

ASSEMBLY BILL NO. 135—ASSEMBLYMEN DINI AND PERKINS

FEBRUARY 14, 2001

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

SUMMARY—Makes various changes to provisions governing investigation and prosecution of insurance fraud. (BDR 57-332)

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

~

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; providing that an insurer and certain other organizations and persons 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; 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.** Chapter 679B of NRS is hereby amended by adding thereto
- 2 the provisions set forth as sections 2 to 6, inclusive, of this act.
- 3 **Sec. 2.** *As used in NRS 679B.153 to 679B.158, inclusive, and*
- 4 *sections 2 to 6, inclusive, of this act, unless the context otherwise*
- 5 *requires, the words and terms defined in sections 3 and 4 of this act have*
- 6 *the meanings ascribed to them in those sections.*
- 7 **Sec. 3.** *“Fraud control unit” means the fraud control unit for*
- 8 *insurance established by the attorney general pursuant to section 27 of*
- 9 *this act.*
- 10 **Sec. 4.** *“Insurance fraud” has the meaning ascribed to it in section*
- 11 *14 of this act.*
- 12 **Sec. 5.** *Nothing in section 27 of this act limits or diminishes the*
- 13 *exclusive jurisdiction of the commissioner otherwise granted by statute to*
- 14 *investigate or take administrative or civil action:*
- 15 1. *For any violation of this Title by any person or entity who is or has*
- 16 *been licensed by the commissioner pursuant to this Title;*



1 2. Against any person or entity who is or has been engaged in the
2 business of insurance without a license as required by this Title,
3 including, without limitation, the unauthorized transaction of insurance
4 in violation of chapter 685B of NRS; or

5 3. Against any person or entity as the commissioner deems
6 appropriate.

7 Sec. 6. 1. The books, records, payroll reports and other documents
8 of a person that are pertinent to the investigation of insurance fraud
9 must be open to inspection by an investigator for the attorney general in
10 order to ascertain the correctness of such information and as may be
11 necessary for the attorney general to carry out his duties pursuant to
12 section 27 of this act, NRS 679B.153 to 679B.158, inclusive, and sections
13 2 to 6, inclusive, of this act, and NRS 686A.281 to 686A.295, inclusive,
14 and sections 14 to 17, inclusive, of this act.

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

19 3. If a person refuses to produce any document as required by the
20 subpoena, the attorney general may report to the district court by
21 petition, setting forth that:

22 (a) Due notice has been given of the time and place of the production
23 of the document;

24 (b) The person has been subpoenaed by the attorney general pursuant
25 to this section; and

26 (c) The person has failed or refused to produce the document required
27 by the subpoena,
28 and asking for an order of the court compelling the person to produce
29 the document.

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

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

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

40 679B.155 To investigate ~~fraudulent claims for benefits from a policy~~
41 ~~of insurance,~~ violations of the provisions of this Title, or to assist the
42 attorney general or other local, state or federal investigative and law
43 enforcement agencies in investigating an act of insurance fraud, the
44 commissioner may:

45 1. Designate employees of the division as investigators to carry out the
46 provisions of NRS 679B.153 to 679B.158, inclusive ~~H~~, and sections 2 to
47 6, inclusive, of this act.



* A B 1 3 5 *

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

- 4 (a) Travel outside this state;
5 (b) Cooperate with appropriate agencies or persons outside this state; or
6 (c) Designate those agencies to conduct investigations for the
7 commissioner.

8 3. Assist officials of investigative or law enforcement agencies of any
9 other state or the Federal Government who are investigating fraudulent
10 claims and who request assistance from the commissioner.

