

ASSEMBLY BILL NO. 618—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF DEPARTMENT OF BUSINESS
AND INDUSTRY—INSURANCE)

MARCH 26, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to regulation of insurance. (BDR 57-564)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: 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; providing for the regulation of the business of viatical settlements; requiring the commissioner of insurance to adopt regulations governing the use of electronic records and signatures; temporarily authorizing the adoption of regulations to enforce federal law concerning a bill of rights for patients; limiting the disclosure of certain information concerning consumers; making various other changes concerning the regulation of insurance; providing a penalty; 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.** Title 57 of NRS is hereby amended by adding thereto a
2 new chapter to consist of the provisions set forth as sections 2 to 52,
3 inclusive, of this act.

4 **Sec. 2.** *As used in sections 2 to 52, inclusive, of this act, unless the*
5 *context otherwise requires, the words and terms defined in sections 3 to*
6 *16, inclusive, of this act have the meanings ascribed to them in those*
7 *sections.*

8 **Sec. 3.** *“Advertising” means a written, electronic or printed*
9 *communication or a communication by recorded telephone message,*
10 *radio, television, the Internet or a similar medium of communication,*
11 *including a film strip, motion picture or videotape, published,*
12 *communicated or otherwise placed before the public to create an interest*
13 *in, or induce a person to sell a policy of life insurance pursuant to, a*
14 *viatical settlement.*

15 **Sec. 4.** *“Broker of viatical settlements” means a person who on*
16 *behalf of a viator and for a fee, commission or other valuable*
17 *consideration offers or attempts to negotiate a viatical settlement between*



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1 *the viator and one or more providers of viatical settlements. The term*
2 *does not include an attorney at law, certified public accountant or*
3 *certified financial planner accredited by a nationally recognized*
4 *accrediting agency who is retained by the viator and whose compensation*
5 *is not paid by a provider or purchaser of viatical settlements.*

6 **Sec. 5.** *“Business of viatical settlements” means the offering,*
7 *solicitation, negotiation, procurement, effectuation, purchasing,*
8 *financing, monitoring, tracking, underwriting, selling, transferring,*
9 *pledging or otherwise hypothecating viatical settlements.*

10 **Sec. 6.** *“Chronically ill” means:*

11 1. *Being unable to perform at least two activities of daily living, such*
12 *as eating, moving from one place to another, bathing, dressing,*
13 *continence, defecation or urination;*

14 2. *Requiring substantial supervision for protection from threats to*
15 *health and safety because of cognitive impairment; or*

16 3. *Having a level of disability similar to that described in subsection*
17 *1 as determined by the Secretary of Health and Human Services.*

18 **Sec. 7.** 1. *“Financing agent” means an underwriter, agent for*
19 *placement, enhancer of credit, lender, purchaser of securities, purchaser*
20 *of a policy from a provider of viatical settlements or other person that*
21 *may enter into a viatical settlement and has direct ownership in a policy*
22 *that is the subject of the viatical settlement but:*

23 (a) *Whose principal activity related to the transaction is providing*
24 *money to effect the viatical settlement; and*

25 (b) *Who has an agreement in writing with one or more licensed*
26 *providers of viatical settlements to finance the acquisition of one or more*
27 *viatical settlements.*

28 2. *The term does not include a nonaccredited investor or a purchaser*
29 *of viatical settlements.*

30 **Sec. 8.** *“Policy” means an individual or group policy, group*
31 *certificate, contract or arrangement of life insurance affecting the rights*
32 *of a person, whether or not delivered or issued for delivery in this state.*

33 **Sec. 9.** *“Provider of viatical settlements” means a person other than*
34 *a viator who enters into or effectuates a viatical settlement. The term*
35 *does not include:*

36 1. *A bank, savings and loan association, thrift company, credit union*
37 *or other licensed lender that takes an assignment of a policy as security*
38 *for a loan;*

39 2. *The issuer of a policy that provides accelerated benefits pursuant*
40 *to the contract;*

41 3. *An authorized or eligible insurer that provides stop-loss coverage*
42 *to a provider or purchaser of viatical settlements;*

43 4. *A natural person who enters into no more than one agreement in*
44 *a calendar year for the transfer of policies for a value less than the*
45 *expected death benefit;*

46 5. *A financing agent;*

47 6. *A special organization;*

48 7. *A trust for a related provider; or*

49 8. *A purchaser of viatical settlements.*



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- 1 **Sec. 10.** *“Purchaser of viatical settlements” means a person who*
2 *gives a sum of money as consideration for a policy or an interest in the*
3 *death benefits of a policy, or a person who owns or acquires or is entitled*
4 *to a beneficial interest in a trust that owns a viatical settlement contract*
5 *or is the beneficiary of a policy that has been or will be the subject of a*
6 *viatical settlement contract, for the purpose of deriving an economic*
7 *benefit. The term does not include:*
8 1. *A person licensed pursuant to sections 2 to 52, inclusive, of this*
9 *act;*
10 2. *An accredited investor or qualified institutional buyer as defined*
11 *respectively in Regulation D, Rule 501 or Rule 144A of the Federal*
12 *Securities Act of 1933, as amended;*
13 3. *A financing agent;*
14 4. *A special organization; or*
15 5. *A trust for a related provider.*
16 **Sec. 11.** *“Special organization” means an organization formed by a*
17 *licensed provider of viatical settlements solely to enable the provider to*
18 *gain access to institutional markets for capital.*
19 **Sec. 12.** *“Terminally ill” means having an illness that can*
20 *reasonably be expected to result in death within 24 months.*
21 **Sec. 13.** *“Trust for a related provider” means a trust established by a*
22 *licensed provider of viatical settlements solely to hold the ownership of or*
23 *beneficial interests in purchased policies in connection with financing.*
24 **Sec. 14.** *“Viatical settlement” means a written agreement for the*
25 *payment of money, or anything else of value, which is less than the*
26 *expected death benefit of a policy, in exchange for the viator’s*
27 *assignment, sale, transfer or devise of the death benefit or ownership of*
28 *any portion of the policy. The term includes:*
29 1. *An agreement for a loan or other financing secured primarily by a*
30 *policy, other than a loan by an insurer pursuant to or secured by the cash*
31 *value of a policy; and*
32 2. *An agreement to transfer ownership or change the beneficiary, in*
33 *the future, regardless of the date of payment to the viator.*
34 **Sec. 15.** *“Viaticated policy” means a policy that has been acquired*
35 *by a provider of viatical settlements pursuant to a viatical settlement.*
36 **Sec. 16.** *“Viator” means the owner of a policy or the holder of a*
37 *certificate of insurance under a policy of group insurance. The term is*
38 *not limited to an owner who is terminally or chronically ill except where*
39 *that limitation is expressly provided.*
40 **Sec. 17.** *The trustee of a trust for a related provider must agree in*
41 *writing with the provider of viatical settlements that the provider is*
42 *responsible for ensuring compliance with all statutory and regulatory*
43 *requirements and that the trustee will make all records and files related*
44 *to viatical settlements available to the commissioner as if those records*
45 *and files were maintained directly by the provider.*
46 **Sec. 18.** *If there is more than one viator with respect to a single*
47 *policy and they are residents of different states, the legal effect of a*
48 *viatical settlement is governed by the law of the state in which the viator*
49 *having the largest fractional ownership resides. If the viators own equal*



1 *fractions, they may agree in writing to choose the state in which one*
2 *resides.*

3 **Sec. 19.** 1. *A person shall not, without first obtaining a license*
4 *from the commissioner, operate in or from this state as a provider or*
5 *broker of viatical settlements.*

6 2. *Application for a license must be made to the commissioner on a*
7 *form prescribed by him, accompanied by the prescribed fee. A license*
8 *may be renewed from year to year on its anniversary by payment of the*
9 *prescribed fee. The license expires if the fee is not paid by that date.*

10 3. *An applicant shall provide information on forms required by the*
11 *commissioner, who may at any time require the applicant to disclose the*
12 *identity of all stockholders, partners, members, officers and employees.*
13 *The commissioner may refuse to issue a license to an organization if he*
14 *is not satisfied that a stockholder, partner, member or officer who may*
15 *materially influence the applicant's conduct satisfies the requirements of*
16 *this chapter.*

17 4. *A license issued to an organization authorizes all partners,*
18 *members, officers and designated employees to act as providers or*
19 *brokers of viatical settlements. Those persons must be named in the*
20 *application or a supplement to it.*

21 **Sec. 20.** 1. *Upon the filing of an application and payment of the*
22 *fee, the commissioner shall investigate the applicant, and issue a license*
23 *if he finds that the applicant:*

24 (a) *If a provider of viatical settlements, has set forth a detailed plan of*
25 *operation;*

26 (b) *Is competent and trustworthy and intends to act in good faith in*
27 *the capacity for which the license is sought;*

28 (c) *Has a good reputation in business and, if a natural person, has*
29 *had experience, training or education which qualifies him in that*
30 *capacity;*

31 (d) *If an organization, provides a certificate of good standing from the*
32 *state of its domicile; and*

33 (e) *If a provider or broker of viatical settlements, has included a plan*
34 *to prevent fraud which satisfies the requirements of section 50 of this act.*

35 2. *The commissioner shall not issue a license to a nonresident unless*
36 *a written designation of an agent for service of process, or an irrevocable*
37 *written consent to the commencement of an action against the applicant*
38 *by service of process upon the commissioner, accompanies the*
39 *application.*

40 3. *A provider or broker of viatical settlements shall furnish to the*
41 *commissioner new or revised information concerning partners, members,*
42 *officers, holders of more than 10 percent of its stock, and designated*
43 *employees within 30 days after a change occurs.*

44 **Sec. 21.** *After notice, and after a hearing if requested, the*
45 *commissioner may suspend, revoke, refuse to issue or refuse to renew a*
46 *license under this chapter if he finds that:*

47 1. *There was material misrepresentation in the application for the*
48 *license;*



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- 1 2. *The licensee or an officer, partner, member or significant*
2 *managerial employee has been convicted of fraudulent or dishonest*
3 *practices, is subject to a final administrative action for disqualification,*
4 *or is otherwise shown to be untrustworthy or incompetent;*
- 5 3. *A provider of viatical settlements has engaged in a pattern of*
6 *unreasonable payments to viators;*
- 7 4. *The applicant or licensee has been found guilty of, or pleaded*
8 *guilty or nolo contendere to, a felony or a misdemeanor involving fraud,*
9 *forgery, embezzlement, obtaining money under false pretenses, larceny,*
10 *extortion, conspiracy to defraud or any crime involving moral turpitude,*
11 *whether or not a judgment of conviction has been entered by the court;*
- 12 5. *A provider of viatical settlements has entered into a viatical*
13 *settlement in a form not approved pursuant to section 22 of this act;*
- 14 6. *A provider of viatical settlements has failed to honor obligations of*
15 *a viatical settlement;*
- 16 7. *The licensee no longer meets a requirement for initial licensure;*
- 17 8. *A provider of viatical settlements has assigned, transferred or*
18 *pledged a viaticated policy to a person other than another provider*
19 *licensed under this chapter, a purchaser of the viatical settlement, a*
20 *special organization or a trust for a related provider;*
- 21 9. *The applicant or licensee has provided materially untrue*
22 *information to an insurer that issued a policy that is the subject of a*
23 *viatical settlement; or*
- 24 10. *The applicant or licensee has violated a provision of this chapter.*
- 25 **Sec. 22.** *A person shall not use a form of viatical settlement or of*
26 *disclosure in this state unless the form has been filed with and approved*
27 *by the commissioner. The commissioner shall disapprove such a form if,*
28 *in his opinion, the settlement or any of its terms is unreasonable,*
29 *contrary to the interests of the public or otherwise misleading or unfair*
30 *to the viator. The commissioner may require the submission of*
31 *advertising material before its use.*
- 32 **Sec. 23.** *1. Each licensee under this chapter shall file with the*
33 *commissioner on or before March 1 of each year an annual statement*
34 *containing such information as the commissioner prescribes by*
35 *regulation.*
- 36 2. *Except as allowed or required by a statute other than this chapter,*
37 *a provider or broker of viatical settlements, an insurer, a producer of*
38 *insurance, an information bureau, a rating agency or any other person*
39 *knowing the identity of an insured shall not disclose that identity as an*
40 *insured to any other person unless the disclosure is:*
- 41 (a) *Necessary to effect a viatical settlement between the viator and a*
42 *provider of viatical settlements and the viator and the insured have given*
43 *prior written consent to the disclosure;*
- 44 (b) *Furnished in response to an investigation or examination by the*
45 *commissioner or another governmental officer or agency;*
- 46 (c) *A term of or condition to the transfer of a policy by one provider of*
47 *viatical settlements to another provider; or*



1 (d) Necessary to permit a financing agent to finance the purchase of a
2 policy by a provider of viatical settlements and the insured has given
3 prior written consent to the disclosure.

