

**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 7, 2016**, in the 1<sup>st</sup> 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 3<sup>rd</sup> 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) 686A, 687B, 695C, and 695D** 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. R081-16. Required Industry Reports.** (NAC 686A, 687B, 695C, 695D) A REGULATION relating to insurance; revising the requirements for the filing of certain reports and documentation with the Commissioner of Insurance and the Division of Insurance of the Department of Business and Industry; and providing other matters properly relating thereto.

- (1) Why is the regulation necessary and what is its purpose?

*The Life and Health Section (“Section”), Division of Insurance (“Division”), is responsible for receiving, tracking and review of 31 required industry reports. It is important that the carriers know exactly when a report must be submitted. It is also important that the Section be able to accurately account for receipt of said reports.*

*The purpose of the regulation is to provide the carrier with a specific date that a required industry report is due rather than the current broad requirement that certain Life and Long-term Care reports be submitted annually.*

*Additionally, the regulation provides for a common reporting date for Medicare Supplement policy data, and for submission to be accomplished in a uniform format. This will result in combining the three separate Medicare Supplement reports into one submission.*

- (2) What are the terms or substance of the proposed regulation?

*The designation of a specific date for submission of a report is applicable to life and long-term care products; and the introduction of a common reporting date and uniform reporting format for Medicare Supplement products.*

(3) What is the anticipated impact of the regulation on the problem(s)?

*The changes to the existing regulations provide for more uniformity and clarity as to the reporting requirements that are already in place.*

(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?

*The amendments to the existing regulations provide no direct value to the public.*

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

a. Public

1. Immediate: *None*
2. Long Term: *None*

b. Insurance Business

1. Immediate: *May help streamline operations*
2. Long Term: *May help streamline operations*

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*

(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: *No cost*
- b. Enforcement: *No cost*
- c. Compliance: *No cost*

(10) Does the regulation establish a new fee or increase an existing fee?

*No new or additional fees are established.*

(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 changes proposed to the existing regulations only change or specify the date by which a carrier must report certain information to the Commissioner. There is no impact to 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.

*There is no overlapping or duplication of regulations.*

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

*This regulation is not required by federal law.*

(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 August 17, 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 5<sup>th</sup> 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 Kim Everett, Assistant Chief, Life and Health Section, at (775) 687-0735, or via e-mail to [keverett@doi.nv.gov](mailto:keverett@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](mailto: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<sup>rd</sup> day of August, 2016.

  
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BARBARA D. RICHARDSON  
Commissioner of Insurance

**HEARING AGENDA**

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

**September 7, 2016 • 9:30 a.m.**

**Location of Hearing:**

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: R080-16.**
2. **Presentation, Discussion and Adoption of Proposed Regulation. (For Possible Action)**  
**LCB File No. R080-16. Captive Insurers. (NAC 694C)**  
A regulation relating to captive insurers; updating certain publications and forms that have been adopted by reference; revising certain financial report and audit requirements; revising provisions relating to service provider and reinsurance contracts; revising the requirements for the disclosure of conflicts of interest by persons holding certain positions with a captive insurer; revising provisions related to reimbursable expenses for examinations by the Commissioner of Insurance; and providing other matters properly relating thereto.
3. **Public Comment.**
4. **Closure: R080-16.**

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5. **Call to Order: R081-16.**
6. **Presentation, Discussion and Adoption of Proposed Regulation. (For Possible Action) LCB File No. R081-16. Required Industry Reports. (NAC 686A, 687B, 695C, 695D)**  
A regulation relating to insurance; revising the requirements for the filing of certain reports and documentation with the Commissioner of Insurance and the Division of Insurance of the Department of Business and Industry; and providing other matters properly relating thereto.
7. **Public Comment.**
8. **Closure: R081-16.**

\* \* \* \* \*

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](mailto: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](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. R081-16**

June 30, 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 686A.015; §3, NRS 679B.130; §4, NRS 679B.130, 687B.120 and 687B.430; §§5 and 6, NRS 679B.130 and 687B.430; §7, NRS 679B.130 and 695D.100; §8, NRS 679B.130.

