

SENATE BILL NO. 225—COMMITTEE ON COMMERCE AND LABOR

FEBRUARY 19, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes to provisions governing investigation and prosecution of insurance fraud. (BDR 57-160)

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

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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; making various changes to the provisions governing the investigation and prosecution of insurance fraud by the commissioner of insurance and the attorney general; providing that an insurer and certain other organizations shall be deemed to be victims in cases involving insurance fraud for purposes of restitution; requiring the establishment of a fraud control unit for insurance within the office of the attorney general; defining the duties of the fraud control unit; authorizing the fraud control unit to issue subpoenas to obtain documents relating to an investigation of insurance fraud; authorizing the attorney general to reassign personnel and reallocate other resources temporarily among various entities within his office; and providing other matters properly relating thereto.

WHEREAS, The Nevada Legislature hereby declares that this act will be remembered in our hearts as a living legacy to our friend and sorely missed former colleague, the late Senator Jack Regan, whose dedicated efforts to ensure the thorough investigation and prosecution of insurance fraud are manifested in this legislation; now, therefore,

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

Section 1. Chapter 679B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

Sec. 2. *As used in NRS 679B.153 to 679B.158, inclusive, and sections 2 to 6, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this act have the meanings ascribed to them in those sections.*

1 **Sec. 3.** *“Fraud control unit” means the fraud control unit for*
2 *insurance established by the attorney general pursuant to section 25 of*
3 *this act.*

4 **Sec. 4.** *“Insurance fraud” has the meaning ascribed to it in section*
5 *13 of this act.*

6 **Sec. 5.** *In accordance with the provisions of this Title, the*
7 *commissioner may conduct an administrative investigation into any act*
8 *or alleged act relating to insurance fraud and may take administrative*
9 *action against any person found to have committed an act relating to*
10 *insurance fraud, including:*

11 1. *Any act or alleged act of insurance fraud described in section 13*
12 *of this act; and*

13 2. *Any act or alleged act in which a person:*

14 (a) *Engages in a racketeering activity in violation of NRS 207.400 or*
15 *any federal statute, if that activity involves the transaction of insurance*
16 *or any other matter subject to regulation pursuant to this Title;*

17 (b) *Acts or fails to act if the person knows that his action or inaction*
18 *will result in the fraudulent conversion of money due an insured or an*
19 *insurer, a reinsurer, a producer, a broker or any agent thereof; or*

20 (c) *Acts, engages in activities or otherwise represents himself as being*
21 *licensed to transact insurance pursuant to this Title if the person does not*
22 *hold a license in good standing as required by the provisions of this Title.*

23 **Sec. 6.** 1. *The books, records, payroll reports and other documents*
24 *of a person that are pertinent to the investigation of insurance fraud*
25 *must be open to inspection by an investigator for the attorney general in*
26 *order to ascertain the correctness of such information and as may be*
27 *necessary for the attorney general to carry out his duties pursuant to*
28 *section 25 of this act, NRS 679B.153 to 679B.158, inclusive, and sections*
29 *2 to 6, inclusive, of this act, and NRS 686A.281 to 686A.295, inclusive,*
30 *and sections 13 to 16, inclusive, of this act.*

31 2. *If a person refuses to produce any book, record, payroll report or*
32 *other document in conjunction with an investigation conducted by the*
33 *fraud control unit, the attorney general may issue a subpoena to require*
34 *the production of that document.*

35 3. *If a person refuses to produce any document as required by the*
36 *subpoena, the attorney general may report to the district court by*
37 *petition, setting forth that:*

38 (a) *Due notice has been given of the time and place of the production*
39 *of the document;*

40 (b) *The person has been subpoenaed by the attorney general pursuant*
41 *to this section; and*

42 (c) *The person has failed or refused to produce the document required*
43 *by the subpoena,*

1 *and asking for an order of the court compelling the person to produce*
2 *the document.*

3 *4. Upon such petition, the court shall enter an order directing the*
4 *person to appear before the court at a time and place to be fixed by the*
5 *court in its order, the time to be not more than 10 days after the date of*
6 *the order, and to show cause why he has not produced the document. A*
7 *certified copy of the order must be served upon the person.*

