

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R098-10

Effective December 16, 2010

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

AUTHORITY: §§1-4, NRS 679B.130, 679B.430 and 686B.160.

A REGULATION relating to insurance; repealing requirements relating to accelerated reports; and providing other matters properly relating thereto.

Section 1. NAC 686B.300 is hereby amended to read as follows:

686B.300 As used in NAC 686B.300 to 686B.395, inclusive, unless the context otherwise requires, the words and terms defined in NAC ~~[686B.304]~~ *686B.308* to 686B.338, inclusive, have the meanings ascribed to them in those sections.

Sec. 2. NAC 686B.365 is hereby amended to read as follows:

686B.365 At least annually, insurers shall submit to a statistical agent, data which conforms to the following specifications:

1. The following types of insurance must be included in the annual data:
 - (a) Motor vehicle-commercial.
 - (b) Motor vehicle-private passenger.
 - (c) Boiler and machinery.
 - (d) Burglary.
 - (e) Business owners.
 - (f) Commercial multiple peril.

- (g) Crop-hail.
- (h) Farm owners.
- (i) Fidelity and surety.
- (j) Fire and extended coverage.
- (k) General liability.
- (l) Glass.
- (m) Homeowners.
- (n) Inland marine.
- (o) Personal property other than homeowners.
- (p) Medical professional liability.
- 2. ~~Those types of insurance designated for accelerated data reporting must be included.~~

~~3.]~~ The following information must be included, by territory, if applicable:

- (a) Premiums written.
- (b) Premiums earned.
- (c) Losses paid.
- (d) Allocated loss adjustment expenses paid.
- (e) Losses outstanding.
- (f) Allocated loss adjustment expenses outstanding.
- (g) Number of claims.

Sec. 3. NAC 686B.380 is hereby amended to read as follows:

686B.380 ~~4.]~~ Statistical agents shall provide fast track reports to the Commissioner within 60 days after the close of the calendar quarter for private passenger motor vehicle

insurance and homeowners insurance. Fast track reports for other types of insurance must be provided within 75 days after the close of the calendar quarter.

~~[2.—Statistical agents shall provide accelerated reports to the Commissioner within 180 days after the close of the calendar quarter.]~~

Sec. 4. NAC 686B.304 and 686B.375 are hereby repealed.

TEXT OF REPEALED SECTIONS

686B.304 “Accelerated reports” defined. (NRS 679B.130, 679B.430, 686B.160)

“Accelerated reports” means statistical information that provides data on a quarterly basis to identify emerging trends for all types of commercial liability insurance.

686B.375 Statistical reports: Submission of data for accelerated reports. (NRS 679B.130, 679B.430, 686B.160) Data necessary to produce accelerated reports must be submitted to statistical agents by participating insurers within 60 days after the close of the calendar quarter. The data must be submitted as follows:

1. Data must be submitted for the following types of insurance:
 - (a) Owner’s, landlord’s and tenant’s liability.
 - (b) Manufacturer’s and contractor’s liability.
 - (c) Products liability. Only data for across the country is required.

(d) Premises and operations liability.

(e) Liquor law liability.

(f) Attorney's professional liability.

(g) Municipal liability.

(h) Public school liability.

(i) Day care liability.

(j) Recreational liability.

2. The following data must be included:

(a) Direct premiums written.

(b) Direct premiums earned.

(c) Incurred losses, calculated by adding the dollar amount of paid losses, the dollar amount of allocated loss adjustment expenses, and reserves for reported claims at the end of the quarter, and then deducting reserves for reported claims at the beginning of the quarter.

NOTICE OF ADOPTION OF PROPOSED REGULATION

The Commissioner of Insurance adopted regulations assigned LCB File No. R098-10 which pertain to chapters 686A and 686B of the Nevada Administrative Code.