4 **Sec. 24.** The commissioner may examine or investigate a licensee
5 under this chapter as often as he considers appropriate. An examination
6 will be conducted in the manner provided in NRS 679B.230 to 679B.300,
7 inclusive. The commissioner may also examine or investigate any other
8 person or business insofar as he considers necessary or material to the
9 examination or investigation of the licensee. Instead of an examination
10 or investigation under this chapter of a foreign or alien person licensed
11 under this chapter, the commissioner may accept a report on
12 examination or investigation of the licensee by the equivalent authority
13 of the licensee's state of domicile or port of entry.

14 **Sec. 25.** 1. A person required to be licensed under this chapter
15 shall retain for 5 years copies of all:

16 (a) Contracts, underwriting documents, forms of policy and
17 applications, from the date of the proposal, offer or execution, whichever
18 is latest;

19 (b) Checks, drafts and other evidence or documentation relating to the
20 payment, transfer or release of money, from the date of the transaction;
21 and

22 (c) Records and documents related to the requirements of this chapter.

23 2. This section does not relieve a person of the obligation to produce
24 a document described in subsection 1 to the commissioner after the
25 expiration of the relevant period if the person has retained the document.

26 3. Records required by this section to be retained must be legible and
27 complete. They may be retained in any form or by any process that
28 accurately reproduces or is a durable medium for the reproduction of the
29 record.

30 **Sec. 26.** 1. With each application for a viatical settlement, a
31 provider or broker of viatical settlements shall furnish to the viator at
32 least the following disclosures no later than the time the application for
33 the settlement is signed by all the parties, in a separate document signed
34 by the viator and the provider or broker:

35 (a) The possible alternatives to viatical settlement, including any
36 accelerated death benefits or loans offered under the viator's policy.

37 (b) Some or all of the proceeds of the viatical settlement may be
38 taxable under the federal income tax or a state franchise or income tax,
39 and assistance should be sought from a professional tax adviser.

40 (c) Proceeds of the viatical settlement may be subject to the claims of
41 creditors.

42 (d) Receipt of proceeds of a viatical settlement may adversely affect
43 the viator's eligibility for Medicaid or other governmental benefits, and
44 advice should be sought from the appropriate governmental agencies.

45 (e) The viator has a right to terminate a viatical settlement within 15
46 days after his receipt of the proceeds, as provided in section 31 of this act,
47 and if the insured dies during that period, the settlement is terminated
48 and all proceeds must be repaid to the provider.



1 (f) Money will be sent to the viator within 3 business days after the
2 provider has received the insurer's or group administrator's
3 acknowledgment that ownership of or interest in the policy has been
4 transferred and the beneficiary has been designated.

5 (g) Entering into a viatical settlement may cause other rights,
6 including conversion and waiver of premium, that may exist under the
7 policy to be forfeited by the viator, and assistance should be sought from
8 a financial adviser.

9 (h) A brochure is provided which describes the process of viatical
10 settlement, in the form prescribed by the National Association of
11 Insurance Commissioners unless the commissioner prescribes a different
12 form.

13 2. The document in which the disclosures required by paragraphs (a)
14 to (g), inclusive, of subsection 1 are made must also contain the
15 following:

16
17 All medical, financial and personal information solicited or
18 obtained by a provider or broker of viatical settlements about an
19 insured, including his identity and that of members of his family, a
20 spouse or other relationship, may be disclosed as necessary to effect
21 the viatical settlement between the viator and the provider. If you
22 are asked to provide this information, you will be asked to consent to
23 the disclosure. Failure to consent may affect your ability to viaticate
24 your policy. The information may be furnished to someone who
25 buys the policy or provides money for the purchase.
26

27 **Sec. 27.** A provider of viatical settlements shall furnish to the viator,
28 no later than the date the viatical settlement is signed by all parties, at
29 least the following disclosures, conspicuously displayed in the viatical
30 settlement or in a separate document signed by the viator and the
31 provider or broker of viatical settlements:

32 1. The affiliation, if any, between the provider and the issuer of the
33 policy to be viaticated.

34 2. The name, address and telephone number of the provider.

35 3. The amount and method of calculating the broker's commission,
36 including anything of value paid or given to the broker for placing the
37 policy.

38 4. If the policy to be viaticated was issued as a joint policy, contains
39 family riders or covers a life other than that of the insured under it, any
40 possible loss of coverage on the other lives under the policy, and that the
41 viator should consult the producer of the insurance or the issuer of the
42 policy for advice concerning the settlement.

43 5. The monetary amount of the current death benefit payable to the
44 provider under the policy and, if known, the availability of any other
45 guaranteed benefit, the monetary amount of any benefit for accidental
46 death or dismemberment, and the provider's interest in those benefits.

47 6. The name, business address and telephone number of the escrow
48 agent, and the right of the viator or owner to inspect or receive copies of
49 the relevant escrow or trust agreements or related documents.



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1 **Sec. 28.** *If a provider of viatical settlements transfers ownership or*
2 *changes the beneficiary of a viaticated policy, he shall inform the insured*
3 *of the transfer or change within 20 days after it occurs.*

4 **Sec. 29.** *1. A provider of viatical settlements who enters into a*
5 *settlement shall first obtain:*

6 *(a) If the viator is the insured, a written statement from a licensed*
7 *attending physician that the viator is of sound mind and under no*
8 *constraint or undue influence to enter into a settlement;*

9 *(b) A witnessed document in which the viator represents that he has a*
10 *full and complete understanding of the settlement and of the benefits of*
11 *the policy, acknowledges that he has entered into the settlement freely*
12 *and voluntarily and, if applicable to determine a payment to a person*
13 *terminally or chronically ill, acknowledges that he is terminally or*
14 *chronically ill and that the illness was diagnosed after the policy was*
15 *issued; and*

16 *(c) A document in which the insured consents to the release of his*
17 *medical records to a provider or broker of viatical settlements and the*
18 *insurer that issued the policy covering him.*

19 *2. Within 20 days after a viator executes documents necessary to*
20 *transfer rights under a policy, or enters into an agreement in any form,*
21 *express or implied, to viaticate the policy, the provider of viatical*
22 *settlements shall give written notice to the issuer of the policy that the*
23 *policy has or will become viaticated. The notice must be accompanied by*
24 *a copy of the release of medical records and the application for the*
25 *viatical settlement.*

26 **Sec. 30.** *All medical information solicited or obtained by a licensee*
27 *under this chapter is subject to other laws of this state relating to the*
28 *confidentiality of the information.*

29 **Sec. 31.** *A viatical settlement entered into in this state must reserve*
30 *to the viator an unconditional right to terminate the settlement within 15*
31 *days after he receives the proceeds of the settlement. If the insured dies*
32 *during that period, the settlement is terminated, but the proceeds must be*
33 *repaid to the provider of the viatical settlement.*

34 **Sec. 32.** *1. A provider of viatical settlements shall instruct the*
35 *viator to send the executed documents required to effect the change in*
36 *ownership or assignment or change of beneficiary of the affected policy*
37 *to a designated independent escrow agent. Within 3 business days after*
38 *the date the escrow agent receives the documents, or within 3 business*
39 *days after the provider receives the documents if by mistake they are sent*
40 *directly to him, the escrow agent shall deposit the proceeds of the*
41 *settlement into an escrow or trust account maintained in a regulated*
42 *financial institution whose deposits are insured by the Federal Deposit*
43 *Insurance Corporation.*

44 *2. Upon deposit of the proceeds in that account, the escrow agent*
45 *shall deliver to the provider the original documents executed by the*
46 *viator. Upon the provider's receipt from the insurer of an*
47 *acknowledgment of the change in ownership or assignment or change of*
48 *beneficiary of the affected policy, he shall instruct the escrow agent to*
49 *pay the proceeds of the settlement to the viator.*



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1 3. *Payment to the viator must be made within 3 business days after*
2 *the date the provider received the acknowledgment from the insurer.*
3 *Failure to make the payment within that time makes the viatical*
4 *settlement voidable by the viator for lack of consideration until payment*
5 *is tendered to and accepted by the viator.*

6 **Sec. 33.** *1. Contact with an insured to determine the status of his*
7 *health after a viatical settlement may be made only by a provider or*
8 *broker of viatical settlements who is licensed in this state, or its*
9 *authorized representative, and no oftener than once every 3 months if the*
10 *insured has a life expectancy of 1 year or more, or once every month if*
11 *the insured has a life expectancy of less than 1 year. The provider or*
12 *broker shall explain the procedure for those contacts at the time the*
13 *settlement is entered into.*

14 *2. The limitations of subsection 1 do not apply to contacts for*
15 *purposes other than determining status of health.*

16 *3. A provider or broker is responsible for the acts of his authorized*
17 *representative.*

18 **Sec. 34.** *1. A viator may not enter into a viatical settlement within*
19 *2 years after the issuance of the policy to which the settlement relates*
20 *unless one or more of the following conditions is or has been satisfied:*

21 *(a) The policy was issued upon the owner's exercise of a right of*
22 *conversion arising out of a group policy.*

23 *(b) The owner of the policy is a charitable organization exempt from*
24 *taxation under 26 U.S.C. § 501(c)(3).*

25 *(c) The owner of the policy is a business organization.*

26 *(d) The viator or owner submits to the provider of viatical settlements*
27 *independent evidence that within the 2-year period:*

28 *(1) The owner or insured has been diagnosed to have an illness or*
29 *condition that is life-threatening or requires a course of treatment for at*
30 *least 2 years, long-term care or health care at home, or any combination*
31 *of these;*

32 *(2) The spouse of the owner or insured has died;*

33 *(3) The owner or insured has divorced his spouse;*

34 *(4) The owner or insured has retired from full-time employment;*

35 *(5) The owner or insured has become physically or mentally*
36 *disabled and a physician determines that the disability precludes him*
37 *from maintaining full-time employment;*

38 *(6) The owner of the policy was the employer of the insured and*
39 *that relationship has terminated;*

40 *(7) A final judgment or order has been entered or issued by a court*
41 *of competent jurisdiction, on the application of a creditor or owner of the*
42 *insured, adjudging the owner or insured bankrupt or insolvent, or*
43 *approving a petition for reorganization of the owner or insured or*
44 *appointing a receiver, trustee or liquidator for all or a substantial part of*
45 *the assets of the owner or insured;*

46 *(8) The owner of the policy experiences a significant decrease in*
47 *income which is unexpected by him and impairs his reasonable ability to*
48 *pay the premium on the policy; or*



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1 (9) *The owner or insured disposes of his ownership in a closely held*
2 *corporation.*

3 2. *The independent evidence must be submitted to the insurer when*
4 *the provider of viatical settlements submits a request to the insurer to*
5 *effect transfer of the policy to him. The insurer shall respond timely to*
6 *the request. This section does not prohibit an insurer from exercising its*
7 *right to contest a policy on the ground of fraud.*

