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DEPARTMENT OF BUSINESS AND INDUSTRY

DIVISION OF INSURANCE

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**NOTICE OF INTENT TO ACT UPON REGULATION
LCB File No. R184-22
AND HEARING AGENDA**

The Nevada Division of Insurance (“Division”) is proposing the adoption of regulations pertaining to chapter(s) ... of the Nevada Administrative Code (“NAC”). The hearing shall take place as follows:

Date: November 16, 2022
Time: 1:30 p.m.
Location: This meeting will be held virtually via Webex, which allows participation by video or telephone.*

To join by Webex, click on the URL and enter the meeting number and password when prompted.

URL: <https://doinv.webex.com/doinv/j.php?MTID=mc9f9cfd3e6f55c4be6fbde5ee81e8eac>
Meeting Number: 2633 145 2977
Password: 7w4Jg4gCZZH

To join by telephone, call the toll-free number and enter the access code when prompted.

Phone-in Access: 1-844-621-3956 United States Toll Free
Access Code: 2633 145 2977

If you need help using Webex, visit <https://help.webex.com>.

Live public comment and written public comment will be taken as designated in the Hearing Agenda.

* There is no physical location designated for this hearing. Accordingly, any person planning to participate must participate by using the Webex link, for video access, or by calling the phone-in access for telephone access. Meeting materials are available on the Division’s website at: <https://doi.nv.gov/News-Notices/Regulations/>.

The purpose of the hearing is to solicit comments from interested persons on the general topic(s) that may be addressed in the proposed regulation; and to assist in determining whether the proposed regulation is likely to impose a direct and significant burden upon a small business or directly restricts the formation, operation, or expansion of a small business.

HEARING AGENDA

1. Open Hearing: R184-22.
2. Presentation of Proposed Regulation.

[LCB File No. R184-22 - EXAM SCORES AND PLE ATTESTATION](#)

A REGULATION relating to insurance: revising certain provisions concerning courses of instruction and examinations for certain licenses and certificates; establishing procedures concerning the duration, expiration and renewal of a license as a title agent; and providing other matters properly relating thereto. A copy of the proposed regulation prepared by the Legislative Counsel is available by clicking on the following link. <https://www.leg.state.nv.us/Register/2022Register/R184-22P.pdf>

3. Public Comment.

The hearing officer will indicate when live public comment will be taken. Public comment may be limited to three minutes per speaker.

4. Close Hearing: R184-22.

Note: Any agenda item may be taken out of order; items may be combined for consideration by the public body; items may be pulled or removed from the agenda at any time; and discussion relating to an item may be delayed or continued at any time. The hearing officer, within his/her discretion, may allow for public comment on individual agenda items.

A copy of all materials relating to the proposal may be obtained by visiting the Division's internet website at <https://doi.nv.gov/News-Notices/Regulations/> or by contacting the Division (regs@doi.nv.gov or 775-687-0700). Members of the public who would like additional information about a proposed regulation may contact the Division by email to regs@doi.nv.gov.

Note: The Division is proposing an edit to the first sentence of Section 4, subsection 2, to read "***A license which is not renewed expires at midnight on the last day of the month specified on the license for the renewal.***"

Members of the public are encouraged to submit written comments for the record no later than **November 11, 2021**. Persons wishing to comment upon the proposed actions of the Division may appear at the hearing via Webex or telephone and/or may address their comments, data, views, or arguments in written form, by email to regs@doi.nv.gov or by mail to 1818 E. College Parkway, Suite 103, Carson City, NV 89706.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Division of your request for reasonable accommodation in writing, no later than five (5) working days before the hearing via email to regs@doi.nv.gov.

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.

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

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

The Gramm-Leach-Bliley Act (“GLB”) created the National Association of Registered Agents and Brokers (“NARAB”) to standardize producer licensing and create a system of reciprocal licensing among the states. Consistent with GLB’s purpose, this regulation supports Nevada’s work to implement provisions of the NAIC Uniform Producer Model Act to standardize its licensing provisions with other states.

While most states in the country require a 70% score to pass their licensing exams, Nevada is one of the only states with an 80% requirement. Nevada has approximately 24,000 resident licensed producers and 182,000 non-resident producers. This means that the large majority of Nevada licensed producers had to reach a 70% examination threshold in their home state to obtain a Nevada non-resident’s license, while Nevada producers are required to reach an 80% score to be licensed in this state (as well as be licensed in other states with reciprocal licensing). Nevada resident producers are not competing on a level playing field with most every other state. This regulation intends to change the passing score to 70% to be consistent with other states for certain licenses where an examination is required for licensing.

This regulation is also eliminating the preclicensing course examination, and replacing it with an attestation of attendance. An applicant cannot pass the Nevada licensing examination without a thorough study of the subject, so passage of the Nevada licensing examination reflects a minimal level of competency. This revision will improve the Division’s efficiency, as it will no longer be necessary to verify that applicants attained a final grade of 70% or better on the preclicensing course examination.

(2) What are the terms or substance of the proposed regulation? Provide a description of the subjects, issues and problems involved.

