



**2017**

**Division of Insurance**  
**Bi-Annual Report**

## Administrative Section

The Division is headed by Commissioner of Insurance Barbara D. Richardson, who has the responsibility of enforcing the provisions of Title 57 of the Nevada Revised Statutes. Included in the Administrative Section are three Deputy Commissioners, a Lead Actuary, an Insurance Regulation Liaison, an Accounting Assistant, two Administrative Assistants, and one IT Professional. The Administrative Section provides direct support to the Commissioner on all matters relating to insurance and ancillary support to all other Sections. Such support includes handling fiscal planning, personnel matters and regulatory interpretations. The Administrative Section is located in Carson City, except for our Deputy Commissioner Consumer Services, whose Las Vegas location better serves Nevada's population center.

Prior to assuming the role of Nevada Insurance Commissioner in March of 2016, Commissioner Richardson had been the New Hampshire Insurance Department's Director of Operations and Fraud for 12 years. Richardson is a graduate of Vassar College and has a law degree from the University Of New Hampshire School of Law, and a MBA from Loyola University in Chicago. Richardson was also an adjunct professor at the University of New Hampshire School of Law teaching Insurance law.

As a fully accredited and active member of the National Association of Insurance Commissioners, Nevada has a substantial voice during discussions of national and international importance related to insurance regulation. Commissioner Richardson is a member of the following NAIC Task Forces and Committees: Cybersecurity Task Force, Producer Licensing Task Force, CO-OP Solvency and Receivership Subgroup, Surplus Lines Task Force, Title Insurance Task Force, Examination Oversight Task Force, Receivership and Insolvency Task Force, Reinsurance Task Force, Risk Retention Group Task Force, Workers' Compensation Task Force, NAIC Consumer Liaison Committee, and Earthquake Study Group.

## Consumer Services Section

The Consumer Services section of the Nevada Division of Insurance protects Nevada consumers in their interactions with the insurance industry. The Section investigates consumer complaints and suspected violations of Title 57 of the Nevada Revised Statutes pertaining to insurance. Through the Compliance investigative unit, the Division advocates for consumers by ensuring that carriers and producers act within the law and the provisions of the policy contract when dealing with Nevada citizens and businesses, including, but not limited to, marketing, sales practices, and fair claims handling.

Within the Section, six Compliance Investigators, one Administrative Assistant, and one Supervisory Compliance Investigator receive and respond to consumer concerns, including formal complaints. Two Compliance Investigators are located in the Carson City office, and the remaining staff is based in Las Vegas; all Consumer Services staff members are supervised by a Deputy Commissioner, located in Las Vegas.

For the Fiscal Years 2015 and 2016, the Section responded to over 27,539 consumers inquires and investigated more than 6,262 consumer complaints regarding the activities of insurance companies, insurance agents, bail agents, title agents, and other regulated entities.

Through its efforts, the Section recovered \$6,133,635.70 for Nevada consumers during this period while ensuring that the insurance industry is regulated fairly.

With the launch of its new website and online consumer complaint portal in 2013, the Division has been educating and encouraging consumers to file complaints online through the Division's user-friendly website. On-line filing of complaints is the most efficient means for the Division to assign cases to investigators and begin the process of requesting a response from the insurance entity regarding their position in the matter. The ability for consumers to file a complaint or find information easily through the website has resulted in a decline in the number of consumer contacts by telephone, e-mail, and walk-in to the Division's offices, while the number of consumer complaints filed has increased by 9.6 percent

between calendar year 2015 and 2016. In the fall of 2014, the Division implemented a new smartphone app, "NDOI Connect," which further encourages utilization of online services and information.

The Consumer Services section will start conducting community outreach and education programs. The goal is to provide information to consumers and small businesses on the services that are offered by the Division of Insurance Consumer Services Section.

**Consumer Inquiries**

TYPE OF CONTACT (INCOMING)	FISCAL YEAR 2015	FISCAL YEAR 2016
Telephone	10,009	13,827
Walk-In	1,368	1,279
Email	514	542
<b>TOTALS</b>	<b>11,891</b>	<b>15,648</b>

**Formal Complaints**

LINE OF COVERAGE	FISCAL YEAR 2015	FISCAL YEAR 2016
Accident and Health	912	986
Automobile	1,351	1,512
Fire	5	8
Homeowners	226	225
Liability	31	46
Life and Annuity	116	131
Miscellaneous	430	289
<b>TOTAL COMPLAINTS</b>	<b>3,071</b>	<b>3,197</b>

Division staff routinely recovers additional amounts paid, refunded, or cleared to Nevada consumers as a result of handling of complaints filed with the Consumer Services Section and pursued by all Sections within the Division. Recoveries are tracked and reflect the amount of relief received by consumers as a result of the Division handling their complaint.

**Consumer Recoveries**

FISCAL YEAR 2015	FISCAL YEAR 2016
\$4,153,599.02	\$6,133,635.70

## Corporate and Financial Affairs Section

The Commissioner of Insurance has the responsibility to ensure that the insurance companies doing business in Nevada are financially solvent.

Financial regulation seeks to ensure that insurers are able to meet their financial obligations and is accomplished through review of the insurers' admission and licensing documentation, oversight of corporate governance and related transactions with affiliates, analysis of solvency and investments, and the review of reinsurance activity and compliance with statutes and regulations.

The Division's Corporate and Financial Affairs Section (C&F) oversees the solvency of the insurance companies through financial reporting and monitoring, desk audits, and examinations. The C&F Section ensures that insurers are in compliance with financial statutes and regulations and monitors the market conduct of regulated entities — especially their transactions with policyholders. The tasks C&F is charged with include:

- Processing insurers' admissions and licensing in that all insurers offering products and services in Nevada must be authorized by the Commissioner.
- Monitoring corporate governance and related transactions with affiliates, including mergers, acquisitions, annual renewals, address changes, and other revenue items.

- Monitoring solvency, investments, and reinsurance. This is accomplished through financial review and analysis, desk audits and financial examinations.
- Monitoring compliance with financial statutes and regulations, and market practices. This is accomplished through market review and analysis, and market conduct examinations.

C&F is the largest section of the Division, staffed by a Chief Insurance Examiner, two Assistant Chief Insurance Examiners, six Insurance Examiners, four Management Analysts, five Administrative Assistants, and one Accounting Assistant located in Carson City.

There are approximately 1,798 traditional insurers licensed to conduct business in Nevada. Under Nevada law each insurer so licensed must be examined for financial solvency (financial examination) no less frequently than every five years<sup>1</sup>, and insurers may be examined for compliance with Nevada law (market conduct examination) on demand. While all insurers, both foreign and domestic, are subject to regular financial examinations, the Commissioner is authorized to accept the results of an examination performed by another accredited state. The result is a system of reciprocity in which each state is primarily responsible for examining its domestic insurance industry and may coordinate as a secondary examiner on foreign insurers.

### **NAIC Accreditation Standards**

Based upon multiple insurance company insolvencies in the late 1980s and early 1990s, the National Association of Insurance Commissioners (NAIC) formed a special committee in 1988 to address inconsistencies within state regulation practices for insurance companies. In June 1989, the NAIC adopted the Financial Regulation Standards, which established a baseline for an effective regulatory system in each state and subsequently became known as the Accreditation Standards. Under the accreditation program, each state's insurance department is reviewed by an independent review team that assesses the department's compliance with the Accreditation Standards. The program emphasizes three primary areas of state regulation of multi-state insurance companies domiciled in a particular state:

- Adequate solvency laws and regulations in each accredited state to protect insurance consumers;
- Effective and efficient financial analysis and examination process in each accredited state; and
- Appropriate organizational and personnel practices in each accredited state.

Once accredited, each state is subject to a full accreditation review every five years. Accreditation of a state is also subject to annual reviews based on a state's Financial Regulation Standards Self-Evaluation Guide (SEG). The SEG is completed internally and submitted to the NAIC annually. Further, if information comes to the attention of the NAIC Financial Standards Committee (F) that suggests a state may no longer meet the baseline standards, a special review may be conducted. As of December 2015, all 50 states and Washington, D.C. are accredited. Nevada received its initial accreditation in 2002, which was most recently renewed in 2012. Nevada underwent its full five-year review in January of 2017, and it is expected that a full five-year renewal of Nevada's accreditation will be recommended to the NAIC's Financial Regulation Standards and Accreditation (F) Committee in April 2017. The Division enjoys the status of being fully accredited by the NAIC.

The Division has taken many steps to continue to maintain its accreditation, the most notable of which include the following enhancements to the C&F Section:

- Expanded analysis staff;
- Retained professional contract examination staff; and
- Financial analysis and examination training on:
  - Risk-based capital analysis;
  - Risk-focused examination;
  - Reinsurance analysis;
  - Investment/portfolio analysis;
  - NAIC risk-focused exam management;
  - NAIC Western Zone analysis and examiner training;

<sup>1</sup> NRS 679B.230 - <https://www.leg.state.nv.us/NRS/NRS-679B.html#NRS679BSec230>

For the 2014 and 2015 calendar years, the Division adopted 59 financial examinations and 13 market conduct examinations of domestic and foreign insurers. During that same time period, 199 regulatory examinations of “non-traditional” insurers (businesses regulated under the Insurance Code but which are not traditionally thought of as insurers, such as title insurance agencies and funeral home services) were closed.

Unlike many other industries which register primarily through the Nevada Secretary of State in order to conduct business, insurers are required to register with and be examined by the Division before a license is issued allowing that insurer to operate in Nevada. An entity which registers with the Secretary of State but does not possess a license issued by the Division and conducts the business of operating as an insurer is in violation of Nevada law and may be subject to administrative, civil, or criminal action. During the 2015 calendar year the Division licensed 41 new traditional insurers. An additional 40 traditional insurers were licensed in 2014.

### **Captive Insurance**

Captive insurance is a form of self-insurance whereby the insurer is owned wholly by the insured. Captives are established and tailored specifically to meet the risk-management needs of their owners or members. They also provide coverages that cannot always be found in the regular commercial insurance market. There are various types of captive structures. The variations continue to evolve and flourish as companies come up with new and more sophisticated ways to utilize captive insurance. According to AM Best Captive Center, there are over 5,000 captives globally today, compared to roughly 1,000 in 1980. Today, there are more than 35 US jurisdictions competing in the captive insurance arena.