8 3. *If a provider of viatical settlements submits to an insurer a copy of*
9 *the owner's or insured's certification that one of the events described in*
10 *paragraph (d) of subsection 1 has occurred, the certification conclusively*
11 *establishes that the viatical settlement is valid, and the insurer shall*
12 *timely respond to the provider's request to effect a transfer of the policy.*

13 **Sec. 35.** *Sections 35 to 43, inclusive, of this act apply to advertising*
14 *of viatical settlements or related services intended for dissemination in*
15 *this state, including advertising on the Internet which is viewed by*
16 *persons in this state. To the extent that federal regulation establishes*
17 *requirements for disclosure, those sections must be so interpreted as to*
18 *eliminate or minimize conflict with the federal requirements.*

19 **Sec. 36.** *Each licensee under this chapter shall establish and*
20 *continuously maintain a system of control over the content, form and*
21 *method of dissemination of all advertisements of its contracts and*
22 *services. Each advertisement is the responsibility of the licensee as well*
23 *as the person who creates or presents it. A system of control must include*
24 *notification to persons authorized by the licensee who disseminate*
25 *advertisements, at least annually, of the requirements and procedures for*
26 *approval before use of any advertisements not furnished by the licensee.*

27 **Sec. 37.** *An advertisement must be truthful and not misleading in*
28 *fact or by implication. The form and content of an advertisement for*
29 *viatical settlements must be sufficiently complete and clear to avoid*
30 *deception. An advertisement may not have a capacity or tendency to*
31 *mislead or deceive, as determined by the commissioner from the overall*
32 *impression it may reasonably be expected to create upon a person of*
33 *average education or intelligence in the segment of the public to which it*
34 *is directed.*

35 **Sec. 38.** 1. *The information required to be disclosed under sections*
36 *35 to 43, inclusive, of this act may not be minimized, obscured, presented*
37 *ambiguously or so intermingled with other text of an advertisement as to*
38 *be confusing or misleading.*

39 2. *An advertisement may not omit material information or use*
40 *language or illustrations if the omission or use has a capacity or*
41 *tendency to, or does, mislead viators as to the nature or extent of any*
42 *benefit, loss covered, premium payable or effect on federal or state taxes.*
43 *Making a viatical settlement available for inspection before it is*
44 *consummated, or offering to refund payment if the viator is not satisfied*
45 *within the period prescribed in section 31 of this act, does not remedy*
46 *misleading statements.*

47 3. *An advertisement may not use the name or title of an insurer or*
48 *policy unless the advertisement has been approved by the insurer.*



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1 4. *An advertisement may not state or imply that interest charged on*
2 *an accelerated death benefit or loan on a policy is unfair or in any way*
3 *improper.*

4 5. *The words “free,” “no additional cost” or words of similar import*
5 *may not be used with respect to any benefit or service unless true.*

6 **Sec. 39.** *1. A testimonial, appraisal or analysis used in an*
7 *advertisement must be genuine, represent the present opinion of the*
8 *author, apply to the viatical settlement advertised, if any, and be*
9 *reproduced with sufficient completeness to avoid misleading viators. In*
10 *using a testimonial, appraisal or analysis, a licensee under this chapter*
11 *makes the statements contained his own, and the statements must satisfy*
12 *the requirements of sections 35 to 43, inclusive, of this act.*

13 2. *If the person making a testimonial, appraisal, analysis or*
14 *endorsement has a financial interest in the provider of viatical*
15 *settlements or a related organization, or receives a benefit other than*
16 *required wages, that fact must be prominently disclosed in the*
17 *advertisement.*

18 3. *An advertisement may not state or imply that a viatical settlement,*
19 *benefit or service has been approved or endorsed by a group, society or*
20 *other organization unless that is the fact and any relationship between*
21 *the organization and the provider of viatical settlements is disclosed. If*
22 *the organization is owned, controlled or managed by the provider, or*
23 *receives any payment or other consideration from the provider for*
24 *making the endorsement or testimonial, that fact must be disclosed in the*
25 *advertisement.*

26 4. *An advertisement may not contain statistical information unless it*
27 *accurately reflects recent and relevant facts. The source of all statistics*
28 *used in an advertisement must be identified.*

29 **Sec. 40.** *An advertisement may not disparage insurers, providers of*
30 *insurance, other providers or brokers of viatical settlements, policies,*
31 *services or methods of marketing.*

32 **Sec. 41.** *1. The name of the provider of viatical settlements must be*
33 *clearly identified in an advertisement about him or his viatical*
34 *settlements. If a viatical settlement is advertised, it must be identified by*
35 *number or other appropriate description. If an application is part of an*
36 *advertisement, the name of the provider must be shown on the*
37 *application.*

38 2. *An advertisement may not use a trade name, designation of a*
39 *group, name of a parent or particular division of a provider of viatical*
40 *settlements, service mark, slogan or other device or reference without*
41 *disclosing the identity of the provider of viatical settlements licensed*
42 *under this chapter if the advertisement would have the capacity or*
43 *tendency to mislead as to his true identity or create the impression that*
44 *an organization other than the licensee would have a responsibility for*
45 *the financial obligation under a viatical settlement. The name of the*
46 *licensee must be stated in all advertisements.*

47 **Sec. 42.** *1. An advertisement may not use a combination of words,*
48 *symbols or physical materials that by their content, phraseology, shape,*
49 *color or other characteristic are so similar to a combination of words,*



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1 *symbols or physical materials used by a governmental program or*
2 *agency, or otherwise appear to be of such a nature, that they tend to*
3 *mislead viators into believing that the solicitation is connected with a*
4 *governmental program or agency. An advertisement may not create the*
5 *impression that a provider of viatical settlements, his financial condition*
6 *or business practices, the payment of his claims or the merit, desirability*
7 *or advisability of his viatical settlements is recommended or endorsed by*
8 *a governmental authority.*

9 2. *An advertisement may state that a provider of viatical settlements*
10 *is licensed in the state in which the advertisement appears, if it does not*
11 *imply that competing providers are not so licensed. The advertisement*
12 *may suggest consulting the licensee's web site or communicating with*
13 *the commissioner to ascertain whether the state requires licensing and, if*
14 *so, whether a particular provider or broker of viatical settlements is*
15 *licensed.*

16 **Sec. 43.** 1. *If an advertiser emphasizes the speed with which*
17 *viatication will occur, the advertisement must disclose the average time*
18 *from completed application to date of offer and from acceptance of offer*
19 *to receipt of funds by the viator.*

20 2. *If an advertiser emphasizes the monetary amounts available to*
21 *viators, the advertisement must disclose the average purchase price as a*
22 *fraction of face value obtained by viators who contracted with the*
23 *advertiser during the preceding 6 months.*

24 **Sec. 44.** *It is a category D felony, and the offender shall be punished*
25 *as provided in NRS 193.130, for any person, knowingly or with intent to*
26 *defraud, to do any of the following acts in order to deprive another of*
27 *property or for his own pecuniary gain:*

28 1. *Present, cause to be presented or prepare with knowledge or belief*
29 *that it will be presented, false information to or by a provider or broker of*
30 *viatical settlements, a financing agent, an insurer, a provider of*
31 *insurance or any other person, or to conceal information, as part of, in*
32 *support of or concerning a fact material to:*

- 33 (a) *An application for the issuance of a policy or viatical settlement;*
34 (b) *The underwriting of a policy or viatical settlement;*
35 (c) *A claim for payment or other benefit under a policy or viatical*
36 *settlement;*
37 (d) *A premium paid on a policy;*
38 (e) *A payment or change of beneficiary or ownership pursuant to a*
39 *policy or viatical settlement;*
40 (f) *The reinstatement or conversion of a policy;*
41 (g) *The solicitation, offer or effectuation of a policy or viatical*
42 *settlement; or*
43 (h) *The issuance of written evidence of a policy or viatical settlement.*

44 2. *In furtherance of a fraud or to prevent detection of a fraud:*
45 (a) *Remove, conceal, alter, destroy or sequester from the*
46 *commissioner assets or records of a licensee under this chapter or other*
47 *person engaged in the business of viatical settlements;*

48 (b) *Misrepresent or conceal the financial condition of a licensee, a*
49 *financing agent, an insurer or other person;*



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1 (c) Transact the business of viatical settlements in violation of this
2 chapter; or

3 (d) File with the commissioner or analogous officer of another
4 jurisdiction a document containing false information or otherwise
5 conceal information about a material fact from the commissioner or
6 other officer.

7 3. Present, cause to be presented or prepare with knowledge or belief
8 that it will be presented to or by a provider or broker of viatical
9 settlements, a financing agent, an insurer, a provider of insurance or any
10 other person, in connection with a viatical settlement or transaction of
11 insurance, a policy fraudulently by the insured or owner or an agent of
12 either.

13 4. Embezzle, steal, misappropriate or convert money, premiums,
14 credits or other property of a provider of viatical settlements, a viator, an
15 insurer, an insured, an owner of a policy or other person engaged in the
16 business of viatical settlements or insurance.

17 5. Attempt to commit, assist, aid, abet or conspire to commit an act or
18 omission described in subsections 1 to 4, inclusive.

19 **Sec. 45.** It is unlawful knowingly or intentionally:

20 1. For any person to interfere with the enforcement of the provisions
21 of this chapter or an investigation of a possible violation of those
22 provisions.

23 2. For a person engaged in the business of viatical settlements to
24 permit any person convicted of a felony involving dishonesty or breach of
25 trust to participate in that business.

26 **Sec. 46.** An application or contract for a viatical settlement, however
27 transmitted, must contain a settlement substantially as follows: “A
28 person who knowingly presents false information in an application for a
29 viatical settlement is guilty of insurance fraud and subject to fine and
30 imprisonment.” The lack of such a statement is not a defense in a
31 prosecution for violation of section 44 of this act.

32 **Sec. 47.** 1. A person engaged in the business of viatical settlements
33 who knows or reasonably believes that a violation of section 44 of this act
34 is being, has been or will be committed shall promptly report the facts
35 and circumstances pertaining to the violation to the commissioner.

36 2. Any other person who knows or reasonably believes that a
37 violation of section 43 of this act is being, has been or will be committed
38 may furnish to the commissioner the information required by the
39 commissioner.

40 **Sec. 48.** 1. Except as otherwise provided in subsection 2, a person
41 furnishing information of the kind described in section 47 of this act is
42 immune from liability and civil action if the information is furnished to
43 or received from:

44 (a) The commissioner or his employees, agents or representatives;

45 (b) Another federal, state or local law enforcement or regulatory
46 officer or his employees, agents or representatives;

47 (c) Another person involved in the prevention or detection of
48 violations of section 44 of this act or similar offenses or his employees,
49 agents or representatives;



1 (d) The National Association of Insurance Commissioners or other
2 regulatory body overseeing life insurance or viatical settlements, or its
3 employees, agents or representatives; or

4 (e) The insurer that issued the policy concerned in the information.

5 2. The immunity provided in subsection 1 does not extend to a
6 statement made with actual malice. In an action brought against a
7 person for filing a report or furnishing other information concerning a
8 violation of section 44 of this act, the plaintiff must plead specifically that
9 the defendant acted with actual malice.

10 3. This section does not supplant or modify any other privilege or
11 immunity at common law or under another statute enjoyed by a person
12 described in subsection 1.

13 **Sec. 49.** 1. A document or information furnished pursuant to
14 section 48 of this act or obtained by the commissioner in an investigation
15 of an actual or suspected violation of section 44 of this act is confidential
16 and privileged, is not a public record and is not subject to discovery or
17 subpoena in a civil action or criminal prosecution.