8 *5. If it appears to the court that the subpoena was regularly issued by*
9 *the attorney general, the court shall enter an order that the person*
10 *produce the required document at the time and place fixed in the order.*
11 *Failure to obey the order constitutes contempt of court.*

12 **Sec. 7.** NRS 679B.155 is hereby amended to read as follows:

13 679B.155 To investigate ~~{fraudulent claims for benefits from a policy~~
14 ~~of insurance,}~~ *violations of the provisions of this Title, or to assist the*
15 *attorney general or other local, state or federal investigative and law*
16 *enforcement agencies in investigating an act of insurance fraud,* the
17 commissioner may:

18 1. Designate employees of the division as investigators to carry out the
19 provisions of NRS 679B.153 to 679B.158, inclusive ~~{,}~~ *, and sections 2 to*
20 *6, inclusive, of this act.*

21 2. Conduct investigations into such activities occurring outside this
22 state, if necessary. To conduct these investigations, the commissioner or his
23 investigators may:

24 (a) Travel outside this state;

25 (b) Cooperate with appropriate agencies or persons outside this state; or

26 (c) Designate those agencies to conduct investigations for the
27 commissioner.

28 ~~{3.— Assist officials of investigative or law enforcement agencies of any~~
29 ~~other state or the Federal Government who are investigating fraudulent~~
30 ~~claims and who request assistance from the commissioner.}~~

31 **Sec. 8.** NRS 679B.156 is hereby amended to read as follows:

32 679B.156 1. Every person in charge of an investigative or law
33 enforcement agency within this state shall ~~{cooperate}~~ :

34 (a) *Cooperate* with the commissioner ~~{or}~~ *and* his investigators ~~{and~~
35 ~~shall furnish the commissioner, upon his}~~ *, and the attorney general and*
36 *the members of the fraud control unit; and*

37 (b) *Upon request, furnish the commissioner or attorney general, as*
38 *appropriate, with any information necessary for* ~~{his}~~ *the investigation of*
39 ~~{fraudulent claims.}~~ *insurance fraud.*

40 2. The commissioner *and the attorney general* shall:

41 (a) Assist any official of an investigative or *a* law enforcement agency of
42 this state, any other state or the Federal Government who requests

1 assistance in investigating ~~{fraudulent claims against an insurer;}~~ *any act of*
2 *insurance fraud;* and

3 (b) Furnish to those officials any information, not otherwise
4 confidential, concerning his investigation or his report on ~~{fraudulent~~
5 ~~claims.}~~ *insurance fraud.*

6 **Sec. 9.** NRS 679B.157 is hereby amended to read as follows:

7 679B.157 An *individual, an* insurer, *an* employee or *a* representative
8 of an insurer, *an* official of an investigative or *a* law enforcement agency,
9 *an* employee of the division , ~~{or}~~ the commissioner , *the attorney general*
10 *or a member of the fraud control unit or an organization established to*
11 *detect and prevent insurance fraud* is not subject to a criminal penalty or
12 subject to civil liability for libel, slander or any similar cause of action in
13 tort if he, without malice, discloses information on a *suspected* fraudulent
14 claim or suspicious fire.

15 **Sec. 10.** NRS 679B.159 is hereby amended to read as follows:

16 679B.159 1. Every insurer, agent, solicitor, broker, administrator or
17 other person who has knowledge of a violation of any provision of this
18 code shall promptly report the facts and circumstances pertaining to the
19 violation to the commissioner ~~{-}~~ *or attorney general.*

20 2. If a person who submits information pursuant to subsection 1 so
21 requests, the commissioner *or attorney general, as appropriate,* shall keep
22 the person's name and the information confidential.

23 **Sec. 11.** NRS 679B.190 is hereby amended to read as follows:

24 679B.190 1. The commissioner shall carefully preserve in the
25 division and in permanent form all papers and records relating to the
26 business and transactions of the division and shall hand them over to his
27 successor in office.

28 2. Except as otherwise provided in subsections 3, 5 and 6 and other
29 provisions of this code and NRS 616B.015, the papers and records must be
30 open to public inspection.

