

STATE OF NEVADA

JOE LOMBARDO
Governor



DR. KRISTOPHER SANCHEZ
Director

NED GAINES
Commissioner

DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

NOTICE OF INTENT TO ACT UPON REGULATION
LCB File No. R115-26
AND HEARING AGENDA

The Nevada Division of Insurance (“Division”) is proposing the adoption of a regulation pertaining to chapter(s) 680C of the Nevada Administrative Code (“NAC”). The hearing shall take place as follows:

Date: **July 30, 2026**
Time: **9:30 a.m. PDT**
Location: **This hearing will be held virtually via Microsoft Teams and in person. See options below.**

To join by Teams, click on the URL and enter the meeting number if/when prompted.

URL: <https://teams.microsoft.com/meet/247252459976852?p=uV34j6ux03Cgp4RdKm>

Meeting Number: 247 252 459 976 852

To join by telephone, call the telephone number and enter the access code when prompted.

Phone-in Access: 1-775-321-6111 United States, Reno

Access Code: 322 488 572#

To attend in person, the following physical locations are being made available:

Nevada Division of Insurance
1818 E. College Pkwy., Ste. 103
Carson City, NV 89706

Nevada Division of Insurance
3300 W. Sahara Ave.
Red Rock Room, 4th Fl., Ste. 440
Las Vegas, NV 89102

Live public comment and written public comment will be taken as designated in the Hearing Agenda.

The purpose of the hearing is to solicit comments from interested persons on the general topic(s) that may be addressed in the proposed regulation; and to assist in determining whether the proposed regulation is likely to impose a direct and significant burden upon a small business or directly restricts the formation, operation, or expansion of a small business.

HEARING AGENDA

1. Open Hearing: R115-26
2. Presentation of Proposed Regulation.

LCB FILE NO. R115-26 – ANNUAL FEES

A REGULATION relating to insurance; revising the amount of the annual fee that certain insurers are required to pay; repealing certain provisions that require the Commissioner of Insurance to hold certain public meetings; and providing other matters properly relating thereto.

3. Public Comment.

The hearing officer will indicate when live public comment will be taken. Public comment may be limited to three minutes per speaker.

4. Close Hearing: R115-26

Note: Any agenda item may be taken out of order; items may be combined for consideration by the public body; items may be pulled or removed from the agenda at any time; and discussion relating to an item may be delayed or continued at any time. The hearing officer, within his/her discretion, may allow for public comment on individual agenda items.

A copy of all materials relating to the proposal may be obtained by visiting the Division's internet website at <https://doi.nv.gov/News-Notices/Regulations/> or by contacting the Division by email to regs@doi.nv.gov. Members of the public who would like additional information about a proposed regulation may contact the Division by email to regs@doi.nv.gov. Members of the public are encouraged to submit written comments for the record no later than **July 23, 2026**. Written comments may be emailed to regs@doi.nv.gov or mailed to 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Division of your request for reasonable accommodation in writing no later than five (5) working days before the hearing via email to regs@doi.nv.gov.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall 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.

The following information is provided pursuant to the requirements of Nevada Revised Statutes (“NRS”) 233B.0603:

- (1) Why is the regulation necessary and what is its purpose?

The purpose of this regulation is to amend the annual fees assessed against certain companies operating under NRS title 57, as required by NRS 680C.110 section 6, for administration and enforcement of NRS title 57, based on the Division's needs as expressed through the proposed budget for the next budget cycle.

- (2) What are the terms or substance of the proposed regulation? Provide a description of the subjects, issues and problems involved.

With the Division’s proposed budget for the next biennium, the Division must revise the annual fee for Administration and Enforcement (“A&E fee”) imposed on companies. The subject is A&E fees required to be determined by the Commissioner. The issue is that the current A&E fees will not meet the budgetary needs for fiscal years 2028 and 2029. The problem is that the Division has been operating with no material growth or investment in operations for several decades. This is impacting the Division’s ability to properly service applicants, licensees, and the public in the business of insurance. For example, the Division must use contracted examiners to examine Nevada’s domiciled companies, a cost that is not controlled by the Division and that continues to increase the cost of performing the statutorily mandated examinations. The Division can reduce examination costs by performing examinations with agency staff, but the Division must have the resources to do this work, such as people, training, and technology.

The Division also seeks to repeal the requirements to hold annual public meetings for the A&E fees (NAC 680C.250 and NAC 680C.260). The issue relates to the public meetings at which the Division must present its proposed budget. The problem is that these public meetings are redundant and add to the time, cost, and administrative duties of the agency even if the A&E fees are not changing, which is of no value to the public or to those impacted by the A&E fee. Because the rulemaking process is public and requires the agency to present a justification for the creation, amendment, or repeal of a regulation, the Division would present its proposed budget at any workshop and hearing to explain the need for changes to the A&E fee.

- (3) What is the anticipated impact of the regulation on the problem(s)?

