

STATE OF NEVADA

JOE LOMBARDO
Governor



DR. KRISTOPHER SANCHEZ
Director

SCOTT J. KIPPER
Commissioner

DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

NOTICE OF WORKSHOP
TO SOLICIT COMMENTS ON PROPOSED REGULATION
LCB File No. R156-24
AND WORKSHOP AGENDA

The Nevada Division of Insurance (“Division”) is hosting an informal workshop to propose the adoption, amendment, or repeal of regulations pertaining to Nevada Administrative Code (“NAC”) chapter(s) 694C. The workshop shall take place as follows:

Date: **January 17, 2025**
Time: **9:00 a.m. PST**
Location: **This workshop 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=me9adc57ee97f8619aae2dda4fa9f7bb9>
Meeting Number: 2861 414 8365

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: 2861 414 8365

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, Suite 430, 4th Floor
Las Vegas, NV 89102

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

The purpose of the workshop 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.

WORKSHOP AGENDA

1. Open Workshop: R156-24.
2. Presentation of Proposed Regulation.

LCB FILE NO. R156-24 – CAPTIVE MATERIALITY

A REGULATION relating to insurance; revising provisions relating to information submitted with an application for licensure of captive insurers; and providing other matters properly relating thereto.

3. Public Comment.

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

4. Close Workshop: R156-24.

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 meeting presenter, 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 January 10, 2025. Written comments may be emailed to regs@doi.nv.gov or mailed to 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.

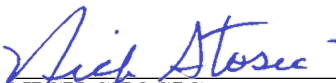
We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Division of your request for reasonable accommodation in writing no later than five (5) working days before the workshop via email to regs@doi.nv.gov.

Notice of the workshop 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 26th day of December 2024

SCOTT J. KIPPER
Commissioner of Insurance

By: 
NICK STOSIC
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: December 23, 2024
TO: Nick Stosic – 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 out of the office from December 23rd to December 27th. 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)**

Material Change in Captive Business Plan
LCB File No. R156-24

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

1. BACKGROUND.

NAC 694C.270 currently requires prior approval of material changes in a captive insurer’s business plan. The current definition of “material change” defines most business plan changes as material, while the vast majority of changes proposed by Nevada domiciled captives have an immaterial impact on their financial position.

Most Nevada captives make changes to their coverages, deductibles and pooling arrangements each year. The majority of Nevada captives have December 31st year ends, which causes the Division of Insurance (“DOI”) (“Division”) to often receive over 50 business plan change requests during the last two weeks of December, seeking January 1st effective dates.

This proposed regulation will allow carriers to move forward with business plan changes that minimally impact their policy premiums, while still requiring captive insurers to submit their proposed changes to the DOI within 60 days of the effective date of the change. This regulation allows the Division to still review and determine the appropriateness of all business plan changes, while providing a more user-friendly timeline for Nevada’s domiciled captives.

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

The Division’s Captive Insurance section staff discussed the regulation and the possible impacts it could have on Nevada small businesses. The Division also sent out the proposed regulation and discussed the proposed regulation with the board of directors of the Nevada Captive Insurance Council (“NCIC”) during a meeting held on May 24, 2024. The board is made up of captive managers, actuaries, CPAs, third-party administrators and captive owners. The Division’s captive staff and the board members of the NCIC could not determine any impact this regulation would have on Nevada small business owners.

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 proposed regulation only impacts captive insurance companies that are domiciled in Nevada, by creating a standard of materiality where business plan changes can be made without first obtaining pre-approval from the Commissioner of Insurance. Captive insurers strictly cover the risks of their parent and affiliated companies and they do not sell insurance to the public. This proposed regulation would not impact Nevada insurance consumers or small 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))

SCOTT J. KIPPER
Commissioner of Insurance

12/26/24

(DATE)

By:



NICK STOSIC

Deputy Commissioner

STATE OF NEVADA

JOE LOMBARDO
Governor



DR. KRISTOPHER SANCHEZ
Director

SCOTT J. KIPPER
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SCOTT J. KIPPER
Commissioner of Insurance