

STATE OF NEVADA



DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

NOTICE OF INTENT TO ACT UPON REGULATION
LCB File No. R132-24
AND HEARING AGENDA

The Nevada Division of Insurance (“Division”) is proposing the adoption of a regulation pertaining to chapter(s) 679B, 680B, 685A, 686B, 687B, 690B, 691D, 694C, and 695C of the Nevada Administrative Code (“NAC”). The hearing shall take place as follows:

Date: **November 12, 2024**
Time: **9:00 a.m. (PST)**
Location: **This hearing will be held virtually via Webex and in person. See options below.** (For help using Webex, visit <https://help.webex.com>.)

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

URL: <https://doinv.webex.com/doinv/j.php?MTID=m50a608f977c3f7397fdb2e2dbe66318c>
Meeting Number: 2870 882 6853

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: 2870 882 6853

To attend in person, the following physical locations are being made available:

Nevada Division of Insurance
1818 E. College Pkwy., Ste. 103
Carson City, NV 89706

Nevada Division of Insurance
3300 W. Sahara Ave.
Tahoe Room, Ste. 430, 4th Floor
Las Vegas, NV 89102

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

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: R132-24.
2. Presentation of Proposed Regulation.

LCB FILE NO. R 132-24 – REPEAL OF REGULATIONS

A REGULATION relating to insurance; removing certain obsolete requirements; revising the period of time in which certain insurers must submit data necessary to produce fast track reports; revising certain requirements for the filing of an increase or decrease in rates for professional liability insurance for certain practitioners; revising the conditions under which the Commissioner of Insurance will accept an individual risk premium modification plan; removing provisions requiring certain profitability reports to be certified by an officer of the insurer; revising procedures for the filing of final rates or loss cost multipliers for policies of industrial insurance; revising requirements for certain filings concerning policies to supplement Medicare; revising the conditions that a schedule-rating plan submitted by an insurer who provides certain professional liability insurance must meet for the Commissioner to accept such a plan; removing the requirement for certain annual audits of a captive insurer to include a statement which certifies that certain requirements have been met; repealing various provisions relating to reports and information that an insurer is required to submit to or file with the Commissioner; repealing provisions relating to the use of electronic means to pay certain fees and send certain notice; repealing the definition of “emergency” for purposes of certain provisions relating to contracts of insurance for home protection; and providing other matters properly relating thereto.

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: R132-24.

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 by email to regs@doi.nv.gov. Members of the public who would like additional information about a proposed regulation may contact the Division by email to regs@doi.nv.gov. Members of the public are encouraged to submit written comments for the record no later than **November 5, 2024**. Written comments may be emailed to regs@doi.nv.gov or mailed to 1818 E. College Parkway, Suite 103, Carson City, Nevada 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?

On June 30, 2023, Governor Lombardo issued Executive Order 2023-008 causing all agencies subject to Executive Orders 2023-003 and/or 2023-004 to begin the process of “repealing, streamlining, clarifying, reducing, or otherwise improving” regulations previously identified by the agencies. The Division of Insurance (“Division”) is subject to Executive Order 2023-003, and this regulation repeals and simplifies the items identified in response to that Executive Order along with additional provisions later identified as eligible for repeal or simplification.

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

The proposed regulation seeks to amend seven existing regulations, NAC 686B.351, 686B.371, 686B.501, 686B.610, 686B.720, 687B.230 and 694C.210, to remove unnecessary reporting requirements while retaining the remainder of the regulation. One regulation, NAC 686B.843, is proposed to amend technical language that was improperly included, giving the regulation the wrong interpretation, in a prior regulation. One regulation, NAC 690B.540, is proposed to be amended to remove the schedule rating minimums to policies of professional liability insurance, potentially allowing more insureds to qualify for the practice. One regulation, NAC 685A.420, is proposed to be amended to remove provisions relating to agreements entered into pursuant to a statute that was repealed. Ten regulations are proposed to be repealed in their entirety; these regulations require parties to submit various reports that are no longer required or outline regulatory practices for products no longer offered in Nevada.