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

12 679B.156 1. Every person in charge of an investigative or law
13 enforcement agency within this state shall ~~cooperate~~ :

14 (a) *Cooperate* with the commissioner ~~or~~ and his investigators ~~and~~
15 ~~shall furnish the commissioner, upon his~~ , *and the attorney general and*
16 *the members of the fraud control unit; and*

17 (b) *Upon request, furnish the commissioner or attorney general, as*
18 *appropriate*, with any information necessary for ~~this~~ *the* investigation of
19 ~~fraudulent claims.~~ *insurance fraud.*

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

21 (a) Assist any official of an investigative or *a* law enforcement agency
22 of this state, any other state or the Federal Government who requests
23 assistance in investigating ~~fraudulent claims against an insurer;~~ *any act of*
24 *insurance fraud;* and

25 (b) Furnish to those officials any information, not otherwise
26 confidential, concerning his investigation or his report on ~~fraudulent~~
27 ~~claims.~~ *insurance fraud.*

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

29 679B.157 An *individual, an* insurer, *an* employee or *a* representative
30 of an insurer, *an* official of an investigative or *a* law enforcement agency,
31 *an* employee of the division , ~~or~~ the commissioner , *the attorney general*
32 *or a member of the fraud control unit or an organization established to*
33 *detect and prevent insurance fraud* is not subject to a criminal penalty or
34 subject to civil liability for libel, slander or any similar cause of action in
35 tort if he, without malice, discloses information on a *suspected* fraudulent
36 claim or suspicious fire.

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

38 679B.159 1. Every insurer, agent, solicitor, broker, administrator or
39 other person who has knowledge of a violation of any provision of this
40 code shall promptly report the facts and circumstances pertaining to the
41 violation to the commissioner ~~or~~ *or attorney general.*

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

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

46 679B.190 1. ~~The commissioner shall carefully preserve in the~~
47 ~~division and in permanent form all papers and records relating to the~~
48 ~~business and transactions of the division and shall hand them over to his~~
49 ~~successor in office.~~



1 ~~2. Except as otherwise provided in subsections 3, 5 and 6, other~~
2 ~~provisions of this code and NRS 616B.015, the papers and records must be~~
3 ~~open to public inspection.~~
4 ~~3. Any records or information in the possession of the division~~
5 ~~related to an investigation conducted by the commissioner~~ *attorney*
6 *general and the fraud control unit for insurance established pursuant to*
7 *section 27 of this act for prosecution of insurance fraud* is confidential
8 unless:
9 (a) The ~~commissioner~~ *attorney general* releases, in the manner that he
10 deems appropriate, all or any part of the records or information for public
11 inspection after determining that the release of the records or information:
12 (1) Will not harm ~~this~~ *the* investigation or the person who is being
13 investigated; or
14 (2) Serves the interests of a policyholder, the shareholders of the
15 insurer or the public; or
16 (b) A court orders the release of the records or information after
17 determining that the production of the records or information will not
18 damage any investigation being conducted by the ~~commissioner~~.
19 ~~4. The commissioner may destroy unneeded or obsolete records and~~
20 ~~filings in the division in accordance with provisions and procedures~~
21 ~~applicable in general to administrative agencies of this state.~~
22 ~~5. The commissioner fraud control unit.~~
23 *2. The attorney general* may classify as confidential certain records
24 and information obtained from a governmental agency or other sources
25 upon the express condition that they remain confidential.
26 ~~6. 3. All information and documents in the possession of the~~
27 ~~division or any of its employees which~~ *attorney general and the fraud*
28 *control unit that* are related to cases or matters under investigation ~~by the~~
29 ~~commissioner or his staff~~ are confidential for the period of the
30 investigation and may not be made public unless the ~~commissioner~~
31 *attorney general* finds the existence of an imminent threat of harm to the
32 safety or welfare of the policyholder, shareholders or the public and
33 determines that the interests of the policyholder, shareholders or the public
34 will be served by publication thereof, in which event he may make a record
35 public or publish all or any part of the record in any manner he deems
36 appropriate.
37 **Sec. 12.** NRS 685A.077 is hereby amended to read as follows:
38 685A.077 1. The commissioner, the division and employees of the
39 division, and any nonprofit organization of surplus lines brokers formed
40 pursuant to NRS 685A.075 and its members, officers, committee members,
41 agents and employees are not liable in a civil action for any act performed
42 in good faith and within the scope of their duties or the exercise of their
43 authority pursuant to this chapter.
44 2. The commissioner may ~~pursuant to NRS 679B.190,~~ classify as
45 confidential:
46 (a) Any investigation conducted by a nonprofit organization of surplus
47 lines brokers formed pursuant to NRS 685A.075; and
48 (b) Any communications between such an organization and the
49 commissioner and other appropriate authorities pursuant to this chapter.



