

**NOTICE OF WORKSHOPS  
TO SOLICIT COMMENTS ON PROPOSED REGULATIONS  
R071-16, R072-16, and R075-16  
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 chapters 616B and 683A of the Nevada Administrative Code (“NAC”). A workshop on proposed regulation **R071-16** is set for **9:30 a.m. on July 27, 2016**, with workshops on **R072-16** and **R075-16** to commence immediately thereafter, at:

**Nevada Division of Insurance  
1818 E. College Parkway, Suite 103 – 1<sup>st</sup> Floor Hearing Room  
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, Suite 302 – 3<sup>rd</sup> Floor Conference Room  
Las Vegas, Nevada 89104**

The purpose of the workshops is to solicit comments from interested persons on the following general topics that may be addressed in the proposed regulations; and to assist in determining whether the proposed regulations are likely to impose a direct and significant burden upon small businesses or directly restrict the formation, operation or expansion of a small business. Please submit any written comments no later than **July 20, 2016**. Be sure to indicate which regulation the comment pertains to.

**LCB File No. R071-16. Publication Cost and Assessment Notification. (NAC 616B)**

A REGULATION relating to industrial insurance; revising provisions concerning the pricing and availability of certain materials adopted by reference by the Commissioner of Insurance; revising certain provisions relating to the notice provided by the Commissioner to certain self-insured employers and associations of self-insured employers concerning the obligation to pay certain annual assessments; and providing other matters properly relating thereto.

**LCB File No. R072-16. Tangible Net Worth of Self-Insured Employers, Additional Deposit. (NAC 616B)**

A REGULATION relating to insurance; revising provisions governing the circumstances under which the Commissioner of Insurance may accept from an employer a deposit of financial instruments in lieu of the demonstration of net worth otherwise required to qualify as a self-insured employer for industrial insurance and occupational disease; and providing other matters properly relating thereto.

**LCB File No. R075-16. Reporting Requirements of Third Party Administrators.**  
(NAC 683A)

A REGULATION relating to insurance; revising provisions relating to bond filing requirements for persons involved in the sale or administration of insurance; and providing other matters properly relating thereto.

A copy of all materials relating to the proposals 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 regulations may contact Terri Chambers, Chief of the Self-Insured Workers' Compensation Section, at (775) 687-0777, or via e-mail to [tchambers@doi.nv.gov](mailto:tchambers@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 workshops are requested to notify the Commissioner's secretary in writing to [icommish@doj.nv.gov](mailto:icommish@doj.nv.gov), or at 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or by calling (775) 687-0771, no later than five (5) working days prior to the workshop.

DATED this 30<sup>th</sup> day of June, 2016.

  
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BARBARA D. RICHARDSON  
Commissioner of Insurance

**WORKSHOP AGENDA**

The State of Nevada Department of Business and Industry  
Division of Insurance

**July 27, 2016 • 9:30 a.m.**

**Location of Workshops:**

Office of the 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:**

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

- 1. Call to Order: LCB File No. R071-16.**
- 2. Presentation and Discussion of Proposed Regulation:**

**LCB File No. R071-16. Publication Cost and Assessment Notification. (NAC 616B)**

A REGULATION relating to industrial insurance; revising provisions concerning the pricing and availability of certain materials adopted by reference by the Commissioner of Insurance; revising certain provisions relating to the notice provided by the Commissioner to certain self-insured employers and associations of self-insured employers concerning the obligation to pay certain annual assessments; and providing other matters properly relating thereto.

- 3. Public Comment.**
- 4. Closure: LCB File No. R071-16.**

\* \* \* \* \*

- 5. Call to Order: LCB File No. R072-16.**
- 6. Presentation and Discussion of Proposed Regulation:**

**LCB File No. R072-16. Tangible Net Worth of Self-Insured Employers, Additional Deposit. (NAC 616B)**

A REGULATION relating to insurance; revising provisions governing the circumstances under which the Commissioner of Insurance may accept from an employer a deposit of financial instruments in lieu of the demonstration of net worth otherwise required to qualify as a self-insured employer for industrial insurance and occupational disease; and providing other matters properly relating thereto.

- 7. Public Comment.**
- 8. Closure: LCB File No. R072-16.**

\* \* \* \* \*

**9. Call to Order: LCB File No. R075-16.**

**10. Presentation and Discussion of Proposed Regulation:**

**LCB File No. R075-16. Reporting Requirements of Third Party Administrators.**  
(NAC 683A)

A REGULATION relating to insurance; revising provisions relating to bond filing requirements for persons involved in the sale or administration of insurance; and providing other matters properly relating thereto.

**11. Public Comment.**

**12. Closure: LCB File No. R075-16.**

\* \* \* \* \*

**13. 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](mailto:sdummar@doi.nv.gov), or by calling (775) 687-0704.

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 the Commissioner's Assistant, at (775) 687-0771, no later than five (5) working days before the meeting.

NOTICES FOR THE MEETINGS 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](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. R071-16**

June 14, 2016

**PROPOSED**

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

AUTHORITY: §1, NRS 679B.130; §2, NRS 616B.309 and 679B.130; §3, NRS 616B.443 and 616B.446.

A REGULATION relating to industrial insurance; revising provisions concerning the pricing and availability of certain materials adopted by reference by the Commissioner of Insurance; revising certain provisions relating to the notice provided by the Commissioner to certain self-insured employers and associations of self-insured employers concerning the obligation to pay certain annual assessments; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

The Nevada Administrative Procedures Act provides that a regulation which adopts by reference material published by another entity must include in the regulation a reference disclosing the source and price for purchase of the material. (NRS 233B.040) Existing regulations promulgated by the Commissioner of Insurance have adopted by reference Statement No. 10 of the Governmental Accounting Standards Board, and **section 1** of this regulation revises the source and the price of that document.