31 3. Any records or information in the possession of the division related
32 to an investigation or examination conducted by the commissioner *or a*
33 *prosecution of insurance fraud by the attorney general and the fraud*
34 *control unit for insurance established pursuant to section 25 of this act* is
35 confidential for the period of the investigation or examination unless:

36 (a) The commissioner *or attorney general, as appropriate,* releases, in
37 the manner that he deems appropriate, all or any part of the records or
38 information for public inspection after determining that the release of the
39 records or information:

40 (1) Will not harm ~~{his}~~ *the* investigation or examination or the person
41 who is being investigated or examined; or

42 (2) Serves the interests of a policyholder, the shareholders of the
43 insurer or the public;

or

1 (b) A court orders the release of the records or information after
2 determining that the production of the records or information will not
3 damage any investigation being conducted by the commissioner ~~or~~ **or the**
4 **fraud control unit.**

5 4. The commissioner may destroy unneeded or obsolete records and
6 filings in the division in accordance with provisions and procedures
7 applicable in general to administrative agencies of this state.

8 5. The commissioner may classify as confidential certain records and
9 information obtained from a governmental agency or other sources upon
10 the express condition that they remain confidential.

11 6. All information and documents in the possession of ~~the~~ :

12 **(a) The attorney general and the fraud control unit which are related**
13 **to cases or matters under investigation; or**

14 **(b) The** division or any of its employees which are related to cases or
15 matters under investigation or examination by the commissioner or his
16 staff,

17 are confidential for the entire period of the investigation or examination
18 and may not be made public unless the commissioner **or attorney general,**
19 **as appropriate,** finds the existence of an imminent threat of harm to the
20 safety or welfare of the policyholder, shareholders or the public and
21 determines that the interests of the policyholder, shareholders or the public
22 will be served by publication thereof, in which event he may make a record
23 public or publish all or any part of the record in any manner he deems
24 appropriate.

25 **Sec. 12.** Chapter 686A of NRS is hereby amended by adding thereto
26 the provisions set forth as sections 13 to 16, inclusive, of this act.

27 **Sec. 13. "Insurance fraud" means knowingly and willfully:**

28 **1. Presenting or causing to be presented any statement to an insurer,**
29 **a reinsurer, a producer, a broker or any agent thereof, if the person who**
30 **presents or causes the presentation of the statement knows that the**
31 **statement conceals or omits facts, or contains false or misleading**
32 **information concerning any fact material to an application for the**
33 **issuance of a policy of insurance pursuant to this Title.**

34 **2. Presenting or causing to be presented any statement as a part of,**
35 **or in support of, a claim for payment or other benefits under a policy of**
36 **insurance issued pursuant to this Title, if the person who presents or**
37 **causes the presentation of the statement knows that the statement**
38 **conceals or omits facts, or contains false or misleading information**
39 **concerning any fact material to that claim.**

40 **3. Assisting, abetting, soliciting or conspiring with another person to**
41 **present or cause to be presented any statement to an insurer, a reinsurer,**
42 **a producer, a broker or any agent thereof, if the person who assists,**
43 **abets, solicits or conspires knows that the statement conceals or omits**

1 *facts, or contains false or misleading information concerning any fact*
2 *material to an application for the issuance of a policy of insurance*
3 *pursuant to this Title or a claim for payment or other benefits under such*
4 *a policy.*

5 *4. Acting or failing to act with the intent of defrauding or deceiving*
6 *an insurer, a reinsurer, a producer, a broker or any agent thereof, in*
7 *order to obtain a policy of insurance pursuant to this Title or any*
8 *proceeds or other benefits under such a policy.*

9 *5. As a practitioner, an insurer or any agent thereof, acting to assist,*
10 *conspire with or urge another person to commit any act or omission*
11 *specified in this section through deceit, misrepresentation or other*
12 *fraudulent means.*

13 *6. Accepting any proceeds or other benefits under a policy of*
14 *insurance issued pursuant to this Title, if the person who accepts the*
15 *proceeds or other benefits knows that the proceeds or other benefits are*
16 *derived from any act or omission specified in this section.*