* A B 1 3 5 *

1 3. The immunities and privileges provided by this section do not
2 affect:

3 (a) The availability of any other immunities or privileges otherwise
4 provided by law; or

5 (b) Any rights of hearing and review otherwise provided in this chapter.

6 **Sec. 13.** Chapter 686A of NRS is hereby amended by adding thereto
7 the provisions set forth as sections 14 to 17, inclusive, of this act.

8 **Sec. 14.** *“Insurance fraud” means knowingly and willfully:*

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

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

21 *3. Assisting, abetting, soliciting or conspiring with another person to*
22 *present or cause to be presented any statement to an insurer, a reinsurer,*
23 *a producer, a broker or any agent thereof, if the person who assists,*
24 *abets, solicits or conspires knows that the statement conceals or omits*
25 *facts, or contains false or misleading information concerning any fact*
26 *material to an application for the issuance of a policy of insurance*
27 *pursuant to this Title or a claim for payment or other benefits under such*
28 *a policy.*

29 *4. Acting or failing to act with the intent of defrauding or deceiving*
30 *an insurer, a reinsurer, a producer, a broker or any agent thereof, to*
31 *obtain a policy of insurance pursuant to this Title or any proceeds or*
32 *other benefits under such a policy.*

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

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

41 *7. Employing a person to procure clients, patients or other persons*
42 *who obtain services or benefits under a policy of insurance issued*
43 *pursuant to this Title for the purpose of engaging in any act or omission*
44 *specified in this section, except that such insurance fraud does not*
45 *include contact or communication by an insurer or his agent or*
46 *representative with a client, patient or other person if the contact or*
47 *communication is made for a lawful purpose, including, without*
48 *limitation, communication by an insurer with a holder of a policy of*



* A B 1 3 5 *

1 insurance issued by the insurer or with a claimant concerning the
2 settlement of any claims against the policy.

3 8. Participating in, aiding, abetting, conspiring to commit, soliciting
4 another person to commit, or permitting an employee or agent to commit
5 any act or omission specified in this section.

6 **Sec. 15.** “Investigative or law enforcement agency” includes:

- 7 1. The state fire marshal;
8 2. The chief or other officer of the fire department in whose
9 jurisdiction a fire has occurred;
10 3. The district attorney of the county where any fraudulent activity
11 has occurred or where a fraudulent claim has been made; and
12 4. Any other officer of an agency in this state who has the authority
13 to investigate the fraudulent activity or claim.

14 **Sec. 16.** “Practitioner” means:

- 15 1. A physician, dentist, nurse, dispensing optician, optometrist,
16 physical therapist, podiatric physician, psychologist, chiropractor, doctor
17 of Oriental medicine in any form, director or technician of a medical
18 laboratory, pharmacist or other provider of health services who is
19 authorized to engage in his occupation by the laws of this state or
20 another state; and
21 2. An attorney admitted to practice law in this state or any other
22 state.

23 **Sec. 17.** 1. A court may, in addition to imposing the penalties set
24 forth in NRS 193.130, order a person who is convicted of, or who pleads
25 guilty or nolo contendere to, insurance fraud to pay:

- 26 (a) Court costs; and
27 (b) The cost of the investigation and prosecution of the insurance
28 fraud for which the person was convicted or to which the person pleaded
29 guilty or nolo contendere.