Increased A&E fees will support the new positions the Division is requesting for the next biennium, as well as the training, certifications, technology, and other support needed to

ensure staff can support the agency's work and to ensure the agency is modernizing workflows for efficiency.

Repealing the annual public meeting requirements will eliminate 1-2 public meetings each year, which are redundant since during the rulemaking process the agency would present its budget to justify changing the A&E fees. The rulemaking process provides appropriate transparency and public discourse on the need for changing A&E fees.

(4) Do other regulations address the same problem(s)?

No.

(5) Are alternate forms of regulation sufficient to address the problem(s)?

No. NRS 680C.110(6) requires the Division to determine the annual A&E fee based on anticipated budgetary needs, and the fee is set in regulation.

(6) What value does the regulation have to the public?

An increase to the A&E fee is needed to meet the Division's proposed budget for the next biennium to allow the agency to enforce NRS title 57. As Nevada's population grows, insurance transactions are increasing, which requires an adequately staffed and operating agency to regulate the business of insurance. Proper enforcement of title 57 protects policyholders and all having an interest under insurance policies, ensures companies are solvent and meeting their obligations, ensures all are treated fairly and equitably in the business of insurance, and ensures a healthy, modern, and competitive market.

(7) What is the anticipated economic benefit of the regulation? Provide a statement as to potential beneficial impact on the following:

a. Public

1. Immediate: None, as the regulation will not take effect until FY28, and it will take time to hire and train staff and implement technology systems to adapt operations.

2. Long Term: More staff, training, and modern systems will allow the agency to better service consumers, identify and address market disruptions, and ensure company solvency, which, in turn, impacts market stability, competition, and market growth. Staff can continue to ensure products are available and rates are properly evaluated to ensure consumers are paying no more for coverage than is needed.

b. Insurance Business

1. Immediate: None, as the regulation will not take effect until FY28, and it will take time to hire and train staff and implement technology systems to adapt operations.

2. Long Term: Market stability, such as a fair and competitive insurance market, through uninterrupted regulatory operations.

- c. Small Businesses
 - 1. Immediate: None, as the regulation will not take effect until FY28, and it will take time to hire and train staff and implement technology systems to adapt operations.
 - 2. Long Term: More staff, training, and modern systems will allow the agency to better service consumers, identify and address market disruptions, and ensure company solvency, which, in turn, impacts market stability, competition, product availability, and rates, potentially giving small businesses more options for their insurance needs.

- d. Small Communities
 - 1. Immediate: None, as the regulation will not take effect until FY28, and it will take time to hire and train staff and implement technology systems to adapt operations.
 - 2. Long Term: More staff, training, and modern systems will allow the agency to better service consumers, identify and address market disruptions, and ensure company solvency, which, in turn, impacts market stability, competition, product availability, and rates, potentially giving small communities more options for their insurance needs.

- e. Government Entities
 - 1. Immediate: None, as the regulation will not take effect until FY28, and it will take time to hire and train staff and implement technology systems to adapt operations.
 - 2. Long Term: More staff, training, and modern systems will allow the agency to more timely respond to requests from government entities and coordinate issues with other agencies to better service Nevadans.

(8) What is the anticipated adverse impact, if any? Provide a statement as to any anticipated adverse impact, including adverse economic effects, on the following:

- a. Public
 - 1. Immediate: None.
 - 2. Long Term: None. The proposed A&E fee change is nominal and will not materially impact rates.

- b. Insurance Business
 - 1. Immediate: None, as the regulation will not take effect until FY28.
 - 2. Long Term: None because the proposed A&E fee change is nominal and based on direct written premiums (revenue).

- c. Small Businesses
 - 1. Immediate: None.
 - 2. Long Term: None. The proposed A&E fee change is nominal and will not materially impact rates.

- d. Small Communities
 - 1. Immediate: None.
 - 2. Long Term: None. The proposed A&E fee change is nominal and will not materially impact rates.

- e. Government Entities
 - 1. Immediate: None.
 - 2. Long Term: None.

(9) What is the anticipated cost of the regulation, both direct and indirect? Provide a statement as to the cost of:

- a. Enactment: LCB drafting cost.
- b. Enforcement: None—annual fees are a prerequisite to a license to engage in the business of insurance.
- c. Compliance: None anticipated. Carriers have been paying A&E fees every year since obtaining a license.

(10) Provide a statement indicating whether the regulation establishes a new fee or increases an existing fee.

This regulation increases an existing fee. This fee is not new to companies, as this fee structure previously existed and companies have been paying under this structure; therefore, the Division considers this regulation to be an existing fee that is being increased.

(11) Provide a statement which identifies the methods used by the agency in determining the impact of the proposed regulation on a small business, prepared pursuant to subsection 3 of NRS 233B.0608.