17 *7. Employing a person to procure clients, patients or other persons*
18 *who obtain services or benefits under a policy of insurance issued*
19 *pursuant to this Title for the purpose of engaging in any act or omission*
20 *specified in this section, except that such insurance fraud does not*
21 *include contact or communication by an insurer or his agent or*
22 *representative with a client, patient or other person if the contact or*
23 *communication is made for a lawful purpose, including, without*
24 *limitation, communication by an insurer with a holder of a policy of*
25 *insurance issued by the insurer or with a claimant concerning the*
26 *settlement of any claims against the policy.*

27 *8. Participating in, aiding, abetting, conspiring to commit, soliciting*
28 *another person to commit, or permitting an employee or agent to commit*
29 *any act or omission specified in this section.*

30 **Sec. 14. "Investigative or law enforcement agency" includes:**

31 *1. The state fire marshal;*

32 *2. The chief or other officer of the fire department in whose*
33 *jurisdiction a fire has occurred;*

34 *3. The district attorney of the county where any fraudulent activity*
35 *has occurred or where a fraudulent claim has been made; and*

36 *4. Any other officer of an agency in this state who has the authority*
37 *to investigate the fraudulent activity or claim.*

38 **Sec. 15. "Practitioner" means:**

39 *1. A physician, dentist, nurse, dispensing optician, optometrist,*
40 *physical therapist, podiatric physician, psychologist, chiropractor, doctor*
41 *of Oriental medicine in any form, director or technician of a medical*
42 *laboratory, pharmacist or other provider of health services who is*

1 *authorized to engage in his occupation by the laws of this state or*
2 *another state; and*

3 *2. An attorney admitted to practice law in this state or any other*
4 *state.*

5 **Sec. 16. 1.** *A court may, in addition to imposing the penalties set*
6 *forth in NRS 193.130, order a person who is convicted of, or who pleads*
7 *guilty or nolo contendere to, insurance fraud to pay:*

8 *(a) Court costs; and*

9 *(b) The cost of the investigation and prosecution of the insurance*
10 *fraud for which the person was convicted or to which the person pleaded*
11 *guilty or nolo contendere.*

12 *2. An insurer or other organization subject to the jurisdiction of the*
13 *commissioner pursuant to this Title shall be deemed to be a victim for the*
14 *purposes of restitution in a case that involves insurance fraud or that is*
15 *related to a claim of insurance fraud.*

16 **Sec. 17.** NRS 686A.281 is hereby amended to read as follows:

17 686A.281 As used in NRS 686A.281 to 686A.295, inclusive, *and*
18 *sections 13 to 16, inclusive, of this act*, unless the context otherwise
19 requires, the ~~term “investigative or law enforcement agency” includes:~~

20 ~~—1. The state fire marshal;~~

21 ~~—2. The district attorney of the county where any fraudulent activity has~~
22 ~~occurred or a fraudulent claim has been made;~~

23 ~~—3. The chief or other officer of the fire department where a fire~~
24 ~~occurred; and~~

25 ~~—4. Any other agency in this state who has the authority to investigate~~
26 ~~the fraudulent claims or activities.] words and terms defined in sections~~
27 *13, 14 and 15 of this act have the meanings ascribed to them in those*
28 *sections.*

29 **Sec. 18.** NRS 686A.283 is hereby amended to read as follows:

30 686A.283 1. Any person, insurer or authorized representative of an
31 insurer, who believes, or has reason to believe, that ~~[a fraudulent claim for~~
32 ~~benefits under a policy of insurance has been made,]~~ *insurance fraud has*
33 *occurred* or is about to ~~[be made,]~~ *occur, or that any other violation of the*
34 *provisions of this Title has occurred or is about to occur*, shall report any
35 information concerning that ~~[claim]~~ *activity* to the commissioner *or*
36 *attorney general* on a form prescribed by the commissioner ~~[.]~~ *and*
37 *attorney general. The commissioner shall forward all information which*
38 *he receives concerning a fraudulent claim to the attorney general and the*
39 *fraud control unit for insurance established pursuant to section 25 of this*
40 *act.*

41 2. The commissioner *or attorney general, as appropriate*, shall:

42 (a) Review each report of ~~[a fraudulent claim;]~~ *insurance fraud or any*
43 *other violation of the provisions of this Title;* and

(b) Determine whether an investigation should be made of the facts in the report.

