

**ADOPTED REGULATION OF  
THE COMMISSIONER OF INSURANCE**

**LCB File No. R204-08**

Effective December 17, 2008

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

AUTHORITY: §1, NRS 616B.732 and 616B.737.

A REGULATION relating to industrial insurance; providing that an employee of a contractor or subcontractor who is covered under a consolidated insurance program that is established before July 1, 2007, by the owner or principal contractor of certain construction projects is an employee of the owner or principal contractor for the purpose of determining the loss experiences of the owner, principal contractor, contractor and subcontractor; providing that an employee of a contractor or subcontractor who is covered under a consolidated insurance program that is established on or after July 1, 2007, by the owner or principal contractor of certain construction projects is an employee of the contractor or subcontractor for the purpose of determining the loss experiences of the owner, principal contractor, contractor and subcontractor; and providing other matters properly relating thereto.

**Section 1.** Chapter 616B of NAC is hereby amended by adding thereto a new section to read as follows:

*If an owner or principal contractor establishes and administers a consolidated insurance program pursuant to NRS 616B.710, each employee of a contractor or subcontractor who is covered under the consolidated insurance program:*

- 1. If the consolidated insurance program is established before July 1, 2007, shall be deemed to be an employee of the owner or principal contractor for the purpose of determining the loss experience of the owner or principal contractor.*
- 2. If the consolidated insurance program is established on or after July 1, 2007:*

*(a) Is an employee of the contractor or subcontractor for the purpose of determining the loss experience of the contractor or subcontractor.*

*(b) Shall not be deemed to be an employee of the owner or principal contractor for the purpose of determining the loss experience of the owner or principal contractor.*

**NOTICE OF ADOPTION OF PROPOSED REGULATION**  
**LCB File No. R204-08**

The Commissioner of Insurance adopted regulations assigned LCB File No. R204-08 which pertain to chapter 616B of the Nevada Administrative Code.

**INFORMATIONAL STATEMENT**

A workshop was held on November 7, 2008, and a hearing was held on November 21, 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, 2<sup>nd</sup> Floor, Las Vegas, Nevada 89104, regarding the adoption of the regulation concerning loss experience under a consolidated insurance program.

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.

The Division maintains a list of consolidated insurance program insurers, brokers, contractors and subcontractors with exposure on at least one consolidated insurance program. In addition, the Division maintains a general list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. The persons on these lists were notified of the hearing and that copies of the regulation could be obtained from or examined at the offices of the Division in Carson City.

The workshop was attended by four members of the public in Carson City and one in Las Vegas. The hearing was attended by three individuals in Carson City and two in Las Vegas. During the hearing, oral testimony was provided by Janice Moskowitz, representing the Division. At the workshop, one individual testified in favor of the proposed regulation. There was no other public testimony either oral or written.

Based upon the testimony received at the hearing, the regulation was adopted as proposed. The Acting Commissioner of Insurance has issued an order adopting the regulation, LCB File No. R204-08, as proposed, as a permanent regulation of the Division.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: Insurers will incur an administrative cost as insurers will be required to issue separate policies.
- (b) On the small businesses: There may be an increased emphasis on safety at the job sites from the contractors and sub-contractors that will now receive the benefit of the loss experience.
- (c) On the public: None.

The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.