Nevada is one of the only states in the country that currently requires an 80% testing score to pass its producer examination. This regulation is lowering the passing score to 70% for producer licensing (and other licensing exams for which Nevada requires the passing of an examination prior to issuance of a license). This change will help provide uniformity with other states and will equal the playing field for Nevada producers.

The proposed regulation will also eliminate the requirement for an applicant to provide verification of completion of a course of preclicensing education, with a final grade of 70% or better, prior to being licensed. Since passage of the licensing examination is proof itself that the applicant has studied to obtain the level of knowledge necessary for licensing, eliminating the requirement to provide proof of completion of a preclicensing course of instruction with a final grade of 70% or better will remove a regulatory burden on applicants and it will provide more efficiency for the Division. This requirement is being replaced with

the applicant's attestation, at the time of license examination, of having completed a prelicensing course of instruction.

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

This regulation will help level the playing field for Nevada resident producers with non-resident licensed producers (who make up the large majority of Nevada licensed producers). This will also reduce the regulatory licensing burden placed on resident licensing applicants and improve the efficiency of the Division's Licensing Section.

(4) Do other regulations address the same problem(s)?

There are no other regulations that address these issues.

(5) Are alternate forms of regulation sufficient to address the problem(s)?

There are no alternative regulations that address these issues.

(6) What value does the regulation have to the public?

This regulation will allow the Division to no longer have to verify the completion of a prelicensing course of education with a final grade of 70% prior to issuing a Nevada Resident Producer's license. This will provide additional efficiency for the Division's Licensing Section.

(7) What is the anticipated economic benefit of the regulation? Provide a statement as to potential beneficial impact on the following:

a. Public

1. Immediate: There is no anticipated economic benefit.
2. Long Term: There is no anticipated economic benefit.

b. Insurance Business

1. Immediate: There is no anticipated economic benefit.
2. Long Term: There is no anticipated economic benefit.

c. Small Businesses

1. Immediate: There is no anticipated economic benefit.
2. Long Term: There is no anticipated economic benefit.

d. Small Communities

1. Immediate: There is no anticipated economic benefit.
2. Long Term: There is no anticipated economic benefit.

e. Government Entities

1. Immediate: This regulation will eliminate one of the Division's duties prior to issuance of a Nevada Resident Producer's license. This will allow the Division to have a more efficient use of its staff.

2. Long Term: This regulation will eliminate one of the Division's duties prior to issuance of a Nevada Resident Producer's license. This will allow the Division to have a more efficient use of its staff.

(8) What is the anticipated adverse impact, if any? Provide a statement as to any anticipated adverse impact, including adverse economic effects, on the following:

- a. Public
 - 1. Immediate: There is no anticipated adverse impact from this regulation.
 - 2. Long Term: There is no anticipated adverse impact from this regulation
- b. Insurance Business
 - 1. Immediate: There is no anticipated adverse impact from this regulation
 - 2. Long Term: There is no anticipated adverse impact from this regulation
- c. Small Businesses
 - 1. Immediate: There is no anticipated adverse impact from this regulation
 - 2. Long Term: There is no anticipated adverse impact from this regulation
- d. Small Communities
 - 1. Immediate: There is no anticipated adverse impact from this regulation
 - 2. Long Term: There is no anticipated adverse impact from this regulation
- e. Government Entities
 - 1. Immediate: There is no anticipated adverse impact from this regulation
 - 2. Long Term: There is no anticipated adverse impact from this regulation

(9) What is the anticipated cost of the regulation, both direct and indirect? Provide a statement as to the cost of:

- a. Enactment – There is no anticipated direct or indirect cost expected from this regulation.
- b. Enforcement - There is no anticipated direct or indirect cost expected from this regulation.
- c. Compliance - There is no anticipated direct or indirect cost expected from this regulation.

(10) Provide a statement indicating whether the regulation establishes a new fee or increases an existing fee.

This regulation will not establish a new or increased fee.

(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.

See attached Small Business Impact Statements.

(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 are no overlapping or duplicating regulations of other government agencies.

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

The Gramm-Leach-Bliley Act seeks provide a way for states to standardize licensing standards and procedures across states. *See* 15 U.S.C. §§ 6751–6752. This regulation will continue to move the Nevada producer licensing standards to be more uniform with the rest of the country.

(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.

There are no provisions in this regulation that are more stringent than any applicable federal regulations.

Notice of the hearing has been provided as follows:

By email to all persons on the Division’s e-mail list for noticing of administrative regulations.
By email for posting by the Nevada State Library, Archives and Public Records Administrator.
By email for posting by the Nevada Legislature.
Published to the Nevada Legislature website: <https://leg.state.nv.us/>.
Published to the Division of Insurance website: <https://doi.nv.gov/>.
Published to the State of Nevada Public Notice website: <https://notice.nv.gov/>.

DATED this 12th day of October 2022.