30 2. An insurer or other organization, or any other person, subject to
31 the jurisdiction of the commissioner pursuant to this Title shall be
32 deemed to be a victim for the purposes of restitution in a case that
33 involves insurance fraud or that is related to a claim of insurance fraud.

34 **Sec. 18.** NRS 686A.281 is hereby amended to read as follows:

35 686A.281 As used in NRS 686A.281 to 686A.295, inclusive, *and*
36 *sections 14 to 17, inclusive, of this act*, unless the context otherwise
37 requires, the ~~term “investigative or law enforcement agency” includes:~~

- 38 ~~—1. The state fire marshal;~~
39 ~~—2. The district attorney of the county where any fraudulent activity has~~
40 ~~occurred or a fraudulent claim has been made;~~
41 ~~—3. The chief or other officer of the fire department where a fire~~
42 ~~occurred; and~~
43 ~~—4. Any other agency in this state who has the authority to investigate~~
44 ~~the fraudulent claims or activities.} words and terms defined in sections~~
45 ~~14, 15 and 16 of this act have the meanings ascribed to them in those~~
46 ~~sections.~~

47 **Sec. 19.** NRS 686A.283 is hereby amended to read as follows:

48 686A.283 1. Any person, insurer or authorized representative of an
49 insurer ~~}, who believes, or has reason to believe, that a fraudulent claim for~~



1 ~~benefits under a policy of insurance has been made,]~~ *who has a reasonable*
2 *suspicion that insurance fraud has occurred* or is about to ~~be made,]~~
3 *occur* shall report any information concerning that ~~claim]~~ *activity* to the
4 commissioner *and attorney general* on a form prescribed by the
5 commissioner ~~]~~ *and attorney general.*

6 2. The commissioner *and attorney general* shall ~~]~~ *each*
7 *independently:*

8 (a) Review each report of ~~]~~ *insurance fraud;* and
9 (b) Determine whether an investigation should be made of the facts in
10 the report.

11 3. During ~~this investigation,]~~ *their respective investigations,* the
12 commissioner *and attorney general* shall *independently* determine
13 whether there is probable cause to believe that ~~there was deceit, fraud or~~
14 ~~an intentional misrepresentation of a material fact in the claim.~~

15 ~~4. If the commissioner determines that the provisions of NRS~~
16 ~~686A.010 to 686A.310, inclusive, have been violated he shall report his~~
17 ~~findings to the district attorney of the county where the violation occurred.]~~
18 *insurance fraud has occurred.*

19 4. *A district attorney of any county where fraudulent activity has*
20 *occurred or is occurring or where a fraudulent claim that would*
21 *constitute insurance fraud has been made may, with the permission of*
22 *the attorney general or at the request of the attorney general, institute*
23 *proceedings in the name of the State of Nevada.*

24 **Sec. 20.** NRS 686A.285 is hereby amended to read as follows:

25 686A.285 1. If an insurer ~~believes]~~ *has a reasonable suspicion* that
26 a loss to an insured may have been caused by other than an accidental or a
27 natural occurrence, the insurer shall notify the commissioner *or attorney*
28 *general* in writing of the insurer's reasons for ~~so believing,]~~ *the suspicion.*

29 2. Any insurer making such a report shall provide the commissioner *or*
30 *attorney general* with any information the insurer obtained during its
31 investigation of the claim.

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

35 **Sec. 21.** NRS 686A.287 is hereby amended to read as follows:

36 686A.287 1. Every insurer shall provide information ~~on a~~
37 ~~fraudulent claim]~~ *concerning insurance fraud* to the *attorney general, the*
38 commissioner, any investigative or law enforcement agency or any agency
39 of the Federal Government , if the insurer receives a request in writing for
40 that information.