Since the inception of Nevada’s captive program in 1999, there has been significant growth in the number of captive domiciles and the captive market as a whole. Today, Nevada’s program has grown to house 208 captive entities, and this number is rapidly growing. Although the number of captive domiciles is growing, making the market more competitive than in prior years, Nevada upholds its competitive edge as one of the leading captive domiciles in the nation.

In addition to the fastest application approvals in the country, Nevada also offers some of the best regulatory options for captive formations. This fact, combined with Nevada’s nation-leading program support, continues to make Nevada an attractive domiciliary state for captive insurers across the nation. The Division issued licenses to 26 new captive insurers in 2014, 51 new captive insurers in 2015, and 28 new captive insurers in 2016, bringing the total number of captive insurers licensed to 208.

Unlike traditional insurers, who pay their premium taxes to the Department of Taxation, captive insurers report their premiums and pay premium taxes directly to the Division of Insurance. Recent and historical premiums and premium tax levels are as follows:

### **Nevada Captive Insurer Premiums and Taxes Paid**

<b>Year</b>	<b>Reported Total Premiums</b>	<b>Premium Tax Paid</b>
2007	\$236,320,158	\$689,698
2008	\$176,427,403	\$724,498
2009	\$165,795,711	\$782,943
2010	\$164,401,531	\$782,033
2011	\$271,605,578	\$1,028,394
2012	\$194,494,931	\$848,471
2013	\$180,669,549	\$818,633
2014	\$193,173,340	\$1,002,422
2015	\$4,143,705,854 <sup>2</sup>	\$1,245,034

<sup>2</sup> Per NRS 694C.450 the premium tax on Nevada domestic captive insurers is capped at \$175,000 for any year for any individual captive insurer. The large premium increase from 2014 to 2015 was primarily due to a \$3.9 billion ten-year premium payment for medical stop loss policies written for one group.

# Legal & Enforcement Section

In 2016, the Legal and Enforcement Sections were reunited to better coordinate and monitor enforcement actions instituted by the Division. The combined Legal & Enforcement Section is made up of 4 in-house counsel, 5 legal secretaries, and 7 investigators. Two attorneys from the Office of the Attorney General also provide support for contested cases and represent the Division in civil matters. Together, the Legal & Enforcement Section provides essential support to enforce the 58 chapters of statutes and 41 chapters of regulations that make up insurance law in Nevada, known as Title 57 or the Insurance Code.

More specifically, the Enforcement Section investigates allegations of violations of the Insurance Code as a result of consumer complaints, background reports, terminations for cause, and regulatory action reports from the National Association of Insurance Commissioners. Investigations also may occur as a result of reports from law enforcement, government agencies, and licensees. The Enforcement Section's investigations substantiate whether violations of law occurred, and refer those cases to the Legal Section for action. Investigations that uncover criminal activity may be referred to the Nevada Attorney General, a district attorney's office, or other law enforcement agencies. During the past biennium, the Enforcement Section opened 543 cases, 130 of which were referred to the Legal Section for administrative action.

The Legal Section provides legal advice and support to the Commissioner and Division staff. As part of its duties, Legal coordinates and executes Division functions related to investigations (1,436 cases opened; 1,935 cases closed), contested cases (26 hearings set; 12 hearings held), informal meetings (4 meetings set; 4 meetings held), regulations (16 workshops held; 16 hearings held), public records requests (385), service of process (1,227), bulletins (14), subpoenas (27), recoveries (\$711,987.15),<sup>3</sup> assignments regarding legal interpretations and advisory opinions (174), settlements and fines (\$480,667.75 assessed; \$451,342.75 collected, including 9 multi-state settlements (\$165,492.75)), receiverships (13), and licensing review. Legal is also involved in legislative functions such as the development and drafting of the Division's bill draft requests.

Legal is part of the team advising the Commissioner and Division staff about the Patient Protection and Affordable Care Act. During the last biennium, network adequacy was, and still remains, a hot topic in Nevada. Legal helped draft Nevada's first regulation addressing the issue of adequate health provider networks, which established the Commissioner's Network Adequacy Advisory Council. Legal also provides procedural guidance to the Council during its meetings.

Three areas of the Insurance Code that merit attention are noted below.

## **Service Contracts**

"Service contracts" are certain types of contracts where a provider is obligated to a contracting consumer to repair, replace or perform maintenance on, or indemnify or reimburse the consumer for the costs of repairing, replacing or performing maintenance on, goods that are described in the service contract and which have an operational or structural failure as a result of a defect in materials, workmanship or normal wear and tear. The sale of service contracts is regulated by the Division pursuant to chapter 690C of the NRS. Before selling its products in Nevada, a service contract provider company must first become licensed with the Division and meet certain financial requirements, such as having a bond or contractual liability insurance. Over the last 2 years, the Division has observed an increase in unlicensed activity where the internet or cold-call phone banks are used to solicit and obtain credit card information and payment directly from Nevada consumers. Unfortunately, it is not uncommon that when a claim is later filed, the claim is denied or the unlicensed company is non-responsive. Because the company is unlicensed and does not have a bond or contractual liability insurance, there is little the Division can do to assist that consumer.

## **Receiverships**

Pursuant to chapter 696B of NRS, when a domestic insurance company becomes financially impaired, insolvent, or experiences management problems that may pose harm to policyholders, the Commissioner,

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<sup>3</sup> \$194,428.58 of this amount is attributable to the Silver State Title, Ltd. (title agency) receivership, Cause No. 12.0595. \$13,684.72 of this amount is attributable to the Sensible Home Warranty (service contract provider) bond liquidation, Cause No. 14.0359.

through the district court, may take the company into receivership for the purpose of conservation, rehabilitation, or liquidation. Receiverships, like bankruptcies, usually take several years to reach conclusion. Unfortunately, the economic downturn and other factors had negative financial effects on some of Nevada's smaller domestic insurance companies, particularly risk retention groups, from which recovery was not possible. This resulted in the institution of 12 receiverships since 2010. Of particular note is the recent receivership of the Nevada Health CO-OP, which occurred in October of 2015.

## Bail

Approximately five years ago, the Division was receiving numerous consumer complaints related to the business of bail. After several successful enforcement actions, the number of complaints has decreased significantly. During the 2017 Session, Legal seeks to update bail laws in NRS chapter 697 to provide further guidance to the industry. Additionally, the Commissioner set up a bail workgroup within the Division to identify and address bail issues, and develop educational outreach programs.

## Life and Health Section

The Life and Health Section is responsible for the analysis, review, and approval (or disapproval) of rates and forms to ensure compliance with Nevada's statutes and regulations for a variety of insurance products ranging from health benefit plans to life insurance and annuities. Other specific types of insurance reviewed by the Life and Health Section include accidental death and dismemberment, credit insurance, prescription drug plans, Medicare supplement plans, disability insurance, dental insurance, long-term care insurance, and pre-paid limited Health Service Organizations (lab only, x-ray only, mental health only, etc.).

The Section has one Chief Insurance Examiner, five Actuarial Analysts (one of which also serves as Assistant Chief), two contract employees funded by a federal "Rate Review Grant", and one Administrative Assistant.

The Life and Health Section reviews rate and form filings from Nevada insurers to ensure a competitive and stable market for Nevada consumers. Life and health insurance products are subject to standards defined in NRA 686B.050 which means that rates cannot be inadequate, excessive, or unfairly discriminatory. The insurance products regulated by the Life and Health Section are separately controlled by twenty-five different chapters of the Nevada Revised Statutes.

It is important to note that several health insurance-type coverages are **not** regulated by the Nevada Division of insurance, in whole or in part:

- Nevada's Medicaid program is regulated by the Nevada Department of Health and Human Services;
- Medicare and Medicare Advantage Plans are regulated by the federal government; however, the Medicare Advantage plan insurers are licensed by the Division and subject to financial solvency regulation but are regulated in all other regards by the federal government;
- The Division regulates large group policies of health insurance (forms) but has no regulatory authority over large group health insurance premiums; and
- Self-insured employers are regulated under federal law, the Employee Retirement Income Security Act of 1974 (ERISA).

Implementation of the Patient Protection and Affordable Care Act of 2010 and the Education Reconciliation Act of 2010, collectively the “ACA”, continues to require a large amount of the Life and Health Section’s time and resources. The Division has received federal grants totaling just over \$6 million to streamline and improve the health insurance rate review processes, ensuring the reasonableness, sufficiency and nondiscriminatory nature of health insurance rate increases.

In 2011 the Medical Loss Ratio (“MLR”) provisions of the ACA became effective. MLR requires insurers to hit a certain percentage, typically 80 to 85 percent, of applicable premiums and claims benefits payments or refund the excess to policyholders. Total premiums rebated in 2014 for Calendar Year 2013 were \$4,049,167. This total was comprised of \$730,712 for the Individual Market; \$2,900,800 for the Small Employer Market; and \$417,655 for the Large Employer Market. These rebates result from eight carriers failing to meet the MLR minimums. This is approximately 0.2% of the premium collected for these policies. (Total premium collected was \$2,137,229,776.)

In 2015 the rebates for Calendar Year 2014 totaled \$3,797,839, benefiting 50,981 consumers with an average rebate per person of \$116.

The Section shares Plan Management responsibilities with the Silver State Health Insurance Exchange. This task involves approving all rates, forms, and Binders that must be “validated” by the federal Health Insurance Oversight System (HIOS) prior to being submitted the Exchange. Numerous and specific deadlines were set by the federal Center for Medicare & Medicaid Services (CMS) for meeting a variety of tasks to ensure that the open enrollment date of November 1, 2016, would be met for the Healthcare.gov website.

A great deal of effort from the Life and Health Section, aided by the Public Information Officer, has gone into developing and maintaining one of the country’s best-designed health insurance rate resource tools. The Division’s website and our newly launched phone app offer individual and small group rates along with the plan documents that support each offering in the state, including the Schedule of Benefits and Evidence of Coverage with links to the drug formulary and associated physician provider network.