18 2. Subsection 1 does not prohibit the commissioner from disclosing
19 documents or evidence so furnished or obtained:

20 (a) In an administrative or judicial proceeding to enforce a statute
21 administered by him;

22 (b) To another federal, state or local law enforcement or regulatory
23 officer, another person involved in the prevention or detection of
24 violations of section 44 of this act or similar offenses, or the National
25 Association of Insurance Commissioners; or

26 (c) To a person engaged in the business of viatical settlements who is
27 aggrieved by the violation.

28 3. Disclosure of a document or evidence under subsection 2 does not
29 abrogate or modify the privilege covering it under subsection 1.

30 **Sec. 50.** 1. Each licensee under this chapter shall establish and
31 maintain protective measures against fraud which are reasonably
32 calculated to prevent, detect and assist in the prosecution of violations of
33 section 44 of this act. The commissioner may order, or a licensee may
34 request and the commissioner may approve, modifications of the
35 measures otherwise required under this section, more or less restrictive
36 than those measures, as necessary to protect against fraud. Required
37 measures are employment of or contracting with investigators and
38 submission of a plan to the commissioner which includes:

39 (a) A description of the procedures for detecting and investigating
40 possible violations of section 44 of this act and for resolving
41 inconsistencies between medical records and applications for insurance;

42 (b) A description of the procedures for reporting possible violations to
43 the commissioner;

44 (c) A description of the plan for educating and training underwriters
45 and other personnel against fraud; and

46 (d) A description or chart of the organizational arrangement of the
47 personnel responsible for detecting and investigating possible violations
48 of section 44 of this act and for resolving inconsistencies between
49 medical records and applications for insurance.



1 2. *A plan submitted to the commissioner pursuant to subsection 1 is*
2 *privileged and confidential, not a public record and not subject to*
3 *discovery or subpoena in a civil action or criminal prosecution.*

4 **Sec. 51.** *1. In addition to the penalties and other means of*
5 *enforcement provided under this chapter:*

6 *(a) If a person violates a provision of this chapter or of a regulation*
7 *adopted under this chapter, the commissioner may seek an injunction*
8 *and apply for temporary and permanent orders he determines to be*
9 *necessary to restrain the violator.*

10 *(b) A person who violates a provision of this chapter is subject to an*
11 *administrative fine of not more than \$1,000 for each violation.*

12 *(c) In addition to a criminal penalty imposed, the court shall order*
13 *restitution to the person aggrieved by the violation.*

14 2. *A person aggrieved by a violation of this chapter may bring a civil*
15 *action against the violator to recover the damages suffered.*

16 **Sec. 52.** *The commissioner may adopt regulations to:*

17 1. *Establish standards for evaluating the reasonableness of payments*
18 *under viatical settlements to persons chronically or terminally ill,*
19 *including the regulation of the rates of discount used to determine the*
20 *amount paid in exchange for an assignment, transfer, sale or devise of a*
21 *benefit under a policy.*

22 2. *Require a bond or otherwise ensure financial accountability of*
23 *providers and brokers of viatical settlements.*

24 3. *Govern the relationship of insurers with providers and brokers of*
25 *viatical settlements during the viatication of a policy.*

26 **Sec. 53.** Chapter 679A of NRS is hereby amended by adding thereto
27 the provisions set forth as sections 54 and 55 of this act.

28 **Sec. 54.** *“Producer of insurance” means a person required to be*
29 *licensed under the laws of this state to sell, solicit or negotiate insurance.*

30 **Sec. 55.** *“Provider of insurance” includes an insurer, producer of*
31 *insurance, managing general agent, third party administrator,*
32 *organization composed of or using preferred providers of health care,*
33 *health maintenance organization, commercial bank, trust company,*
34 *savings and loan association, credit union, thrift company, financial*
35 *holding company, affiliate or subsidiary of an insurer or financial*
36 *holding company, broker-dealer in securities, mortgage lender, and any*
37 *other person engaged in the business of insurance.*

38 **Sec. 56.** NRS 679A.020 is hereby amended to read as follows:

39 679A.020 As used in this code, unless the context otherwise requires,
40 the words and terms defined in NRS 679A.030 to 679A.130, inclusive, *and*
41 *sections 54 and 55 of this act* have the meanings ascribed to them in those
42 sections.

43 **Sec. 57.** Chapter 679B of NRS is hereby amended by adding thereto
44 the provisions set forth as sections 58 and 59 of this act.

45 **Sec. 58.** *1. The commissioner shall adopt regulations governing:*

46 *(a) The use of electronic signatures, and the acceptance and*
47 *transmission of electronic records, in transactions relating to insurance;*
48 *and*



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1 (b) *The electronic filing of forms and payment of fees, and the storage*
2 *and reproduction of records, filed with the division.*

3 2. *As used in this section:*

4 (a) *"Electronic" means relating to technology having electrical,*
5 *digital, magnetic, wireless, optical, electromagnetic or similar*
6 *capabilities.*

7 (b) *"Electronic record" means a record created, generated, sent,*
8 *communicated, received or stored by electronic means.*

9 (c) *"Electronic signature" means an electronic sound, symbol or*
10 *process attached to or logically associated with a record and executed or*
11 *adopted by a person with the intent to sign the record.*

12 (d) *"Record" means information that is inscribed on a tangible*
13 *medium or that is stored in an electronic or other medium and is*
14 *retrievable in perceivable form.*

15 (e) *"Transaction" means an action or set of actions occurring*
16 *between two or more persons relating to the transaction of business,*
17 *commercial or governmental affairs.*

18 **Sec. 59.** *The commissioner may adopt regulations, not inconsistent*
19 *with any provision of NRS, to enforce the provisions of any federal law*
20 *enacted after January 1, 2001, concerning a bill of rights for patients.*

21 **Sec. 60.** NRS 679B.090 is hereby amended to read as follows:

22 679B.090 1. The commissioner may employ such other technical,
23 actuarial, rating, clerical and other assistants and examiners as he may
24 reasonably require for execution of his duties, each of whom must be in the
25 classified service of the state.

26 2. The commissioner may contract for and procure services of
27 examiners and other or additional specialized technical or professional
28 assistance, as independent contractors or for a fee, as he may reasonably
29 require. None of the persons providing those services or assistance on ~~for~~
30 contract or ~~for a fee~~ ~~basis~~ may be in the classified service of the state.

31 3. *The commissioner may contract with a person outside the division*
32 *for administering examinations, processing applications for licenses, and*
33 *collecting fees.*

34 4. *The commissioner may adopt regulations to carry out the*
35 *provisions of subsections 2 and 3.*

36 **Sec. 61.** NRS 679B.150 is hereby amended to read as follows:

37 679B.150 1. The commissioner may:

38 (a) Take measures to enhance the public understanding of insurance
39 coverages purchased by consumers and encourage price competition
40 among insurers and a public understanding of the standards promulgated
41 under paragraph (b).

42 (b) Develop, promulgate and revise as he deems appropriate, standards
43 in each of the several areas of insurance appropriate to be applied to
44 policies sold in the State of Nevada. The standards ~~shall~~ *must* seek to
45 ensure that policies ~~shall not be~~ *are not* unjust, unfair, inequitable,
46 unfairly discriminatory, misleading, deceptive, obscure or encourage
47 misrepresentation or misunderstanding of the contract.

48 (c) *Develop criteria to determine the suitability of insurance contracts*
49 *and the practices used in the sale of insurance.*



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1 2. ~~[Nothing in this section shall]~~ *This section does not* prohibit an
2 insurer from offering policies encompassing standards more favorable to
3 the insured than those promulgated under this section.

4 **Sec. 62.** NRS 679B.152 is hereby amended to read as follows:

5 679B.152 1. Every insurer or organization for dental care which pays
6 claims on the basis of fees for medical or dental care which are "usual and
7 customary" shall submit to the commissioner a complete description of the
8 method it uses to determine those fees. This information must be kept
9 confidential by the commissioner. The fees determined by the insurer or
10 organization to be the usual and customary fees for that care are subject to
11 the approval of the commissioner as being the usual and customary fees in
12 that locality. *The provisions of this subsection apply to medical or dental*
13 *care provided to a claimant under any contract of insurance.*

14 2. Any contract for group, blanket or individual health insurance and
15 any contract issued by a nonprofit hospital, medical or dental service
16 corporation or organization for dental care, which provides a plan for
17 dental care to its insureds or members which limits their choice of a dentist,
18 under the plan to those in a preselected group, must offer its insureds or
19 members the option of selecting a plan of benefits which does not restrict
20 the choice of a dentist. The selection of that option does not entitle the
21 insured or member to any increase in contributions by his employer or
22 other organization toward the premium or cost of the optional plan over
23 that contributed under the restricted plan.

24 **Sec. 63.** NRS 679B.190 is hereby amended to read as follows:

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

29 2. Except as otherwise provided in subsections 3 ~~1-5~~ and ~~6~~ *5 to 10,*
30 *inclusive,* other provisions of this code and NRS 616B.015, the papers and
31 records must be open to public inspection.

32 3. Any records or information in the possession of the division related
33 to an investigation conducted by the commissioner is confidential unless:

34 (a) The commissioner releases, in the manner that he deems appropriate,
35 all or any part of the records or information for public inspection after
36 determining that the release of the records or information:

37 (1) Will not harm his investigation or the person who is being
38 investigated; or

39 (2) Serves the interests of a policyholder, the shareholders of the
40 insurer or the public; or

41 (b) A court orders the release of the records or information after
42 determining that the production of the records or information will not
43 damage any investigation being conducted by the commissioner.

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

47 5. The commissioner may classify as confidential ~~the~~ *the* :

48 (a) *Specified* records and information obtained from a governmental
49 agency ~~for~~ ;



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1 *(b) Documents obtained or received from* other sources upon the
2 express condition that they remain confidential ~~[-~~

3 ~~6. All information and documents in the possession of the division or~~
4 ~~any of its employees which are related to cases or matters under~~
5 ~~investigation by the commissioner or his staff are confidential for the~~
6 ~~period of the investigation and may not be made public unless the~~
7 ~~commissioner finds the existence of an imminent threat of harm to the~~
8 ~~safety or welfare of the policyholder, shareholders or the public and~~
9 ~~determines that the interests of the policyholder, shareholders or the public~~
10 ~~will be served by publication thereof, in which event he may make a record~~
11 ~~public or publish all or any part of the record in any manner he deems~~
12 ~~appropriate.] ; and~~

13 *(c) Any other record he deems to be confidential.*
14 *This subsection does not preclude the release of information for*
15 *recordkeeping or for statistical purposes if all confidential information is*
16 *redacted and the identity of persons is not revealed.*

17 *6. The commissioner shall classify as confidential consumers'*
18 *complaints and consumers' records containing medical or other personal*
19 *information, unless the consumer requests that his record be released to*
20 *the public.*

21 *7. Documents, materials and other information in the possession or*
22 *control of the division which are obtained by or disclosed to the*
23 *commissioner or any other person in the course of an investigation made*
24 *under this Title are confidential and privileged, are not subject to*
25 *subpoena, and are not subject to discovery or admissible in evidence in*
26 *any private civil action. However, the commissioner may use the*
27 *documents, materials or other information in furtherance of a regulatory*
28 *or civil action brought as part of his official duties. The commissioner*
29 *shall not otherwise make the documents, materials or other information*
30 *public without the prior written consent of the insurer to which it*
31 *pertains unless the commissioner, after giving notice and an opportunity*
32 *to be heard to the insurer and any affiliate who would be affected by the*
33 *publication, determines that the interest of policyholders or the public*
34 *will be served by publication, in which case he may publish all or any*
35 *part in such manner as he considers appropriate.*

36 *8. Neither the commissioner nor any person who has received*
37 *documents, materials or other information may testify concerning them*
38 *in any private civil action.*

39 *9. In performing his duties, the commissioner may:*

40 *(a) Share documents, materials or other information, including any*
41 *documents, materials or information classified as confidential, with other*
42 *state, federal and international regulatory or law enforcement agencies*
43 *or with the National Association of Insurance Commissioners and its*
44 *affiliates and subsidiaries if the recipient agrees to maintain the*
45 *confidentiality and privileged status of the documents, materials or other*
46 *information.*

47 *(b) May receive documents, materials or other information, including*
48 *any documents, materials or information otherwise confidential and*
49 *privileged, from other state, federal and international regulatory or law*



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1 *enforcement agencies or from the National Association of Insurance*
2 *Commissioners and its affiliates and subsidiaries, and shall maintain as*
3 *confidential or privileged any document, material or information*
4 *received with notice or the understanding that it is confidential or*
5 *privileged under the law of the jurisdiction from which it was received.*

6 *(c) Enter into agreements, consistent with this subsection, governing*
7 *the sharing and use of information.*

8 *10. No waiver of confidentiality or privilege with respect to any*
9 *document, material or information occurs as a result of disclosure to the*
10 *commissioner under this section or of sharing as authorized under this*
11 *chapter.*

12 **Sec. 64.** NRS 679B.220 is hereby amended to read as follows:

13 679B.220 1. The commissioner shall communicate on request of the
14 *regulatory officer for* insurance ~~{supervisory official of}~~ *in* any state,
15 province or country any information which it is his duty by law to ascertain
16 respecting authorized insurers.

