REQUIRES TWO-THIRDS MAJORITY VOTE (§ 1)

(REPRINTED WITH ADOPTED AMENDMENTS)
FIRST REPRINT **S.B. 224**

SENATE BILL NO. 224–COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF ATTORNEY GENERAL)

FEBRUARY 19, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes concerning assessment commissioner of insurance may impose upon insurers to pay for program to investigate certain violations and fraudulent acts of insurers. (BDR 57-596)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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

AN ACT relating to insurance; revising the calculation of the assessment that the commissioner of insurance may impose upon each insurer that is authorized to transact insurance in this state to pay for the program to investigate certain violations and fraudulent acts of insurers; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 679B.158 is hereby amended to read as follows:

679B.158 1. The special investigative account is hereby established in the state general fund for use by the commissioner. The commissioner shall deposit all money received pursuant to this section with the state treasurer for credit to the account. Money remaining in the account at the end of any year **[**~~does not lapse and~~**]** may be used by the commissioner in any subsequent year **[**~~.~~**]** ***for the purposes set forth in this section.***

2. The commissioner shall **[**~~authorize~~**]** ***:***

(a) In cooperation with the attorney general, biennially prepare and submit to the legislature a proposed budget for the program established pursuant to NRS 679B.153; and

(b) Authorize expenditures from the special investigative account to pay the expenses of the program established pursuant to NRS 679B.153 and of any unit established in the office of the attorney general ~~[which]~~ ***that*** investigates and prosecutes insurance fraud.

3. ***The money authorized for expenditures pursuant to paragraph (b) of subsection 2 must be distributed in the following manner:***

(a) Fifteen percent of the money authorized for expenditures must be paid to the commissioner to oversee the program established pursuant to NRS 679B.153; and

(b) Eighty-five percent of the money authorized for expenditures must be paid to the attorney general to enforce the provisions of the program established pursuant to NRS 679B.153.

4. ~~[All]~~ ***Except as otherwise provided in subsection 6, all*** of the costs of the program established pursuant to NRS 679B.153 must be paid by the insurers authorized to transact insurance in this state. The commissioner shall annually determine the total cost and ~~[equally]~~ divide that amount among the insurers ~~[.]~~ ***pro rata based upon the total amount of premiums charged to insureds in this state by each insurer, but the amount must not exceed the amount set forth in this subsection.*** The annual amount so assessed ***to each reinsurer that has the authority to assume only reinsurance*** must not exceed $500 ***.*** ~~[per authorized insurer.]~~ ***Except as otherwise provided in this subsection, the annual amount assessed to each insurer:***

(a) Must not exceed $500, if the total amount of the premiums charged to insureds in this state by the insurer is less than $100,000;

(b) Must not exceed $750, if the total amount of the premiums charged to insureds in this state by the insurer is $100,000 or more but less than $1,000,000;

(c) Must not exceed $1,000, if the total amount of the premiums charged to insureds in this state by the insurer is $1,000,000 or more but less than $10,000,000;

(d) Must not exceed $1,500, if the total amount of the premiums charged to insureds in this state by the insurer is $10,000,000 or more but less than $50,000,000; and

(e) Must not exceed $2,000, if the total amount of the premiums charged to insureds in this state by the insurer is $50,000,000 or more.

5. The commissioner ~~[may]~~ ***shall*** adopt regulations ~~[regarding]~~ ***to carry out the provisions of this section, including, without limitation,*** the calculation ~~[and collection]~~ of the assessment.

6. The provisions of this section do not apply to an insurer who provides only worker's compensation insurance and pays the assessment provided in NRS 232.680.

7. As used in this section, “reinsurer” has the meaning ascribed to it in NRS 681A.370.

Sec. 2. NRS 695F.090 is hereby amended to read as follows:

695F.090 Prepaid limited health service organizations are subject to the provisions of this chapter and to the following provisions, to the extent reasonably applicable:

1. NRS 687B.310 to 687B.420, inclusive, concerning cancellation and nonrenewal of policies.
2. NRS 687B.122 to 687B.128, inclusive, concerning readability of policies.
3. The requirements of NRS 679B.152.
4. The fees imposed pursuant to NRS 449.465.
5. NRS 686A.010 to 686A.310, inclusive, concerning trade practices and frauds.
6. The assessment imposed pursuant to subsection ~~[3]~~ ***4*** of NRS 679B.158.
7. Chapter 683A of NRS.
8. To the extent applicable, the provisions of NRS 689B.340 to 689B.600, inclusive, and chapter 689C of NRS relating to the portability and availability of health insurance.
9. NRS 689A.413.
10. NRS 680B.025 to 680B.039, inclusive, concerning premium tax, premium tax rate, annual report and estimated quarterly tax payments. For the purposes of this subsection, unless the context otherwise requires that a section apply only to insurers, any reference in those sections to “insurer” must be replaced by a reference to “prepaid limited health service organization.”
11. Chapter 692C of NRS, concerning holding companies.

Sec. 3. This act becomes effective on July 1, 1999.

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