

**NOTICE OF INTENT TO ACT UPON REGULATION  
AND  
HEARING AGENDA**

Notice of Hearing for the Adoption, Amendment or Repeal of Regulations of  
The Department of Business and Industry, Division of Insurance

The State of Nevada, Department of Business and Industry, Division of Insurance ("Division"), (775) 687-0700, will hold a public hearing at **2:00 p.m.**, on **October 15, 2019**, in the 1<sup>st</sup> Floor Hearing Room, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706. Interested persons may also participate through a simultaneous videoconference conducted in the 4<sup>th</sup> Floor Tahoe Room at the Nevada State Business Center / Division of Insurance, 3300 West Sahara Avenue, Suite 275, Las Vegas, Nevada 89102. The purpose of the hearing is to receive comments from all interested persons regarding the adoption, amendment or repeal of regulations pertaining to chapter 690B of the Nevada Administrative Code ("NAC").

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

**LCB File No. R050-19.**

**Repeal of Medical Professional Liability Settlement Filings.**

A regulation relating to insurance; eliminating the requirement for insurers offering professional liability insurance to certain licensed medical professionals to notify the Commissioner of Insurance of certain settlements and judgments that exceed the coverage limits provided by the insurance policy; and providing other matters properly relating thereto.

**(1) Why is the regulation necessary and what is its purpose?**

In Senate Bill 86, the 2019 Nevada Legislature repealed NRS 690B.340, which required the Commissioner of Insurance to review certain medical professional liability settlements. NAC 690B.515 requires insurers to report those settlements to the Commissioner for review. As the statute has been repealed, the regulation is no longer necessary.

**(2) What are the terms or substance of the proposed regulation?**

This proposed regulation repeals NAC 690B.515. Since the Commissioner of Insurance is no longer required to review certain medical professional liability settlements, this proposed regulation removes an unnecessary reporting requirement on insurance carriers that currently have these reporting requirements.

**(3) What is the anticipated impact of the regulation on the problem(s)?**

The impact of this proposed regulation will be to reduce a regulatory reporting burden on medical professional liability insurers.

- (4) Do other regulations address the same problem(s)?

There are no other regulations addressing this issue.

- (5) Are alternate forms of regulation sufficient to address the problem(s)?

There are no alternate forms of regulations that address this issue.

- (6) What value does the regulation have to the public?

This proposed regulation will slightly reduce the overhead of medical professional liability insurers by eliminating a current reporting requirement. Reduced carrier expenses tend to possibly benefit consumers through the pricing of the product.

- (7) What is the anticipated economic benefit of the regulation?

a. Public

1. Immediate: None
2. Long Term: None

b. Insurance Business

1. Immediate: Should slightly reduce expenses of medical professional liability carriers due to removal of a reporting requirement.
2. Long Term: Should slightly reduce expenses of medical professional liability carriers due to removal of a reporting requirement.

c. Small Businesses

1. Immediate: None
2. Long Term: None

d. Small Communities

1. Immediate: None
2. Long Term: None

e. Government Entities

1. Immediate: Small benefit to the Division of Insurance, as staff time will no longer need allocated to receiving and reviewing a report.
2. Long Term: Small benefit to the Division of Insurance, as staff time will no longer need allocated to receiving and reviewing a report.

- (8) What is the anticipated adverse impact, if any?

a. Public

1. Immediate: None
2. Long Term: None

- b. Insurance Business
  - 1. Immediate: None
  - 2. Long Term: None
- c. Small Businesses
  - 1. Immediate: None
  - 2. Long Term: None
- d. Small Communities
  - 1. Immediate: None
  - 2. Long Term: None
- e. Government Entities
  - 1. Immediate: None
  - 2. Long Term: None

(9) What is the anticipated cost of the regulation, both direct and indirect?

- a. Enactment: None directly or indirectly.
- b. Enforcement: None directly or indirectly.
- c. Compliance: None directly or indirectly.