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

The Division anticipates that amending and repealing the affected sections of the Nevada Administrative Code will reduce the reporting burden on insurers doing business in Nevada and reduce confusion by explicitly removing provisions which have no practical use.

(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 regulation “cleans up” portions of the NAC pertaining to Title 57, making it easier to understand the requirements placed up on parties in the insurance industry. It also eases administrative burden, reducing overhead costs for insurers that no longer need to make unnecessary reports.

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

a. Public

1. Immediate: Immediate economic impact to the public is anticipated to be negligible. If economic benefits are recognized by eliminating extraneous reporting requirements, they are likely to take time to accumulate to any degree to be beneficial to the public.

2. Long-Term: Long term economic impact to the public is anticipated to be negligible. The reports being proposed for repeal are not overly burdensome and repeal will offer some administrative benefit, but the Division does not anticipate it to be significant.

b. Insurance Business

1. Immediate: Immediate economic impact to the insurance industry is anticipated to be negligible. While repealing unnecessary reporting requirements should ease administrative burden the Division does not view the repealed reports as overly burdensome, and the relief will be minor.

2. Long-Term: Long term economic impact to the insurance industry will likely be negligible as a direct result of this regulation but may grow in substance if the Division is able to identify other unnecessary reporting requirements to repeal or amend and the benefits accrue to a substantive amount.

c. Small Businesses

1. Immediate: No immediate economic impact anticipated; regulation provisions do not directly affect small businesses.

2. Long-Term: No immediate economic impact anticipated; regulation provisions do not directly affect small businesses.

d. Small Communities

1. Immediate: No immediate economic impact anticipated; regulation provisions do not directly affect small communities.

2. Long-Term: No immediate economic impact anticipated; regulation provisions do not directly affect small communities.

e. Government Entities

1. Immediate: No immediate economic impact anticipated; regulation provisions do not directly affect government entities.

2. Long-Term: No immediate economic impact anticipated; regulation provisions do not directly affect government entities.

(8) What is the anticipated adverse impact, if any?

a. Public

1. Immediate: The Division does not anticipate any adverse economic impact, including adverse economic effects, on the public.

2. Long-Term: The Division does not anticipate any adverse economic impact, including adverse economic effects, on the public.

b. Insurance Business

1. Immediate: The Division does not anticipate any adverse economic impact, including adverse economic effects, on insurance businesses.

2. Long-Term: The Division does not anticipate any adverse economic impact, including adverse economic effects, on insurance businesses.

c. Small Businesses

1. Immediate: The Division does not anticipate any adverse economic impact, including adverse economic effects, on small businesses.

2. Long-Term: The Division does not anticipate any adverse economic impact, including adverse economic effects, on small businesses.

d. Small Communities

1. Immediate: The Division does not anticipate any adverse economic impact, including adverse economic effects, on small communities.

2. Long-Term: The Division does not anticipate any adverse economic impact, including adverse economic effects, on small communities.

e. Government Entities

1. Immediate: The Division does not anticipate any adverse economic impact, including adverse economic effects, on government entities.

2. Long-Term: The Division does not anticipate any adverse economic impact, including adverse economic effects, on government entities.

(9) What is the anticipated cost of the regulation, both direct and indirect?

a. Enactment

The Division anticipates that the direct and indirect cost of enactment are the fees paid to the Legislative Counsel Bureau and staff time to conduct the regulation process.

b. Enforcement

The Division anticipates no cost to enforce the regulation, as it repeals and amends reporting requirements, so no enforcement is required.

c. Compliance

The Division anticipates no cost to ensure compliance with the regulation.

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

The regulation does not establish a new fee or increase an existing 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 analysis.

(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 duplicate or overlap other regulations.

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

Not applicable.

(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.

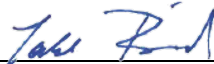
Not applicable.

Notice of the hearing has been provided as follows:

By email to all persons on the Division's email 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 State of Nevada County Libraries.
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 10th day of October 2024.