17 2. The commissioner may:

18 (a) Be a member of the National Association of Insurance
19 Commissioners or any successor organization;

20 (b) Exchange with the association or any successor organization any
21 information, not otherwise confidential, relating to applicants and licensees
22 under this Title;

23 (c) Communicate with the association or any successor organization
24 concerning the business of insurance generally; ~~and~~

25 *(d) Enter into compacts with the regulatory officers in other states to*
26 *further the uniform treatment of insurers throughout the United States;*
27 *and*

28 *(e) Participate in and support other cooperative activities of public*
29 *officers having supervision of the business of insurance.*

30 **Sec. 65.** NRS 679B.510 is hereby amended to read as follows:

31 679B.510 As used in NRS 679B.510 to 679B.560, inclusive, *and*
32 *section 59 of this act*, unless the context otherwise requires, the words and
33 terms defined in NRS 679B.520, 679B.530 and 679B.540 have the
34 meanings ascribed to them in those sections.

35 **Sec. 66.** NRS 680A.320 is hereby amended to read as follows:

36 680A.320 1. For the purposes of this section:

37 (a) An "affiliated person" is a person controlled by any combination of
38 the insurer, the parent corporation, a subsidiary or the principal
39 stockholders or officers or directors of any of the foregoing.

40 (b) *"Depository institution" has the meaning ascribed to it in section 3*
41 *of the Federal Deposit Insurance Act, 12 U.S.C. § 1813(c)(1).*

42 (c) *"Financial holding company" means a bank holding company*
43 *that satisfies the requirements of section 4(l)(1) of the Bank Holding*
44 *Company Act of 1956, 12 U.S.C. § 1841(l)(1).*

45 (d) "Health facility" has the meaning ascribed to it in NRS 439A.015.

46 ~~{(e)}~~ (e) A "subsidiary" is a person of which either the insurer and the
47 parent corporation or the insurer or the parent corporation holds practical
48 control.



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1 2. No insurer may engage directly or indirectly in any transaction or
2 agreement with its parent corporation, *a financial holding company, a*
3 *depository institution*, or ~~with~~ any subsidiary or affiliated person which
4 will result or tend to result in:

5 (a) Substitution contrary to the interest of the insurer and through any
6 method of any asset of the insurer with an asset or assets of inferior quality
7 or lower fair market value;

8 (b) Deception as to the true operating results of the insurer;

9 (c) Deception as to the true financial condition of the insurer;

10 (d) Allocation to the insurer of a proportion of the expense of combined
11 facilities or operations which is unfair and unfavorable to the insurer;

12 (e) Unfair or excessive charges against the insurer for services,
13 facilities, supplies or reinsurance;

14 (f) Unfair and inadequate charges by the insurer for reinsurance,
15 services, facilities or supplies furnished by the insurer to others;

16 (g) Payment by the insurer for services, facilities, supplies or
17 reinsurance not reasonably needed by the insurer;

18 (h) Depletion of the insurer's surplus, through payment of dividends or
19 other distribution or withdrawal, below the amount thereof reasonably
20 required for conduct of the insurer's business and maintenance of growth
21 with safety to policyholders; or

22 (i) Payment by the insurer for services or products for which the health
23 facility has charged less than fair market value, unless the reduced charge
24 is reflected in the form of reduced premiums. In determining what
25 constitutes fair market value, consideration must be given to reasonable
26 agreements for the preferential provision of health care, in accordance with
27 regulations adopted by the commissioner. An insurer which pays less than
28 fair market value for services or products in a transaction which is subject
29 to the provisions of this paragraph shall annually file a certification with
30 the commissioner that the reduced payment has been reflected in the form
31 of reduced premiums, together with documentation supporting the
32 certification.

33 3. In all transactions between the insurer and its parent corporation, or
34 involving the insurer and any subsidiary or affiliated person, full
35 recognition must be given to the paramount duty and obligation of the
36 insurer to protect the interests of policyholders, both existing and future.

37 4. If a health facility is a parent, subsidiary or affiliate of an insurer or
38 of a parent or facility of an insurer, and the insurer purchases medical or
39 any other services or products from the health facility, the health facility
40 may not:

41 (a) Attempt artificially to reduce or increase its margin of profit by
42 altering the charges to the insurer.

43 (b) Alter its true operating results or financial condition through charges
44 to the insurer for services or products.

45 This subsection does not prohibit activities authorized pursuant to
46 paragraph (i) of subsection 2.

47 5. If a health facility is found, after notice and a hearing, to have
48 violated the provisions of subsection 4, the commissioner may impose an
49 administrative fine of not more than \$5,000 for each violation.



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1	Sec. 67.	NRS 680B.010 is hereby amended to read as follows:	
2	680B.010	The commissioner shall collect in advance and receipt for,	
3	and persons so served must pay to the commissioner, fees and		
4	miscellaneous charges as follows:		
5	1. Insurer's certificate of authority:		
6	(a) Filing initial application.....	\$2,450	
7	(b) Issuance of certificate:		
8	(1) For any one kind of insurance as defined in NRS 681A.010		
9	to 681A.080, inclusive	283	
10	(2) For two or more kinds of insurance as so defined	578	
11	(3) For a reinsurer	2,450	
12	(c) Each annual continuation of a certificate	2,450	
13	(d) Reinstatement pursuant to NRS 680A.180, 50 percent of the		
14	annual continuation fee otherwise required.		
15	(e) Registration of additional title pursuant to NRS 680A.240	50	
16	(f) Annual renewal of the registration of additional title pursuant		
17	to NRS 680A.240	25	
18	2. Charter documents, other than those filed with an application		
19	for a certificate of authority. Filing amendments to articles of		
20	incorporation, charter, bylaws, power of attorney and other		
21	constituent documents of the insurer, each document.....	\$10	
22	3. Annual statement or report. For filing annual statement or		
23	report	\$25	
24	4. Service of process:		
25	(a) Filing of power of attorney	\$5	
26	(b) Acceptance of service of process.....	30	
27	5. Agents' licenses, Licenses, appointments and renewals +		
28	<i>for producers of insurance:</i>		
29	(a) Resident agents and nonresident agents qualifying under		
30	subsection 3 of NRS 683A.340:		
31	(1) Application and license	{ \$78 } <i>\$125</i>	
32	(2) Appointment by		
33	<i>(b) Appointment fee for</i> each insurer	{ 5 } <i>15</i>	
34	(3) (c) Triennial renewal of each license	{ 78 } <i>125</i>	
35	(4) (d) Temporary license	10	
36	(b) Other nonresident agents:		
37	(1) Application and license	138	
38	(2) Appointment by each insurer	25	
39	(3) Triennial renewal of each license	138	
40	6. Brokers' licenses and renewals:		
41	(a) Resident brokers and nonresident brokers qualifying under		
42	subsection 3 of NRS 683A.340:		
43	(1) Application and license	\$78	
44	(2) Triennial renewal of each license	78	
45	(b) Other nonresident brokers:		
46	(1) Application and license	258	
47	(2) Triennial renewal of each license	258	
48	(c) Resident surplus		
49	<i>(e) Modification of an existing license.....</i>	50	



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1	6. Surplus lines brokers:	
2	{(1)} (a) Application and license	{78} \$125
3	{(2)} (b) Triennial renewal of each license	{78} 125
4	{(d)} Nonresident surplus lines brokers:	
5	(1) Application and license	258
6	(2) Triennial renewal of each license	258
7	7. Solicitors' licenses, appointments and renewals:	
8	(a) Application and license	\$78
9	(b) Triennial renewal of each license	78
10	(c) Initial appointment	5
11	8. 7. Managing general agents' licenses, appointments and	
12	renewals:	
13	(a) Resident managing general agents:	
14	(1) Application and license	{78} \$125
15	{(2)} Initial appointment,	
16	(b) Appointment fee for each insurer	{5} 15
17	{(3)} Triennial renewal of each license	{78} 125
18	{(b)} Nonresident managing general agents:	
19	(1) Application and license	138
20	(2) Initial appointment, each insurer	25
21	(3) Triennial renewal of each license	138
22	9. 8. Adjusters' licenses and renewals:	
23	(a) Independent and public adjusters:	
24	(1) Application and license	{78} \$125
25	(2) Triennial renewal of each license	{78} 125
26	(b) Associate adjusters:	
27	(1) Application and license	{78} 125
28	(2) Initial appointment	5
29	{(3)} Triennial renewal of each license	{78} 125
30	{10} 9. Licenses and renewals for appraisers of physical	
31	damage to motor vehicles:	
32	(a) Application and license	{78} \$125
33	(b) Triennial renewal of each license	{78} 125
34	{11} 10. Additional title and property insurers pursuant to NRS	
35	680A.240:	
36	(a) Original registration	50
37	(b) Annual renewal	25
38	{12} 11. Insurance vending machines:	
39	(a) Application and license, for each machine	{78} \$125
40	(b) Triennial renewal of each license	{78} 125
41	{13} 12. Permit for solicitation for securities:	
42	(a) Application for permit	100
43	(b) Extension of permit	50
44	{14} 13. Securities salesmen for domestic insurers:	
45	(a) Application and license	25
46	(b) Annual renewal of license	15
47	{15} 14. Rating organizations:	
48	(a) Application and license	500
49	(b) Annual renewal	500



