

**NOTICE OF WORKSHOP TO SOLICIT COMMENTS
ON PROPOSED REGULATIONS
AND
WORKSHOP AGENDA**

The State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) is proposing the adoption, amendment or repeal of regulations pertaining to chapter 681B of the Nevada Administrative Code (“NAC”). A workshop has been set for **June 9, 2016**, at **9:30 a.m.** at the following location:

**Nevada Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, Nevada 89706**

Interested persons may also participate through a simultaneous videoconference conducted at:

**Nevada Division of Insurance
Bradley Building
2501 E. Sahara Avenue, 3rd Floor Conference Room
Las Vegas, Nevada 89104**

The purpose of the workshop is to solicit comments from interested persons on the following general topic(s) that may be addressed in the proposed regulation; and to assist in determining whether the proposed regulation is likely to impose a direct and significant burden upon a small business or directly restricts the formation, operation or expansion of a small business. Please submit any written comments no later than **June 2, 2016**.

LCB File No. R064-16. NAIC Valuation Manual.

A regulation relating to insurance; adopting by reference the *Valuation Manual* adopted by the National Association of Insurance Commissioners; and providing other matters properly relating thereto.

A copy of all materials relating to the proposal(s) may be obtained at the workshop or by visiting the Division’s Internet Web site at <http://doi.nv.gov/> or by contacting the Division, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, (775) 687-0700. A reasonable fee for copying may be charged. Members of the public who would like additional information about the proposed regulation may contact Annette James, Lead Actuary, at (775) 687-0732, or via e-mail to ajames@doi.nv.gov.

Notice of the workshop was provided via electronic means to all persons on the agency’s e-mail list for noticing of administrative regulations. This *Notice of Workshop to Solicit Comments on Proposed Regulations* was posted to the agency’s Internet Web site at <http://doi.nv.gov/>, the Nevada Legislature’s Internet Web site at <http://www.leg.state.nv.us>, and at the following locations:

Department of Business and Industry
Division of Insurance
1818 East College Parkway, Suite 103
Carson City, Nevada 89706

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, Nevada 89104

Legislative Building
401 South Carson Street
Carson City, Nevada 89701

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

Blasdel Building
209 East Musser Street
Carson City, Nevada 89701

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

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

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

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

Churchill County Library
553 South Main Street
Fallon, Nevada 89406

Douglas County Library
P.O. Box 337
Minden, Nevada 89423

Elko County Library
720 Court Street
Elko, Nevada 89801

Esmeralda County Library
P.O. Box 430
Goldfield, Nevada 89013

Eureka Branch Library
P.O. Box 293
Eureka, Nevada 89316

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

Lander County Library
P.O. Box 141
Battle Mountain, Nevada 89820

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

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

Lyon County Library
20 Nevin Way
Yerington, Nevada 89447

Mineral County Public Library
P.O. Box 1390
Hawthorne, Nevada 89415

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

Storey County Clerk
P.O. Drawer D
Virginia City, Nevada 89440

Tonopah Public Library
P.O. Box 449
Tonopah, Nevada 89049

Washoe County/Downtown Reno Library
P.O. Box 2151
Reno, Nevada 89505-2151

White Pine County Library
950 Campton Street
Ely, Nevada 89301

Members of the public who are disabled and require special accommodations or assistance at the workshop are requested to notify the Commissioner's secretary in writing to icommish@doi.nv.gov, or at 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or by calling (775) 687-0700, no later than five (5) working days prior to the workshop.

DATED this 12th day of May, 2016.

BARBARA D. RICHARDSON
Commissioner of Insurance

By: 
LAURIE SQUARTSOFF
Deputy Commissioner of Insurance



DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE
1818 East College Pkwy., Suite 103
Carson City, Nevada 89706
(775) 687-0700 • Fax (775) 687-0787
Website: doi.nv.gov
E-mail: insinfo@doi.state.nv.us

TO: LAURIE SQUARTSOFF
Chief Deputy Commissioner of Insurance

FROM: BARBARA RICHARDSON
Commissioner of Insurance

DATE: May 9, 2016

SUBJECT: Delegation of Authority in the Commissioner's Absence

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

A handwritten signature in black ink, appearing to read "Barbara Richardson", written over a horizontal line.

BARBARA RICHARDSON
Commissioner of Insurance

NRS 679B.110 Delegation of powers.

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

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

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

WORKSHOP AGENDA

The State of Nevada, Department of Business and Industry
Division of Insurance ("Division")
June 9, 2016 • 9:30 a.m.