SCOTT J. KIPPER
Commissioner of Insurance

By: 

TODD RICH
Chief Deputy Commissioner
With Delegation of Authority

STATE OF NEVADA

JOE LOMBARDO
Governor



DR. KRISTOPHER SANCHEZ
Director

SCOTT J. KIPPER
Commissioner

DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

MEMORANDUM

DATE: October 8, 2024
TO: Todd Rich – Chief Deputy Commissioner
FROM: Scott J. Kipper – Insurance Commissioner
SUBJECT: Delegation of Authority in the Commissioner’s Absence

I hereby issue a Delegation of Authority for you to act on my behalf while I am on out on personal matter from October 8, 2024 to October 18, 2024. You are empowered to exercise all authority necessary to handle matters coming before the Division of Insurance, unless otherwise delegated. This delegation can be superseded by an appointment of a new Commissioner or appointment of an acting Commissioner by Director of the Department of Business and Industry, Dr. Kristopher Sanchez.

A handwritten signature in blue ink, appearing to read "Scott J. Kipper", written over a horizontal line.

SCOTT J. KIPPER
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)**

EXECUTIVE ORDER 2023-008
R132-24

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

1. BACKGROUND.

On June 30, 2023, Governor Lombardo issued Executive Order 2023-008, causing all agencies subject to Executive Orders 2023-003 and/or 2023-004 to begin the process of “repealing, streamlining, clarifying, reducing, or otherwise improving” regulations previously identified by the agencies. The Division of Insurance (Division) was subject to Executive Order 2023-003 and this regulation repeals and simplifies the items identified in response to that Executive Order along with additional provisions later identified as eligible for repeal or simplification.

The regulation proposes to repeal NAC 680A.405, 680A.410, 680B.010, 680B.095, 687B.057, 687B.069, 687B.283, 690B.400, 691D.300 and 695C.275 as the Division has identified them as no longer necessary. These provisions primarily concern reports that the Division no longer deems necessary to receive.

The regulation proposes to amend NAC 685A.420, 686B.351, 686B.371, 686B.501, 686B.610, 686B.720, 686B.843, 687B.230, 690B.540 and 694C.210 to remove provisions which the Division views as no longer necessary while keeping the remainder of the specific regulations intact. Many of the amendments concern outdated requirements such as providing reporting on “diskette;” not only is this burdensome on reporters but the Division no longer has resources able to readily handle such submissions.

2. DETERMINATION OF SMALL BUSINESS IMPACT. NRS 233B.0608(1).

The Division did not conduct an extensive solicitation to see how the proposed regulation would affect small businesses. The regulation repeals by amendment or repeals entirely several reporting requirements that are no longer necessary, as detailed in the Explanation for Proposed Regulation. It is not anticipated that repealing reporting requirements will impose a direct and significant economic burden as reducing administrative tasks should inherently reduce the economic burden and not increase it.

- A. Is the proposed regulation likely to impose a direct and significant economic burden upon a small business?

NO YES, see the Small Business Impact Statement.

B. Does the proposed regulation directly restrict the formation, operation, or expansion of a small business?

NO YES, see the Small Business Impact Statement.

C. What methods did the agency use to determine the impact of the proposed regulation on a small business?

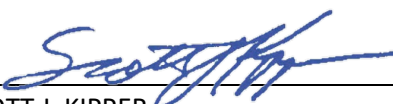
The Division evaluated the businesses that are subject to the regulations as they currently exist and determined that the regulations do not apply to any business that is not regulated by the Division of Insurance.

D. What are the reasons for the agency's conclusions?

The proposed regulation seeks to amend and repeal reporting requirements currently imposed on insurers that the Division, through its daily activities, has identified as no longer having value commensurate with the labor associated with their development, collection, and retention. Only insurance entities subject to these reporting requirements (i.e., insurers with corporate or holding company structures) are affected by the proposed regulations, and none qualifies as a small business as defined in NRS 233B.0382. Even if insurers or persons would qualify as small businesses under the statute, and (2) would be directly affected by this proposed regulation, the repeal of reporting requirements or elimination of provisions superseded by statute reduce administrative burdens. None of the regulations being proposed for amendment or repeal is deemed to have a significant impact on any aspect of the insurance industry in general or any participant individually, let alone non-insurance businesses.

I, SCOTT J. KIPPER, 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))

June 18, 2024
(DATE)


SCOTT J. KIPPER
Commissioner of Insurance