1	{16} 15. Certificates and renewals for administrators licensed	
2	pursuant to chapter 683A of NRS:	
3	(a) {Resident administrators:	
4	(1) Application and certificate of registration	{78} \$125
5	(2) (b) Triennial renewal.....	{78} 125
6	{(b) Nonresident administrators:	
7	(1) Application and certificate of registration	138
8	(2) Triennial renewal	138
9	{17} 16. For copies of the insurance laws of Nevada, a fee	
10	which is not less than the cost of producing the copies.	
11	{18} 17. Certified copies of certificates of authority and	
12	licenses issued pursuant to the insurance code.....	\$10
13	{19} 18. For copies and amendments of documents on file in	
14	the division, a reasonable charge fixed by the commissioner,	
15	including charges for duplicating or amending the forms and for	
16	certifying the copies and affixing the official seal.	
17	{20} 19. Letter of clearance for {an agent or broker} a	
18	<i>producer of insurance or other licensee, if requested by someone</i>	
19	<i>other than the licensee</i>	\$10
20	{21} 20. Certificate of status as a {licensed agent or broker}	
21	<i>producer of insurance or other licensee, if requested by someone</i>	
22	<i>other than the licensee</i>	\$10
23	{22} 21. Licenses, appointments and renewals for bail agents:	
24	(a) Application and license	{78} \$125
25	(b) Initial appointment by <i>Appointment for</i> each surety insurer ..	{5} 15
26	(c) Triennial renewal of each license.....	{78} 125
27	{23} 22. Licenses and renewals for bail enforcement agents:	
28	(a) Application and license	{78} \$125
29	(b) Triennial renewal of each license	{78} 125
30	{24} 23. Licenses, appointments and renewals for general bail	
31	agents; <i>agents for bail:</i>	
32	(a) Application and license	{78} \$125
33	(b) Initial appointment by each insurer	{5} 15
34	(c) Triennial renewal of each license.....	{78} 125
35	{25} 24. Licenses and renewals for bail solicitors:	
36	(a) Application and license	{78} \$125
37	(b) Triennial renewal of each license	{78} 125
38	{26} 25. Licenses and renewals for title agents and escrow	
39	officers:	
40	(a) {Resident title agents and escrow officers:	
41	(1) Application and license	{78} \$125
42	(2) (b) Triennial renewal of each license	{78} 125
43	{(b) Nonresident title agents and escrow officers:	
44	(1) Application and license	138
45	(2) Triennial renewal of each license	138
46	(c) <i>Appointment fee for each title insurer.....</i>	<i>15</i>
47	(d) Change in name or location of business or in association	10
48	{27} 26. Certificate of authority and renewal for a seller of	
49	prepaid funeral contracts	{78} \$125



1	{28} 27.	Licenses and renewals for agents for prepaid funeral	
2		contracts:	
3	(a)	{Resident agents:	
4	(1)	Application and license	{\$78} \$125
5	(2) (b)	Triennial renewal of each license	{78} 125
6	{(b) Nonresident agents:		
7	(1)	Application and license	138
8	(2)	Triennial renewal of each license	138
9	29 28.	Licenses, appointments and renewals for agents for	
10		fraternal benefit societies:	
11	(a)	{Resident agents:	
12	(1)	Application and license	{\$78} \$125
13	(2)	Appointment	5
14	(3) (b)	Appointment for each insurer	15
15	(c)	Triennial renewal of each license	{78} 125
16	{(b) Nonresident agents:		
17	(1)	Application and license	138
18	(2)	Triennial renewal of each license	138
19	30 29.	Reinsurance intermediary broker or manager:	
20	(a)	{Resident agents:	
21	(1)	Application and license	{\$78} \$125
22	(2) (b)	Triennial renewal of each license	{78} 125
23	{(b) Nonresident agents:		
24	(1)	Application and license	138
25	(2)	Triennial renewal of each license	138
26	31 30.	Agents for and sellers of prepaid burial contracts:	
27	(a)	{Resident agents and sellers:	
28	(1)	Application and certificate or license	{\$78} \$125
29	(2) (b)	Triennial renewal	{78} 125
30	{(b) Nonresident agents and sellers:		
31	(1)	Application and certificate or license	138
32	(2)	Triennial renewal	138
33	32 31.	Risk retention groups:	
34	(a)	Initial registration and review of an application	\$2,450
35	(b)	Each annual continuation of a certificate of registration	2,450
36	{33} 32.	Required filing of forms:	
37	(a)	For rates and policies	\$25
38	(b)	For riders and endorsements	10
39	33.	Viatical settlements:	
40	(a)	Provider of viatical settlements:	
41	(1)	Application and license	\$1,000
42	(2)	Annual renewal	1,000
43	(b)	Broker of viatical settlements:	
44	(1)	Application and license	500
45	(2)	Annual renewal	500
46	34.	Insurance consultants:	
47	(a)	Application and license	\$125
48	(b)	Triennial renewal	125



1 **35. Licensee's association with or appointment or sponsorship**
2 **by an organization:**

- 3 **(a) Initial appointment, association or sponsorship, for each**
4 **organization..... \$50**
5 **(b) Renewal of each association or sponsorship 50**
6 **(c) Annual renewal of appointment..... 15**

7 **Sec. 68.** NRS 682A.100 is hereby amended to read as follows:

8 682A.100 1. An insurer may invest in preferred or guaranteed stocks
9 or shares of any solvent institution existing under the laws of the United
10 States of America, Canada or Mexico, or of any state or province thereof, if
11 all of the prior obligations and prior preferred stocks, if any, of ~~{such}~~ **the**
12 institution at the date of acquisition of the investment by the insurer are
13 eligible as investments under this chapter and if the net earnings of ~~{such}~~
14 **the** institution available for its fixed charges during either of the last 2
15 years have been, and during each of the last 5 years have averaged, not less
16 than 1 1/2 times the sum of its average annual fixed charges, if any, its
17 average annual maximum contingent interest, if any, and its average annual
18 preferred dividend requirements. For the purposes of this section ~~{such}~~
19 ~~computation shall refer~~ **the computation refers** to the fiscal years
20 immediately preceding the date of acquisition of the investment by the
21 insurer, and the term "preferred dividend requirement" ~~{shall be deemed to~~
22 ~~mean}~~ **means** cumulative or noncumulative dividends, whether paid or not.

23 2. No insurer ~~{shall}~~ **may** invest in any such preferred or guaranteed
24 stocks in an amount in excess of ~~{10}~~ **35** percent of ~~{any issue or such}~~ **the**
25 **particular issue of** guaranteed or preferred ~~{stocks}~~ **stock** or, subject to
26 subsection 1 of NRS 682A.050 ~~{(diversification),}~~ more than an amount
27 equal to 10 percent of the insurer's **admitted** assets in any one issue.

28 **Sec. 69.** NRS 682A.110 is hereby amended to read as follows:

29 682A.110 1. An insurer may invest up to ~~{25}~~ **35** percent of its assets
30 in nonassessable ~~{(except as to bank or trust company stocks, and except~~
31 ~~for taxes)}~~ common stocks, other than insurance stocks, of any solvent
32 corporation organized and existing under the laws of the United States of
33 America, Canada or Mexico, or of any state or province thereof, **except**
34 **that bank or trust company stocks may be assessable and any stocks may**
35 **be assessable for taxes**, if ~~{such}~~ **the** corporation has had net earnings
36 available for dividends on ~~{such}~~ **the** stock in each of the 5 fiscal years next
37 preceding acquisition by the insurer. If the issuing corporation has not been
38 in legal existence for ~~{the whole of such}~~ **all of the** 5 fiscal years but was
39 formed as a consolidation or merger of two or more businesses of which at
40 least one was in operation on a date 5 years ~~{prior to}~~ **before** the
41 investment, the test of eligibility of its common stock under this section
42 ~~{shall}~~ **must** be based upon consolidated pro forma statements of the
43 predecessor or constituent institutions.

44 **2. Any amount invested in a fund or trust under NRS 682A.140 must**
45 **not be included in computing the amounts prescribed in subsection 1.**

46 **Sec. 70.** NRS 682A.130 is hereby amended to read as follows:

47 682A.130 1. An insurer may invest in the stock of ~~{its}~~ **a** subsidiary
48 insurance corporation formed or acquired by it, or in the stock of ~~{its}~~ **a**



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1 subsidiary business corporation ~~for corporations~~ formed and engaged
2 solely in any one or more of the following businesses:

3 (a) ~~In any~~ *A* business necessary and incidental to the convenient
4 operation of the insurer's insurance business or to the administration of any
5 of its lawful affairs;

6 (b) Providing any actuarial, computer, data processing, accounting,
7 claims, appraisal, collection, sales, loss prevention or safety engineering
8 and similar services;

9 (c) Real property management and development;

10 (d) Premium financing;

11 (e) Financing of agents of the insurer;

12 (f) Acting as investment adviser and principal underwriter or investment
13 adviser or principal underwriter of a management company or management
14 companies (mutual funds), registered as such under the Investment
15 Company Act of 1940;

16 (g) Financial and investment counseling services;

17 (h) Administration of self-insurance plans;

18 (i) Administration of self-insured pension and similar plans, or the self-
19 insured portions of such plans;

20 (j) Securities broker-dealer;

21 (k) Escrow services; ~~or~~

22 (l) Trust services with respect to funds payable or paid by it under its
23 insurance contracts ~~+~~;

24 *(m) Bank, savings and loan association or thrift company; or*

25 *(n) Insurance agency.*

26 2. For the purposes of this section a "subsidiary" is a corporation of
27 which the insurer owns sufficient stock to give it effective control.

28 3. All of the insurer's investments under this section shall be deemed
29 to be common stocks for the purposes of the ~~{25 percent of assets}~~
30 limitation imposed by NRS 682A.110 ~~+~~ *on the percentage of admitted*
31 *assets which may be invested in common stock.*

32 **Sec. 71.** NRS 682A.190 is hereby amended to read as follows:

33 682A.190 An insurer may invest in share or savings accounts of *thrift*
34 *companies*, credit unions or savings and loan associations, or in savings
35 accounts of banks, and in any one such institution only to the extent that
36 the investment is insured by the Federal Deposit Insurance Corporation, the
37 National Credit Union Share Insurance Fund or a private insurer approved
38 pursuant to NRS 678.755.

39 **Sec. 72.** NRS 682A.200 is hereby amended to read as follows:

40 682A.200 1. An insurer may make loans or investments not
41 otherwise expressly permitted under this chapter, in an aggregate amount
42 not over ~~{5}~~ *10* percent of the insurer's *admitted* assets and not over 1
43 percent of ~~{such}~~ *those* assets as to any one such loan or investment, if
44 ~~{such}~~ *the* loan or investment fulfills the requirements of NRS 682A.030
45 and otherwise qualifies as a sound investment. No such loan or investment
46 ~~{shall}~~ *may* be represented by:

47 (a) Any item described in NRS 681B.020, ~~{(assets not allowed),}~~ or any
48 loan or investment otherwise expressly prohibited.



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1 (b) Agents' balances, or amounts advanced to or owing by agents,
2 except as to policy loans, mortgage loans and collateral loans otherwise
3 authorized under this chapter.

4 (c) Any category of loans or investments expressly eligible under any
5 other provision of this chapter.

6 (d) Any asset ~~heretofore~~ acquired or held by the insurer under any
7 other category of loans or investments eligible under this chapter.

8 2. The insurer shall keep a separate record of all loans and investments
9 made under this section.

10 **Sec. 73.** NRS 682A.240 is hereby amended to read as follows:

11 682A.240 1. A domestic insurer may invest in real property only if
12 used for the purposes or acquired in any manner, and within limits, set
13 forth below:

14 (a) The building in which it has its principal office, the land upon which
15 the building stands, and such other real property as may be requisite for the
16 insurer's convenient accommodation in the transaction of its business. The
17 amount so invested, and apportioned as to space actually so occupied or
18 used, must not aggregate more than 15 percent of the insurer's assets; but
19 the commissioner may authorize an insurer to increase the investment in
20 such amount as he may determine if, upon proper showing made upon a
21 hearing held by him, he finds that the 15-percent limitation is insufficient
22 to provide reasonable and convenient accommodation for the insurer's
23 business.

24 (b) Real property acquired in satisfaction or part payment of loans,
25 mortgages, liens, judgments, decrees or debts previously owing to the
26 insurer in the due course of its business.

27 (c) Real property acquired in part payment of the consideration on the
28 sale of other real property owned by it, if ~~such~~ *the* transaction has
29 effected a net reduction in the insurer's investments in real property.

30 (d) Real property acquired by gift or devise, or through merger,
31 consolidation or bulk reinsurance of another insurer under this code.

32 (e) Additional real property and equipment incidental thereto, if
33 necessary or convenient for the purpose of enhancing the sale or other
34 value of real property previously acquired or held under this section.
35 ~~Such~~ *The additional* real property and equipment, together with the real
36 property for the enhancement of which it was acquired, must be included
37 together, for the purpose of applicable investment limits, and is subject to
38 disposal under NRS 682A.250 at the same time and under the same
39 conditions as apply to ~~such~~ *the* enhanced real property.

