



VIA EMAIL & U.S. MAIL

Email: mlynch@doi.nv.gov

August 16, 2016

Mr. Michael Lynch
Deputy Commissioner of Captives
Nevada Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, NV 89706

Re: Proposed Regulation LCB File No. R080-16

Dear Deputy Commissioner Lynch:

Responding to the Notice of Workshop issued by the Division with respect to the proposed regulation identified above, the following written comments are submitted for the Division's consideration:

Specifically, Section 4(4)(a) of the attached regulation provides that NAC Section 694C.210 (relating to the annual audit of a captive insurer) is to be amended to provide the following additional language:

The annual audit required by this section must include:

(a) A statement, prepared by the independent certified public accountant who conducted the audit, certifying that all financial requirements established by law, the articles of incorporation, bylaws, and the business plan of the captive insurer have been met.

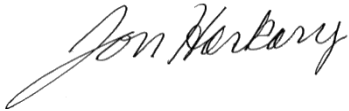
This language is overly broad, and certainly exceeds the requirements that apply to the opinion that must be provided by an auditor for a domestic captive insurer in any other jurisdiction in which we manage captives. Indeed, we believe such language, if adopted, will result in a significant and onerous burden that will increase audit hours substantially and likely prove to be prohibitively expensive for Nevada domiciled captives.

We believe the additional language proposed to be added to NAC Section 694C.210 by Section 4(4)(a) is neither necessary nor productive and recommend that it be stricken entirely from the proposed regulation.

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Thank you. Should you have any questions or require anything further, please do not hesitate to contact me by telephone at (202) 471-5946 or by e-mail at jharkavy@risksvcos.com.

Sincerely,

A handwritten signature in cursive script that reads "Jon Harkavy".

Jon Harkavy
General Counsel/Executive Vice President

JH/hr

Enclosure

cc: Sue Bell, Legal Secretary (Email: suebell@doi.nv.gov)