The Nevada Division of Insurance collects, generates, and maintains various records related to the business of insurance pursuant to Title 57 of NRS. The Division is committed to providing access to public records in accordance with NRS Chapter 239 (“Nevada Public Records Act”). All public records, which have not been declared by law to be confidential, for which the Division has legal custody and control, are available for inspection or copying [NRS 239.010, NRS 679B.190 (5)(b)]. Information that is privileged or confidential, such as the unified rate review template and rate filing documentation, is not available on this website (NRS 689A.695, NRS 689C.250). Public access to rate and form filings is available through the SERFF Filing Access (“SFA”) portal at no charge.<sup>4</sup>

The Division hosted a series of workshops gathering information to adopt regulations for Network Adequacy and Prescription Drugs. These two subjects are very important to the successful implementation of the Affordable Care Act.

The Network Adequacy regulation, R049-14, established the Network Adequacy Advisory Council for the purpose of recommending additional or alternative standards for determining whether a network plan is adequate. The Council recommendation must be provided to the Commissioner on or before September 15<sup>th</sup>, annually. The Council is comprised of nine individuals, equally representing consumers, providers of health care, and the health care insurance industry. In compliance with R049-14, the Council’s first meeting was June 15, 2016 for Plan Year 2018 recommendations. A total of five public meetings were held by the Council. The Council’s final recommendation was submitted to the Commissioner on September 14, 2016.

In calendar year 2015, the Life and Health Section received 3,820 filings which include rate and form filings, advertising, and other informational filings. Of these, 1,764 were approved for use; 39 were approved with stipulations; 24 were disapproved; and 62 were withdrawn. The balance were either informational only (still must be reviewed) or merely closed after review. (Certain filings such as reports must be reviewed but are closed without approval or disapproval.)

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<sup>4</sup> The SERFF Filing Access portal can be found at <https://filingaccess.serff.com/sfa/home/nv>.



The Life and Health section maintains separate statistics for Medicare Supplement filings. In calendar year 2015, 138 rate filings were received. Although Medicare Supplement insurance is sold mainly to senior citizens, insurance companies in some states offer coverage for disabled persons under the age of 65 who qualify for Medicare benefits; at this time no insurance companies in Nevada offer policies for persons under age 65.

Long-term care insurance continues to display a large amount of volatility. Premium rates for long-term care insurance are based upon the insured's age, gender, marital and health statuses. Applicants are underwritten, and people with health issues may be denied coverage. With most policies, the premiums are level and payable for life. Some long-term care insurance policies were initially underpriced by insurance carriers nationwide due to inaccurate assumptions when the plans were created. As a result, over the last several years consumers have seen large premium increases. Under the new rate stabilization standards enacted by the Division on October 1, 2011, any future rate increase must return at least 85 percent of the increased premium to the consumer in the form of benefits. Previous and current rate increases for long-term care insurance are primarily driven by medical costs for the services and recent trends in medical inflation.

Other types of insurance products regulated by the Life & Health Section include:

- Vision insurance
- Dread disease (such as cancer insurance)
- Hospital/Surgical/Medical policies that are not major medical
- All forms of life insurance
- Annuities
- Disability insurance
- Credit life, disability, and involuntary unemployment insurance
- Funeral & Burial insurance
- Dental insurance

The Section also coordinates the review of benefit plans offered to Professional Employee Organizations (PEOs or Employee Leasing organizations) with the Division of Industrial Relations.

## Producer Licensing Section

The Producer Licensing Section is responsible for reviewing and ensuring the statutory compliance of approximately 30 different license types. The Licensing Section's primary activity includes the issuance of new and renewed licenses, as well as the general maintenance of licenses. The work of the Producer Licensing Section directly protects Nevada consumers through activities such as background investigations of potential licensees as of the State licensing requirements. The Licensing Section also assists in the development of education for producers, agents, brokers, exchange enrollment facilitators and other licensees, and the evaluation and approval for producer education classes.

The Producer Licensing Section staff consists of one Program Officer Section Chief, one Program Officer Assistant Chief, one Program Officer for Specialty Licensing, and eight Administrative Licensing Technicians in Carson City.

As of January 2016, the Producer Licensing Section regulated 137,871 Licensees. This total includes 16,069 resident and 104,720 non-resident insurance producers licensed, and 17,082 other license types regulated by the Division's Producer Licensing Section, doing business in Nevada.

With the implementation of the Division's online electronic licensing functionality, the Division is processing 98 percent of expanded licensing services electronically. Effective January 1, 2016, all of the Division's license renewals are emailed directly to the licensee. The email includes a hyperlink allowing the licensee to renew online, and print their license. The fees associated to an electronic transaction are deposited into the State Treasurer's account, the Division receives documentation of the funds transaction, and all the funds are allocated into the appropriate budget accounts.

The Producer Licensing Section also handles the annual appointment renewal invoicing process, which tracks the number of licensed producers appointed by the insurers doing business in this State. This process is also being done electronically, allowing over 1,000 to submit payment for the annual appointment renewal. In 2015, the annual appointment renewal project generated more than \$5.4 million, which was deposited into the General Fund.

### **Exchange Enrollment Facilitators**

The federal Patient Protection and Affordable Care Act of 2010 (“ACA”) and its associated regulations required states to create programs for Navigators, Enrollment Assistants, and Certified Application Counselors to assist consumers in purchasing insurance through a public health insurance exchange. States were permitted to license or certify these new entities but were prohibited from requiring them to obtain insurance producer licenses through existing and well-established channels.

Anticipating the potential for abuse by unlicensed and improperly educated actors in the health insurance market, the Division proposed legislation in the 77<sup>th</sup> (2013) Legislative Session that granted authority for a new certification and education program applicable to these new entities, collectively referred to as Exchange Enrollment Facilitators (“EEF”). In 2013 the Division finalized implementation of the EEF program and issued the first certifications in time for the inaugural open enrollment period of the Silver State Health Insurance Exchange.

Nevada’s EEF program requires that applicants take a pre-certification course of instruction in relevant health insurance and public benefit program topics. Applicants must also pass a certification exam with a score of at least 80 percent, the highest requirement of any state in the nation. Prior to receiving an EEF certification applicants must also submit to a fingerprint background check to reduce the risks of potential bad actors interacting with Nevada consumers. Subsequent to certification all EEFs are held to strict standards concerning conduct, ethics, and conflict of interest in the insurance industry, such that the Division retains authority to impose corrective actions and/or penalties, including suspension or revocation of the offender’s certification.

*Since the adoption of the EEF certification program in 2013, the Division has issued over 500 EEF Certifications. Currently there are 332 individuals with active EEF Certifications in this state.*

## **Self-Insured Workers’ Compensation Section**

### **Introduction**

The Self-Insured Workers’ Compensation Section is tasked with the regulation of employers and groups of employers who choose to “self-insure” the requirement to maintain workers’ compensation insurance coverage. These employers are comprised of two categories: self-insured employers (SIEs); and associations of self-insured employers or self-insured groups (SIGs). The Division provides comprehensive regulation of these entities to ensure that self-insured employers and self-insured groups are financially sound, thereby ensuring that adequate funds are available for the payment of claims to injured workers.

The Self-Insured Workers’ Compensation section staff consists of a Section Chief, two Management Analysts, and one Administrative Assistant in Carson City.

### **Insolvency Funds**

Pursuant to Nevada Revised Statutes (NRS) 616B.309 and NRS 616B.443, insolvency funds are maintained for both SIEs and SIGs. These funds exist to provide for the payment of benefits, should an employer or a group become insolvent. Each of the funds is supported through annual assessments based upon the claims activity and the amount of the security deposit maintained for each SIE or SIG.

Over the many years of regulation, only a small number of SIEs have become insolvent. When this occurs, the Division has access to the security deposit as well as any excess insurance coverage in place at the time of the insolvency. The monies in the insolvency fund for SIEs have consistently been sufficient to meet all of the obligations of employers that became insolvent. No SIG has ever become insolvent since self-insured groups were first authorized in 1995. Nevada's self-insured group statutes and regulations are considered to be among the strongest and most comprehensive in the country.

### **Nevada Employers**

There are presently 104 employers in Nevada who are SIEs, meaning that the Division has granted a certificate of authority for them to self-insure their workers' compensation obligation. These employers represent approximately 305,000 employees. In addition, Nevada has certified 9 SIGs representing approximately 2,700 employers and 80,000 employees.

### **Financial Regulation**

The regulation of SIEs requires that the Division perform regularly scheduled claim audits. Audits are conducted by examiners contracted by the Division to ensure the adequacy of the security deposit. A total of 39 audits were conducted in Fiscal Year 2016, and 33 were conducted in Fiscal Year 2015. The regulation of SIGs requires that a financial examination be conducted by an independent auditor at least every three years. Four SIGs were examined in Fiscal Year 2016, and two were examined in Fiscal Year 2015. In all of the audits and examinations conducted, no issues have been identified that would require regulatory action.

Both SIEs and SIGs are required to secure excess insurance coverage that protects that entity for losses incurred that exceed their self-insured "retention." The retention is the amount of financial exposure each entity assumes entirely. Losses that exceed this retention are then covered by a policy of excess insurance. Higher retention levels continue to be a trend for both SIEs and SIGs. Self-insured employers and groups who maintain higher retentions are required to post larger security deposits due to the increased exposure to the respective insolvency fund in the event of financial impairment.

For many years, the Nevada's self-insured workers' compensation program has provided employers with an important alternative to traditional insurance. The Division's Self-Insured Workers' Compensation program has met the needs of employers while providing strong and stable regulatory oversight designed to protect the benefits of the injured worker.

## **Property and Casualty Section**

The Property and Casualty (P&C) Section's primary responsibility is to protect Nevada consumers through the review of rate and form filings from the State's admitted property and casualty insurers. With rates for commercial lines of insurance deregulated, the review of rate filings is limited to personal lines of insurance such as personal automobile, homeowners, personal umbrella/liability, title, and several other types of insurance. The P&C Section also reviews rates for workers' compensation and medical professional liability (medical malpractice) insurance. The rate review ensures that rates are adequate, not excessive, not unfairly discriminatory, and do not result in creating a monopoly by destroying competition.

Nevada is a "prior approval" state for personal lines, a term indicating that insurers' rates and forms must be submitted to the Commissioner and approved prior to use in the marketplace. The review of form filings involves reviewing all insurance policies, endorsements, applications, declaration pages, cancellation notices, non-renewal notices, and other applicable documents.

The regulation of the service contract industry (extended warranties on items such as home appliances, electronics, or vehicles) also falls within the P&C Section. Section staff is responsible for the licensing and annual renewal of service contract providers in accordance with existing laws. All service contract forms are reviewed to ensure compliance with Nevada law.