INFORMATIONAL STATEMENT

A workshop was held on October 8, 2010, and a hearing was held on October 22, 2010, at the offices of the Department of Health and Human Services, Division of Health, 4150 Technology Way, Suite 303, Carson City, Nevada 89706, with a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, 2nd Floor Conference Room, Las Vegas, Nevada 89104, regarding the adoption of the regulation concerning statistical reporting for property and casualty insurance companies.

Public comment was solicited by posting notice of the hearing in the following public locations: the Division's Website, Division's Carson City and Las Vegas offices, Carson City Courthouse, Office of the Attorney General, Capitol Building Lobby, Capitol Building Press Room, Blasdel Building, and Legislative Counsel Bureau; and by providing notice of the hearing to the Donald W. Reynolds Press Center, 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 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 regulation could be obtained from or examined at the offices of the Division in Carson City.

The workshop was attended by two members of the public in Carson City and one member of the public in Las Vegas. No members of the public attended the hearing. The proposed regulation was presented orally by Janice Moskowitz, on behalf of the Division. There were no written or oral comments concerning the proposed regulation.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: None.
- (b) On the small businesses: None.
- (c) On the public: None.

The Division **will not** incur any additional expense to enforce this regulation.

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

The proposed regulation, LCB File No. R098-10, was adopted, as proposed, as a permanent regulation of the Division. See attached Order.

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

IN THE MATTER OF THE

CAUSE NO. **10.0365**
LCB FILE NO. **R098-10**

**REPEALING THE REQUIREMENT
TO SUBMIT DATA RELATED TO
THE ACCELERATED REPORT**

**SUMMARY OF PROCEEDINGS
AND ORDER**

SUMMARY OF PROCEEDINGS

A public workshop, as required by Nevada Revised Statute (“NRS”) 233B.061, on the proposed regulation revising provisions relating to statistical reports for property and casualty insurance companies was held before Amy L. Parks, Esq. (“Hearing Officer”), on October 8, 2010, at the offices of the Nevada State Health Division in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. A public hearing on the proposed regulation was also held before the Hearing Officer, on October 22, 2010, in Carson City, Nevada, and video-conferenced to the Bradley Building in Las Vegas, Nevada. The regulation is proposed under the authority of NRS 679B.130.

The workshop was attended by two members of the public in Carson City and one member of the public in Las Vegas. There were no comments concerning the proposed regulation at the workshop. There were no members of the public at the hearing.

At the workshop, Janice Moskowitz, lead actuary for the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”), explained that the proposed regulation repeals the requirement that certain insurers submit data designated for accelerated reporting to statistical agents, and repeals the requirement that statistical agents provide compilations of this experience to the Commissioner of Insurance. She further explained that this regulation is being promulgated because there was a consensus of members of the National Association of Insurance Commissioners (“NAIC”) that the accelerated report had outlived its

usefulness. The NAIC had, therefore, advised statistical agents to discontinue production of the accelerated report and that the report is no longer being collected or compiled.

There were no questions or comments concerning the proposed regulation.

At the hearing, Ms. Moskowitz again presented the proposed regulation and summarized the proceedings of the workshop. The Division then recommended that the proposed regulation, LCB File No. R098-10, be adopted as proposed.

RECOMMENDED ORDER OF THE HEARING OFFICER

Based upon the testimony received at the workshop and hearing, it is recommended that the proposed regulation repealing the accelerated statistical report, LCB File No. R098-10, be adopted, as proposed, as a permanent regulation of the Division.

SO RECOMMENDED this 17th day of November, 2010.

/s/

AMY L. PARKS
Hearing Officer

ORDER OF THE COMMISSIONER

Having reviewed the record in this matter and the recommendation of the Hearing Officer, it is hereby ordered that the proposed regulation repealing the accelerated statistical report, LCB File No. R098-10, be adopted, as proposed, as a permanent regulation of the Division. See Exhibit "A".

SO ORDERED this 17th day of November, 2010.

/s/

BRETT J. BARRATT
Commissioner of Insurance