

LCB File No. R131-01

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE
OF THE DEPARTMENT OF BUSINESS AND INDUSTRY**

**NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON
PROPOSED REGULATIONS**

September 24, 2001

The Department of Business and Industry, Division of Insurance (Division) is proposing new regulations pertaining to privacy of consumer financial information, the assessment of insurers for the special investigative account, and interest on preneed contracts. A workshop has been set for 10:00 a.m., on November 1, 2001, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

- 1. Consumer Financial Information: The proposed regulation establishes the requirements for privacy notices sent to consumers, limits the disclosure of nonpublic personal financial information to nonaffiliated third parties, and establishes the opt out requirements for disclosure of information.**
- 2. Assessment of Insurers: The proposed regulation establishes the procedure for determining the pro rata assessment of insurers for funding the special investigative account to investigate certain violations and fraudulent acts.**
- 3. Interest on Preneed Contracts: The proposed regulation establishes the interest rate to be paid on preneed contracts and identifies those contracts for which interest must be paid.**

Members of the insurance industry, business community, and the public are also invited to comment on any impact the proposed regulations may have on small businesses. The Division has reviewed the proposed regulations and determined that they may impose a direct or significant impact on a small business, or directly restrict the formation, operation, or expansion of a small business. The regulation on the assessment of insurers should not have any adverse impact on small businesses.

A copy of this notice and the proposed regulations will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulations will be available at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulations are also available in the **State of Nevada Register of Administrative Regulations** which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS

233B.0653 and on the Internet at www.leg.state.nv.us. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

This Notice of Workshop to Solicit Comments on Proposed Regulations has been sent to all persons on the agency's mailing list for administrative regulations and posted at the following locations:

Department of Business and Industry
Division of Insurance
788 Fairview Drive, Suite 300
Carson City, NV 89701

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, NV 89104

Legislative Counsel Bureau
Capitol Complex
Carson City, NV 89710

Blasdel Building
Capitol Complex
Carson City, NV 89710

State Capitol
Capitol Complex
Carson City, NV 89710

Capitol Press Room
State Capitol Basement
Carson City, NV 89710

County Clerk
Courthouse
Carson City, NV 89710

Nevada State Library & Archives
Capitol Complex
Carson City, NV 89710

Carson City Library
900 North Roop Street
Carson City, NV 89701

Churchill County Library
553 South Maine Street
Fallon, NV 89406

Las Vegas Library
833 Las Vegas Blvd. North
Las Vegas, NV 89101

Douglas County Library
1625 Library Lane
P.O. Box 337
Minden, NV 89423

Elko County Library
720 Court Street
Elko, NV 89801

Goldfield Public Library
Fourth & Cook Street
P.O. Box 430
Goldfield, NV 89013

Eureka Branch Library
10190 Monroe Street
P.O. Box 293
Eureka, NV 89316

Humboldt County Library
85 East 5th Street
Winnemucca, NV 89445

Battle Mountain Branch Library
P.O. Box 141
Battle Mountain, NV 89820

Lyon County Library
20 Nevin Way
Yerington, NV 89447

Tonopah Public Library
171 Central Street
P.O. Box 449
Tonopah, NV 89049

Storey County Library
95 South R Street
P.O. Box 14
Virginia City, NV 89440

White Pine County Library
950 Campton Street
Ely, NV 89301

Lincoln County Library
93 Main Street
P.O. Box 330
Pioche, NV 89043

Mineral County Library
First & A Street
P.O. Box 1390
Hawthorne, NV 89415

Pershing County Library
1125 Central Avenue
P.O. Box 781
Lovelock, NV 89419

Washoe County Library
301 South Center Street
P.O. Box 2151
Reno, NV 89505

Clark County Library
1401 East Flamingo Road
Las Vegas, NV 89119

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, or by calling no later than 5 working days prior to the hearing, (702) 687-4270, extension 260.