The P&C Section also provides actuarial and informational support to the Division's Corporate and Financial Section and participates in the market conduct and financial examinations of insurers. It reviews the workers' compensation insurance portion of consolidated insurance program (CIP) applications such as those submitted by Tesla and Faraday Future.

The property and casualty insurance marketplace is experiencing a revolution attributable to advances in technology. Cybersecurity and its potential ramifications on insurance, drone insurance, and sharing-economy-related insurance products are just some of the exciting topics that are under national discussion. The P&C Section routinely participates in, and monitors, national and state discussions on these emerging challenges.

### **Property & Casualty Section Statistics**

The P&C Section is headed by a Section Chief and staffed by a Lead Actuary and four Actuarial Analysts (one of whom also serves as Assistant Chief), one Management Analyst, and an Administrative Assistant in Carson City. In an effort towards improving efficiencies, the P&C Section has moved to a largely paperless environment. This has been achieved by increased reliance on web-based electronic systems, mandating electronic filing for all insurance forms and filings, as well as scanning and electronic archiving of old documents and opinions.

### **Private Passenger Auto Insurance**

The Division's annual study of market concentration, based on NAIC data,<sup>5</sup> both by individual company and company group, shows that Nevada has an objectively competitive automobile insurance market with a lack of market concentration by its carriers. The NAIC Auto Insurance Database Report produced in 2015 lists Nevada as having the 11th highest average automobile premiums and expenditures, with an average expenditure of \$935.90, compared to the national average of \$841.23.

The increased cost of Nevada's auto insurance premiums relative to other states appears to be a result of market conditions in Nevada. A higher incidence of theft, 24-hour tourist industries, and the severity of injuries sustained in accidents appear to be the main cost drivers. There is no evidence of an uncompetitive market or market manipulation.

Insurance premiums for automobiles have a correlation with the claims experience of Nevada insurers. Many insurers have observed notable increases in the number of claims (claim frequency) during 2015 and 2016 due to a rise in automobile accidents per capita, including accidents involving pedestrians, bicyclists, and motorcyclists. Average cost per claim (claim severity) has also tended to rise for many years, largely attributed to the rising medical costs. These increases in claims severity and frequency have been occurring on a national basis, with the Insurance Information Institute reporting that total loss costs have risen by 13 percent nationally in the two-year period ending March 2016.

A summary of Nevada's private passenger automobile insurance marketplace is provided in Exhibit I, which shows the calendar-year 2015 direct premium written, direct premium earned, and direct losses incurred for the largest 25 insurers by volume of direct premium written, along with these insurers' respective 2013 rankings. Exhibit II shows the largest five insurance groups offering private passenger automobile insurance in Nevada in 2013 and 2015. Exhibit II also shows that the pure direct loss ratio for the largest five groups in 2015 was 72.07 percent – 0.81 percentage points lower than the ratio for all companies and a significant 8.51 percentage-point increase from the ratio of 63.56 percent in 2013.

Exhibit III summarizes major rate changes by the largest five insurance groups within the past three years. Overall, rate increases were more prevalent than rate decreases – largely driven by observed increases in claim frequency and severity.

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<sup>5</sup> Source: NAIC I-SITE – Market Share and Loss-Ratio Summary Reports by Group and Company, Calendar Year 2015

## **Homeowners' Insurance**

Nevada's home insurance market remains very competitive, and homeowners have the ability to shop around and purchase the desired protection at a competitive rate. The Division's annual study of home insurance market concentration, based on NAIC data,<sup>6</sup> both by individual company and company group, shows that Nevada Nevada's home insurance market has been stable and remains relatively un-concentrated.

A summary of Nevada's homeowners' insurance marketplace is provided in Exhibit IV, which shows the 2015 direct premium written, direct premium earned, and direct losses incurred for the largest 25 insurers based on volume of direct premium written, along with these insurers' respective 2013 rankings. Exhibit V shows the largest five insurance groups offering home insurance in Nevada in 2013 and 2015. The largest five insurance groups constituted 60.68 percent of Nevada direct written premium in 2015, compared to 60.51 percent in 2013. With regard to market shares of individual companies, the largest 25 insurers wrote 83.82 percent of the premium in 2015, compared to 84.78 percent in 2013 – a slight decrease in market share.

Exhibit VI summarizes major rate changes by the top five insurance groups within the past three years. Most of the changes in 2014 through 2016 have been rate increases, a trend that is indicative of increased claims activity and new methodologies being used by insurers to assess the risks at a finer level of detail.

While the Division continues to approve rate-change requests received from home insurers that are based on actuarially valid indications and supporting data, the Division's review process continues to emphasize that losses from natural disasters in other states may not be incorporated into Nevada rates. Nevada tends to be subject to fewer weather-related catastrophes than many other states; it has no hurricane exposure and a minimal exposure to tornadoes. When insurers propose loss-trend assumptions and catastrophe provisions based on severe loss experience in other states, the Division wants to ensure that this will not have the effect of redistributing increased prices from those states to Nevada.

## **Medical Professional Liability (Medical Malpractice) Insurance**

Medical professional liability insurance provides defense and indemnification for claims arising out of alleged errors and omissions or failure to meet the standard of care in the practice of medicine. It is more commonly known as medical malpractice insurance. With few exceptions, medical professional liability insurance is not mandated by the state of Nevada. However, physicians and certain other medical professionals are typically required to show proof of coverage in order to receive hospital privileges or to be included in preferred-provider networks. Since many medical professionals would be unable to practice medicine without medical professional liability insurance and since the public's well-being depends on access to medical care, it is considered an essential insurance product.

Exhibit IX represents Nevada medical professional liability experience reported on the insurers' Annual Statements filed with the National Association of Insurance Commissioners (NAIC) for calendar year 2015. The exhibit shows that medical professional liability insurance has been a profitable line of business during the time period in question. During 2009-2015, overall insurer losses for this line of business in Nevada remained sufficiently low that less than half of the premiums earned by medical professional liability insurers were used to pay claims.

The number of companies offering medical professional liability insurance in Nevada has been generally increasing over time, and the Division experienced a large influx of filings for new products by medical professional liability insurers beginning in 2015 and accelerating significantly in early 2016. Summary data from insurers' NAIC Annual Statements for calendar years 2009 through 2015 show that 69 insurers were writing medical professional liability insurance in Nevada in 2009, compared to 93 in 2015.

## **Closed-Claim Reporting and Trends**

NRS 679B.144 requires the Commissioner to collect information regarding closed claims for medical malpractice filed against physicians and surgeons in Nevada and to provide a report to the Legislature on the information collected. Exhibit VIII provides the closed-claim experience by type of practitioner (e.g, MD, DO, DDS, Other) for claims closed during calendar year 2015. Exhibit IX provides the same information for calendar year 2014. The claims are shown in the year that they are closed, regardless of when the incident

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<sup>6</sup> Source: NAIC I-SITE – Market Share and Loss-Ratio Summary Reports by Group and Company, Calendar Year 2015

occurred or when the claim was first reported. The Division's complete report on medical professional liability closed-claim information can be found at <http://doi.nv.gov/uploadedFiles/doinvgov/public-documents/Insurers/2015%20Report%20Pursuant%20to%20NRS%20690B%20360.pdf>

By their nature, the closed-claim totals in Exhibit VIII will not reconcile with the annual totals for incurred losses from Exhibits VII. This is because the data reported by insurers to the NAIC includes changes in case and IBNR reserves – estimates of amounts that the insurer expects to pay out on a given claim (or on claims incurred but not yet reported to the insurer) but has not yet paid – as well as incremental payments on claims that remain open. Including changes in case and IBNR reserves can change the loss amount in either direction. “Negative” losses can occur when insurers revise their case reserves downward in light of emerging favorable information regarding specific claims or revise their IBNR reserves downward in light of a more optimistic expectation regarding the emergence of future claims.

Total closed-claim indemnity payments reported to the Division increased from \$14,762,384.75 in 2014 to \$26,500,982.25 in 2015. Prior to the recent two years, the indemnity payments on closed claims have also tended to fluctuate considerably from year to year, reaching a historical low of \$12,269,675.42 in 2012 and then rebounding to \$21,050,837.26 in 2013. The number of closed claims has, too, fluctuated from 108 in 2010 to 70 in 2011 to 49 in 2012 to 77 in 2013 to 68 in 2014 to 83 in 2015. Closed claims pertaining to DDS insureds, nurses, and other practitioners were more numerous in 2015 than in the preceding years of this decade. However, these claims still comprise a minority of the total. Given the relatively small volume of Nevada closed claims each year and the influence of a small number of large claims on the total figures and averages by specialty, the observed variability in closed claims from year to year is not surprising to the Division.

During 2015, closed claims pertaining to MD insureds (42 claims) remained almost constant in number relative to 2014 (41 claims), but the average dollar indemnity payment increased from \$206,695.56 in 2014 to \$327,315.42 in 2015 – slightly higher than the 2013 average of \$304,486.24. Among practitioner types, the most noteworthy change between 2014 and 2015 has been the increase in indemnity payments pertaining to DO insureds, from \$1,508,065.02 for 8 claims in 2014 to \$4,988,000.00 for 6 claims in 2015. The majority of this increase can be explained by a single large claim that closed at an amount of \$2,750,000.

Total allocated loss-adjustment expenses (ALAE) on claims closed in 2015 were \$7,777,098.50, compared to \$6,135,604.26 in 2014, \$9,582,983.02 in 2013 and \$4,342,350.81 in 2012. While ALAE on closed claims increased in 2015, they comprised a smaller proportion of the insurers' total claim-related payments, as compared to 2014.

### **Risk-Retention Groups**

Overall, the medical professional liability insurance market in Nevada continues to be extremely stable and competitive. However, the Division has observed significant differences between the experience of traditional medical professional liability insurers and that of risk-retention groups (RRGs) during the past several years.