3. During his investigation, the commissioner *or attorney general, as appropriate*, shall determine whether there is probable cause to believe that ~~[there was deceit, fraud or an intentional misrepresentation of a material fact in the claim.]~~ *insurance fraud or any other violation of the provisions of this Title has occurred.*

4. If the commissioner determines that the provisions of NRS 686A.010 to 686A.310, inclusive, *and sections 13 to 16, inclusive, of this act*, have been violated he shall report his findings to the district attorney of the county where the violation occurred ~~[.]~~, *or to the attorney general.*

5. *A district attorney of any county where fraudulent activity has occurred or is occurring or where a fraudulent claim has been made may, with the permission of the attorney general or at the request of the attorney general, institute proceedings in the name of the State of Nevada.*

Sec. 19. NRS 686A.285 is hereby amended to read as follows:

686A.285 1. If an insurer ~~[believes]~~ *has a reasonable suspicion* that a loss to an insured may have been caused by other than an accidental or a natural occurrence, the insurer shall notify the ~~[commissioner]~~ *attorney general* in writing of the insurer's reasons for ~~[so believing.]~~ *the suspicion.*

2. Any insurer making such a report shall provide the ~~[commissioner]~~ *attorney general* with any information the insurer obtained during its investigation of the claim.

3. If the loss referred to in subsection 1 is believed to be caused by fire, the insurer shall also so notify an investigative or law enforcement agency.

Sec. 20. NRS 686A.287 is hereby amended to read as follows:

686A.287 1. Every insurer shall provide information ~~[on a fraudulent claim]~~ *concerning insurance fraud* to the *attorney general, the* commissioner, any investigative or law enforcement agency or any agency of the Federal Government, if the insurer receives a request in writing for that information.

2. The information requested from an insurer may include:

(a) Information about the policy of insurance on the property which was demolished or destroyed, including information from the application for insurance;

(b) Information on previous claims made by the insured;

(c) Records of the premiums paid for the policy of insurance; and

(d) Information concerning the insurer's investigation of the claim, including statements of any person, information submitted as proof of the loss or any other relevant information on the claim.

1 **Sec. 21.** NRS 686A.289 is hereby amended to read as follows:

2 686A.289 1. Any insurer giving information to *the attorney general*,
3 the commissioner or any investigative or law enforcement agency
4 concerning an *act or omission* alleged ~~{fraudulent claim}~~ *to be insurance*
5 *fraud* is entitled to receive, upon completion of the investigation or
6 prosecution of the ~~{claim,}~~ *insurance fraud*, whichever occurs later, any
7 relevant information concerning the ~~{claim,}~~ *fraudulent activity*.

8 2. The *attorney general, the* commissioner or any investigative or law
9 enforcement agency receiving information from another person, agency or
10 insurer shall:

11 (a) Keep the information confidential and not release the information
12 except pursuant to subsection 1;

13 (b) Provide information concerning its investigation of the ~~{claim}~~
14 *insurance fraud* to the insurer reporting the ~~{claim}~~ *fraudulent activity*
15 upon the completion of its investigation or a criminal prosecution,
16 whichever occurs later; and

17 (c) Provide any documents necessary or allow its employees or agents to
18 testify in any action by or against the insurer if the insurer or its insured
19 furnished the information for the investigation or a criminal prosecution.

20 **Sec. 22.** NRS 686A.291 is hereby amended to read as follows:

21 686A.291 ~~{1.—A person commits insurance fraud if he knowingly and~~
22 ~~willfully:~~

23 ~~—(a) Presents or causes to be presented any statement to an insurer, a~~
24 ~~reinsurer, a producer, a broker or any agent thereof, known by him to~~
25 ~~contain false, incomplete or misleading information concerning any fact~~
26 ~~material to an application for the issuance of a policy of insurance pursuant~~
27 ~~to this Title.~~

28 ~~—(b) Presents or causes to be presented any statement as a part of, or in~~
29 ~~support of, a claim for payment or other benefits under a policy of~~
30 ~~insurance issued pursuant to this Title, known by him to contain false,~~
31 ~~incomplete or misleading information concerning any fact material to that~~
32 ~~claim.~~