DATED this _____ day of _____, 2001.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

By:
JAMES R. JEPPSON
Chief Insurance Assistant

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE
OF THE DEPARTMENT OF BUSINESS AND INDUSTRY**

NOTICE OF INTENT TO ACT UPON REGULATIONS

Notice of Hearing for the Adoption of Regulations
of the Department of Business and Industry, Division of Insurance

The Department of Business and Industry, Division of Insurance (Division) will hold a public hearing at 10:00 a.m., on November 1, 2001, immediately following a public workshop, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations pertaining to the assessment of insurers for the special investigative account.

**REGULATIONS CONCERNING THE ASSESSMENT OF INSURERS FOR
THE SPECIAL INVESTIGATIVE ACCOUNT**

The following information is provided pursuant to the requirements of NRS 233B.060:

1. The proposed regulation is needed to establish the procedure for determining the pro rata assessment of insurers for the special investigative account to investigate certain violations and fraudulent acts pursuant to chapter 60, Statutes of Nevada 2001, at page 479 (A.B. 60).
2. The proposed regulation would apply the assessment to all insurers authorized to transact insurance in the state of Nevada as of June 1 of the year of assessment and apportion the assessment among insurers subject to the limits prescribed in A.B. 60.
3. Estimated economic effect of the regulation:
On the business which it is to regulate:
The proposed regulation should have neither an immediate nor long-term impact on the industry.
On the public:
The proposed regulations should have no economic impact on the public.
4. The Division may incur some additional expense to enforce the proposed regulation that cannot be measured at this time.
5. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.
6. The proposed regulation does not establish any new fees or increase an existing fee.

Persons wishing to comment upon the proposed action of the Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Written submissions must be received by the Division on or before October 29, 2001. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation will be available at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the **State of Nevada Register of Administrative Regulations** which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Department of Business and Industry
Division of Insurance
788 Fairview Drive, Suite 300
Carson City, NV 89701

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, NV 89104

Legislative Counsel Bureau
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P.O. Box 337
Minden, NV 89423

Elko County Library
720 Court Street
Elko, NV 89801

Goldfield Public Library
Fourth & Cook Street
P.O. Box 430
Goldfield, NV 89013

Eureka Branch Library
10190 Monroe Street
P.O. Box 293
Eureka, NV 89316

Humboldt County Library
85 East 5th Street
Winnemucca, NV 89445

Battle Mountain Branch Library
P.O. Box 141
Battle Mountain, NV 89820

Lincoln County Library
93 Main Street
P.O. Box 330
Pioche, NV 89043

Mineral County Library
First & A Street
P.O. Box 1390
Hawthorne, NV 89415

Lyon County Library
20 Nevin Way
Yerington, NV 89447

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Reno, NV 89505

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Ely, NV 89301

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1401 East Flamingo Road
Las Vegas, NV 89119

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at 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, or by calling no later than 5 working days prior to the hearing, (702) 687-4270, extension 260.

DATED this _____ day of _____, 2001.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

By:
JAMES R. JEPPSON
Chief Insurance Assistant

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LCB File No. R131-01

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE
OF THE DEPARTMENT OF BUSINESS AND INDUSTRY**

**REGULATION FOR THE ASSESSMENT OF INSURERS
FOR THE SPECIAL INVESTIGATIVE ACCOUNT**

Authority: NRS 679B.158

Section 1. NAC 679B.154 is hereby amended to read as follows:

1. The commissioner will *annually* determine the assessment for the special investigative account by dividing the amount of money that the legislature authorized for expenditure for that year for the support of the program established pursuant to NRS 679B.153 [by the number of] among insurers who hold a certificate of authority in this state as of June 1 of the year of assessment. *The assessment shall be apportioned among the insurers pro rata based upon the total amount of premiums written in Nevada as reported on the annual statements filed with the commissioner for the preceding year. An insurer with no written premium in Nevada for the preceding year shall be placed in the lowest tier of assessments.*
2. *The pro rata assessment shall be determined by calculating the maximum assessment allowed pursuant to subsection 5 of NRS 679B.158 for all insurers and comparing it to the amount authorized for expenditure from the special investigative account. The pro rata amounts so assessed must not exceed the limits established by subsection 5 of NRS 679B.158.*
- ~~2~~ 3. The division will mail to each company a notice of the amount of the assessment on or before July 1 of each year.

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