A REGULATION relating to insurance; revising the requirements for the filing of certain reports and documentation with the Commissioner of Insurance and the Division of Insurance of the Department of Business and Industry; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law authorizes the Commissioner of Insurance to adopt reasonable regulations for the administration of the Nevada Insurance Code and as required to ensure compliance with federal law relating to insurance. (NRS 679B.130)

**Sections 1 and 2** of this regulation specify the date by which certain annual certifications are required to be filed or made by an illustration actuary and an officer of an insurer regarding illustrations of nonguaranteed elements of a policy of life insurance.

**Section 3** of this regulation specifies the date by which an insurer is required to submit an annual report to the Commissioner regarding the applications for long-term care insurance policies or contracts received by an insurer.

Existing law authorizes the Commissioner to adopt regulations relating to the form, content and sale of policies of insurance which provide for the payment of expenses which are not covered by Medicare. (NRS 687B.430) **Section 4** of this regulation specifies the date by which an issuer of such a policy is required to file certain information regarding those policies with the Division of Insurance of the Department of Business and Industry. **Section 5** of this regulation revises the date on which an issuer of such a policy is required to report multiple policies or certificates held by residents of this State. **Section 6** of this regulation revises the date on which an issuer of such a policy that contains a provision for a restricted network is required to report to the Commissioner certain information regarding its grievance procedure.

**Section 7** of this regulation eliminates the requirement that an organization for dental care notify the Division quarterly of any changes in its list of providers.



**Section 8** of this regulation repeals provisions that require a health maintenance organization or a provider-sponsored organization that applies for a certificate of authority to submit and update a list of the providers in its health care plan.

**Section 1.** NAC 686A.4775 is hereby amended to read as follows:

686A.4775 1. An illustration actuary shall certify that:

(a) The disciplined current scale used in illustrations authorized by the insurer comply with the “Actuarial Standard of Practice for Compliance with the NAIC Model Regulation on Life Insurance Illustrations” adopted by the Actuarial Standards Board; and

(b) The illustrated scales used in illustrations authorized by the insurer comply with the requirements of NAC 686A.460 to 686A.479, inclusive.

2. The illustration actuary shall file the certification with the insurer and the Commissioner:

(a) ~~Annually~~ *On a date determined by the insurer but not later than December 31 of each year, for the current calendar year,* for all policy forms for which illustrations are used ; ~~on a date determined by the insurer;~~ and

(b) Before a new policy form is illustrated.

3. The illustration actuary shall disclose in the certification:

(a) Whether, since the last certification, a currently payable scale applicable for business issued within the previous 5 years and within the scope of the certification has been reduced for reasons other than changes in the experience factors underlying the disciplined current scale. If nonguaranteed elements illustrated for new policies are not consistent with those illustrated for similar policies that are in force, this fact must be disclosed in the certification. If nonguaranteed elements illustrated for new policies and policies that are in force are not consistent with the nonguaranteed elements actually being paid, charged or credited to the same or similar forms, this fact must be disclosed in the certification.

(b) The method used to allocate overhead expenses for all illustrations from one of the following methods:

- (1) The fully allocated expense method;
- (2) The marginal expense method; or
- (3) A generally recognized expense table method based on fully allocated expenses that are representative of a significant portion of insurers in this State and is approved by the Commissioner.

4. If an error in a previous certification is discovered, the illustration actuary shall notify the insurer and the Commissioner promptly.

5. If an illustration actuary is unable to certify the disciplined current scale for an illustration the insurer intends to use, the actuary shall notify the insurer and the Commissioner promptly of his or her inability to certify that scale.