RRGs are a form of self-insurance authorized by the federal Liability Risk Retention Act of 1986. Risk-retention groups may be formed by a group of insureds, each of whom is engaged in a similar or related business, in order to insure the liability risk exposures of that group. Once an RRG is licensed in its state of domicile, it may operate in any other state, subject to registration requirements and compliance with each state's laws regarding premium taxation, unfair trade practices, and other generally applicable insurance matters. RRGs are particularly significant providers of medical professional liability insurance in Nevada. Seven of the top 25 medical professional liability insurers by market share in 2015 were RRGs, including the insurer with the fifth-largest market share. Nevada-domiciled RRGs are licensed as association captive insurers pursuant to Chapter 694C of NRS.<sup>7</sup>

The Division has observed that, in spite of a favorable medical malpractice insurance market generally, many risk-retention groups – particularly those domiciled in Nevada, which has historically been a domicile for smaller RRGs – have struggled financially. Reasons for this vary by insurer but generally include the following:

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<sup>7</sup> The term “association captive insurer” is defined in NRS 694C.050.

- RRGs tend to have fewer assets and lower premium volume compared to traditional insurers while offering comparable limits of coverage – often reaching or exceeding \$1,000,000 of coverage per occurrence and a \$3,000,000 annual aggregate limit per policy.
- RRGs often have minimal in-house staff and rely on contracts with numerous external service providers. Many RRGs may have loss ratios comparable to those of traditional insurers but may experience significantly higher expense ratios.
- Small RRGs are at a negotiating disadvantage when procuring reinsurance to limit exposure on a given claim or set of policies.
- While Nevada’s medical professional liability insurance market remains favorable, Nevada-domiciled RRGs that have written significant business in other states – such as Florida, New York, and Michigan – have experienced more adverse results due to experience in such states.

Despite the challenges faced by many RRGs, the overall market for medical professional liability insurance remains favorable in Nevada – with healthy and growing competition, available and affordable coverages, and an undiminished capacity of most insurers to pay claims.

### **Workers’ Compensation Insurance – Private Insurers**

Effective July 1, 1999, Nevada moved from a state run industrial insurance program to a system provided by private insurers, associations of self-insured employers, and individual self-insured employers. This new system has created a competitive and stable worker’s compensation insurance market in Nevada. The 2014 Oregon Premium Rate Ranking Study produced by Oregon’s Department of Consumer and Business Services identified Nevada as having the 6th-lowest average cost of workers’ compensation insurance out of 51 U.S. jurisdictions.

Since July 1, 2001, the National Council on Compensation Insurance, Inc. (NCCI) has filed proposed loss costs for the Nevada private insurance market. Once these loss costs are filed, insurers may file loss-cost multipliers to consider the impact of insurer-specific other expenses and profit (taking into account investment income). NCCI also files proposed rates for the assigned-risk plan, for those Nevada businesses that are unable to find a carrier who will write their risk in the private insurance market.

Overall, Nevada workers’ compensation insurance rates are poised to decrease significantly to reflect the declining costs of insured losses. NCCI received approval for an average decrease of 10.7 percent in voluntary-market loss costs and a 10.5 percent decrease in assigned-risk rates, effective March 1, 2017. This follows 2016 average reductions of 5.5 percent and 4.2 percent respectively from the voluntary-market loss costs and assigned-risk market rates.

Exhibit X summarizes the voluntary-market loss-cost and assigned-risk rate changes for 2015-2017 by industry group and overall, and Exhibit XI shows the average voluntary-market loss-cost and assigned-risk rate changes since 1999. Exhibit XII represents Nevada workers’ compensation experience reported on the insurers’ 2015 NAIC Annual Statements, which is the latest time period for which such data are presently available.

Workers’ compensation has been a profitable line of business for most of the Nevada insurers, with loss ratios (the ratios of incurred losses to earned premiums) for many companies remaining below 50% in 2015. The overall 2015 loss ratio of 44.68% improved by 8.36 percentage points compared to the overall 2013 loss ratio of 53.04%.

Both indemnity and medical loss components of workers’ compensation claims, as analyzed by NCCI in its recently approved filing, showed improved experience and favorable loss development. In particular, frequency of workers’ compensation losses has continued a pattern of significant declines. The low and declining overall loss ratios generally suggest that current workers’ compensation rates are highly adequate and conducive to continued insurer solvency.

In conclusion, ongoing consideration of these and a variety of other metrics by the Division of Insurance reveals the continuing stability, solvency, and competitiveness of the workers’ compensation market in Nevada.

## Title Insurance

Title insurance is also regulated by the Nevada Division of Insurance. Title insurance is unique compared to other insurance products we regulate. Rather than providing protection for unknown future events, title insurance provides protection from future losses because of events that have already occurred (such as a mechanic's lien or a forgery in the chain of title).

Since the 2015 Insurance Market Report, there has been little change in the makeup of the title insurance market. In 2013, two insurance groups comprising three companies held 75 percent of the title insurance market, with nine companies making up the rest. In 2014 and 2015, the five companies in those same two largest insurance groups held 73 percent of the market, with nine companies comprising the balance.

Nevada title insurance revenue in the form of earned premiums decreased from \$162 million in 2013 to \$140 million in 2014 but rose back to \$151 million in 2015. Historically, loss ratios for title insurance have been very low – often less than 10 percent – however, they began to increase between 2009 and 2013, fluctuating between 15 percent and 28 percent. The housing crisis and growth in foreclosures increased the amount of claims filed during this period. In 2014 and 2015, loss ratios were back to a historically typical 7 percent.

To help buyers in navigating their options, the Division of Insurance has developed a title and escrow consumer education section on its website. It includes a brief explanation of how title insurance works, the Division's *Consumer's Guide to Title Insurance*, instructions for sending in a complaint or filing it online, and the Title Insurance Rate Comparison tool. This tool allows consumers to enter information about a property (purchase price, down payment, county, and whether it is a short sale) and receive: a list of title agencies operating in the county; the title insurers they write for; and the costs of an owner's policy of title insurance, a simultaneously issued lender's policy of title insurance, and the escrow/closing fees. The tool has a similar comparison for refinance transactions.

## Innovations and Industry Trends

**Ride Sharing:** Pursuant to NRS 690B.470, the Division continues to work collaboratively with the Nevada Transportation Authority in the licensing process of transportation network companies (TNCs). At the time of writing of this report, one rate service organization and 3 insurance companies had begun offering endorsements to TNC drivers, with several insurers working towards making similar endorsements or products available soon.

**Driverless Cars/Autonomous Vehicles:** The testing and operation of autonomous vehicles in this state has been permissible since 2011 with a deposit of cash, surety bond, or proof of insurance in the amount of \$5,000,000. The Division is monitoring and discussing the introduction of insurance products for autonomous vehicles in Nevada, but no such products have been submitted by the insurance industry at the time of this writing.

**Home Sharing:** A new type of service, introduced to consumers in recent years, enables owners to list their own apartments, homes, and other residential properties for rent to travelers or to rent similar accommodations when they are traveling themselves. While homeowners' insurance historically has excluded short-term rentals of one's own home, the Division has recently received policy endorsement changes offering protection for insureds renting their dwellings for a few months a year in exchange for an additional premium charge to reflect the increase in liability exposure. Several major home-sharing services also offer host protection coverage.

**National Flood Insurance Program:** Increased action at the federal level has occurred with the aim to increase availability and affordability of flood insurance by improving access to private insurance options. H.R. 2901, the Flood Insurance Market Parity and Modernization Act, unanimously passed the U.S. House of Representatives in early 2016, but was not considered by the U.S. Senate during the 114<sup>th</sup> Congress. It remains to be seen what action the 115<sup>th</sup> Congress may take regarding this or similar legislation.

The Flood Insurance Market Parity and Modernization Act clarifies that valid flood insurance policies underwritten by private insurers should be accepted by mortgage lenders on the same basis as policies issued by the National Flood Insurance Program (NFIP). If this or similar legislation is enacted, the Division anticipates an increase in flood insurance products offered by private insurers and filings submitted by such insurers for the Division's review and approval.



**EXHIBIT I: Private Passenger Automobile Insurance by Premium  
Largest 25 Insurers – 2015 (Monetary figures are in thousands of dollars.)**

2015 Rank	2013 Rank	NAIC Company Code	Company Name	State of Domicile	Direct Premium Written	Direct Premium Earned	Direct Loss Incurred	Pure Direct Loss Ratio	Market Share
1	1	25178	State Farm Mutual Automobile Insurance Company	IL	\$315,650	\$307,874	\$233,468	75.83%	16.16%
2	2	21687	Mid-Century Insurance Company	CA	\$155,865	\$158,391	\$113,304	71.53%	7.98%
3	7	41491	GEICO Casualty Company	MD	\$146,433	\$140,965	\$114,138	80.97%	7.50%
4	3	29688	Allstate Fire & Casualty Insurance Company	IL	\$129,115	\$126,028	\$85,018	67.46%	6.61%
5	4	37770	CSAA General Insurance Company	IN	\$100,125	\$99,738	\$70,991	71.18%	5.12%
6	5	38628	Progressive Northern Insurance Company	WI	\$98,409	\$97,666	\$63,397	64.91%	5.04%
7	6	16322	Progressive Direct Insurance Company	OH	\$94,364	\$91,610	\$62,808	68.56%	4.83%
8	8	19275	American Family Mutual Insurance Company	WI	\$55,284	\$55,159	\$33,644	60.99%	2.83%
9	12	36447	LM General Insurance Company	IL	\$54,189	\$49,513	\$45,139	91.17%	2.77%
10	9	25941	United Services Automobile Association	TX	\$45,947	\$45,457	\$39,355	86.58%	2.35%
11	10	35882	GEICO General Insurance Company	MD	\$44,787	\$44,680	\$30,587	68.46%	2.29%
12	11	25143	State Farm Fire & Casualty Company	IL	\$42,813	\$41,323	\$37,015	89.57%	2.19%
13	18	39012	Safeco Insurance Company Of Illinois	IL	\$38,087	\$34,247	\$22,775	66.50%	1.95%
14	17	10730	American Access Casualty Company	IL	\$35,559	\$34,042	\$25,644	75.33%	1.82%
15	13	25968	USAA Casualty Insurance Company	TX	\$32,128	\$31,674	\$28,360	89.54%	1.64%
16	16	37478	Hartford Insurance Company Of The Midwest	IN	\$31,774	\$30,179	\$23,132	76.65%	1.63%
17	78	19070	Standard Fire Insurance Company	CT	\$21,875	\$16,852	\$11,903	70.63%	1.12%
18	28	18600	USAA General Indemnity Company	TX	\$19,956	\$18,837	\$17,378	92.25%	1.02%
19	29	12966	Key Insurance Company	KS	\$19,912	\$19,816	\$12,656	63.87%	1.02%
20	20	22055	GEICO Indemnity Company	MD	\$19,674	\$19,717	\$11,885	60.28%	1.01%
21	15	23035	Liberty Mutual Fire Insurance Company	WI	\$19,133	\$21,407	\$11,749	54.88%	0.98%
22	19	19232	Allstate Insurance Company	IL	\$19,058	\$19,607	\$8,954	45.67%	0.98%
23	25	30210	Esurance Property & Casualty Insurance Company	WI	\$18,526	\$18,322	\$14,769	80.61%	0.95%
24	21	22063	Government Employees Insurance Company	MD	\$17,509	\$17,541	\$11,085	63.19%	0.90%
25	50	11198	Loya Insurance Company	TX	\$15,329	\$15,041	\$10,097	67.13%	0.78%
<b>Totals for Largest 25 Companies</b>					<b>\$1,591,501</b>	<b>\$1,555,686</b>	<b>\$1,139,251</b>	<b>73.23%</b>	<b>81.46%</b>
<b>Total for All 181 Companies (151 Active Companies)<sup>8</sup></b>					<b>\$1,953,755</b>	<b>\$1,912,136</b>	<b>\$1,393,572</b>	<b>72.88%</b>	<b>100%</b>

*Source: NAIC I-SITE – Market Share and Loss-Ratio Summary Report, Calendar Year 2015*

<sup>8</sup> An active company is defined as a company that wrote a positive amount of direct premium during the calendar year.

