality of the documents or other materials; or

(b) To use the documents or other materials or information contained therein in furtherance of any regulatory or legal action brought as part of the Commissioner's official duties.