The Division compared the proposed annual fees with the existing fees collected under this regulation and the workload required to service insurance companies and their consumers. To the extent that any of these companies may be small businesses, the annual A&E fees reflect the direct premiums written (meaning that the annual fee increases in proportion to the amount of the company's revenue) based on the budgetary needs identified by the Division. Even if some insurance companies meet the definition of "small business" under NRS 233B, insurance companies are pervasively regulated and aware that having a license to sell insurance requires an annual fee to support the costs of proper regulation for a fair and competitive market.

(12) Provide a description of any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, state the name of the regulating federal agency.

None. NRS 680C.110(6) directs the responsibility of determining the annual A&E fee on the Commissioner of Insurance.

(13) If the regulation is required pursuant to federal law, provide a citation and description of the federal law.

Not applicable.

(14) If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, provide a summary of such provisions.

Not applicable.

Notice of the hearing has been provided as follows:

By email to all persons on the Division's email list for noticing of administrative regulations.
By email for posting by the Nevada State Library, Archives and Public Records Administrator.
By email for posting by the State of Nevada County Libraries.
By email for posting by the Nevada Legislature.
Published to the Nevada Legislature website: <https://leg.state.nv.us/>.
Published to the Division of Insurance website: <https://doi.nv.gov/>.
Published to the State of Nevada Public Notice website: <https://notice.nv.gov/>.

DATED this 26 day of June 2026.



NED GAINES
Commissioner of Insurance

**STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE**

Determination of Necessity of Small Business Impact Statement - REVISED
NRS 233B.0608(1)

REGULATION CONCERNING ANNUAL FEES
LCB FILE NO. R115-26

The Commissioner is amending the amount of the annual fee to be assessed on certain insurers operating under NRS title 57 starting in fiscal year 2028.

EFFECTIVE DATE OF REGULATION:

Upon Filing with the Nevada Secretary of State

1. BACKGROUND.

In regulating the business of insurance in Nevada, the Commissioner is required to collect fees from licensees as set out in NRS 680C. Specifically, insurers are required to pay the Commissioner an annual administration and enforcement fee based on factors set by statute. NRS 680C.110(6). When determining the annual fee amounts, the Commissioner must consider the direct written premiums for the prior year, the number of insurers required to pay the annual fee, the direct written premiums written by all insurers required to pay the annual fee, and the budget of the Division. Having reviewed these factors for the 2028 biennium (fiscal years 2028 and 2029), the Commissioner proposes to amend the annual fees.

2. DESCRIPTION OF SOLICITATION SHOWING A CONCERTED EFFORT. NRS 233B.0608(1).

The Division evaluated past public meeting attendance and comments, past public participation and attendance of annual fee rulemaking workshops and hearings, fees charged by other states' insurance regulators, and the distribution of services provided to companies. The Division also presented the topic for public discussion at past advisory committee meetings (Life & Health Advisory Committee and Property & Casualty Advisory Committee, whose participants include insurers and other insurance licensees, as well as the public) and considered who would be affected by this annual fee change. Along with this information, the Division conducted an analysis of the impact of a changed annual fee based on services provided and consulted with various Division financial experts to determine how a changed annual fee would impact the companies.

3. DOES THE PROPOSED REGULATION IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN UPON A SMALL BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF A SMALL BUSINESS? NRS 233B.0608(1).

NO YES

4. HOW WAS THAT CONCLUSION REACHED? NRS 233B.0608(3).

The only persons affected by this annual fee change are the insurers listed in NRS 680C.110(5) (companies transacting in casualty insurance, health insurance, life insurance, property insurance, title insurance, fraternal benefit societies, corporations, health maintenance organizations, organizations for dental care,

and prepaid limited health service organizations). While some of these entities may have fewer than 150 employees (technically qualifying them as a “small business” under NRS 233B.0382), insurers are sophisticated entities required to have considerable financial resources and extensive expertise. The term “small business” would not generally apply to an insurance company.

This annual fee is based on the amount of premium revenue collected by insurers (for risks located in NV) and by applying factors the Legislature identifies in the statute. These fees cover the Division’s budget, enabling it to perform regulatory duties. The Division has proposed modest fee increases which are not expected to impose a burden on any of the companies affected or to restrict the formation, operation, or expansion of a small business.

The business of insurance requires an efficient regulatory process so that applications and policy language can be properly reviewed on an expected schedule; an efficient regulatory process benefits policyholders, insurers, and producers. Approval delays due to inadequate resourcing of the Division can be far more costly to the insurers operating in NV (and their agents, *who may actually be small businesses*) than a nominal fee increase which preserves the core functioning of the Division.

During public meetings, rulemaking, and advisory committee meetings held since 2017, no public comments have been raised about annual fees.

I, Ned Gaines, Commissioner of Insurance for the State of Nevada, hereby certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this statement is accurate. (NRS 233B.0608(3))

26 June 2026
(DATE)



NED GAINES
Commissioner of Insurance