**EXHIBIT II**

**Private Passenger Automobile Insurance by Premium:  
Largest 5 Insurance Groups by Market Share in 2013 and 2015  
(Monetary figures are in thousands of dollars.)**

**2015 – Largest 5 Groups**

<b>R a n k</b>	<b>NAIC Group Code</b>	<b>Group Name</b>	<b>Direct Premiums Written</b>	<b>Direct Premiums Earned</b>	<b>Direct Losses Incurred</b>	<b>Pure Direct Loss Ratio</b>	<b>Market Share</b>
1	176	State Farm Group	\$358,463	\$349,197	\$270,483	77.46%	18.35%
2	31	Berkshire Hathaway Group	\$231,786	\$223,438	\$168,002	75.19%	11.86%
3	155	Progressive Group	\$200,164	\$196,938	\$131,426	66.73%	10.25%
4	8	Allstate Insurance Group	\$190,505	\$188,204	\$122,257	64.96%	9.75%
5	69	Farmers Insurance Group	\$187,763	\$185,052	\$131,452	71.04%	9.61%
<b>Totals for Largest 5 Groups</b>			<b>\$1,168,681</b>	<b>\$1,142,829</b>	<b>\$823,620</b>	<b>72.07%</b>	<b>59.82%</b>
<b>Totals for All 78 Groups (64 Active Groups)<sup>6</sup></b>			<b>\$1,953,755</b>	<b>\$1,912,136</b>	<b>\$1,393,572</b>	<b>72.88%</b>	<b>100%</b>

*Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2015*

**2013 – Largest 5 Groups**

<b>R a n k</b>	<b>NAIC Group Code</b>	<b>Group Name</b>	<b>Direct Premiums Written</b>	<b>Direct Premiums Earned</b>	<b>Direct Losses Incurred</b>	<b>Pure Direct Loss Ratio</b>	<b>Market Share</b>
1	176	State Farm Group	\$299,709	\$291,759	\$187,919	64.41%	17.28%
2	69	Farmers Insurance Group	\$190,564	\$194,527	\$105,846	54.41%	10.99%
3	155	Progressive Group	\$182,247	\$179,927	\$119,638	66.49%	10.51%
4	8	Allstate Insurance Group	\$179,160	\$179,042	\$105,264	58.79%	10.33%
5	31	Berkshire Hathaway	\$163,166	\$155,017	\$114,241	73.70%	9.41%
<b>Totals for Largest 5 Groups</b>			<b>\$1,014,846</b>	<b>\$1,000,272</b>	<b>\$632,908</b>	<b>63.56%</b>	<b>58.52%</b>
<b>Totals for All 79 Groups (69 Active Groups)</b>			<b>\$1,734,079</b>	<b>\$1,706,234</b>	<b>\$1,132,518</b>	<b>66.38%</b>	<b>100%</b>

*Source: NAIC I-SITE – Market Share and Loss-Ratio Summary Report, Calendar Year 2013*

<sup>6</sup> An active group is defined as a group that wrote a positive amount of direct premium during the calendar year.

**EXHIBIT III**  
**3-Year Private Passenger Automobile (PPA) Insurance Rate-Change History**

**State Farm Group**

<b>Company</b>	<b>Effective Date</b>	<b>Overall Rate Change<sup>7</sup></b>
State Farm Insurance Companies <sup>8</sup>	01/01/2013	+0.10%, +0.10%
State Farm Insurance Companies	02/25/2013	+5.10%, +1.60%
State Farm Insurance Companies	11/25/2013	+4.40%, +10.70%
State Farm Insurance Companies	01/01/2014	+0.10%, +0.10%
State Farm Insurance Companies	06/01/2015	+5.40%, +2.90%
State Farm Insurance Companies	06/13/2016	+10.60%, +7.30%

**Berkshire Hathaway Group**

<b>Company</b>	<b>Effective Date</b>	<b>Overall Rate Change</b>
GEICO Insurance Group <sup>9</sup>	03/04/2013	0.00%
GEICO Insurance Group	09/30/2013	0.00%
GEICO Insurance Group	05/12/2014	0.00%
GEICO Casualty Company	01/27/2014	+4.60%
GEICO Casualty Company	10/06/2014	+3.70%
GEICO Casualty Company	08/31/2015	+15.00%
GEICO General Insurance Company	08/31/2015	+3.80%
Government Employees Insurance Company	08/31/2015	+3.80%

**Progressive Group**

<b>Company</b>	<b>Effective Date</b>	<b>Overall Rate Change</b>
Progressive Northern Insurance Company	01/21/2013	+4.90%
Progressive Northern Insurance Company	06/13/2013	0.00%
Progressive Northern Insurance Company	04/13/2014	+4.30%
Progressive Northern Insurance Company	07/13/2014	+5.30%
Progressive Northern Insurance Company	01/11/2015	0.00%
Progressive Northern Insurance Company	07/26/2015	+5.10%
Progressive Northern Insurance Company	03/27/2016	+1.87%
Progressive Direct Insurance Company	06/13/2013	+0.10%
Progressive Direct Insurance Company	09/23/2013	+5.10%
Progressive Direct Insurance Company	01/11/2015	0.00%
Progressive Direct Insurance Company	07/26/2015	+5.10%
Progressive Direct Insurance Company	11/15/2015	+3.50%
Progressive Direct Insurance Company	03/27/2016	+2.45%

<sup>7</sup> Overall rate change reflects statewide average impact. Some consumers may experience a rate increase, some may experience a rate decrease, and some may not experience any change. Where multiple changes are listed for a given group of companies, each change is an overall rate change that pertains to an individual insurance company within the group.

<sup>8</sup> Consist of State Farm Fire and Casualty Company and State Farm Mutual Automobile Insurance Company.

<sup>9</sup> Consists of GEICO Casualty Company, GEICO Indemnity Company, GEICO General Insurance Company, and Government Employees Insurance Company.

### Allstate Insurance Group

Company	Effective Date	Overall Rate Change
Allstate Fire and Casualty Insurance Company	01/13/2013	+2.00%
Allstate Fire and Casualty Insurance Company	07/15/2013	0.00%
Allstate Fire and Casualty Insurance Company	07/29/2013	0.00%
Allstate Fire and Casualty Insurance Company	12/01/2014	+1.30%
Allstate Fire and Casualty Insurance Company	01/12/2015	+1.50%
Allstate Fire and Casualty Insurance Company	03/23/2015	0.00%
Allstate Fire and Casualty Insurance Company	08/31/2015	+3.00%
Allstate Fire and Casualty Insurance Company	05/16/2016	+12.00%
Esurance Property & Casualty Insurance Company	04/11/2013	+3.00%
Esurance Property & Casualty Insurance Company	10/10/2013	+4.50%
Esurance Property & Casualty Insurance Company	05/29/2014	+13.00%
Esurance Property & Casualty Insurance Company	10/01/2015	+4.40%

### Farmers Insurance Group

Company	Effective Date	Overall Rate Change
Mid-Century Insurance Company	01/13/2013	+3.50%
Mid-Century Insurance Company	07/31/2013	+3.50%
Mid-Century Insurance Company	10/28/2014	+2.50%
Mid-Century Insurance Company	04/28/2015	+6.00%
Mid-Century Insurance Company	11/17/2015	+6.40%
Mid-Century Insurance Company	05/17/2016	+8.74%
Farmers Insurance Exchange	04/28/2015	+6.00%
Farmers Insurance Exchange	11/17/2015	+6.40%
Farmers Insurance Exchange	06/07/2016	+10.00%

*Source: Personal-Lines Rate-Filing Database of the Nevada Division of Insurance*