Existing law authorizes the Commissioner to: (1) assess self-insured employers to provide for claims against any insolvent self-insured employer; and (2) assess all associations of self-insured public or private employers to provide for claims against any insolvent organization. (NRS 616B.309, 616B.443) Existing regulations require the Commissioner to provide notice by regular mail to the self-insured employers and associations of self-insured employers concerning the obligations to pay such assessments. (NAC 616B.478, 616B.576) **Sections 2 and 3** of this regulation remove the requirement that the Commissioner provide such notice only by regular mail.

**Section 1.** NAC 616B.427 is hereby amended to read as follows:

616B.427 1. To determine whether a governmental employer has the financial ability to qualify as a self-insured employer, the Commissioner will consider the use of fund accounting

and waive the requirement for a tangible net worth found in NAC 616B.424. All other requirements for qualification apply to the governmental entity.

2. In addition to the deposit required by NRS 616B.300, a governmental entity that does not meet the requirements of subsection 1 shall:

(a) Comply with the requirements of Statement No. 10 of the Governmental Accounting Standards Board, *a copy of* which may be obtained from the Governmental Accounting Standards Board, 401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116, or ~~on~~ *from* the Internet ~~at~~ *website* <http://www.gasb.org>, at a cost of ~~[\$22.50;]~~ *\$24 or an electronic copy of which may be obtained at no cost from the Internet website <http://www.gasb.org>*; or

(b) Set aside, in a special reserve account, an amount equal to the deposit it made with the Commissioner to assure payment of claims. This account must be held in trust for the payment of claims, and all interest and income earned must be credited to that account. If securities are used for this account, then the form of the securities must be submitted to the Commissioner for approval.

**Sec. 2.** NAC 616B.478 is hereby amended to read as follows:

616B.478 1. If, during the initial year of self-insurance, the employer adds an activity for which employees are covered by self-insurance, the employer must pay an additional assessment which is equivalent to 0.5 percent of the expected annual expenditures for claims applicable to the activity which was added.

2. Each self-insured employer will be assessed an annual assessment equal to .25 percent of the security deposit established for the self-insured employer on June 30th before the assessment. The Commissioner will ~~mail, by regular mail,~~ *provide to* each self-insured employer a notice



specifying the amount of the assessment and the date that it is due, at least 20 days before that date.

3. The annual assessment established in subsection 2 will not be imposed:

(a) In the fiscal year in which a self-insured employer is first certified; or

(b) If the balance of the Reserve Account exceeds:

(1) Three million dollars; or

(2) An amount equivalent to 20 percent of the aggregate of security deposits required of all self-insured employers,

↪ whichever is the greater amount.

**Sec. 3.** NAC 616B.576 is hereby amended to read as follows:

616B.576 1. Except as otherwise provided in subsection 3, an association shall pay to the Commissioner for deposit in the Account for Insolvent Associations of Self-Insured Public or Private Employers an annual assessment equal to 0.5 percent of the amount of the security that it is required to have on deposit pursuant to NRS 616B.353 on June 30 next preceding the date on which the assessment is due.

2. At least 20 days before the assessment is due, the Commissioner will ~~notify the~~ *provide to each* association ~~{, by regular mail,}~~ *a notice* of its obligation to pay the assessment pursuant to subsection 1. The notice will include:

(a) The amount of money the association must pay; and

(b) The date on which the assessment is due.

3. The Commissioner will not collect the annual assessment from an association:

(a) For the fiscal year in which the association is first issued its certification; or

(b) If the balance of the Account for Insolvent Associations of Self-Insured Public or Private Employers exceeds:

(1) Three million dollars; or

(2) An amount equal to 20 percent of the aggregate amount of the security required to be deposited by all certified associations pursuant to NRS 616B.353,

↳ whichever is greater.

STATE OF NEVADA  
DEPARTMENT OF BUSINESS & INDUSTRY  
DIVISION OF INSURANCE

Determination of Necessity - Small Business Impact Statement

LCB File No. R071-16

A regulation relating to insurance that revises the price for purchasing a copy of a publication with which certain governmental employers that are self-insured for the purposes of workers' compensation must comply; revises the method by which self-insured employers and associations of self-insured employers receive notification of their annual assessment to the Reserve Account to Protect Against Insolvency.

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

**1. BACKGROUND**

NAC 616B.427 currently references a publication used by self-insured public employers. The cost of the publication is provided in regulation. The cost of the publication is currently shown as \$22.50. However, the cost of the publication is now \$24.00. NAC 616.478 and NAC 616B.576 require that assessments be mailed by "regular mail." The proposed regulation permits sending notices of assessment by other methods.

**2. DESCRIPTION OF SOLICITATION**

No comment was solicited from small business.

**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)**

Section 1 of the regulation corrects a price shown in the regulation. This correction is required and has no effect on businesses of any size. It is anticipated that Sections 2 and 3 of the regulation positively affect businesses of any size as it allows for notices to be sent and received in electronic format, thereby reducing costs associated with mailing and supplies.

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

6/30/14  
(DATE)

  
BARBARA D. RICHARDSON  
Commissioner of Insurance


**Small Business Impact Statement**

LCB File No. R071-16

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, hereby certify to the best of my knowledge or belief a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was prepared properly and the information contained herein is accurate. (NRS 233B.0609.2)

6/30/16  
(DATE)

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