

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R161-08

Effective September 18, 2008

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §1, NRS 679B.130.

A REGULATION relating to insurance; revising the hours and courses of instruction required to be completed by an applicant for a license to act as a producer of insurance or an insurance consultant; and providing other matters properly relating thereto.

Section 1. NAC 683A.221 is hereby amended to read as follows:

683A.221 A course must consist of at least 5 hours of instruction in the classroom , *or the equivalent in a self-study course approved by the Division pursuant to NAC 683A.211*, in the provisions of title 57 of NRS and the regulations adopted pursuant to those provisions, at least one-half of which must cover the laws and regulations common to all lines of insurance, and:

1. For a course in life insurance, at least ~~[20]~~ *15* hours of instruction in the classroom or the equivalent in a self-study course approved pursuant to NAC 683A.211, covering:

- (a) Principles and concepts of insurance in general;
- (b) Basic principles and concepts of life insurance;
- (c) The contract for life insurance and provisions of the policy;
- (d) Classifications and types of life insurance;
- (e) Annuities;
- (f) The ethical responsibilities of the producer;
- (g) The organization of the business of life insurance; and

(h) Regulation by the government.

2. For a course in accident and health insurance, at least ~~20~~ 15 hours of instruction in the classroom or the equivalent in a self-study course approved pursuant to NAC 683A.211, covering:

- (a) Principles and concepts of insurance in general;
- (b) Basic principles and concepts of accident and health insurance;
- (c) The contract for accident and health insurance and provisions of the policy;
- (d) Accident and health insurance offered by private companies;
- (e) Accident and health insurance offered by a governmental entity;
- (f) Types of policies and coverage for accident and health insurance;
- (g) Group insurance and plans of special insurance;
- (h) The ethical responsibilities of the producer; and
- (i) Regulation by the government.

3. For a course in property insurance, at least ~~20~~ 15 hours of instruction in the classroom or the equivalent in a self-study course approved pursuant to NAC 683A.211, covering:

- (a) Principles and concepts of insurance in general;
- (b) Basic principles and concepts of property and casualty insurance;
- (c) The contract for property insurance and provisions of the policy;
- (d) Types of policies and coverage for property insurance;
- (e) The ethical responsibilities of the producer;
- (f) The organization of the business of property insurance; and
- (g) Regulation by the government.

4. For a course in casualty insurance, at least ~~20~~ 15 hours of instruction in the classroom or the equivalent in a self-study course approved pursuant to NAC 683A.211, covering:

- (a) Principles and concepts of insurance in general;
- (b) Basic principles and concepts of property and casualty insurance;
- (c) The contract for casualty insurance and provisions of the policy;
- (d) Insurance to protect against liability;
- (e) Automobile insurance;
- (f) Workers' compensation and employers' liability insurance;
- (g) Fidelity insurance, surety bonds and other types of casualty insurance;
- (h) The ethical responsibilities of the producer;
- (i) The organization of the business of casualty insurance; and
- (j) Regulation by the government.

5. For a course in a combination of life and health insurance or property and casualty insurance, at least ~~30~~ 35 hours of instruction in the classroom or the equivalent in a self-study course approved pursuant to NAC 683A.211, covering all the subjects required for each of those separate lines of insurance.

6. For a course in ~~all lines of~~ *a combination of life and health insurance and property and casualty* insurance, at least ~~60~~ 75 hours of instruction in the classroom or the equivalent in a self-study course approved pursuant to NAC 683A.211, covering the subjects required for each *of those* separate ~~line~~ *lines* of insurance.

7. For a course in personal lines insurance, at least 15 hours of instruction in the classroom or the equivalent in a self-study course approved pursuant to NAC 683A.211, covering the subjects of property and casualty dealing with personal lines insurance.

8. For a course in a combination of life and health insurance, property and casualty insurance and personal lines insurance, at least 95 hours of instruction in the classroom or the equivalent in a self-study course approved pursuant to NAC 683A.211, covering the subjects required for each of those separate lines of insurance.

NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R161-08

The Commissioner of Insurance adopted regulations assigned LCB File No. R161-08 which pertain to chapter 683A of the Nevada Administrative Code.

INFORMATIONAL STATEMENT

A workshop was held on August 12, 2008, and a hearing was held on August 18, 2008, at the offices of the Department of Business and Industry, Division of Insurance ("Division"), 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, with a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, Real Estate Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104, regarding the adoption of the regulation concerning the number of pre-licensing education hours required to act as a producer of insurance or an insurance consultant.

Public comment was solicited by posting notice of the hearing in the following public locations: the Division's Carson City and Las Vegas offices, Carson City Courthouse, Office of the Attorney General, the Donald W. Reynolds Press Center, Capitol Building Lobby, Capitol Building Press Room, Blasdel Building, Legislative Counsel Bureau, Nevada State Library, Carson City Library, Churchill County Library, Clark County District Library, Douglas County Library, Elko County Library, Esmeralda County Library, Eureka Branch Library, Humboldt County Library, Lander County Library, Lincoln County Library, Lyon County Library, Mineral County Library, Pershing County Library, Storey County Library, Tonopah Public Library, Washoe County Library, and White Pine County Library.

Additionally, the Division maintains a general list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. These persons were notified of the hearing and that copies of the proposed regulation could be obtained from or examined at the offices of the Division in Carson City.

The workshop was attended by one interested party in Las Vegas. During the workshop, Iris Robinson of the Nevada School of Insurance asked why a separate personal lines pre-education requirement is necessary when the material is already covered in the general property and casualty pre-education requirement. Ms. Miller explained that some applicants choose to take only the more limited personal lines course and, therefore, the separate personal lines requirement is necessary.

The hearing was attended by one interested party in Carson City and no interested parties in Las Vegas. Division representative Elizabeth Saenz, Compliance Investigator, testified that the regulation will amend the number of pre-licensing education hours required to obtain a license to act as a producer of insurance or an insurance consultant. This change reflects the Uniform Resident Licensing Standards adopted by the National Association of Insurance Commissioners in December, 2002.

There was one written comment received from Cindee Chavis-Holland, Executive Vice President of Primerica. Ms Chavis-Holland submitted a suggestion to insert the phrase, “ or the equivalent in a self-study course approved pursuant to NAC 683A.211,” after the phrase, “ A course must consist of at least 5 hours of instruction in the classroom” in the first paragraph of Section 1.

Based upon the aforementioned public written comments and the oral testimony presented, LCB File No. R161-08 is amended as follows:

“A course must consist of at least 5 hours of instruction in the classroom, or the equivalent in a self-study course approved pursuant to NAC 683A.211, in the provisions of title 57 of NRS and the regulations adopted pursuant to those provisions, at least one-half of which must cover the laws and regulations common to all lines of insurance, and: . . .”

The amendment is necessary to ensure preservation of the intent of the original regulation which was to permit a self-study option for the completion of the pre-licensing education requirements.

After considering the comments made at the hearing, and by the written comment received, the Commissioner has issued an order adopting the proposed regulation, LCB File No. R161-08, as amended, as a permanent regulation of the Division.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: The proposed regulation should not have any impact on the business it is to regulate.
- (b) On Small Business: The proposed regulation should not have any impact upon small business.
- (c) On the public: The proposed regulation will not affect the public.

The Division anticipates a nominal expense to enforce the proposed regulation. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.