

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE

Determination of Necessity of Small Business Impact Statement

LCB File No. R064-16

A REGULATION relating to insurance; amending provisions relating to the adoption of certain publications of the National Association of Insurance Commissioners; and providing other matters properly relating thereto.

EFFECTIVE DATE OF REGULATION:
Upon filing with the Nevada Secretary of State

1. BACKGROUND

This regulation adopts the National Association of Insurance Commissioners' (NAIC's) Valuation Manual by reference. Paragraph (d) of subsection 2 of section 33.7 of Senate Bill No. 67 (2015), requires the Commissioner to promulgate a regulation adopting the Valuation Manual in order to establish the operative date of the Valuation Manual, which is needed for certain insurance companies to implement the principle-based reserving approach to setting reserves. This regulation satisfies the requirement of the cited statute which has not yet been codified.

2. DESCRIPTION OF SOLICITATION

The Division determined that the proposed regulation does not and is not likely to impose a direct or significant economic burden upon small business. The Division also concluded that the proposed regulation does not directly restrict the formation, operation or expansion of a small business. Based on that determination, the Division concluded that an analysis of the impact of the proposed regulation on small businesses, and the solicitation of input from owners and officers of small businesses likely to be affected by the proposed regulation were not necessary. Accordingly, a small business impact statement was not prepared (NRS 233B.0608.2).

3. DOES THE PROPOSED REGULATION IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN UPON A SMALL BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF A SMALL BUSINESS? (NRS 233B.0608.1)

☒ NO (answer #4) ☐ YES (skip to #5)

4. HOW WAS THAT CONCLUSION REACHED? (NRS 233B.0608.3)

The proposed regulation affects the calculation of the reserves held by certain insurance companies. These insurance companies are not small businesses. The actual impact of the proposed regulation may result in a decrease or increase in the level of reserves required to be held by an affected insurance company, depending on the mortality characteristics of the company's insureds and on the mix of products offered by the insurer. Since the proposed regulation applies to all affected insurers, the Division determined that it does not impose a direct or significant economic burden upon small business as defined by NRS chapter 233B, nor does it directly restrict the formation, operation or expansion of a small business.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses, and that the information contained in the statement above is accurate. (NRS 233B.0608.3)

BARBARA D. RICHARDSON
Commissioner of Insurance

May 12, 2016
(DATE)

By: Laurie Squartsoff
LAURIE SQUARTSOFF
Deputy Commissioner of Insurance
(with Delegation of Authority)

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5. SUMMARY OF COMMENTS RECEIVED FROM SMALL BUSINESSES (NRS 233B.0609.1.a)
N/A

6. ESTIMATED ECONOMIC EFFECT ON SMALL BUSINESSES THE REGULATION IS TO REGULATE (NRS 233B.0609.1.c)
N/A

7. METHODS CONSIDERED TO REDUCE IMPACT ON SMALL BUSINESSES (NRS 233B.0609.1.d)
N/A

8. ESTIMATED COST OF ENFORCEMENT (NRS 233B.0609.1.e)
N/A

9. FEE CHANGES (NRS 233B.0609.1.f)
N/A

10. DUPLICATIVE PROVISIONS (NRS 233B.0609.1.g)
N/A

11. HOW WAS THE ANALYSIS CONDUCTED? (NRS 233B.0609.1.b)
N/A

12. REASONS FOR CONCLUSIONS (NRS 233B.0609.1.h)
N/A

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, certify that, to the best of my knowledge or belief, the information contained in the statement above was prepared properly and is accurate. (NRS 233B.0609.2)

BARBARA D. RICHARDSON
Commissioner of Insurance

May 12, 2016
(DATE)

By: Laurie Squartsoff
LAURIE SQUARTSOFF
Deputy Commissioner of Insurance
(with Delegation of Authority)



DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE
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TO: LAURIE SQUARTSOFF
Chief Deputy Commissioner of Insurance

FROM: BARBARA RICHARDSON
Commissioner of Insurance

DATE: May 9, 2016

SUBJECT: Delegation of Authority in the Commissioner's Absence

I hereby issue a Delegation of Authority for you to act on my behalf when I am absent from the state May 10, 2016 through May 15, 2016. You are empowered to exercise all authority necessary to handle matters coming before the Division of Insurance, unless otherwise delegated.



BARBARA RICHARDSON
Commissioner of Insurance

NRS 679B.110 Delegation of powers.

1. The Commissioner may delegate to his or her deputy, examiner or an employee of the Division the exercise or discharge in the Commissioner's name of any power, duty or function, whether ministerial, discretionary or of whatever character, vested in or imposed upon the Commissioner.

2. The official act of any such person acting in the Commissioner's name and by his or her authority shall be deemed an official act of the Commissioner.

(Added to NRS by 1971, 1563; A 1991, 1615; 1993, 1898)

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE

Addendum to May 12, 2016 Small Business Impact Statement
Pursuant to NRS 233B.0608.4

LCB File No. R064-16

THIS ADDENDUM SUPPLEMENTS THE "DETERMINATION OF NECESSITY OF SMALL BUSINESS IMPACT STATEMENT" ISSUED BY COMMISSIONER RICHARDSON ON MAY 12, 2016 ("Statement"), by adding the following:

...
2. DESCRIPTION OF SOLICITATION

The insurers affected by R064-16 are not themselves small businesses. Based on the expertise of the Division's lead actuarial staff and the specific point of focus of R064-16, it was determined that this regulation has no direct significant impact on any purchaser of insurance products, including small businesses. As a result, the Division determined that solicitation of comment from non-insurer small businesses outside of the workshop and hearing setting was not necessary.

...
4. HOW WAS THAT CONCLUSION REACHED? (NRS 233B.0608.3)

The changes to the standard valuation law, as set forth in R064-16, affect the reserves held by insurance companies and do not directly impact the pricing of the product. Insurance companies may eventually adjust the price of their products to reflect changes in actuarial assumptions and methodologies, as well as other factors, including reserves. However, there is no direct cause and effect relationship between reserves and pricing, which means that this regulation has no direct significant or burdensome impact on any purchaser of the insurance product, including small businesses.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby certify to the best of my knowledge or belief a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in the Statement dated May 12, 2016 and this Addendum was prepared properly and is accurate.

6/22/16
(DATE)

Laurie Ann Squartoff
LAURIE-ANN SQUARTSOFF, DEPUTY COMMISSIONER
with delegation of authority for
BARBARA D. RICHARDSON, COMMISSIONER OF INSURANCE

BRIAN SANDOVAL
Governor

STATE OF NEVADA

BRUCE H. BRESLOW
Director

BARBARA RICHARDSON
Commissioner of Insurance



DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

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Email: insinfo@doi.state.nv.us

TO: LAURIE SQUARTSOFF
Chief Deputy Commissioner of Insurance

FROM: BARBARA RICHARDSON
Commissioner of Insurance

DATE: June 9, 2016

SUBJECT: Delegation of Authority in the Commissioner's Absence

I hereby issue a Delegation of Authority for you to act on my behalf when I am absent from the state June 15, 2016 through June 25, 2016. You are empowered to exercise all authority necessary to handle matters coming before the Division of Insurance, unless otherwise delegated.


BARBARA RICHARDSON
Commissioner of Insurance

NRS 679B.110 Delegation of powers.

1. The Commissioner may delegate to his or her deputy, examiner or an employee of the Division the exercise or discharge in the Commissioner's name of any power, duty or function, whether ministerial, discretionary or of whatever character, vested in or imposed upon the Commissioner.

2. The official act of any such person acting in the Commissioner's name and by his or her authority shall be deemed an official act of the Commissioner.

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