



# Nevada Division of Insurance

## Approval/Disapproval of Rates – Deemer Provision

Nevada Revised Statute NRS 686B.110 contains provisions for timelines for approval or disapproval of proposed increase or decrease in the rate of any kind or line of insurance or subdivision thereof filed with the Commissioner.

- Subsection 1 requires the approval/disapproval of a proposal to increase or decrease the rates no later than 60 days “after it is determined by the Commissioner to be complete pursuant to subsection 4”.
- Subsection 4 provides for the determination of whether or not a proposal is complete or not within 15 business days from submission to the Commissioner. If the Commissioner fails to notify to the insurer that the proposal is incomplete, the proposal is deemed to be complete.
- A rate increase or decrease proposal is considered to be complete only if it is in compliance with various sections codified in the “General Provisions” of Chapter 686B of the NRS (<http://www.leg.state.nv.us/NRS/NRS-686B.html>). Specifically, NRS 686B.050 establishes rating standards and NRS 686B.060 provides for criteria to determine if the proposed rates comply with standards. NRS 686B.070 and NRS 686B.100 provide for the information that is required to be submitted via rate filings.
- A filing cannot be complete until Division staff determines whether the filing meets the requirements of Chapter 686B of the NRS. This determination is dependent upon the review of all supporting documents and data submitted with the rate filing proposal. This also includes information provided by the insurer in the course of responding to the Division’s objections and concerns.
- The 60 day approval or disapproval requirement is applicable only after the filing is considered complete.

It is important to note the following:

- NRS 686B.110 is only applicable to rates. Forms cannot be “deemed” to be approved and require approval from the Division under the prior approval requirements.
- Even if a filing is deemed to be approved, any subsequent disapproval would revoke the deemed approval.
- NRS 686B.110(1) states in part that: “The Commissioner shall consider each proposed increase or decrease in the rate”. A market entry rate filing, or even a new rating program filing proposes to introduce rates. It is not proposing an increase or decrease in rates and, hence, is not subject to the deemer provision.

**NRS 686B.110 Disapproval of rates.**

1. The Commissioner shall consider each proposed increase or decrease in the rate of any kind or line of insurance or subdivision thereof filed with the Commissioner pursuant to subsection 1 of [NRS 686B.070](#). If the Commissioner finds that a proposed increase will result in a rate which is not in compliance with [NRS 686B.050](#) or subsection 2 of [NRS 686B.070](#), the Commissioner shall disapprove the proposal. The Commissioner shall approve or disapprove each proposal no later than 60 days after it is determined by the Commissioner to be complete pursuant to subsection 4. If the Commissioner fails to approve or disapprove the proposal within that period, the proposal shall be deemed approved.

2. Whenever an insurer has no legally effective rates as a result of the Commissioner's disapproval of rates or other act, the Commissioner shall on request specify interim rates for the insurer that are high enough to protect the interests of all parties and may order that a specified portion of the premiums be placed in an escrow account approved by the Commissioner. When new rates become legally effective, the Commissioner shall order the escrowed funds or any overcharge in the interim rates to be distributed appropriately, except that refunds to policyholders that are de minimis must not be required.

3. If the Commissioner disapproves a proposed rate and an insurer requests a hearing to determine the validity of the action of the Commissioner, the insurer has the burden of showing compliance with the applicable standards for rates established in [NRS 686B.010](#) to [686B.1799](#), inclusive. Any such hearing must be held:

(a) Within 30 days after the request for a hearing has been submitted to the Commissioner; or

(b) Within a period agreed upon by the insurer and the Commissioner.

Ê If the hearing is not held within the period specified in paragraph (a) or (b), or if the Commissioner fails to issue an order concerning the proposed rate for which the hearing is held within 45 days after the hearing, the proposed rate shall be deemed approved.

4. The Commissioner shall by regulation specify the documents or any other information which must be included in a proposal to increase or decrease a rate submitted to the Commissioner pursuant to subsection 1. Each such proposal shall be deemed complete upon its filing with the Commissioner, unless the Commissioner, within 15 business days after the proposal is filed with the Commissioner, determines that the proposal is incomplete because the proposal does not comply with the regulations adopted by the Commissioner pursuant to this subsection.

(Added to NRS by 1971, 1702; A 1987, 1535; 1989, 2177; 1991, 1630; 1995, 1415, 1746; 1997, 548; [2003, 920, 3353](#))