Location of Workshop:

Office of the Division of Insurance
1818 E. College Pkwy., 1st Floor Hearing Room
Carson City, NV 89706
(Division Offices located in Suite 103)

Available via Videoconference at:

Office of the Division of Insurance
2501 E. Sahara Ave., 3rd Floor Conference Room
Las Vegas, NV 89104
(Division Offices located in Suite 302)

- 1. Call to Order.**
- 2. Presentation and Discussion of Proposed Regulation. (For Possible Action)**
LCB File No. R064-16, NAIC Valuation Manual. A regulation relating to insurance; adopting by reference the *Valuation Manual* adopted by the National Association of Insurance Commissioners; and providing other matters properly relating thereto.
- 3. Public Comment.**
- 4. Adjournment.**

Supporting public material for this meeting may be requested from Sue Dummar, Legal Secretary, Nevada Division of Insurance, 1818 E. College Parkway, Carson City, Nevada 89706, by e-mail to sdummar@doi.nv.gov, or by calling (775) 687-0704. In your request, please state that you are requesting meeting materials for LCB File No. R064-16 and provide the date of the meeting.

Note: Any agenda item may be taken out-of-order; items may be combined for consideration by the public body; and items may be pulled or removed from the agenda 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 Tracy Zehner, Assistant to the Commissioner, at (775) 687-0771, no later than five (5) working days before the meeting.

NOTICES FOR THIS MEETING 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, 2501 E. Sahara Avenue, Suite 302, Las Vegas, Nevada 89104

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)

The Nevada State Legislature Website (www.leg.state.nv.us)

The Nevada Division of Insurance Website (www.doi.nv.gov)

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R064-16

May 11, 2016

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

AUTHORITY: §§1 and 2, NRS 679B.130 and section 33.7 of Senate Bill No. 67, chapter 522, Statutes of Nevada 2015, at page 3394 (NRS 681B.300).

A REGULATION relating to insurance; adopting by reference the *Valuation Manual* adopted by the National Association of Insurance Commissioners; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Senate Bill No. 67 (2015) makes various changes relating to life insurance, accident and health insurance and deposit-type contracts. Certain of those changes are applicable only to policies and contracts issued on or after the operative date of the *Valuation Manual* adopted by the National Association of Insurance Commissioners. (Sections 33.3, 33.7 and 33.9 of Senate Bill No. 67, chapter 522, Statutes of Nevada 2015, at pages 3392-96 (NRS 681B.300, 681B.320 and 681B.330)) Senate Bill No. 67 further provides that the *Valuation Manual* is not operative until, among other things, it has been adopted by the Commissioner of Insurance, by regulation. (Section 33.7 of Senate Bill No. 67, chapter 522, Statutes of Nevada 2015, at page 3394 (NRS 681B.300)) This regulation adopts the *Valuation Manual*.

Section 1. Chapter 681B of NAC is hereby amended by adding thereto a new section to read as follows:

1. The Valuation Manual, in the form most recently adopted by the National Association of Insurance Commissioners, is hereby adopted by reference. The publication may be obtained by mail from the National Association of Insurance Commissioners, Publications Department,

1100 Walnut Street, Suite 1500, Kansas City, Missouri 64106-2197, or by ordering via telephone at (816) 783-8300 or on the Internet at <http://www.naic.org>, at the price of \$ _____. [N.B., the price has not yet been determined by the NAIC but will be inserted before the adoption of this regulation.]

2. If the Valuation Manual is revised, the Commissioner will review the revision to determine its suitability for this State. If the Commissioner determines that the revision is not suitable for this State, he or she will give notice within 30 days after the effective date of the revision. If the Commissioner does not give notice within 30 days, the revision becomes part of the Valuation Manual as adopted by reference. If a revision becomes part of the Valuation Manual and a person objects to and is aggrieved by the revision, that person may request a hearing before the Commissioner pursuant to NRS 679B.310 to 679B.370, inclusive.

Sec. 2. This regulation becomes effective on July 1, 2016.

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

Determination of Necessity of Small Business Impact Statement

LCB File No. R064-16

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

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

1. BACKGROUND

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

2. DESCRIPTION OF SOLICITATION

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

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

NO (answer #4) YES (skip to #5)

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

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

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

BARBARA D. RICHARDSON
Commissioner of Insurance

May 12, 2016
(DATE)

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

Small Business Impact Statement

LCB File No. R064-16

- 5. SUMMARY OF COMMENTS RECEIVED FROM SMALL BUSINESSES (NRS 233B.0609.1.a)
N/A
- 6. ESTIMATED ECONOMIC EFFECT ON SMALL BUSINESSES THE REGULATION IS TO REGULATE (NRS 233B.0609.1.c)
N/A
- 7. METHODS CONSIDERED TO REDUCE IMPACT ON SMALL BUSINESSES (NRS 233B.0609.1.d)
N/A
- 8. ESTIMATED COST OF ENFORCEMENT (NRS 233B.0609.1.e)
N/A
- 9. FEE CHANGES (NRS 233B.0609.1.f)
N/A
- 10. DUPLICATIVE PROVISIONS (NRS 233B.0609.1.g)
N/A
- 11. HOW WAS THE ANALYSIS CONDUCTED? (NRS 233B.0609.1.b)
N/A
- 12. REASONS FOR CONCLUSIONS (NRS 233B.0609.1.h)
N/A

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

BARBARA D. RICHARDSON
Commissioner of Insurance

May 12, 2016
(DATE)

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



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

FROM: BARBARA RICHARDSON
Commissioner of Insurance

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