(10) Does the regulation establish a new fee or increase an existing fee?

This regulation does not impose a new fee or increase an existing fee.

(11) Provide a statement which identifies the methods used by the agency in determining the impact of the proposed regulation on a small business, prepared pursuant to subsection 3 of NRS 233B.0608.

This regulation was analyzed by the Product Compliance Section of the Nevada Division of Insurance. Since the proposed regulation repeals a requirement that insurers report certain settlements to the Commissioner, as the statute requiring the Commissioner to review such settlements was repealed by the Nevada Legislature. The proposed regulation does not impose any new requirements on any Nevada small business, and the DOI analysis determined this change does not provide any expected impacts on small businesses, other than the potential to positively impact the pricing of medical professional liability insurance in this state.

(12) Provide a description of any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, state the name of the regulating federal agency.

There is no overlap between this proposed regulation and any other local, state or federal regulation.

(13) If the regulation is required pursuant to federal law, provide a citation and description of the federal law.

This regulation is not required pursuant to federal law.

(14) If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, provide a summary of such provisions.

This regulation does not include provisions more stringent than federal regulation.

Persons wishing to comment upon the proposed actions of the Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Division, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706. **Written submissions must be received by the Division on or before September 27, 2019.** If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the regulation to be adopted, amended or repealed will be on file at the State Library, 100 North Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation will be available at the offices of the Division, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, and 3300 West Sahara Avenue, Suite 275, Las Vegas, Nevada 89102, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://leg.state.nv.us/register/>. Copies of this notice and the proposed regulation will be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

Notice of the hearing was provided via electronic means to all persons on the agency's e-mail list for administrative regulations, and this Notice of Intent to Act Upon Regulation was posted to the agency's Internet Web site at <http://doi.nv.gov/> and was provided to or posted at the following locations:

Nevada Division of Insurance  
1818 East College Parkway, Suite 103  
Carson City, Nevada 89706

Legislative Building  
401 South Carson Street  
Carson City, Nevada 89701

Blasdel Building  
209 East Musser Street  
Carson City, Nevada 89701

Capitol Building Main Floor  
101 North Carson Street  
Carson City, Nevada 89701

Nevada State Library & Archives  
100 North Stewart Street  
Carson City, Nevada 89701

Churchill County Library  
553 South Main Street  
Fallon, Nevada 89406

Elko County Library  
720 Court Street  
Elko, Nevada 89801

Eureka Branch Library  
80 S. Monroe Street  
P.O. Box 293  
Eureka, Nevada 89316-0293

Lander County Library  
625 S. Broad Street  
P.O. Box 141  
Battle Mountain, Nevada 89820

Lincoln County Library  
63 Main Street  
P.O. Box 330  
Pioche, Nevada 89043-0330

Nevada Division of Insurance  
3300 West Sahara Avenue, Suite 275  
Las Vegas, Nevada 89102

Nevada State Business Center  
3300 West Sahara Avenue  
Las Vegas, Nevada 89102

Grant Sawyer Building  
555 East Washington Avenue  
Las Vegas, Nevada 89101

Nevada Department of Employment,  
Training and Rehabilitation  
2800 E. Saint Louis Avenue  
Las Vegas, NV 89104

Carson City Library  
900 North Roop Street  
Carson City, Nevada 89701

Douglas County Public Library  
1625 Library Lane  
P.O. Box 337  
Minden, Nevada 89423-0337

Goldfield Public Library/Esmeralda County  
Corner of Crook Ave. and Fourth St.  
P.O. Box 430  
Goldfield, Nevada 89013

Humboldt County Library  
85 East 5th Street  
Winnemucca, Nevada 89445

Las Vegas-Clark County Library District  
7060 W. Windmill Lane  
Las Vegas, NV 89113

Lyon County Library  
20 Nevin Way  
Yerington, Nevada 89447

Mineral County Public Library  
110 1<sup>st</sup> Street  
P.O. Box 1390  
Hawthorne, Nevada 89415