6. For the purposes of this section, the “Actuarial Standard of Practice for Compliance with the NAIC Model Regulation on Life Insurance Illustrations,” adopted by the Actuarial Standards Board, is hereby adopted by reference. A copy of the standard may be obtained from the American Academy of Actuaries, 1850 M Street N.W., Suite 300, Washington, D.C. 20036, (202) 223-8196, and on the Internet at <http://www.actuary.org/index.asp> <http://www.actuarialstandardsboard.org> free of charge.

**Sec. 2.** NAC 686A.478 is hereby amended to read as follows:

686A.478 An officer of an insurer that sells policies of life insurance, other than the illustration actuary, shall certify ~~annually~~ *on or before December 31 of each year, for the current calendar year*, that:

1. The formats for the illustrations the insurer intends to use comply with the requirements of NAC 686A.460 to 686A.479, inclusive;
2. The scales used in illustrations authorized by the insurer are those scales certified by the illustration actuary; and
3. The insurer has provided its agents and brokers with information about the method that is used by the insurer to allocate expenses in its illustrations and is disclosed as required in subsection 3 of NAC 686A.4775.

**Sec. 3.** NAC 687B.057 is hereby amended to read as follows:

687B.057 ~~{An}~~ *On or before April 1 of each year, for the preceding calendar year, an* insurer shall report ~~{annually}~~ to the Commissioner using form NDOI-947, which is available from the Division:

1. The number of applications for long-term care insurance received by the insurer from residents of this State;
2. The number of applicants who declined to provide information on the worksheet described in subsection 9 of NAC 687B.056;
3. The number of applicants who did not meet the standards of suitability developed by the insurer pursuant to NAC 687B.056; and
4. The number of applicants who chose to purchase long-term care insurance after receiving the letter described in paragraph (b) of subsection 1 of NAC 687B.0565.

**Sec. 4.** NAC 687B.230 is hereby amended to read as follows:

687B.230 1. A policy to supplement Medicare or a certificate must not be delivered or issued for delivery in this State unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to the

policyholder or certificate holder the following amounts in the form of aggregate benefits provided under the policy, not including anticipated refunds or credits:

(a) In the case of a group policy, at least 75 percent of the aggregate amount of premiums earned.

(b) In the case of an individual policy, at least 65 percent of the aggregate amount of premiums earned. For the purposes of this paragraph, a policy issued as a result of any solicitation made by mail or by advertising using the mass media, including any written or broadcasted advertisement, shall be deemed to be an individual policy.

↪ The aggregate benefits must be calculated on the basis of incurred claims experience or incurred expenses for health care if coverage is provided by a health maintenance organization on the basis of payments made to the provider of health care rather than reimbursements made to the insured, and must be calculated in accordance with accepted actuarial principles and practices. Incurred health care expenses where coverage is provided by a health maintenance organization must not include:

- (1) Home office and overhead costs;
- (2) Advertising costs;
- (3) Commissions and other acquisition costs;
- (4) Taxes;
- (5) Capital costs;
- (6) Administrative costs; and
- (7) Claims processing costs.

2. All filings of rates and rating schedules must demonstrate that expected claims in relation to premiums comply with the requirements of this section when combined with actual experience

as of the date of the filing. Filing of revisions of rates must also demonstrate that the anticipated loss ratio during the period for which the revised rates are computed can be expected to meet the appropriate standards for the loss ratio.

3. ~~Each~~ *On or before May 31 of each year, each* issuer providing a policy to supplement Medicare or a certificate in this State shall file ~~annually~~ with the Division, *in a format prescribed by the Commissioner*, its rates, rating schedule and supporting documentation, including ratios of incurred losses to earned premiums by policy duration, for approval by the Commissioner. The supporting documentation must:

(a) Demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate standards for loss ratios can be expected to be met during the entire period for which the rates are computed; and

(b) Exclude active life reserves.

↪ An expected third-year loss ratio that is greater than or equal to the applicable percentage must be demonstrated for policies to supplement Medicare or certificates in force less than 3 years.

