

**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 **9:30 a.m. on September 9, 2016**, in the 1st Floor Hearing Room at the Division’s offices located at 1818 East College Parkway, Suite 103, Carson City, Nevada 89706. Interested persons may also participate through a simultaneous videoconference conducted in the 3rd floor conference room at the Division’s offices located in the Bradley Building, 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption, amendment or repeal of the regulation(s) that pertain(s) to **chapter(s) 616B** of the Nevada Administrative Code (“NAC”).

The following information is provided pursuant to the requirements of Nevada Revised Statute (“NRS”) 233B.0603 and the directives of the Governor:

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.

- (1) Why is the regulation necessary and what is its purpose? *Section 1 of the proposed regulation updates the cost of a publication referenced in NAC 616B.427 from \$22.50 to \$24.00. Sections 2 and 3 of the proposed regulation will eliminate the requirement to send assessments to self-insured employers and associations of self-insured employers by “regular mail” and allow the use of other methods by which employers may receive notice of assessments.*
- (2) What are the terms or substance of the proposed regulation? *The proposed regulation updates the cost of a publication referenced in NAC 616B.427 from \$22.50 to \$24.00; and, permits the Division to send assessments by other than “regular mail.” Other methods, though not specified in the regulation, might include electronic mail or fax.*
- (3) What is the anticipated impact of the regulation on the problem(s)? *By permitting the Division to send notice of assessments by electronic mail, a savings would be realized in postage costs, as well as supplies and staff time.*
- (4) Do other regulations address the same problem(s)? *No.*

- (5) Are alternate forms of regulation sufficient to address the problem(s)? *No.*
- (6) What value does the regulation have to the public? *Efficiencies in the handling of paper may reduce costs for the public, i.e., self-insured employers, associations of self-insured employers as well as the Division.*

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

- a. Public
 - 1. Immediate: *N/A*
 - 2. Long Term: *N/A*
- b. Insurance Business
 - 1. Immediate: *Possible reduction of time and resources through receipt of notices by electronic mail.*
 - 2. Long Term: *Possible reduction of time and resources through receipt of notices by electronic mail.*
- c. Small Businesses
 - 1. Immediate: *N/A*
 - 2. Long Term: *N/A*
- d. Small Communities
 - 1. Immediate: *N/A*
 - 2. Long Term: *N/A*
- e. Government Entities
 - 1. Immediate: *Possible reduction of time and resources by having the ability to send notices of assessment by electronic mail.*
 - 2. Long Term: *Possible reduction of time and resources by having the ability to send notices of assessment by electronic mail.*

(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*
- b. Enforcement: *None*
- c. Compliance: *None*

(10) Does the regulation establish a new fee or increase an existing fee? *No.*

(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. *The proposed regulation does not pertain to small business and would have no impact on small businesses.*

(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. *The proposed regulation does not overlap or duplicate a federal, state or local regulation.*

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

(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. *N/A*

Persons wishing to comment upon the proposed action 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 2, 2016.** 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 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 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, 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:

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 would like additional information about the proposed regulation 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.

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 to icommish@doi.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 before the meeting.

DATED this 3 day of August, 2016.



BARBARA D. RICHARDSON
Commissioner of Insurance

HEARING AGENDA

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

September 9, 2016 • 9:30 a.m.

Location of Hearing:

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: R071-16.**
2. **Presentation, Discussion and Adoption of Proposed Regulation. (For Possible Action)**

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: R071-16.**

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5. **Call to Order: R075-16.**

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

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.

7. **Public Comment.**

8. **Closure: R075-16.**

9. **Adjournment.**

Supporting public material for this meeting may be requested from Sue Bell, Legal Secretary, Nevada Division of Insurance, 1818 E. College Parkway, Carson City, Nevada 89706, by e-mail to suebell@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 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. R071-16

June 14, 2016

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 ~~from~~ *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