BARBARA D. RICHARDSON
Commissioner of Insurance

**STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE**

**Determination of Necessity of Small Business Impact Statement
NRS 233B.0608(1)**

EXAMINATION SCORES AND PRELICENSING EDUCATION (“PLE”) ATTESTATION

A regulation relating to insurance, amending the required passing score for examination for specific licensees, providing for prelicensing education attestation, clarifying the renewal process for title agents, and other matters related thereto.

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

1. BACKGROUND.

The Gramm-Leach-Bliley Act (“GLB”) created the National Association of Registered Agents and Brokers to standardize producer licensing and create a system of reciprocal licensing among the states. Consistent with GLB’s purpose, this regulation supports Nevada’s work to implement provisions of the NAIC Uniform Producer Model Act to standardize its licensing provisions with other states.

While most states in the country require a 70% score to pass their licensing exams, Nevada is one of the only states with an 80% requirement. Nevada has approximately 24,000 resident licensed producers and 182,000 non-resident producers. This means that the large majority of Nevada licensed producers had to reach a 70% examination threshold in their home state to obtain a Nevada non-resident’s license, while Nevada resident producers are required to reach an 80% score to be licensed in this state (as well as be licensed in other states with reciprocal licensing). Nevada producers are not competing on a level playing field with most every other state. This regulation intends to change the passing score to 70% to be consistent with other states for certain licenses where an examination is required for licensing.

This regulation is also eliminating the prelicensing course examination, and replacing it with an attestation of attendance. An applicant cannot pass the Nevada licensing examination without a thorough study of the subject, so passage of the Nevada licensing examination reflects a minimal level of competency. This revision will improve the Division’s efficiency, as it will no longer be necessary to verify that applicants attained a final grade of 70% or better on the prelicensing course examination.

2. DESCRIPTION OF SOLICITATION SHOWING A CONCERTED EFFORT. NRS 233B.0608(1).

The Licensing Section of the Division of Insurance analyzed this proposed regulation and determined that changing the required passing score on an examination and changing the requirements for reporting completion of a prelicensing course of education would have no economic impact on small businesses in this state. Based upon the conclusion, it was determined that a solicitation was not necessary.

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 YES

4. HOW WAS THAT CONCLUSION REACHED? NRS 233B.0608(3).

The impact of this regulation on small business was analyzed by the Licensing Section of the Nevada Division of insurance. Except for small businesses engaged in the business of insurance, small businesses are not subject to licensing by the Division. Therefore, a solicitation of this regulation was not made with small businesses in Nevada, as none of the proposed changes in this regulation impact small business. Moreover, to the extent the changes proposed in this regulation impact licensees, the changes apply to individual producers, not producer firms, insurers, or title agencies.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby certify that, 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 the information contained in this statement is accurate. (NRS 233B.0608(3))

October 12, 2022
(DATE)



BARBARA D. RICHARDSON
Commissioner of Insurance

Small Business Impact Statement
NRS 233B.0608(2)-(4) and 233B.0609

EXAMINATION SCORES AND PRELICENSING EDUCATION (“PLE”) ATTESTATION

1. SUMMARY OF COMMENTS RECEIVED FROM SMALL BUSINESSES. NRS 233B.0609(1)(a).

Because no small business will be affected by this regulation, no solicitation was made. No comments were received from small businesses regarding this proposed regulation.

A copy of this summary may be requested by calling (775) 687-0700 or emailing regs@doi.nv.gov.

2. HOW WAS THE ANALYSIS CONDUCTED? NRS 233B.0609(1)(b).

The impact of this regulation on small business was analyzed by the Licensing Section of the Nevada Division of Insurance, which determined that most small businesses are not licensed to engage in the business of insurance, and the small businesses that are licensed as producers are not subject to examination requirements to obtain the license. As such, Licensing determined that small businesses will not be affected by this regulation.

3. ESTIMATED ECONOMIC EFFECT ON SMALL BUSINESSES THE REGULATION IS TO REGULATE. NRS 233B.0609(1)(c).

This proposed regulation is not expected to create either an adverse nor beneficial effect on any of the small businesses in Nevada, including those regulated by the Nevada Division of Insurance.

4. METHODS CONSIDERED TO REDUCE IMPACT ON SMALL BUSINESSES. NRS 233B.0609(1)(d).

No methods were considered, as there are no new costs or expenses being added as a result of this proposed regulation.

5. ESTIMATED COST OF ENFORCEMENT. NRS 233B.0609(1)(e).

None.

6. FEE CHANGES. NRS 233B.0609(1)(f).

No new fees are created as a result of this proposed regulation.

7. DUPLICATIVE PROVISIONS. NRS 233B.0609(1)(g).


This regulation does not duplicate any existing provision in federal, state or local laws.

8. REASONS FOR CONCLUSIONS. NRS 233B.0609(1)(h).

This regulation does not create any new fees or regulatory requirements on small businesses in Nevada. In addition, it does not impact Nevada insurers, or their costs associated with doing business, so these changes will not impact the cost of insurance to Nevada small businesses.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby certify that, 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))

October 12, 2022
(DATE)


BARBARA D. RICHARDSON
Commissioner of Insurance