Pershing County Library  
1125 Central Avenue  
P.O. Box 781  
Lovelock, Nevada 89419

Storey County Clerk  
26 S. B Street  
P.O. Drawer D  
Virginia City, Nevada 89440

Tonopah Public Library  
167 S. Central Street  
P.O. Box 449  
Tonopah, Nevada 89049


Downtown Reno Library/Washoe County  
301 S. Center Street  
P.O. Box 2151  
Reno, Nevada 89505-2151

White Pine County Library  
950 Campton Street  
Ely, Nevada 89301

Members of the public who would like additional information about the proposed regulation may contact Susan Bell, Legal Secretary, at (775) 687-0704, or via e-mail to [suebell@doi.nv.gov](mailto:suebell@doi.nv.gov).

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary, in writing, no later than five (5) working days before the hearing: 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or [suebell@doi.nv.gov](mailto:suebell@doi.nv.gov).

DATED this 4<sup>th</sup> day of September, 2019.

  
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BARBARA D. RICHARDSON  
Commissioner of Insurance

### **HEARING AGENDA**

State of Nevada Department of Business and Industry  
Division of Insurance

**October 15, 2019 • 2:00 p.m.**

**Location of Hearing:**

Nevada Division of Insurance  
1818 E. College Pkwy., 1<sup>st</sup> Floor Hearing Room  
Carson City, NV 89706  
(Division Offices located in Suite 103)

**Available via Videoconference at:**

Nevada Division of Insurance  
3300 W. Sahara Ave., 4<sup>th</sup> Floor Tahoe Room  
Las Vegas, NV 89102  
(Division Offices located in Suite 275)

1. Open Hearing: R050-19.



2. Presentation, Discussion and Adoption of Proposed Regulation. (For Possible Action)

**LCB File No. R050-19.**

**Repeal of Medical Professional Liability Settlement Filings.**

A regulation relating to insurance; eliminating the requirement for insurers offering professional liability insurance to certain licensed medical professionals to notify the Commissioner of Insurance of certain settlements and judgments that exceed the coverage limits provided by the insurance policy; and providing other matters properly relating thereto.

3. Public Comment.
4. Close Hearing: R050-19.

Supporting public material for this hearing may be requested from Susan Bell, Legal Secretary, Nevada Division of Insurance, 1818 E. College Parkway, Carson City, Nevada 89706, (775) 687-0704, or [suebell@doi.nv.gov](mailto:suebell@doi.nv.gov).

Note: Any agenda item may be taken out of order; items may be combined for consideration by the public body; items may be pulled or removed from the agenda at any time; and, discussion relating to an item may be delayed or continued at any time. The Hearing Officer, within his/her discretion, may allow for public comment on individual agenda items. Public comment may be limited to three minutes per speaker.

Members of the public are encouraged to submit written comments for the record.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Commissioner's secretary, in writing, no later than five (5) working days before the hearing: 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or [suebell@doi.nv.gov](mailto:suebell@doi.nv.gov).

**NOTICES FOR THIS HEARING HAVE BEEN POSTED IN ACCORDANCE WITH NRS 241 AT THE FOLLOWING LOCATIONS:**

Nevada Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706  
Nevada Division of Insurance, 3300 W. Sahara Avenue, Suite 275, Las Vegas, Nevada 89102  
Nevada State Business Center, 3300 W. Sahara Avenue, Las Vegas, Nevada 89102  
Nevada State Legislative Building, 401 S. Carson Street, Carson City, Nevada 89701  
Grant Sawyer State Office Building, 555 E. Washington Avenue, Las Vegas, Nevada 89101  
Blasdel State Office Building, 209 E. Musser Street, Carson City, Nevada 89701  
Nevada State Capitol, 101 N. Carson Street, Carson City, Nevada 89701  
Nevada Dept. of Employment, Training and Rehabilitation, 2800 E. Saint Louis Avenue, Las Vegas, Nevada 89104  
The State of Nevada Website ([www.nv.gov](http://www.nv.gov))  
The Nevada State Legislature Website ([www.leg.state.nv.us](http://www.leg.state.nv.us))  
The Nevada Division of Insurance Website ([www.doi.nv.gov](http://www.doi.nv.gov))





**PROPOSED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**LCB File No. R050-19**

August 12, 2019

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

AUTHORITY: §1, NRS 679B.130.