40 (f) Real property, or any interest therein, acquired or held by purchase,
41 lease or otherwise, other than real property to be used primarily for mining,
42 development of oil or mineral resources, recreational, amusement, hotel,
43 motel or club purposes, acquired as an investment for production of
44 income, or acquired to be improved or developed for investment purposes
45 pursuant to an existing program therefor. The insurer may hold, mortgage,
46 improve, develop, maintain, manage, lease, sell, convey and otherwise
47 dispose of real property acquired by it under this section. An insurer ~~shall~~
48 *may* not have at any one time invested in real property under this paragraph
49 more than ~~15~~ *20* percent of its *admitted* assets.



1 2. Total investments of the insurer in real property under this section
2 ~~must~~ *may* not at any time exceed ~~25~~ *35* percent of the insurer's
3 *admitted* assets.

4 **Sec. 74.** Chapter 683A of NRS is hereby amended by adding thereto
5 the provisions set forth as sections 75 to 99, inclusive, of this act.

6 **Sec. 75.** *"Business organization" means a corporation, association,*
7 *partnership, limited liability company, limited liability partnership or*
8 *other legal form of organization.*

9 **Sec. 76.** *"Home state" means the District of Columbia or any state*
10 *or territory of the United States or Canada in which a producer of*
11 *insurance maintains his principal place of residence or principal place of*
12 *business and is licensed to act as a producer of insurance.*

13 **Sec. 77.** *"License" means a document issued by the commissioner*
14 *authorizing a person to act as a producer of insurance for the lines of*
15 *authority specified in the document.*

16 **Sec. 78.** *"Negotiate" means to confer directly with, or offer advice*
17 *directly to, a purchaser or prospective purchaser of a particular contract*
18 *of insurance concerning any of the substantive benefits, terms or*
19 *conditions of the contract, if the person conferring or offering the advice*
20 *sells insurance or obtains insurance from insurers or purchasers.*

21 **Sec. 79.** *"Producer of limited line insurance" means a person who*
22 *sells, solicits or negotiates one or more forms of limited line insurance to*
23 *natural persons through a master, corporate, group or individual policy.*

24 **Sec. 80.** *"Sell" means to exchange a contract of insurance, by any*
25 *means, for money or its equivalent on behalf of an insurer.*

26 **Sec. 81.** *"Solicit" means to attempt to sell insurance or to ask or*
27 *urge a person to apply for a particular kind of insurance from a*
28 *particular insurer.*

29 **Sec. 82.** *"Terminate" means to cancel the relationship between a*
30 *producer of insurance and the insurer or to terminate a producer's*
31 *authority to transact insurance.*

32 **Sec. 83.** *"Uniform application" means the uniform application for*
33 *licensing of producers of insurance prepared by the National Association*
34 *of Insurance Commissioners and adopted by the commissioner.*

35 **Sec. 84. 1.** *A person shall not sell, solicit or negotiate insurance in*
36 *this state for any class of insurance unless he is licensed for that class of*
37 *insurance.*

38 *2. An insurer is exempt from the requirement for licensure as a*
39 *producer of insurance, but this exemption does not extend to an insurer's*
40 *officers, directors, employees, subsidiaries or affiliates.*

41 *3. A person required to be licensed in this state who transacts*
42 *insurance without a license is subject to an administrative fine of not*
43 *more than \$1,000 for each violation.*

44 **Sec. 85.** *The following persons need not be licensed as producers of*
45 *insurance:*

46 *1. An officer, director or employee of an insurer or of a producer of*
47 *insurance if the officer, director or employee does not receive any*
48 *commission on policies written or sold to insure risks residing, located or*
49 *to be performed in this state and:*



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- 1 (a) The officer, director or employee's activities are executive,
2 administrative, managerial, clerical or a combination of these, and are
3 only indirectly related to the sale, solicitation or negotiation of
4 insurance;
- 5 (b) The officer, director or employee's function relates to
6 underwriting, control of losses, inspection or the processing, adjusting,
7 investigating or settling of claims on contracts of insurance; or
- 8 (c) The officer, director or employee is acting in the capacity of a
9 special agent or supervisor of an agency assisting producers of insurance
10 where his activities are limited to providing technical advice and
11 assistance to licensed producers and do not include sale, solicitation or
12 negotiation of insurance.
- 13 2. A person who secures and furnishes information for the purpose
14 of group life insurance, group property and casualty insurance, group
15 annuities, or group or blanket accident and health insurance, or for the
16 purpose of enrolling natural persons under plans, issuing certificates
17 under plans or otherwise assisting in administering plans, or who
18 performs administrative services related to mass marketed property and
19 casualty insurance, if no commission is paid to him for the service. As
20 used in this subsection, "blanket accident and health insurance" has the
21 meaning ascribed to it in NRS 689B.070.
- 22 3. An employer or association or its officers, directors or employees,
23 or the trustees of an employees' trust plan, to the extent that the
24 employer, association, officers, directors, employees or trustees are
25 engaged in the administration or operation of a program of employees'
26 benefits for the employer's or association's own employees or the
27 employees of its subsidiaries or affiliates, if the program involves the use
28 of insurance issued by an insurer and the employer, association, officers,
29 directors, employees or trustees are not compensated by the insurer
30 issuing the contracts.
- 31 4. Employees of insurers or organizations employed by insurers who
32 are engaged in the inspection, rating or classification of risks or in the
33 supervision of the training of producers of insurance and are not
34 individually engaged in the sale, solicitation or negotiation of insurance.
- 35 5. A person whose activities in this state re limited to advertising,
36 without the intent to solicit insurance in this state, through
37 communications in printed publications or electronic mass media whose
38 distribution is not limited to residents of this state, if he does not sell,
39 solicit or negotiate insurance of risks residing, located or to be performed
40 in this state.
- 41 6. A salaried full-time employee who counsels or advises his
42 employer concerning the interests of the employer, or of the subsidiaries
43 or affiliates of the employer, in insurance, if the employee does not sell or
44 solicit insurance or receive a commission.
- 45 7. An employee of a producer of insurance or an insurer who
46 responds to requests from holders of policies previously issued, if the
47 employee is not directly compensated according to the volume of
48 premiums that may result from those services and does not solicit
49 insurance or offer advice concerning terms or conditions of policies.



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1 **Sec. 86.** 1. *A resident natural person applying for a license as a*
2 *producer of insurance must pass a written examination unless exempt*
3 *under section 90 of this act. The examination must test his knowledge*
4 *concerning the lines of authority for which application is made, the*
5 *duties and responsibilities of a producer and the laws and regulations of*
6 *this state relating to insurance. The commissioner shall adopt*
7 *regulations for developing and conducting examinations required by this*
8 *section.*

9 2. *The commissioner may contract with a person outside the division*
10 *for administering examinations, processing applications, collecting fees*
11 *and performing any other functions he considers appropriate.*

12 3. *Each natural person applying for an examination shall pay a*
13 *nonrefundable fee in an amount prescribed by the commissioner to*
14 *defray the cost of processing the application and administering the*
15 *examination.*

16 4. *An applicant who fails to appear for the examination as scheduled*
17 *or fails to pass the examination must reapply for examination and pay*
18 *the required fee in order to be scheduled for another examination.*

19 **Sec. 87.** 1. *The commissioner shall prescribe the form of*
20 *application by a natural person for a license as a resident producer of*
21 *insurance. The applicant must declare, under penalty of refusal to issue,*
22 *or suspension or revocation of, the license, that the statements made in*
23 *the application are true, correct and complete to the best of his*
24 *knowledge and belief. Before approving the application, the*
25 *commissioner must find that the applicant has:*

26 (a) *Attained the age of 18 years;*

27 (b) *Not committed any act that is a ground for refusal to issue, or*
28 *suspension or revocation of, a license;*

29 (c) *Completed a course of study for the lines of authority for which*
30 *application is made, unless the applicant is exempt from this*
31 *requirement;*

32 (d) *Paid the fee prescribed for the license and a fee of \$15 for deposit*
33 *in the insurance recovery account, neither of which may be refunded;*
34 *and*

35 (e) *Successfully passed the examinations for the lines of authority for*
36 *which application is made, unless the applicant is exempt from this*
37 *requirement.*

38 2. *A business organization must be licensed as a producer of*
39 *insurance in order to act as such. Application must be made on a form*
40 *prescribed by the commissioner. Before approving the application, the*
41 *commissioner must find that the applicant has:*

42 (a) *Paid the fee prescribed for the license and a fee of \$15 for deposit*
43 *in the insurance recovery account, neither of which may be refunded;*
44 *and*

45 (b) *Designated a natural person licensed as a producer of insurance*
46 *to be responsible for the organization's compliance with the laws and*
47 *regulations of this state relating to insurance.*

48 3. *A natural person who is a resident of this state applying for a*
49 *license must furnish a copy of a search concerning him conducted by the*



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1 *Federal Bureau of Investigation in its national criminal records, and of a*
2 *search concerning him of the central repository for Nevada records of*
3 *criminal history. The commissioner shall adopt regulations concerning*
4 *the procedures for obtaining this information.*

5 *4. The commissioner may require any document reasonably*
6 *necessary to verify information contained in an application.*

7 **Sec. 88.** *1. Unless the commissioner refuses to issue the license*
8 *under section 93 of this act, he shall issue a license as a producer of*
9 *insurance to a person who has satisfied the requirements of sections 86*
10 *and 87 of this act. A producer may qualify for a license in one or more of*
11 *the lines of authority permitted by statute or regulation, including:*

12 *(a) Life insurance on human lives, which includes benefits from*
13 *endowments and annuities and may include additional benefits from*
14 *death by accident and benefits for dismemberment by accident and for*
15 *disability.*

16 *(b) Health insurance for sickness, bodily injury or accidental death,*
17 *which may include benefits for disability.*

18 *(c) Property insurance for direct or consequential loss or damage to*
19 *property of every kind.*

20 *(d) Casualty insurance against legal liability, including liability for*
21 *death, injury or disability and damage to real or personal property.*

22 *(e) Surety indemnifying financial institutions or providing bonds for*
23 *fidelity, performance of contracts, or financial guaranty.*

24 *(f) Variable annuities, including coverage reflecting the results of a*
25 *separate investment account.*

26 *(g) Credit insurance, including life, disability, property,*
27 *unemployment, involuntary unemployment, mortgage life, mortgage*
28 *guaranty, mortgage disability, guaranteed protection of assets, and any*
29 *other form of insurance offered in connection with an extension of credit*
30 *that is limited to wholly or partially extinguishing the obligation which*
31 *the commissioner determines should be considered as limited-line credit*
32 *insurance.*

33 *(h) Personal lines, consisting of automobile and motorcycle insurance*
34 *and residential property insurance, including coverage for flood, of*
35 *personal watercraft and of excess liability, written over one or more*
36 *underlying policies of automobile or residential property insurance.*

37 *(i) Fixed annuities as a limited line.*

38 *(j) Travel and baggage as a limited line.*

39 *(k) Rental car agency as a limited line.*

40 *2. A license as a producer of insurance remains in effect unless*
41 *revoked, suspended, allowed to expire or otherwise terminated, if the*
42 *license is renewed when due, the fee for renewal and a fee of \$15 for*
43 *deposit in the insurance recovery account are paid for each license and*
44 *each affiliation with a business organization licensed pursuant to*
45 *subsection 2 of section 87 of this act and any requirement for education*
46 *is satisfied by the due date.*

47 *3. A natural person who allows his license as a producer of*
48 *insurance to expire may reapply for the same license within 12 months*
49 *after the date renewal was due without passing a written examination,*



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1 *but a penalty twice the unpaid renewal fee is required for any renewal fee*
2 *received after the due date.*

