

# PROPOSED REGULATION OF THE COMMISSIONER OF INSURANCE

LCB File No. R086-10

## NOTICE OF WORKSHOP TO SOLICIT COMMENTS ON PROPOSED REGULATIONS

The State of Nevada Department of Business and Industry, Division of Insurance (“Division”), is proposing the adoption, amendment or repeal of regulations pertaining to **chapters 686A and 687B** of the Nevada Administrative Code (“NAC”). A workshop has been set for **9:30 a.m. on November 10, 2010**, to be held at the Nevada State Health Division, 4150 Technology Way, Suite 303, Hearing Room, Carson City, Nevada 89706. Interested parties may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 East Sahara Avenue, 2<sup>nd</sup> Floor Conference Room, 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. Please submit any written comments no later than November 3, 2010.

**Senior-Specific Certifications.** The proposed regulation, R086-10 (draft form), will amend chapter 686A of the NAC, dealing with insurance trade practices, by regulating the use of senior-specific certifications and professional designations in the sale of life insurance and annuities. This regulation will help prevent a producer (agent) from taking unfair advantage of senior consumers and misleading them into believing the producer has special expertise in the products targeted for seniors.

**Long-Term Care Insurance.** The proposed regulation, R028-10, revises provisions governing Long-Term Care Insurance. There are two main reasons, plus one ancillary reason, for amending the Long-Term Care Insurance regulations, currently embodied in NAC 687B.005 to 687B.140, inclusive; R121-07; and R053-09. The first was to add sections for the Partnership Program with Medicaid (see sections 8 and 14). The disclosure and filing requirements in section 8 will protect consumers and carriers with respect to new partnership contract products, while section 14 conditionally forces exchanges when partnership certification becomes available for a form. As part of the issuer certification requirements, there were a number of NAIC 2000 Long-Term Care Insurance Model Act and Regulation sections that carriers marketing partnership contracts had to comply with per Federal law; those model parts that were not previously part of Nevada regulations have been included in this regulation. The second main reason was to change premium-rate-increase-request rules to a rate-stabilization basis (see section 13) for future contracts. Presently there is no control on the number of times carriers may request increases on a coverage block. This new section generally makes it more difficult, on a loss ratio basis, to secure increases. The new section also forces accountability by authorizing tracking after approval, and gives the

**Commissioner better tools to deal with subsequent requests for increases. The ancillary reason for this amended regulation is to bring the Nevada regulations into greater general alignment with the NAIC 2006 Long-Term Care Insurance Model Act (#640) and Regulation (#641).**

**Medicare Supplement Policies. The proposed regulation, R087-10, will amend section 14 of R049-09 by making changes authorized by the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA). These changes include deletion of previously federally-mandated language prior to the June 1, 2010 effective date of the 2010 Standardized Medicare Supplement plans; changing the preventive benefit for Part B of Plans K and L from 75% to 80%; and making certain administrative changes for consistency.**

A copy of all materials relating to the proposals may be obtained at the workshop or by contacting the Division, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, (775) 687-0704. 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  
1818 East College Parkway, Suite 103  
Carson City, NV 89706

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



**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 **9:30 a.m., on November 23, 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 video-conference 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, R086-10, that pertains to **chapter 686A** of the Nevada Administrative Code (“NAC”).

The following information is provided pursuant to the requirements of Nevada Revised Statute (“NRS”) 233B.0603:

1. This regulation is necessary to regulate the use by producers of senior-specific certifications and professional designations in the sale of life and annuity products. There has been a proliferation of such designations and this can be misleading to prospective purchasers of these products.
2. This regulation will prohibit a producer from using senior-specific certifications or professional designations when the agent has not actually received any specialized training in the servicing of seniors from a qualified organization.
3. Estimated economic effect of the regulation:

On the business which is to be regulated: The effect on insurers and producers, immediate and long term, should be minimal.

On the public: There should be no economic impact on the public.

4. There should only be a minimal cost to the Division to enforce compliance with this regulation.
5. This regulation does not overlap or duplicate any regulations of other state or local governmental agencies.
6. This regulation is not required pursuant to federal law.
7. The regulation does not include provisions which are more stringent than a federal regulation that regulates the same activity.
8. The proposed regulation does not establish a new fee or increase an existing fee.
9. The Division of Insurance regulates the insurance industry. Although many producer firms

are small businesses, this regulation would not impose a direct or significant impact on those 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, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706. **Written submissions must be received by the Division on or before November 3, 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, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, 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/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 89706

Department of Business and Industry  
Division of Insurance  
2501 East Sahara Avenue, Suite 302  
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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  
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