4. As soon as practicable before the effective date of any enhancements to Medicare benefits, every issuer shall file with the Division in accordance with NRS 687B.120:

(a) Appropriate adjustments of premiums necessary to produce loss ratios as anticipated for the current premiums for the applicable policies or certificates, together with such supporting documents as are necessary to justify the adjustment; and

(b) Any appropriate riders, endorsements or policy forms needed to accomplish the modifications to the policy to supplement Medicare or the certificate which are necessary to eliminate any duplication of Medicare benefits. Any such riders, endorsements or policy forms

must provide a clear description of the benefits to supplement Medicare that are provided by the policy or certificate.

5. An issuer shall make such adjustments to premiums pursuant to paragraph (a) of subsection 4 as are necessary to produce an expected loss ratio that conforms to the minimum standards for loss ratios for policies to supplement Medicare or certificates which are expected to result in a loss ratio that is at least as great as the ratio originally anticipated for the rates used by the issuer to calculate current premiums for the policy to supplement Medicare or the certificate. An adjustment to premiums which modifies the loss ratio, other than an adjustment made pursuant to this section, may not be made at any time other than upon the renewal of the policy or certificate or its anniversary date. If an issuer makes an adjustment to premiums which is not acceptable to the Commissioner, the Commissioner may order an adjustment to premiums, a refund or a credit which he or she deems necessary to achieve the loss ratio required by this section.

6. The Commissioner may conduct a hearing to obtain information concerning a request submitted by an issuer for an increase in the rates for a policy to supplement Medicare or a certificate if the experience incurred during the reporting period does not comply with the applicable standard for loss ratios. The Commissioner will determine whether the experience complies with the applicable standard without considering any refund or credit required for the reporting period.

7. The provisions of this section apply to any policy to supplement Medicare or any certificate delivered or issued for delivery in this State, regardless of the date of its delivery or issuance.

**Sec. 5.** NAC 687B.283 is hereby amended to read as follows:

687B.283 1. On or before ~~March 1~~ *May 31* of each year, an issuer shall report the number of the policy, the certificate number and the date of issuance for each resident of this State for whom the issuer has in force more than one policy to supplement Medicare or certificate. The report must include all this information for each individual policyholder in a format prescribed by the Commissioner.

2. The provisions of this section apply to an issuer of a policy to supplement Medicare delivered or issued for delivery in this State, regardless of the date the policy was delivered or issued for delivery.

**Sec. 6.** NAC 687B.370 is hereby amended to read as follows:

687B.370 1. A Medicare select issuer shall have written procedures for hearing complaints and resolving written grievances made by policyholders and certificate holders under a Medicare select policy or certificate. The procedures may include the utilization of arbitration if the Medicare select issuer and the policyholder or certificate holder or the policyholder's or certificate holder's spouse mutually agree to use it.

2. The procedure for addressing grievances must be described in all policies and certificates and in the outline of coverage provided to applicants for coverage pursuant to NAC 687B.368.

3. The Medicare select issuer shall provide detailed information to the policyholder or certificate holder at the time the policy or certificate is issued that describes how to file a grievance with the Medicare select issuer.

4. The Medicare select issuer shall begin evaluating a grievance filed with it within 10 working days after the filing date by transmitting the grievance to the person who has authority to investigate the issue fully and take corrective action to address it.

5. If a grievance is found to be valid, corrective action must commence within 48 hours after the determination or within 72 hours after the determination if a holiday occurs within the 48-hour period.

6. All concerned parties must be notified of the determination made with regard to the grievance.

7. The Medicare select issuer shall report to the Commissioner ~~no later than March~~ *on or before May* 31 of each year regarding its grievance procedure. The report must *be submitted in a format prescribed by the Commissioner and must* contain the number of grievances filed in the past year and a summary of the nature and resolution of those grievances.

