

**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 – 1st 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 – 3rd 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.

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, 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 30th day of June, 2016.



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., 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: 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.**

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- 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.**

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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.

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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, 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)

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. R075-16

June 23, 2016

PROPOSED

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

AUTHORITY: §1, NRS 679B.130 and 683A.0857.

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.

Legislative Counsel's Digest:

Existing law requires each administrator to file with the Commissioner of Insurance a bond in favor of the State of Nevada in an amount to be determined by the Commissioner. (NRS 683A.0857) Under existing regulations, the amount of the bond required for each administrator pursuant to NRS 683A.0857 must be increased according to a schedule for each \$1,000,000 received and distributed by the administrator during an average month. Existing regulations also require each administrator to file annually with the Commissioner a report stating the total amount of money received and distributed during the preceding fiscal year. (NAC 683A.155) This regulation deletes the annual filing requirement because Senate Bill No. 67 of the 2015 Legislative Session added this reporting requirement to existing statutory provisions governing annual reports which administrators are required to file with the Commissioner.

Section 1. NAC 683A.155 is hereby amended to read as follows:

683A.155 1. Except as otherwise provided in subsection 3, and in addition to the amount prescribed by statute, the amount of the bond for each administrator must be increased as follows for each \$1,000,000 ~~received and distributed~~ *of the total amount of money handled* by the administrator within this State during an average month:

Amount {Received and Distributed} <i>of Money Handled</i>	Total Amount of Bond
\$1,000,000 or less	\$100,000
More than \$1,000,000, but less than \$2,000,000	200,000
\$2,000,000 or more, but less than \$3,000,000	300,000
\$3,000,000 or more, but less than \$4,000,000	400,000
\$4,000,000 or more, but less than \$5,000,000	500,000
\$5,000,000 or more	10 percent of the amount {received and distributed,} <i>of money handled</i> , but not more than \$1,000,000

2. If the Commissioner finds that the increased bonds are unavailable, the Division will accept proof of coverage over \$100,000 in the additional amounts specified in subsection 1 under a fidelity policy and a policy which covers the errors and omissions of the administrator or his or her employees. The policies must be reviewed and approved by the Division and provide for notice to the Division 90 days before their cancellation or nonrenewal. Proof of the increases in the bond or the policies of insurance must be furnished to the Division within 30 days after the increase.

3. If an administrator is not authorized to issue a check or draft and only handles claims for the person employing him or her, the administrator is only required to maintain the bond for \$100,000.

4. For the purposes of this section, the amount of money ~~{received and distributed}~~ *handled* by the administrator during an average month is the total amount of money ~~{received and distributed by him or her}~~ *handled by the administrator on behalf of contracted entities in connection with his or her activities as an administrator* in this State during a fiscal year, divided by 12. ~~{Within 90 days after the end of his or her fiscal year, each administrator shall file with the Commissioner a report stating the total amount of money so received and distributed during the preceding fiscal year. The report:~~

- ~~— (a) Must be certified by an officer or partner of the administrator, if it is a corporation or partnership; and~~
- ~~— (b) If there is any change in the required amount of the bond because of an increase or decrease in the amount of money received and distributed by the administrator, must be accompanied by a replacement bond in the appropriate amount.~~

5. An administrator may submit a certificate of deposit from a financial institution in this State that is insured federally, made payable to the Commissioner of Insurance and the administrator, in lieu of the bond required by NRS 683A.0857. The certificate of deposit must:

(a) State that the amount of the deposit is unavailable for withdrawal except upon the signed authorization of the Division; and

(b) Be accompanied by a statement or letter from the issuing financial institution which verifies that:

(1) The requisite amount of money is being held to satisfy the requirement for a deposit; and

(2) The amount of the deposit is unavailable for withdrawal except upon the signed authorization of the Division.

STATE OF NEVADA DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE

Determination of Necessity - Small Business Impact Statement

LCB File No. R075-16

EFFECTIVE DATE OF REGULATION:

Upon filing with the Nevada Secretary of State

1. BACKGROUND

Senate Bill No. 67 of the 2015 legislative session included a provision to amend NRS 683A.08528. That amendment changed the due date for filing annual reports from a recurrent date of July 1 to a date 90 days from the end of the fiscal year of the administrator. The Division also revised the statute to include a reporting requirement contained in NAC 683A.155, thereby making the reporting requirement in subsection 4 of NAC 683A.155 obsolete and reducing the number of annual filings due from administrators from two to one. Finally, other changes are proposed to NAC 683A.155 to amend certain terminology to match the revisions made to NRS 683A.08528. The amendment to NAC 683A.155 is needed to eliminate the reporting requirement and to change certain terminology to match NRS 683A.08528.

2. DESCRIPTION OF SOLICITATION

Amendment of the regulation is needed to reflect changes made to NRS 683A.08528 during the 2015 legislative session. Small business owners were not solicited for feedback regarding this proposed regulation.

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 Division did not communicate with small businesses to determine the impact the proposed regulation would have on their operations. The purpose of the proposed regulation is to update NAC 683A.155 to comply with changes to statute. The statute as passed during the 2015 legislative session contained a provision to reduce the number of reports to be filed by third-party administrators each year. The statute assumed certain cost benefits as a result of the reduction in the number of required reports. The proposed regulation reflects the cost benefit to third-party administrators of all sizes.

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)

6/30/16
(DATE)


BARBARA D. RICHARDSON
Commissioner of Insurance


Small Business Impact Statement

LCB File No. R075-16

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)

6/30/14
(DATE)


BARBARA D. RICHARDSON
Commissioner of Insurance