**EXHIBIT IV: Home Insurance by Premium  
Largest 25 Insurers – 2015 (Monetary figures are in thousands of dollars.)**

2015 Rank	2013 Rank	NAIC Company Code	Company Name	State of Domicile	Direct Premium Written	Direct Premium Earned	Direct Loss Incurred	Pure Direct Loss Ratio	Market Share
1	1	25143	State Farm Fire & Casualty Company	IL	\$111,836	\$107,435	\$46,190	42.99%	20.90%
2	2	21652	Farmers Insurance Exchange	CA	\$40,511	\$38,105	\$17,743	46.56%	7.57%
3	3	21660	Fire Insurance Exchange	CA	\$31,109	\$30,980	\$14,484	46.75%	5.81%
4	4	10921	CSAA Fire & Casualty Insurance Company	IN	\$30,956	\$30,603	\$15,468	50.54%	5.79%
5	5	17230	Allstate Property & Casualty Insurance Company	IL	\$28,574	\$30,294	\$15,505	51.18%	5.34%
6	9	27998	Travelers Home & Marine Insurance Company	CT	\$19,439	\$17,705	\$7,792	44.01%	3.63%
7	7	25941	United Services Automobile Association	TX	\$18,063	\$17,695	\$8,057	45.53%	3.38%
8	6	19275	American Family Mutual Insurance Company	WI	\$17,982	\$17,690	\$10,542	59.59%	3.36%
9	11	42404	Liberty Insurance Corporation	IL	\$17,179	\$15,738	\$7,788	49.49%	3.21%
10	8	19240	Allstate Indemnity Company	IL	\$13,130	\$13,473	\$5,290	39.26%	2.45%
11	12	20990	Country Mutual Insurance Company	IL	\$11,645	\$11,559	\$4,954	42.86%	2.18%
12	14	11185	Foremost Insurance Company Grand Rapids, Michigan	MI	\$10,565	\$10,383	\$5,216	50.24%	1.97%
13	10	19232	Allstate Insurance Company	IL	\$10,477	\$10,990	\$4,872	44.33%	1.96%
14	16	24740	Safeco Insurance Company Of America	NH	\$ 9,688	\$ 8,930	\$3,374	37.78%	1.81%
15	17	20419	Homesite Indemnity Company	KS	\$9,249	\$8,827	\$4,264	48.31%	1.73%
16	13	34690	Property & Casualty Insurance Company of Hartford	IN	\$9,143	\$9,391	\$4,080	43.45%	1.71%
17	19	26905	Century National Insurance Company	CA	\$8,401	\$7,752	\$3,639	46.94%	1.57%
18	15	25968	USAA Casualty Insurance Company	TX	\$8,302	\$8,233	\$3,332	40.47%	1.55%
19	20	10759	Universal North America Insurance Company	TX	\$6,877	\$6,974	\$5,230	74.99%	1.29%
20	22	28401	American National Property & Casualty Company	MO	\$6,646	\$6,575	\$2,473	37.61%	1.24%
21	21	20397	Vigilant Insurance Company	NY	\$6,376	\$6,463	\$3,295	50.98%	1.19%
22	23	13625	Western Mutual Insurance Company	CA	\$5,813	\$5,509	\$5,028	91.27%	1.09%
23	28	37257	Praetorian Insurance Company	PA	\$5,805	\$5,512	\$2,288	41.51%	1.08%
24	18	23035	Liberty Mutual Fire Insurance Company	WI	\$5,488	\$5,900	\$2,249	38.12%	1.03%
25	30	33600	LM Insurance Corporation	IL	\$5,227	\$4,600	\$2,282	49.61%	0.98%
<b>Totals for Largest 25 Companies</b>					<b>\$448,481</b>	<b>\$437,316</b>	<b>\$205,435</b>	<b>46.98%</b>	<b>83.82%</b>
<b>Totals for All 129 Companies (112 Active Companies)</b>					<b>\$535,066</b>	<b>\$518,826</b>	<b>\$242,940</b>	<b>46.82%</b>	<b>100%</b>

*Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2015*

**EXHIBIT V**  
**Home Insurance by Premium:**  
**Largest 5 Insurance Groups by Market Share in 2013 and 2015**  
**(Monetary figures are in thousands of dollars.)**

**2015 – Largest 5 Groups**

<b>R a n k</b>	<b>NAIC Group Code</b>	<b>Group Name</b>	<b>Direct Premiums Written</b>	<b>Direct Premiums Earned</b>	<b>Direct Losses Incurred</b>	<b>Pure Direct Loss Ratio</b>	<b>Market Share</b>
1	176	State Farm Group	\$111,836	\$107,435	\$46,190	42.99%	20.90%
2	69	Farmers Insurance Group	\$84,179	\$81,480	\$38,774	47.59%	15.73%
3	8	Allstate Insurance Group	\$58,969	\$58,805	\$27,338	46.49%	11.02%
4	111	Liberty Mutual Group	\$37,582	\$35,168	\$15,693	44.62%	7.02%
5	200	United Services Automobile Association (USAA) Group	\$32,122	\$31,042	\$13,475	43.41%	6.00%
<b>Totals for Largest 5 Groups</b>			<b>\$324,688</b>	<b>\$313,930</b>	<b>\$141,470</b>	<b>45.06%</b>	<b>60.68%</b>
<b>Totals for All 58 Groups (53 Active Groups)</b>			<b>\$535,066</b>	<b>\$518,826</b>	<b>\$243,526</b>	<b>46.94%</b>	<b>100%</b>

*Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2015*

**2013 – Largest 5 Groups**

<b>R a n k</b>	<b>NAIC Group Code</b>	<b>Group Name</b>	<b>Direct Premiums Written</b>	<b>Direct Premiums Earned</b>	<b>Direct Losses Incurred</b>	<b>Pure Direct Loss Ratio</b>	<b>Market Share</b>
1	176	State Farm Group	\$98,839	\$97,177	\$44,988	46.29%	20.66%
2	69	Farmers Insurance Group	\$75,115	\$74,863	\$32,194	43.00%	15.70%
3	8	Allstate Insurance Group	\$57,558	\$57,919	\$27,404	47.31%	12.03%
4	1278	CSAA Insurance Group	\$29,227	\$29,211	\$15,408	52.75%	6.11%
5	111	Liberty Mutual Group	\$28,756	\$26,352	\$15,043	57.08%	6.01%
<b>Totals for Largest 5 Groups</b>			<b>\$289,495</b>	<b>\$285,522</b>	<b>\$135,037</b>	<b>49.29%</b>	<b>60.51%</b>
<b>Totals for All 56 Groups (54 Active Groups)</b>			<b>\$478,457</b>	<b>\$471,806</b>	<b>\$226,904</b>	<b>48.09%</b>	<b>100%</b>

*Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2013*

**EXHIBIT VI**  
**3-Year Homeowners' Insurance Rate-Change History**

**State Farm Group**

Company	Effective Date	Overall Rate Change <sup>10</sup>
State Farm Fire and Casualty Company	03/01/2014	+3.10%
State Farm Fire and Casualty Company	04/01/2015	+2.00%
State Farm Fire and Casualty Company	04/01/2016	-4.50%

**Farmers Insurance Group**

Company	Effective Date	Overall Rate Change
Farmers Insurance Exchange, Fire Insurance Exchange	02/16/2013	+6.90%, +13.10%
Farmers Insurance Exchange, Fire Insurance Exchange	02/16/2014	+5.00%, +1.50%
Farmers Insurance Exchange, Fire Insurance Exchange	09/09/2014	+17.20%, +7.20%
Farmers Insurance Exchange	10/16/2014	-0.05%
Farmers Insurance Exchange, Fire Insurance Exchange	02/16/2015	+2.10%, +4.30%
Farmers Insurance Exchange, Fire Insurance Exchange	09/09/2015	+0.10%, +10.0%
Farmers Insurance Exchange, Fire Insurance Exchange	02/16/2016	+3.10%, +1.70%

**Allstate Insurance Group**

Company	Effective Date	Overall Rate Change
Allstate Property & Casualty Insurance Company	08/08/2013	0.00%
Allstate Property & Casualty Insurance Company	05/08/2014	+5.00%
Allstate Property & Casualty Insurance Company	05/12/2016	+2.90%
Allstate Vehicle and Property Insurance Company	05/12/2016	+2.90%
Allstate Indemnity Company	08/25/2016	+5.00%

**Liberty Mutual Insurance Group**

Company	Effective Date	Overall Rate Change
Liberty Insurance Corporation, LM Insurance Corporation	04/18/2013	+4.98%, +5.01%
Liberty Insurance Corporation, LM Insurance Corporation	04/25/2014	+9.40%, +9.70%
Liberty Insurance Corporation, LM Insurance Corporation	04/25/2015	+8.40%, +8.70%
Liberty Insurance Corporation, LM Insurance Corporation	06/30/2015	0.00%, 0.00%
Liberty Insurance Corporation, LM Insurance Corporation	04/25/2016	+5.70%, +5.80%
Safeco Insurance Company of America	10/08/2013	+4.60%
Safeco Insurance Company of America	10/08/2014	+6.30%
Safeco Insurance Company of America	04/07/2015	-0.10%

**United Services Automobile Association Group**

Company	Effective Date	Overall Rate Change
Garrison Property and Casualty Insurance Company	08/25/2014	0.00%
USAA Casualty Insurance Company	08/25/2014	-6.90%
USAA General Indemnity Company	08/25/2014	0.00%
United Services Automobile Association	08/25/2014	+3.10%

Source: Personal-Lines Rate-Filing Database of the Nevada Division of Insurance

<sup>10</sup> Overall rate change reflects statewide average impact. Some consumers may experience a rate increase, some may experience a rate decrease, and some may not experience any change. Where multiple changes are listed for a given group of companies, each change is an overall rate change that pertains to an individual insurance company within the group.

**EXHIBIT VII: Medical Professional Liability Insurance by Premium  
Largest 25 Insurers – 2015 (Monetary figures are in thousands of dollars.)**

