

**LCB File No. R140-04**

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

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

The Department of Business and Industry, Division of Insurance (Division), is proposing new regulations pertaining to reports regarding defective products; defining the fees, reports, and penalties applicable to nonprofit hospitals, medical or dental service corporations; and the 2001 CSO Mortality Table for life insurance. A workshop has been set for 9:00 a.m., on September 30, 2004, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Interested parties may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 East Sahara Avenue, Manufactured Housing Division Conference Room, 2<sup>nd</sup> Floor, Las Vegas, Nevada 89104. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

1. **Reports from insurers regarding defective products and defining the requirements for nonprofit hospitals or medical or dental service corporations subject to the provisions of chapter 695B of the Nevada Revised Statutes (NRS).** The proposed regulation will amend chapter 690B of the Nevada Administrative Code (NAC) by requiring the reports regarding defective products to be submitted to a statistical organization designated by the Commissioner. This annual report is required by NRS 686B.060. The proposed regulation will also amend chapter 695B of the NAC by specifying the fees, reports, statements, and penalties required by those institutions subject to chapter 695B of NRS.
2. **2001 CSO Mortality Table for Life Insurance.** The proposed regulation adds a new section to chapter 688 A of the NAC. The new section provides for adoption, by reference, the *2001 CSO Mortality Table for Use in Determining Minimum Reserve Liabilities and Nonforfeiture Benefits Model Regulation*. The proposed regulation applies to all life insurers doing business in this state.

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](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.

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 5<sup>th</sup> 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

Lyon County Library  
20 Nevin Way  
Yerington, NV 89447

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

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

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

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

Washoe County Library  
ATTN: Reference  
P.O. Box 2151  
Reno, NV 89505-2151

White Pine County Library  
950 Campton Street  
Ely, NV 89301

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, (775) 687-4270, extension 260.

## 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 9:00 a.m., on September 30, 2004, immediately following a public workshop, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Interested persons may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 East Sahara Avenue, Manufactured Housing Division Conference Room, 2<sup>nd</sup> Floor, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of:

### **REGULATION CONCERNING THE ANNUAL REPORT REQUIRED TO BE FILED BY INSURERS WHO ISSUE POLICIES COVERING LIABILITY OF MANUFACTURERS OR SELLERS FOR DEFECTIVE PRODUCTS; DEFINE THE FEES, REPORTS AND PENALTIES APPLICABLE TO NONPROFIT HOSPITALS, MEDICAL OR DENTAL SERVICE CORPORATIONS**

The following information is provided pursuant to the requirements of NRS 233B.0603:

- 1. The proposed regulation will require insurers who provide liability insurance for manufacturers or sellers of defective products to provide their annual report to a statistical organization designated by the Commissioner pursuant to NRS 686B.060; defines the fees, reports and expenses applicable to nonprofit hospitals, medical or dental service corporations subject to the provisions of chapter 695B of NRS.**
2. The proposed regulation will require the filing of this report directly to the statistical organization rather than the Commissioner, who in turn, forwards the report to the statistical organization; this regulation will clarify what fees, reports and penalties apply to those nonprofit hospitals, medical or dental service corporations subject to chapter 695B of NRS. The law is currently unclear as to which provisions are applicable to these organizations.
3. Estimated economic effect of the regulation:

On the business which is to be regulated: For the insurers of liability insurance for manufacturers or sellers of defective products: both short-term and long-term: none, as these reports have been required for at least 10 years. For the nonprofit hospitals, medical or dental service corporations subject to chapter 695B of NRS: there will be additional fees and reporting requirements, as well as, penalties if they fail to pay the fees or file the reports on a timely basis. The short-term impact will be limited to establishing the procedures for reporting and payment of fees. Long-term: none.

On the public: None.

4. There should be no additional cost to the Division.
5. The Division is not aware of any overlap or duplication of the regulation with state, local, or federal regulation.
6. The proposed regulation is not pursuant to federal law.
7. If the proposed regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions. Not applicable.
8. The proposed regulation does requires a new fee to those nonprofit hospitals, medical or dental service corporations, as well as, penalties for failure to file reports in a timely manner. This regulation does not increase of 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 September 23, 2004. 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  
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Winnemucca, NV 89445

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Virginia City, NV 89440

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LCB File No. R140-04

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

**PROPOSED REGULATION CONCERNING THE ANNUAL REPORT THAT MUST BE  
FILED BY INSURERS WHO ISSUE POLICIES COVERING LIABILITY OF  
MANUFACTURERS OR SELLERS FOR DEFECTIVE PRODUCTS; DEFINES THE  
FEES, REPORTS AND PENALTIES APPLICABLE TO NONPROFIT HOSPITALS,  
MEDICAL OR DENTAL SERVICE CORPORATIONS**

Authority: NRS 679B.130

**Section 1.** Chapter 690B of NAC is hereby amended by adding thereto a new section to read as follows:

*1. On or before March 1 of each year, every insurer who issues policies of insurance covering the liability of manufacturers or sellers for defective products shall submit a report to a statistical organization designated by the Commissioner pursuant to NRS 686B.060.*

**Sec. 2.** Chapter 695B of NAC is hereby amended by adding thereto a new section to read as follows:

*1. Any nonprofit hospital or medical or dental service corporation subject to the provisions of chapter 695B of NRS shall be subject to:*

*(a) The payment of the applicable fee for annual renewal continuation set forth in subsection 1 of NRS 680B.010;*

*(b) Payment of the fee for filing the annual report prescribed by subsection 3 of NRS 680B.010;*

*(c) Submission of the annual statement on or before March 1 pursuant to NRS 695B.160 and in the form and format prescribed in NRS 680A.270;*



*(d) Submission of the audited financial report on or before June 1 pursuant to NRS 695B.110 and in the form and format prescribed in NRS 680A.265;*

*(e) The penalty for late filing, the failure to file, or the filing of any false information required by the Commissioner pursuant to NRS 680A.280; and*

*(f) Reporting transactions with a parent corporation, financial holding company, depository institution, subsidiary or affiliated person pursuant to NRS 680A.320, 692C.360, 692C.363, or 692C.367.*