**Sec. 7.** NAC 695D.200 is hereby amended to read as follows:

695D.200 An organization shall notify ~~†~~:

~~1. The Division in writing at the end of each quarter of each calendar year of any changes in its list of providers. If there are no changes, a statement to that effect may be filed with the organization's annual statement.~~

~~2. A~~ *a* member in writing of the disassociation of his or her dentist from the organization within 30 working days after the disassociation occurs.

**Sec. 8.** NAC 695C.200 is hereby repealed.



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**TEXT OF REPEALED SECTION**

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**695C.200 List of providers: Submission; changes; extension of submission date; excessive reduction. (NRS 679B.130, 695C.070, 695C.275)**

1. Each applicant for a certificate of authority shall:

(a) Submit a list of the providers in its health care plan and a description of the type of providers based upon a projected number of enrollees;

(b) Sufficiently describe its list of providers to demonstrate the accessibility and availability of health care to its enrollees; and

(c) Describe a plan for increasing the number of providers based upon increased enrollment.

2. The organization shall notify:

(a) For a health maintenance organization, the Division and the State Board of Health in writing not later than 14 days after the end of each quarter of each calendar year of any changes in its list of providers unless an extension is granted pursuant to this paragraph. On or before the date on which the notification is due, the health maintenance organization may submit a request to the Commissioner for an extension of time in which to provide the notification of not more than 30 days after the date on which the notification is due.

(b) For a provider-sponsored organization, the Division in writing not later than 14 days after the end of each quarter of each calendar year of any changes in its list of providers unless an extension is granted pursuant to this paragraph. On or before the date on which the notification is

due, the provider-sponsored organization may submit a request to the Commissioner for an extension of time in which to provide the notification of not more than 30 days after the date on which the notification is due.

(c) An enrollee in writing of the disassociation of his or her primary physician from the organization not later than 30 working days after such disassociation.

3. Based upon the current list of providers of an organization, an overall reduction of more than 30 percent in the number of primary physicians in a geographic area of service or a material change in the panel of specialists shall be deemed by the Division to jeopardize the ability of the organization to meet its obligations to its enrollees, and the Division will so notify the organization, and for a health maintenance organization, the Division will also notify the State Board of Health. The organization may rebut this presumption by providing written information to the Division within 14 days after the notice is sent to the organization.

4. The provisions of subsection 3 do not apply if the organization:

(a) Notifies the Division in writing;

(b) Submits information concerning the number of persons enrolled in the organization and the reasons for any reductions; and

(c) Obtains the approval of the Division in advance for the reduction.

STATE OF NEVADA  
DEPARTMENT OF BUSINESS & INDUSTRY  
DIVISION OF INSURANCE

Determination of Necessity - Small Business Impact Statement  
LCB File No. R081-16

The regulation designates a specific date for receipt by the Life and Health Section ("Section"), Division of Insurance ("Division"), of a report that is applicable to Life and Long-term Care products; and the introduction of a common reporting date and uniform reporting format that applies to Medicare Supplement products.

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

1. BACKGROUND

The Life and Health Section ("Section"), Division of Insurance ("Division"), is responsible for receiving, tracking and review of 31 required industry reports. It is important that the carriers know exactly when a report must be submitted. It is also important that the Section be able to accurately account for receipt of said reports.

The purpose of the regulation is to provide the carrier with a specific date that a required industry report is due rather than the current broad requirement that certain Life and Long-term Care reports be submitted annually. Additionally, the regulation provides for a common reporting date for Medicare Supplement policy data, and for submission to be accomplished in a uniform format. This will result in combining the three separate Medicare Supplement reports into one submission.

2. DESCRIPTION OF SOLICITATION

No comments were solicited.

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 changes to the existing regulations provide for more uniformity and clarity as to the reporting requirements that are already in place. The amendments to the existing regulations have no impact on small businesses.

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)

8/3/16  
(DATE)

  
BARBARA D. RICHARDSON  
Commissioner of Insurance

**Small Business Impact Statement**  
**LCB File No. R081-16**

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)

8/3/16  
(DATE)

  
BARBARA D. RICHARDSON  
Commissioner of Insurance