<b>R A N K</b>	<b>NAIC Group Code</b>	<b>NAIC Company Code</b>	<b>Company Name</b>	<b>State of Domicile</b>	<b>Direct Premium Written</b>	<b>Direct Premium Earned</b>	<b>Direct Loss Incurred</b>	<b>Pure Direct Loss Ratio</b>	<b>Market Share</b>
1	2698	38954	ProAssurance Casualty Company	MI	13,145	13,562	4,076	30.05%	18.42%
2	1282	33200	NORCAL Mutual Insurance Company	CA	11,209	9,033	5,404	59.83%	15.71%
3	4789	11260	Nevada Mutual Insurance Company, Inc.	NV	7,299	7,557	1,521	20.13%	10.23%
4	31	11843	Medical Protective Company	IN	6,180	6,359	671	10.55%	8.66%
5		12613	Premier Physicians Insurance Company, Inc., a RRG	NV	5,023	5,019	2,987	59.51%	7.04%
6	158	25054	Hudson Insurance Company	DE	2,679	2,603	-198	-7.61%	3.76%
7	831	34495	Doctors Company, An Interinsurance Exchange	CA	2,677	2,578	1,379	53.49%	3.75%
8	158	37079	Hudson Specialty Insurance Company	NY	1,629	2,133	3,645	170.89%	2.28%
9	218	20427	American Casualty Company of Reading, PA	PA	1,508	1,482	510	34.41%	2.11%
10	218	31127	Columbia Casualty Company	IL	1,365	1,348	161	11.94%	1.91%
11	218	20443	Continental Casualty Company	IL	1,168	1,124	251	22.33%	1.64%
12		44504	California Healthcare Insurance Company, Inc., RRG	HI	983	998	179	17.94%	1.38%
13		12180	California Medical Group Insurance Company, RRG	AZ	963	916	70	7.64%	1.35%
14		14260	OrthoForum Insurance Company, RRG	SC	898	881	631	71.62%	1.26%
15	831	14347	The Doctors Company RRG, a Reciprocal Exchange	DC	896	896	559	62.39%	1.26%
16		19348	Capson Physicians Insurance Company	TX	879	864	541	62.62%	1.23%
17		44105	Ophthalmic Mutual Insurance Company, RRG	VT	752	726	35	4.82%	1.05%
18	98	24856	Admiral Insurance Company	DE	750	777	11	1.42%	1.05%
19	2638	15865	NCMIC Insurance Company	IA	718	721	144	19.97%	1.01%
20	12	19437	Lexington Insurance Company	DE	690	616	83	13.47%	0.97%
21	2698	14460	Podiatry Insurance Company Of America	IL	593	579	206	35.58%	0.83%
22		40975	Dentists Insurance Company	CA	558	544	-96	-17.65%	0.78%
23		35904	Health Care Indemnity, Inc.	CO	546	546	-1,402	-256.78%	0.77%
24	508	44121	OMS National Insurance Company, RRG	IL	475	505	0	0%	0.67%
25	111	19917	Liberty Insurance Underwriters, Inc.	IL	458	446	129	28.92%	0.64%
<b>Totals for Largest 25 Companies</b>					<b>64,041</b>	<b>62,813</b>	<b>21,497</b>	<b>34.22%</b>	<b>89.76%</b>
<b>Totals for All 113 Companies (93 Active Companies)</b>					<b>71,344</b>	<b>70,664</b>	<b>28,151</b>	<b>39.84%</b>	<b>100%</b>

*Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2015*



## Exhibit VIII: Nevada Closed-Claim Data by Type of Practitioner (2015)

<b>Indemnity Payments on Nevada Medical Professional Liability Claims Closed in 2015 (With Payments of \$5,000 or Greater)</b>				
Source: Compilation of Closed-Claim Reports Submitted to the Nevada Division of Insurance for Calendar Year 2015				
Type of Practitioner	Indemnity Payments	Number of Claims	Average Indemnity Payment	Total Allocated Loss-Adjustment Expenses
Doctor of Dental Medicine	\$256,100	6	\$42,683	\$84,749
Doctor of Dental Surgery	\$425,000	5	\$85,000	\$141,939
Doctor of Medicine	\$13,747,248	42	\$327,315	\$6,109,175
Doctor of Osteopathic Medicine	\$4,988,000	6	\$831,333	\$865,984
Nurse	\$319,000	4	\$79,750	\$137,656
Other	\$6,765,635	20	\$338,282	\$437,594
<b>Totals for 2015</b>	<b>\$26,500,982</b>	<b>83</b>	<b>\$319,289</b>	<b>\$7,777,099</b>

## Exhibit IX: Nevada Closed-Claim Data by Type of Practitioner (2014)

<b>Indemnity Payments on Nevada Medical Professional Liability Claims Closed in 2014 (With Payments of \$5,000 or Greater)</b>				
Source: Compilation of Closed-Claim Reports Submitted to the Nevada Division of Insurance for Calendar Year 2014				
Type of Practitioner	Indemnity Payments	Number of Claims	Average Indemnity Payment	Total Allocated Loss-Adjustment Expenses
Doctor of Dental Medicine	\$60,000	1	\$60,000	\$41,352
Doctor of Dental Surgery	\$225,000	6	\$37,500	\$118,514
Doctor of Medicine	\$8,474,518	41	\$206,696	\$4,357,744
Doctor of Osteopathic Medicine	\$1,508,065	8	\$188,508	\$611,112
Other	\$4,494,802	12	\$374,567	\$1,006,883
<b>Totals for 2015</b>	<b>\$14,762,385</b>	<b>68</b>	<b>\$217,094</b>	<b>\$6,135,604</b>

**EXHIBIT X**

**Approved NCCI Voluntary Loss-Cost Changes and Assigned-Risk Rate  
Changes by Industry Group: 2015-2017**

<b>Industry Group</b>	<b>Voluntary Loss-Cost Change, 2015</b>	<b>Voluntary Loss-Cost Change, 2016</b>	<b>Voluntary Loss-Cost Change, 2017</b>	<b>Assigned-Risk Rate Change, 2015</b>	<b>Assigned-Risk Rate Change, 2016</b>	<b>Assigned-Risk Rate Change, 2017</b>
Contracting	+2.8%	-5.0%	-9.8%	-1.7%	-3.7%	-9.6%
Goods & Services	-3.1%	-5.7%	-10.8%	-7.6%	-4.4%	-10.6%
Manufacturing	+2.3%	-1.4%	-8.6%	-2.2%	-0.1%	-8.4%
Office & Clerical	-0.5%	-7.2%	-11.0%	-5.0%	-5.9%	-10.8%
Miscellaneous	+0.1%	-6.5%	-12.4%	-4.4%	-5.2%	-12.2%
<b>Overall</b>	<b>-0.5%</b>	<b>-5.5%</b>	<b>-10.7%</b>	<b>-5.0%</b>	<b>-4.2%</b>	<b>-10.5%</b>

**EXHIBIT XI**  
**Average Approved Changes in Voluntary-Market Loss Costs and Assigned-Risk Rates**

<b>Effective Date</b>	<b>Approved Average Change in Voluntary-Market Loss Costs</b>	<b>Approved Average Change in Assigned-Risk Rates</b>
7/1/1999	-8.0%	-8.0%
1/1/2000	+6.4%	+6.4%
7/1/2000	-1.9%	-1.9%
7/1/2001 – First NCCI filings take effect.	-6.0%	+1.1%
7/1/2002	+1.5%	N/A
8/1/2002 for new business, 9/1/2002 for renewals	N/A	-9.8%
1/1/2004	-12.3%	-9.1%
1/1/2005	-6.5%	-6.9%
3/1/2006	-0.3%	-2.6%
3/1/2007	+3.4%	+5.0%
3/1/2008	-10.5%	-10.1%
3/1/2009	-4.9%	-6.0%
3/1/2010	-7.6%	-3.7%
3/1/2011	-3.9%	-2.2%
3/1/2012	+1.0%	-5.2%
3/1/2013	+2.6%	+2.5%
3/1/2014	+3.2%	+3.3%
3/1/2015	-0.5%	-5.0%
3/1/2016	-5.5%	-4.2%
3/1/2017	-10.7%	-10.5%

**EXHIBIT XII:**  
**Workers' Compensation Insurance by Premium Largest 25 Insurers – 2015**  
**(Monetary figures are in thousands of dollars.)**

<b>R A N K</b>	<b>NAIC Group Code</b>	<b>NAIC Company Code</b>	<b>Company Name</b>	<b>State of Domicile</b>	<b>Direct Premium Written</b>	<b>Direct Premium Earned</b>	<b>Direct Loss Incurred</b>	<b>Pure Direct Loss Ratio</b>	<b>Market Share</b>
1	922	27847	Insurance Company of the West	CA	20,793	21,000	11,503	54.78%	5.71%
2	785	38970	Markel Insurance Company	IL	17,465	16,991	4,921	28.96%	4.80%
3	212	16535	Zurich American Insurance Company	NY	13,830	12,213	5,111	41.85%	3.80%
4	3548	25674	Travelers Prop Casualty Company of America	CT	13,670	9,772	4,964	50.80%	3.75%
5	98	36684	Riverport Insurance Company	IA	12,189	6,930	5,350	77.20%	3.35%
6	2538	42376	Technology Insurance Company, Inc.	NH	10,802	15,389	10,512	68.31%	2.97%
7	12	23841	New Hampshire Insurance Company	IL	10,627	11,815	5,155	43.63%	2.92%
8	2538	15954	AmTrust Insurance Company of Kansas, Inc.	KS	8,434	8,098	3,499	43.21%	2.32%
9	212	40142	American Zurich Insurance Company	IL	7,641	5,655	3,799	67.18%	2.10%
10	31	20044	Berkshire Hathaway Homestate Insurance Company	NE	7,639	6,366	3,583	56.28%	2.10%
11	3363	10346	Employers Preferred Insurance Company	FL	7,251	6,980	3,740	53.58%	1.99%
12	457	19801	Argonaut Insurance Company	IL	6,967	5,384	5,711	106.07%	1.91%
13	12	19410	Commerce & Industry Insurance Company	NY	5,768	5,793	3,119	53.84%	1.58%
14		41394	Benchmark Insurance Company	KS	5,737	4,607	2,447	53.11%	1.58%
15	3548	25615	Charter Oak Fire Insurance Company	CT	5,734	5,393	7,383	136.90%	1.57%
16	91	27120	Trumbull Insurance Company	CT	5,660	5,163	2,785	53.94%	1.55%
17	38	20281	Federal Insurance Company	IN	5,552	5,589	4,386	78.48%	1.52%
18	4670	38318	Starr Indemnity & Liability Company	TX	5,526	5,495	2,191	39.87%	1.52%
19	31	38865	California Insurance Company	CA	5,435	5,435	2,365	43.51%	1.49%
20	91	29459	Twin City Fire Insurance Company	IN	5,269	5,273	2,839	53.84%	1.45%
21	12	19380	American Home Assurance Company	NY	5,230	5,272	21,874	414.91%	1.44%
22	3548	25682	Travelers Indemnity Company of Connecticut	CT	5,163	5,353	3,063	57.22%	1.42%
23	457	19828	Argonaut Midwest Insurance Company	IL	5,002	4,521	5,991	132.51%	1.37%
24	111	23035	Liberty Mutual Fire Insurance Company	WI	4,697	4,223	2,237	52.97%	1.29%
25	12	19429	Insurance Company of the State of Pennsylvania	PA	4,375	4,671	5,209	111.52%	1.20%
<b>Totals for Largest 25 Companies</b>					<b>206,456</b>	<b>193,381</b>	<b>133,737</b>	<b>69.16%</b>	<b>56.70%</b>
<b>Totals for All 269 Companies (230 Active Companies)</b>					<b>364,127</b>	<b>359,227</b>	<b>160,504</b>	<b>44.68%</b>	<b>100%</b>

*Source: NAIC I-SITE – Market Share and Loss Ratio Summary Report, Calendar Year 2015*