

PROPOSED REGULATION OF THE COMMISSIONER OF INSURANCE

LCB File No. R077-10

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, 2nd 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 **1:30 p.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, 2nd 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 683A** 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, R077-10, prescribes 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 Division’s understanding of 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.

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 clarifies that a person must either be licensed to act both as a producer of accident and health insurance and as a producer of casualty insurance or must be licensed as a producer of accident and health insurance. The proposed regulation also requires producers of continuous care coverage that are licensed as a producer of accident and health insurance but not licensed as a producer of casualty insurance to successfully complete at least 8 hours of instruction approved by the Commissioner of Insurance.

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 expected to make marketing of health insurance and worker's compensation insurance to small and mid-sized companies more efficient. There may be some marketing cost savings that will ultimately be passed on to the policyholders by way of product discounts or dividends. The proposed regulation may increase the number of small and mid-sized employers that offer health insurance benefits to their employees. The proposed regulation is also expected to increase the business of accident and health insurance producers who act as producers of continuous care coverage since they will now be able to market an additional product, workers' compensation insurance, when sold in conjunction with health insurance. Some accident and health insurance producers are small businesses.

There may be an adverse impact on property and casualty insurance producers, some of which are small businesses. The property and casualty producers may lose some workers' compensation business to accident and health insurance producers marketing the continuous care coverage.

Producers of accident and health insurance that are not also licensed as producers of casualty insurance that seek to market continuous care coverage must pay for training. The cost of the training will be born by the producer or the insurer offering the coverage. The cost of the training is not expected to be a burden on the producers or the insurers.

(b) Both immediate and long-term effects.

The Division expects the effects of the bill to be phased in over time.

Note that the adverse and beneficial effects of the proposed regulation are mainly the result of the Senate Bill 195. The proposed regulation implements the provisions of this bill.

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 Division determined the impact from feedback concerning continuous care coverage it received from interested parties.

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:

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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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Fallon, NV 89406

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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 5th 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.

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