A REGULATION relating to insurance; eliminating the requirement for insurers offering professional liability insurance to certain licensed medical professionals to notify the Commissioner of Insurance of certain settlements and judgments that exceed the coverage limits provided by the insurance policy; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires the Commissioner of Insurance to examine insurers and certain other persons to ensure compliance with the provisions of the Nevada Insurance Code (Title 57 of NRS). (NRS 679B.230, 679B.240) Senate Bill No. 86 of the 2019 Legislative Session eliminated a requirement for the Commissioner to review a settlement or judgment that exceeds the limits of coverage provided by a policy of professional liability insurance for certain medical professionals and to suspend, limit or revoke the insurer's certificate of authority if the Commissioner finds that the insurer violated the Nevada Insurance Code with regard to the settlement or judgment. (NRS 690B.340) This regulation eliminates a requirement for an insurer offering professional liability insurance to certain licensed medical professionals to file notice with the Commissioner when a settlement is reached or a judgment is entered concerning the liability of the medical professionals for a breach of professional duty that exceeds the limits of coverage provided by the insurance policy.

**Section 1.** NAC 690B.515 is hereby repealed.

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## TEXT OF REPEALED SECTION

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**690B.515 Filing of notice of certain settlements and judgments that exceed limits of coverage. (NRS 679B.130, 690B.340)**

1. In accordance with NRS 690B.340, an insurer offering professional liability insurance to a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS shall file a notice with the Commissioner if:

(a) A settlement is reached concerning the liability of the practitioner for a breach of professional duty that exceeds the limits of the coverage provided by the policy of insurance.

(b) A judgment is entered against the practitioner for a breach of professional duty that exceeds the limits of the coverage provided by the policy of insurance.

2. The notice must be filed, on a form prescribed by the Commissioner, with the Commissioner within 45 days after:

(a) The date upon which a settlement is reached that requires a notice to be filed with the Commissioner pursuant to subsection 1.

(b) The date upon which a judgment is entered that requires a notice to be filed with the Commissioner pursuant to subsection 1.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS & INDUSTRY  
DIVISION OF INSURANCE**

**Determination of Necessity - Small Business Impact Statement  
NRS 233B.0608(1)**

**Repeal of Medical Professional Liability Settlements Filing Requirements**

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

**1. BACKGROUND.**

The 2019 Nevada Legislature Senate Bill 86 repealed NRS 690B.340 which required the Commissioner of Insurance to review certain medical professional liability settlements. NAC 690B.515 requires insurers to report those settlements to the Commissioner for review. As the statute has been repealed, the regulation is no longer necessary or appropriate.

**2. DESCRIPTION OF SOLICITATION SHOWING A CONCERTED EFFORT. NRS 233B.0608(1).**

No comment was solicited other than the availability of public comment at the workshop and hearing for this regulation. This regulation repeals a reporting requirement for insurers and will not have any direct impact on Nevada small businesses.