33 ~~—(c) Assists, abets, solicits or conspires with another person to present or~~
34 ~~cause to be presented any statement to an insurer, reinsurer, producer,~~
35 ~~broker or any agent thereof, known by him to contain false, incomplete or~~
36 ~~misleading information concerning any fact material to an application for~~
37 ~~the issuance of a policy of insurance pursuant to this Title or a claim for~~
38 ~~payment or other benefits under such a policy.~~

39 ~~—(d) Acts or fails to act with the intent of defrauding or deceiving an~~
40 ~~insurer, a reinsurer, a producer, a broker or any agent thereof, in order to~~
41 ~~obtain a policy of insurance pursuant to this Title or any proceeds or other~~
42 ~~benefits under such a policy.~~

1 ~~—(e) As a practitioner, an insurer or any agent thereof, acts to assist,~~
2 ~~conspire with or urge another person to violate any provision of this section~~
3 ~~through deceit, misrepresentation or other fraudulent means.~~

4 ~~—(f) Accepts any proceeds or other benefits under a policy of insurance~~
5 ~~issued pursuant to this Title known by him to be derived from any act or~~
6 ~~omission which violates any provision of this section.~~

7 ~~—(g) Employs a person to procure clients, patients or other persons who~~
8 ~~obtain services or benefits under a policy of insurance issued pursuant to~~
9 ~~this Title for the purpose of engaging in any activity prohibited by this~~
10 ~~section. This paragraph does not prohibit contact or communication by an~~
11 ~~insurer or his agent or representative with a client, patient or other person if~~
12 ~~the contact or communication is made for a lawful purpose, including,~~
13 ~~without limitation, communication by an insurer with a holder of a policy~~
14 ~~of insurance issued by the insurer or with a claimant concerning the~~
15 ~~settlement of any claims against the policy.~~

16 ~~—2. A person commits insurance fraud if he knowingly and willfully~~
17 ~~participates in, aids, abets, conspires to commit, solicits another person to~~
18 ~~commit, or permits an employee or agent to commit an act of insurance~~
19 ~~fraud prohibited by subsection 1.~~

20 ~~—3.]~~ A person who commits insurance fraud is guilty of a category D
21 felony and shall be punished as provided in NRS 193.130.

22 ~~[4.—For the purposes of this section, “practitioner” means:~~

23 ~~—(a) A physician, dentist, nurse, dispensing optician, optometrist, physical~~
24 ~~therapist, podiatric physician, psychologist, chiropractor, doctor of Oriental~~
25 ~~medicine in any form, director or technician of a medical laboratory,~~
26 ~~pharmacist or other provider of health services who is authorized to engage~~
27 ~~in his occupation by the laws of this state or another state; and~~

28 ~~—(b) An attorney admitted to practice law in this state or any other state.]~~

29 **Sec. 23.** NRS 686A.295 is hereby amended to read as follows:

30 686A.295 If a person who is licensed or registered under the laws of
31 the State of Nevada to engage in a business or profession is convicted of or
32 pleads guilty to engaging in an act of insurance fraud, ~~[prohibited by NRS~~
33 ~~686A.291,]~~ the commissioner and the attorney general shall forward to
34 each agency by which the convicted person is licensed or registered a copy
35 of the conviction or plea and all supporting evidence of the act of insurance
36 fraud. An agency that receives information from the commissioner and
37 attorney general pursuant to this section shall, not later than 1 year after the
38 date on which it receives the information, submit a report which sets forth
39 the action taken by the agency against the convicted person, including, but
40 not limited to, the revocation or suspension of the license or any other
41 disciplinary action, to the director of the legislative counsel bureau for
42 transmittal to the legislature.

1 **Sec. 24.** Chapter 228 of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 25 and 26 of this act.

