

CHAPTER.....

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; 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~~ *a fiscal* year does not lapse *to the state general fund* and may be used by the commissioner in any subsequent *fiscal* year ~~for the purposes of this section.~~

2. The commissioner shall ~~authorize~~ :

(a) In cooperation with the attorney general, biennially prepare and submit to the governor, for inclusion in the executive budget, 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. ~~All of the~~ *The money authorized for expenditure pursuant to paragraph (b) of subsection 2 must be distributed in the following manner:*

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

(b) Eighty-five percent of the money authorized for expenditure must be paid to the attorney general to pay the expenses of the unit established in the office of the attorney general that investigates and prosecutes insurance fraud.

4. *Except as otherwise provided in subsections 5 and 6,* 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 *of the program* and ~~equally~~ divide that amount among the insurers ~~pro rata based upon the total amount of premiums charged to the insureds in this state by the insurer.~~

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

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

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

8. 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 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.035, 689A.410 and 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, 2001.