**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      ☐ YES

**4. HOW WAS THAT CONCLUSION REACHED? NRS 233B.0608(3).**

This regulation to repeal a section of the Nevada Administration Code was reviewed by the Nevada Division of Insurance Product Compliance Section. The proposed regulation does not impose any requirement on any business. It repeals a requirement that insurers report certain settlements to the Commissioner, as the statute requiring the Commissioner to review such settlements was repealed by the Nevada Legislature. The regulation lessens the reporting requirements of insurers.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby 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 this statement was prepared properly and the information contained herein is accurate. (NRS 233B.0608(3))

7/24/19  
(DATE)

  
\_\_\_\_\_  
BARBARA D. RICHARDSON  
Commissioner of Insurance

**Small Business Impact Statement**  
**NRS 233B.0608(2)-(4) and 233B.0609**

**Repeal of Medical Professional Liability Settlements Filing Requirements**

**1. SUMMARY OF COMMENTS RECEIVED FROM SMALL BUSINESSES. NRS 233B.0609(1)(a).**

This regulation, which repeals a section of the Nevada Administration Code, was reviewed by the Nevada Division of Insurance Product Compliance Section. The proposed regulation does not impose any requirement on any business, but rather it repeals a requirement that insurers report certain settlements to the Commissioner as the statute requiring the Commissioner to review such settlements was repealed by the Nevada Legislature. Based upon this analysis by the Product Compliance Section, it was determined that a survey of small businesses was not necessary.

Other interested parties may receive a copy of this summary by contacting Susan Bell, Legal Secretary, Nevada Division of Insurance, at (775) 687-0704 or suebell@doi.nv.gov.

**2. HOW WAS THE ANALYSIS CONDUCTED? NRS 233B.0609(1)(b).**

This regulation to repeal a section of the Nevada Administration Code was reviewed by the Nevada Division of Insurance Product Compliance Section. The proposed regulation does not impose any requirement on any business. It repeals a requirement that insurers report certain settlements to the Commissioner, as the statute requiring the Commissioner to review such settlements was repealed by the Nevada Legislature, and the Product Compliance Section determined it will no impact on any Nevada small business.

**3. ESTIMATED ECONOMIC EFFECT ON SMALL BUSINESSES THE REGULATION IS TO REGULATE. NRS 233B.0609(1)(c).**

The repeal of this existing regulation will have no economic impact on small businesses in the State of Nevada. It strictly removes a reporting requirement from insurance carriers.

**(a) BOTH ADVERSE AND BENEFICIAL EFFECTS.**

- (1) Adverse: NONE
- (2) Beneficial: NONE

**(b) BOTH DIRECT AND INDIRECT EFFECTS.**

- (1) Direct: NONE
- (2) Indirect: NONE

**4. METHODS CONSIDERED TO REDUCE IMPACT ON SMALL BUSINESSES. NRS 233B.0609(1)(d).**

No methods were considered to reduce the impact upon small businesses, as there is no direct or significant impact to be considered.

**5. ESTIMATED COST OF ENFORCEMENT. NRS 233B.0609(1)(e).**



This regulation will very slightly reduce the cost of enforcement, as Division of Insurance employees will no longer be required to review the medical professional liability settlement reports provided by insurance carriers.

6. FEE CHANGES. NRS 233B.0609(1)(f).

No fees are being created or changed by this regulation.

7. DUPLICATIVE PROVISIONS. NRS 233B.0609(1)(g).

This regulation does not duplicate any existing federal, state or local standards. It is not more stringent than any existing federal, state or local standards. The regulation is necessary because Senate Bill 86, passed by the 2019 Nevada Legislature, repealed NRS 690B.340, which required the Commissioner of Insurance to review certain medical professional liability settlements. NAC 690B.515 requires insurers to report those settlements to the Commissioner for review. As the statute has been repealed, the regulation is no longer necessary.

8. REASONS FOR CONCLUSIONS. NRS 233B.0609(1)(h).

In Senate Bill 86, the 2019 Nevada Legislature repealed NRS 690B.340, which required the Commissioner of Insurance to review certain medical professional liability settlements. NAC 690B.515 requires insurers to report those settlements to the Commissioner for review. As the statute has been repealed, the regulation is no longer necessary.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby 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 this statement was prepared properly and the information contained herein is accurate. (NRS 233B.0609(2))

7/24/19  
(DATE)

  
BARBARA D. RICHARDSON  
Commissioner of Insurance