41 2. The information requested from an insurer may include:

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

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

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

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



* A B 1 3 5 *

1 **Sec. 22.** 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
18 to 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. 23.** 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.~~

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

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



* A B 1 3 5 *

1 ~~—(g) Employs a person to procure clients, patients or other persons who~~
2 ~~obtain services or benefits under a policy of insurance issued pursuant to~~
3 ~~this Title for the purpose of engaging in any activity prohibited by this~~
4 ~~section. This paragraph does not prohibit contact or communication by an~~
5 ~~insurer or his agent or representative with a client, patient or other person if~~
6 ~~the contact or communication is made for a lawful purpose, including,~~
7 ~~without limitation, communication by an insurer with a holder of a policy~~
8 ~~of insurance issued by the insurer or with a claimant concerning the~~
9 ~~settlement of any claims against the policy.~~
10 ~~—2. A person commits insurance fraud if he knowingly and willfully~~
11 ~~participates in, aids, abets, conspires to commit, solicits another person to~~
12 ~~commit, or permits an employee or agent to commit an act of insurance~~
13 ~~fraud prohibited by subsection 1.~~
14 ~~—3.] A person who commits insurance fraud is guilty of a category D~~
15 ~~felony and shall be punished as provided in NRS 193.130.~~
16 ~~{4. For the purposes of this section, “practitioner” means:~~
17 ~~—(a) A physician, dentist, nurse, dispensing optician, optometrist,~~
18 ~~physical therapist, podiatric physician, psychologist, chiropractor, doctor of~~
19 ~~Oriental medicine in any form, director or technician of a medical~~
20 ~~laboratory, pharmacist or other provider of health services who is~~
21 ~~authorized to engage in his occupation by the laws of this state or another~~
22 ~~state; and~~
23 ~~—(b) An attorney admitted to practice law in this state or any other state.}]~~
24 **Sec. 24.** NRS 686A.295 is hereby amended to read as follows:
25 686A.295 If a person who is licensed or registered under the laws of
26 the State of Nevada to engage in a business or profession is convicted of or
27 pleads guilty to engaging in an act of insurance fraud, ~~{prohibited by NRS~~
28 ~~686A.291,}~~ the commissioner and the attorney general shall forward to
29 each agency by which the convicted person is licensed or registered a copy
30 of the conviction or plea and all supporting evidence of the act of insurance
31 fraud. An agency that receives information from the commissioner and
32 attorney general pursuant to this section shall, not later than 1 year after the
33 date on which it receives the information, submit a report which sets forth
34 the action taken by the agency against the convicted person, including, but
35 not limited to, the revocation or suspension of the license or any other
36 disciplinary action, to the director of the legislative counsel bureau for
37 transmittal to the legislature.
38 **Sec. 25.** NRS 686A.315 is hereby amended to read as follows:
39 686A.315 1. If a hospital submits to an insurer the form commonly
40 referred to as the “UB-82,” the form must contain or be accompanied by a
41 statement in substantially the following form:
42
43 Any person who misrepresents or falsifies essential information
44 requested on this form may, upon conviction, be subject to a fine and
45 imprisonment under state or federal law, or both.
46
47 2. If a person who is licensed to practice one of the health professions
48 regulated by Title 54 of NRS submits to an insurer the form commonly
49 referred to as the “HCFA-1500” for a patient who is not covered by any



* A B 1 3 5 *

1 governmental program which offers insurance coverage for health care, the
2 form must be accompanied by a statement in substantially the following
3 form:

4
5 Any person who knowingly files a statement of claim containing
6 any misrepresentation or any false, incomplete or misleading
7 information may be guilty of a criminal act punishable under state or
8 federal law, or both, and may be subject to civil penalties.
9

10 3. The failure to provide any of the statements required by this section
11 is not a defense in a prosecution for ~~la violation of~~ *insurance fraud*
12 *pursuant to* NRS 686A.291.