3 **Sec. 25. 1.** *The attorney general has primary jurisdiction to*
4 *conduct criminal investigations into and may bring a criminal*
5 *prosecution for any act alleged to be insurance fraud.*

6 **2.** *The attorney general shall establish within his office a fraud*
7 *control unit for insurance. The fraud control unit must consist of such*
8 *persons as are necessary to carry out the duties set forth in this section,*
9 *NRS 679B.153 to 679B.158, inclusive, and sections 2 to 6, inclusive, of*
10 *this act, and NRS 686A.281 to 686A.291, inclusive, and sections 13 to 16,*
11 *inclusive, of this act, including, without limitation, attorneys and*
12 *investigators.*

13 **3.** *The attorney general, acting through the fraud control unit:*

14 **(a)** *Is the single state agency responsible for the criminal prosecution*
15 *of insurance fraud;*

16 **(b)** *Shall cooperate with the commissioner of insurance, insurers, and*
17 *investigators and prosecutors of other states and the Federal Government*
18 *in coordinating state and federal criminal investigations and criminal*
19 *prosecutions involving insurance fraud;*

20 **(c)** *Shall protect the privacy of insurers and insured persons who are*
21 *eligible to receive benefits pursuant to the provisions of Title 57 of NRS*
22 *and shall establish procedures to prevent the misuse of information*
23 *obtained in carrying out this section; and*

24 **(d)** *May, upon written request, inspect the records of any insurer, the*
25 *commissioner of insurance and the division of insurance of the*
26 *department of business and industry to conduct a criminal investigation*
27 *into any act alleged to be insurance fraud.*

28 **4.** *To investigate any act alleged to be insurance fraud, the attorney*
29 *general and members of the fraud control unit may conduct*
30 *investigations into any activity related thereto occurring outside of this*
31 *state, if necessary. To conduct these investigations, the attorney general*
32 *and members of the fraud control unit may:*

33 **(a)** *Travel outside of this state;*

34 **(b)** *Cooperate with appropriate agencies or persons outside this state;*
35 *and*

36 **(c)** *Designate those agencies or persons to conduct investigations for*
37 *the attorney general.*

38 **5.** *When acting pursuant to this section, the attorney general may*
39 *commence his investigation and file a criminal action without leave of*
40 *court, and he has exclusive charge of the conduct of the prosecution. The*
41 *attorney general may conduct preliminary hearings or grand juries for*
42 *the purposes of filing an information or indictment.*

1 6. *The attorney general shall report the name of each person who*
2 *has been convicted of insurance fraud to the commissioner of insurance.*

3 7. *Nothing in this section limits the exclusive jurisdiction of the*
4 *commissioner of insurance otherwise granted by statute to investigate or*
5 *take administrative or civil action:*

6 (a) *For any violation of Title 57 of NRS by any person or entity who is*
7 *or has been licensed by the commissioner of insurance pursuant to Title*
8 *57 of NRS;*

9 (b) *Against any person or entity who is or has been engaged in the*
10 *business of insurance without a license as required by Title 57 of NRS,*
11 *including, without limitation, the unauthorized transaction of insurance*
12 *in violation of chapter 685B of NRS; or*

13 (c) *Against any person or entity as the commissioner deems*
14 *appropriate.*

15 8. *As used in this section, “insurance fraud” has the meaning*
16 *ascribed to it in section 13 of this act.*

17 **Sec. 26.** 1. *Except as otherwise provided in this section, the*
18 *attorney general may temporarily reassign any personnel, or reallocate*
19 *any other resource, among:*

20 (a) *The bureau of consumer protection established pursuant to NRS*
21 *228.310;*

22 (b) *The Medicaid fraud control unit established pursuant to NRS*
23 *228.410;*

24 (c) *The fraud control unit for industrial insurance established*
25 *pursuant to NRS 228.420;*

26 (d) *The fraud control unit for insurance established pursuant to*
27 *section 25 of this act; and*

28 (e) *The program to coordinate activities and information in this state*
29 *concerning missing or exploited children established pursuant to NRS*
30 *432.170.*

31 2. *The attorney general shall not reassign any personnel or*
32 *reallocate any other resource pursuant to this section if the reassignment*
33 *or reallocation:*

34 (a) *Violates any provision of federal law or any agreement between*
35 *the Federal Government, or any agency thereof, and this state or any*
36 *agency or political subdivision thereof; or*

37 (b) *Would result in the loss of federal money or any other benefit*
38 *provided by the Federal Government or any agency thereof.*

39 **Sec. 27.** NRS 477.030 is hereby amended to read as follows:

40 477.030 1. Except as otherwise provided in this section, the state fire
41 marshal shall enforce all laws and adopt regulations relating to:

42 (a) The prevention of fire.

43 (b) The storage and use of combustibles, flammables and fireworks.

