

ASSEMBLY BILL NO. 134—ASSEMBLYMEN DINI AND PERKINS

FEBRUARY 14, 2001

Referred to Concurrent Committees on Commerce and Labor
and Ways and Means

SUMMARY—Makes various changes concerning assessment imposed by commissioner of insurance upon insurers to pay for program to investigate certain violations and fraudulent acts of insurers. (BDR 57-331)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: 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 is imposed by the commissioner of insurance upon insurers 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:

- 1 **Section 1.** NRS 679B.158 is hereby amended to read as follows:
2 679B.158 1. The special investigative account is hereby established
3 in the state general fund for use by the commissioner. The commissioner
4 shall deposit all money received pursuant to this section with the state
5 treasurer for credit to the account. Money remaining in the account at the
6 end of ~~any~~ *a fiscal* year does not lapse *to the state general fund* and may
7 be used by the commissioner in any subsequent *fiscal* year ~~+~~ *for the*
8 *purposes of this section.*
9 2. The commissioner shall ~~authorize~~ :
10 (a) *In cooperation with the attorney general, biennially prepare and*
11 *submit to the legislature a proposed budget for the program established*
12 *pursuant to NRS 679B.153; and*
13 (b) *Authorize* expenditures from the special investigative account to pay
14 the expenses of the program established pursuant to NRS 679B.153 and of
15 any unit established in the office of the attorney general ~~which~~ *that*
16 investigates and prosecutes insurance fraud.
17 3. ~~All~~ *The money authorized for expenditure pursuant to*
18 *paragraph (b) of subsection 2 must be distributed in the following*
19 *manner:*



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

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

7 4. Except as otherwise provided in subsections 5 and 6, all of the
8 costs of the program established pursuant to NRS 679B.153 must be paid
9 by the insurers authorized to transact insurance in this state. The
10 commissioner shall annually determine the total cost of the program and
11 ~~equally~~ divide that amount among the insurers ~~pro rata based upon~~
12 ~~the total amount of premiums charged to the insureds in this state by the~~
13 ~~insurer.~~

14 5. The annual amount so assessed on each reinsurer that has the
15 authority to assume only reinsurance must not exceed \$500 . ~~per~~
16 ~~authorized insurer. The commissioner may~~ For all other insurers subject
17 to the annual assessment, the annual amount so assessed to each
18 insurer:

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

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

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

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

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

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

35 7. The commissioner shall adopt regulations ~~regarding~~ to carry out
36 the provisions of this section, including, without limitation, the
37 calculation ~~and collection~~ of the assessment.

38 8. As used in this section, "reinsurer" has the meaning ascribed to it
39 in NRS 681A.370.

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

41 695F.090 Prepaid limited health service organizations are subject to
42 the provisions of this chapter and to the following provisions, to the extent
43 reasonably applicable:

44 1. NRS 687B.310 to 687B.420, inclusive, concerning cancellation and
45 nonrenewal of policies.

46 2. NRS 687B.122 to 687B.128, inclusive, concerning readability of
47 policies.

48 3. The requirements of NRS 679B.152.

49 4. The fees imposed pursuant to NRS 449.465.



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- 1 5. NRS 686A.010 to 686A.310, inclusive, concerning trade practices
- 2 and frauds.
- 3 6. The assessment imposed pursuant to ~~subsection 3 of~~ NRS
- 4 679B.158.
- 5 7. Chapter 683A of NRS.
- 6 8. To the extent applicable, the provisions of NRS 689B.340 to
- 7 689B.600, inclusive, and chapter 689C of NRS relating to the portability
- 8 and availability of health insurance.
- 9 9. NRS 689A.035, 689A.410 and 689A.413.
- 10 10. NRS 680B.025 to 680B.039, inclusive, concerning premium tax,
- 11 premium tax rate, annual report and estimated quarterly tax payments. For
- 12 the purposes of this subsection, unless the context otherwise requires that a
- 13 section apply only to insurers, any reference in those sections to “insurer”
- 14 must be replaced by a reference to “prepaid limited health service
- 15 organization.”
- 16 11. Chapter 692C of NRS, concerning holding companies.
- 17 **Sec. 3.** This act becomes effective on July 1, 2001.