13 **Sec. 26.** NRS 207.360 is hereby amended to read as follows:
14 207.360 "Crime related to racketeering" means the commission of,
15 attempt to commit or conspiracy to commit any of the following crimes:

- 16 1. Murder;
- 17 2. Manslaughter;
- 18 3. Mayhem;
- 19 4. Battery which is punished as a felony;
- 20 5. Kidnapping;
- 21 6. Sexual assault;
- 22 7. Arson;
- 23 8. Robbery;
- 24 9. Taking property from another under circumstances not amounting to
25 robbery;
- 26 10. Extortion;
- 27 11. Statutory sexual seduction;
- 28 12. Extortionate collection of debt in violation of NRS 205.322;
- 29 13. Forgery;
- 30 14. Any violation of NRS 199.280 which is punished as a felony;
- 31 15. Burglary;
- 32 16. Grand larceny;
- 33 17. Bribery or asking for or receiving a bribe in violation of chapter
34 197 or 199 of NRS which is punished as a felony;
- 35 18. Battery with intent to commit a crime in violation of NRS 200.400;
- 36 19. Assault with a deadly weapon;
- 37 20. Any violation of NRS 453.232, 453.316 to 453.3395, inclusive, or
38 453.375 to 453.401, inclusive;
- 39 21. Receiving or transferring a stolen vehicle;
- 40 22. Any violation of NRS 202.260, 202.275 or 202.350 which is
41 punished as a felony;
- 42 23. Any violation of subsection 2 or 3 of NRS 463.360 or chapter 465
43 of NRS;
- 44 24. Receiving, possessing or withholding stolen goods valued at \$250
45 or more;
- 46 25. Embezzlement of money or property valued at \$250 or more;
- 47 26. Obtaining possession of money or property valued at \$250 or
48 more, or obtaining a signature by means of false pretenses;
- 49 27. Perjury or subornation of perjury;



* A B 1 3 5 *

- 1 28. Offering false evidence;
2 29. Any violation of NRS 201.300 or 201.360;
3 30. Any violation of NRS 90.570, 91.230 ~~H~~ or 686A.290 , or
4 *insurance fraud pursuant to NRS 686A.291; or*
5 31. Any violation of NRS 205.506, 205.920 or 205.930.

6 **Sec. 27.** Chapter 228 of NRS is hereby amended by adding thereto a
7 new section to read as follows:

8 *1. The attorney general has primary jurisdiction to conduct criminal*
9 *investigations into and may bring a criminal prosecution for any act*
10 *alleged to be insurance fraud.*

11 *2. The attorney general shall establish within his office a fraud*
12 *control unit for insurance. The fraud control unit must consist of such*
13 *persons as are necessary to carry out the duties set forth in this section,*
14 *NRS 679B.153 to 679B.158, inclusive, and sections 2 to 6, inclusive, of*
15 *this act, and NRS 686A.281 to 686A.291, inclusive, and sections 14 to 17,*
16 *inclusive, of this act, including, without limitation, attorneys and*
17 *investigators.*

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

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

21 *(b) Shall cooperate with the commissioner of insurance, insurers, and*
22 *investigators and prosecutors of other states and the Federal Government*
23 *in coordinating state and federal criminal investigations and criminal*
24 *prosecutions involving insurance fraud;*

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

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

33 *4. To investigate any act alleged to be insurance fraud, the attorney*
34 *general and members of the fraud control unit may conduct*
35 *investigations into any activity related thereto occurring outside of this*
36 *state, if necessary. To conduct these investigations, the attorney general*
37 *and members of the fraud control unit may:*

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

39 *(b) Cooperate with appropriate agencies or persons outside of this*
40 *state; and*

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

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

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



1 7. *The provisions of this section must not be construed to limit or*
2 *diminish the jurisdiction of the commissioner of insurance to regulate*
3 *persons transacting insurance in this state.*

4 8. *As used in this section, "insurance fraud" has the meaning*
5 *ascribed to it in section 14 of this act.*

6 **Sec. 28.** NRS 477.030 is hereby amended to read as follows:

7 477.030 1. Except as otherwise provided in this section, the state fire
8 marshal shall enforce all laws and adopt regulations relating to:

9 (a) The prevention of fire.