1 (c) The storage and use of explosives in any commercial construction,
2 but not in mining or the control of avalanches.

3 (d) The safety, access, means and adequacy of exit in case of fire from
4 mental and penal institutions, facilities for the care of children, foster
5 homes, residential facilities for groups, facilities for intermediate care,
6 nursing homes, hospitals, schools, all buildings, except private residences,
7 which are occupied for sleeping purposes, buildings used for public
8 assembly and all other buildings where large numbers of persons work, live
9 or congregate for any purpose. As used in this paragraph, “public
10 assembly” means a building or a portion of a building used for the
11 gathering together of 50 or more persons for purposes of deliberation,
12 education, instruction, worship, entertainment, amusement or awaiting
13 transportation, or the gathering together of 100 or more persons in
14 establishments for drinking or dining.

15 (e) The suppression and punishment of arson and fraudulent claims or
16 practices in connection with fire losses.
17 The regulations of the state fire marshal apply throughout the state, but,
18 except with respect to state-owned or state-occupied buildings, his
19 authority to enforce them or conduct investigations under this chapter is
20 limited to those counties whose population is less than 35,000, except in
21 those local jurisdictions in other counties where he is requested to exercise
22 that authority by the chief officer of the organized fire department of that
23 jurisdiction.

24 2. The state fire marshal may set standards for equipment and
25 appliances pertaining to fire safety or to be used for fire protection within
26 this state, including the threads used on fire hose couplings and hydrant
27 fittings.

28 3. The state fire marshal shall cooperate with the state forester
29 firewarden in the preparation of regulations relating to standards for fire
30 retardant roofing materials pursuant to paragraph (e) of subsection 1 of
31 NRS 472.040.

32 4. The state fire marshal shall cooperate with the division of child and
33 family services of the department of human resources in establishing
34 reasonable minimum standards for overseeing the safety of and directing
35 the means and adequacy of exit in case of fire from family foster homes and
36 group foster homes.

37 5. The state fire marshal shall coordinate all activities conducted
38 pursuant to the Fire Research and Safety Act of 1968, 15 U.S.C. ~~§§ 278f~~
39 ~~and 278g,~~ **§ 278f**, and receive and distribute money allocated by the
40 United States pursuant to that act.

41 6. Except as otherwise provided in subsection 10, the state fire marshal
42 shall:

1 (a) Investigate any fire which occurs in a county whose population is
2 less than 35,000, and from which a death results or which is of a suspicious
3 nature.

4 (b) Investigate any fire which occurs in a county whose population is
5 35,000 or more, and from which a death results or which is of a suspicious
6 nature, if requested to do so by the chief officer of the fire department in
7 whose jurisdiction the fire occurs.

8 (c) Cooperate with the commissioner of insurance , *the attorney general*
9 *and the fraud control unit established pursuant to section 25 of this act* in
10 any investigation of a fraudulent claim under an insurance policy for any
11 fire of a suspicious nature.

12 (d) Cooperate with any local fire department in the investigation of any
13 report received pursuant to NRS 629.045.

14 (e) Provide specialized training in investigating the causes of fires if
15 requested to do so by the chief officer of an organized fire department.

16 7. The state fire marshal shall put the Uniform Fire Incident Reporting
17 System into effect throughout the state and publish at least annually a
18 summary of data collected under the system.

19 8. The state fire marshal shall provide assistance and materials to local
20 authorities, upon request, for the establishment of programs for public
21 education and other fire prevention activities.

22 9. The state fire marshal shall:

23 (a) Assist in checking plans and specifications for construction;

24 (b) Provide specialized training to local fire departments; and

25 (c) Assist local governments in drafting regulations and ordinances,
26 on request or as he deems necessary.

27 10. In a county whose population is less than 35,000, the state fire
28 marshal shall, upon request by a local government, delegate to the local
29 government by interlocal agreement all or a portion of his authority or
30 duties if the local government's personnel and programs are, as determined
31 by the state fire marshal, equally qualified to perform those functions. If a
32 local government fails to maintain the qualified personnel and programs in
33 accordance with such an agreement, the state fire marshal shall revoke the
34 agreement.

35 **Sec. 28.** This act becomes effective upon passage and approval.