10 (b) The storage and use of:

11 (1) Combustibles, flammables and fireworks; and

12 (2) Explosives in any commercial construction, but not in mining or
13 the control of avalanches,
14 under those circumstances that are not otherwise regulated by the division
15 of industrial relations of the department of business and industry pursuant
16 to NRS 618.890.

17 (c) The safety, access, means and adequacy of exit in case of fire from
18 mental and penal institutions, facilities for the care of children, foster
19 homes, residential facilities for groups, facilities for intermediate care,
20 nursing homes, hospitals, schools, all buildings, except private residences,
21 which are occupied for sleeping purposes, buildings used for public
22 assembly and all other buildings where large numbers of persons work, live
23 or congregate for any purpose. As used in this paragraph, "public
24 assembly" means a building or a portion of a building used for the
25 gathering together of 50 or more persons for purposes of deliberation,
26 education, instruction, worship, entertainment, amusement or awaiting
27 transportation, or the gathering together of 100 or more persons in
28 establishments for drinking or dining.

29 (d) The suppression and punishment of arson and fraudulent claims or
30 practices in connection with fire losses.

31 The regulations of the state fire marshal apply throughout the state, but,
32 except with respect to state-owned or state-occupied buildings, his
33 authority to enforce them or conduct investigations under this chapter does
34 not extend to a county whose population is 50,000 or more or which has
35 been converted into a consolidated municipality, except in those local
36 jurisdictions in those counties where he is requested to exercise that
37 authority by the chief officer of the organized fire department of that
38 jurisdiction.

39 2. The state fire marshal may set standards for equipment and
40 appliances pertaining to fire safety or to be used for fire protection within
41 this state, including the threads used on fire hose couplings and hydrant
42 fittings.

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

47 4. The state fire marshal shall cooperate with the division of child and
48 family services of the department of human resources in establishing
49 reasonable minimum standards for overseeing the safety of and directing



* A B 1 3 5 *

1 the means and adequacy of exit in case of fire from family foster homes
2 and group foster homes.

3 5. The state fire marshal shall coordinate all activities conducted
4 pursuant to 15 U.S.C. §§ 2201 et seq. and receive and distribute money
5 allocated by the United States pursuant to that act.

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

8 (a) Investigate any fire which occurs in a county other than one whose
9 population is 50,000 or more or which has been converted into a
10 consolidated municipality, and from which a death results or which is of a
11 suspicious nature.

12 (b) Investigate any fire which occurs in a county whose population is
13 50,000 or more or which has been converted into a consolidated
14 municipality, and from which a death results or which is of a suspicious
15 nature, if requested to do so by the chief officer of the fire department in
16 whose jurisdiction the fire occurs.

17 (c) Cooperate with the commissioner of insurance , *the attorney*
18 *general and the fraud control unit established pursuant to section 27 of*
19 *this act* in any investigation of a fraudulent claim under an insurance policy
20 for any fire of a suspicious nature.

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

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

25 7. The state fire marshal shall put the National Fire Incident Reporting
26 System into effect throughout the state and publish at least annually a
27 summary of data collected under the system.

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

31 9. The state fire marshal shall:

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

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

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

36 10. In a county other than one whose population is 50,000 or more or
37 which has been converted into a consolidated municipality, the state fire
38 marshal shall, upon request by a local government, delegate to the local
39 government by interlocal agreement all or a portion of his authority or
40 duties if the local government's personnel and programs are, as determined
41 by the state fire marshal, equally qualified to perform those functions. If a
42 local government fails to maintain the qualified personnel and programs in
43 accordance with such an agreement, the state fire marshal shall revoke the
44 agreement.

45 **Sec. 29.** This act becomes effective upon passage and approval.