3 *4. A licensed producer of insurance who is unable to renew his*
4 *license because of military service, extended medical disability or other*
5 *extenuating circumstance may request a waiver of the time limit and of*
6 *an examination, fine or sanction otherwise required or imposed because*
7 *of failure to renew.*

8 *5. A license must state the licensee's name, address, personal*
9 *identification number, the date of issuance, the lines of authority and the*
10 *date of expiration and contain any other information the commissioner*
11 *considers necessary. A resident producer shall maintain a place of*
12 *business in this state which is accessible to the public and where he*
13 *principally conducts transactions under his license. The place of*
14 *business may be in his residence. The license must be conspicuously*
15 *displayed in an area of the place of business which is open to the public.*

16 *6. A licensee shall inform the commissioner of a change of address,*
17 *in writing or by other means acceptable to the commissioner within 30*
18 *days after the change. If a licensee changes his address without giving*
19 *written notice and the commissioner is unable to locate the licensee after*
20 *diligent effort, he may revoke the license without a hearing. The mailing*
21 *of a letter by certified mail, return receipt requested, addressed to the*
22 *licensee at his last mailing address appearing on the records of the*
23 *division, and the return of the letter undelivered, constitutes a diligent*
24 *effort by the commissioner.*

25 **Sec. 89. 1. Unless the commissioner refuses to issue the license**
26 **under section 94 of this act, the commissioner shall issue a license as a**
27 **producer of insurance to a nonresident person if:**

28 *(a) He is currently licensed as a resident and in good standing in his*
29 *home state;*

30 *(b) He has made the proper request for licensure and paid the fee*
31 *prescribed for the license and a fee of \$15 for deposit in the insurance*
32 *recovery account;*

33 *(c) He has sent to the commissioner the application for licensure that*
34 *he made in his home state, or a completed uniform application; and*

35 *(d) His home state issues nonresident licenses as producers of*
36 *insurance to residents of this state pursuant to substantially the same*
37 *procedure.*

38 *2. The commissioner may participate with the National Association*
39 *of Insurance Commissioners or a subsidiary in a centralized registry in*
40 *which licensing and appointment of producers of insurance may be*
41 *effected for all states that require licensing and participate in the*
42 *registry. If he finds that participation is in the public interest, he may*
43 *adopt by regulation any uniform standards and procedures necessary for*
44 *participation, including central collection of fees for licensing and*
45 *appointment that are handled through the registry.*

46 *3. A nonresident producer who moves from one state to another state*
47 *shall file a change of address and certification from his new state of*
48 *residence within 30 days after his change of legal residence. No fee or*
49 *application for license is required.*



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1 4. *A nonresident licensed as a producer for surplus lines in his home*
2 *state must be issued a nonresident license of that kind in this state*
3 *pursuant to subsection 1, subject in all other respects to chapter 685A of*
4 *NRS. A nonresident licensed as a producer for limited lines in his home*
5 *state is entitled to a nonresident license of that kind in this state pursuant*
6 *to subsection 1, granting the same scope of authority as the license issued*
7 *in the home state. As used in this subsection, insurance for limited lines*
8 *is authority granted by the home state which is restricted to less than the*
9 *total authority prescribed for the associated major lines pursuant to*
10 *section 88 of this act.*

11 **Sec. 90.** *1. An applicant for licensing in this state as a producer of*
12 *insurance who was previously licensed for the same lines of authority in*
13 *another state need not complete any education or examination if he is*
14 *currently licensed in that state or, if the application is received within 90*
15 *days after the cancellation of his license, the other state certifies that he*
16 *was in good standing at the time of cancellation. Alternatively, the*
17 *exemption is available if the records of the National Association of*
18 *Insurance Commissioners show that the applicant is or was licensed and*
19 *in good standing for the lines of authority requested.*

20 *2. An examination is not required for a producer of insurance who*
21 *confines his activity to insurance categorized as limited line, credit,*
22 *travel, baggage or fixed annuity, or covering vehicles leased for a short*
23 *term.*

24 *3. A person licensed in another state who moves to this state and*
25 *desires to become licensed as a resident producer of insurance with the*
26 *benefit of the exemption provided in subsection 1 must apply for*
27 *licensing within 90 days after establishing legal residence.*

28 **Sec. 91.** *1. An applicant for a license as a producer of insurance*
29 *who desires to use a name other than his true name as shown on the*
30 *license shall file with the commissioner a certified copy of the certificate*
31 *filed pursuant to chapter 602 of NRS. An incorporated applicant or*
32 *licensee shall file with the commissioner a document showing the*
33 *corporation's true name and all fictitious names under which it conducts*
34 *or intends to conduct business. A licensee shall file promptly with the*
35 *commissioner written notice of any change in or discontinuance of the*
36 *use of a fictitious name.*

37 *2. The commissioner may disapprove in writing the use of a true*
38 *name, other than the true name of a natural person who is the applicant*
39 *or licensee, or a fictitious name of any applicant or licensee, on any of*
40 *the following grounds:*

41 *(a) The name interferes with or is deceptively similar to a name*
42 *already filed and in use by another licensee.*

43 *(b) Use of the name may mislead the public in any respect.*

44 *(c) The name states or implies that the applicant or licensee is an*
45 *insurer, motor club or hospital service plan or is entitled to engage in*
46 *activities related to insurance not permitted under the license applied for*
47 *or held.*

48 *(d) The name states or implies that the licensee is an underwriter, but:*



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1 (1) *A natural person licensed as an agent or broker for life*
2 *insurance may describe himself as an underwriter or “chartered life*
3 *underwriter” if entitled to do so;*

4 (2) *A natural person licensed for property and casualty insurance*
5 *may use the designation “chartered property and casualty underwriter” if*
6 *entitled thereto; and*

7 (3) *An insurance agent or brokers’ trade association may use a*
8 *name containing the word “underwriter.”*

9 (e) *The licensee has already filed and not discontinued the use of*
10 *more than two names, including the true name.*

11 3. *A licensee shall not use a name after written notice from the*
12 *commissioner that its use violates the provisions of this section. If the*
13 *commissioner determines that the use is justified by mitigating*
14 *circumstances, he may permit, in writing, the use of the name to continue*
15 *for a specified reasonable period upon conditions imposed by him for the*
16 *protection of the public consistent with this section.*

17 4. *Paragraphs (a), (c) and (d) of subsection 2 do not apply to the true*
18 *name of an organization which on July 1, 1965, held under that name a*
19 *type of license similar to those governed by this chapter, or to a fictitious*
20 *name used on July 1, 1965, by a natural person or organization holding*
21 *such a license, if the fictitious name was filed with the commissioner on*
22 *or before July 1, 1965.*

23 **Sec. 92.** *1. The commissioner may issue a temporary license as a*
24 *producer of insurance to any of the following for 180 days or less without*
25 *requiring an examination if he believes that the temporary license is*
26 *necessary to carry on the business of insurance:*

27 (a) *The surviving spouse, personal representative or guardian of a*
28 *licensed producer who dies or becomes incompetent, to allow adequate*
29 *time for the sale of the business, the recovery or return of the producer,*
30 *or the training and licensing of new personnel to operate the business;*

31 (b) *A member or employee of a business organization licensed as a*
32 *producer, upon the death or disability of the natural person designated in*
33 *it application or license;*

34 (c) *The designee of a licensed producer entering active service in the*
35 *armed forces of the United States; or*

36 (d) *A person in any other circumstance where the commissioner*
37 *believes that the public interest will be best served by issuing the license.*

38 2. *The commissioner may limit by order the authority of a temporary*
39 *licensee as he believes necessary to protect persons insured and the*
40 *public. He may require the temporary licensee to have a suitable sponsor*
41 *who is licensed as a producer of insurance or authorized as an insurer*
42 *and who assumes responsibility for all acts of the temporary licensee,*
43 *and may impose similar requirements to protect persons insured and the*
44 *public. The commissioner may revoke a temporary license by order if the*
45 *interests of persons insured or the public are endangered. A temporary*
46 *license expires when the owner or his personal representative or*
47 *guardian disposes of the business.*

48 **Sec. 93.** *The commissioner may refuse to issue a license or*
49 *certificate pursuant to this chapter or may place any person to whom a*



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- 1 *license or certificate is issued pursuant to this chapter on probation,*
2 *suspend him for not more than 12 months, or revoke or refuse to renew*
3 *his license or certificate, or may impose an administrative fine or take*
4 *any combination of the foregoing actions, for one or more of the*
5 *following causes:*
- 6 *1. Providing incorrect, misleading, incomplete or partially untrue*
7 *information in his application for a license.*
 - 8 *2. Violating a law regulating insurance, or violating a regulation,*
9 *order or subpoena of the commissioner or an equivalent officer of*
10 *another state.*
 - 11 *3. Obtaining or attempting to obtain a license through*
12 *misrepresentation or fraud.*
 - 13 *4. Misappropriating, converting or improperly withholding money or*
14 *property received in the course of the business of insurance.*
 - 15 *5. Intentionally misrepresenting the terms of an actual or proposed*
16 *contract of or application for insurance.*
 - 17 *6. Conviction of a felony.*
 - 18 *7. Admitting or being found to have committed an unfair trade*
19 *practice or fraud.*
 - 20 *8. Using fraudulent, coercive or dishonest practices, or demonstrated*
21 *incompetence, untrustworthiness or financial irresponsibility in the*
22 *conduct of business in this state or elsewhere.*
 - 23 *9. Denial, suspension or revocation of a license as a producer of*
24 *insurance, or its equivalent, in any other state, territory or province.*
 - 25 *10. Forging another's name to an application for insurance or any*
26 *other document relating to the transaction of insurance.*
 - 27 *11. Improperly using notes or other reference material to complete*
28 *an examination for a license related to insurance.*
 - 29 *12. Knowingly accepting business related to insurance from an*
30 *unlicensed person.*
 - 31 *13. Failing to comply with an administrative or judicial order*
32 *imposing an obligation of child support.*
- 33 **Sec. 94.** *1. If the commissioner denies an application for, or*
34 *refuses to renew, a license, he shall notify the applicant or licensee and*
35 *state in writing the reason for the denial or refusal. The applicant or*
36 *licensee may apply in writing, pursuant to NRS 679B.310, for a hearing*
37 *before the commissioner to determine the reasonableness of the denial or*
38 *refusal. The hearing must be held within 30 days and conducted*
39 *pursuant to NRS 679B.330. The applicant or licensee may waive the*
40 *requirement to hold the hearing within 30 days, in writing, before a*
41 *hearing is held.*
- 42 *2. The commissioner may suspend, revoke or refuse to renew the*
43 *license of a business organization if he finds, after hearing, that a*
44 *violation by a natural person was known or should have been known by*
45 *one or more of the partners, officers or managers acting on behalf of the*
46 *organization, the violation was not reported to the commissioner, and no*
47 *corrective action was taken.*
 - 48 *3. In addition to or in lieu of a denial, suspension or revocation of,*
49 *or refusal to renew, a license, an administrative fine of not less than \$25*



1 *nor more than \$500 may be imposed for each violation or act. An order*
2 *imposing a fine must specify the date, not less than 15 days nor more*
3 *than 30 days after the date of the order, before which the fine must be*
4 *paid. If the fine is not paid when due, the commissioner shall*
5 *immediately revoke the license of a licensee and the fine must be*
6 *recovered in a civil action brought on behalf of the commissioner by the*
7 *attorney general. The commissioner shall immediately deposit all such*
8 *finest collected with the state treasurer for credit to the state general fund.*

9 4. *The commissioner retains the authority to enforce the provisions*
10 *of, and impose any penalty or pursue any remedy authorized by, this Title*
11 *against any person who is under investigation for or charged with a*
12 *violation of a provision of this Title even if his license or registration has*
13 *been surrendered or has lapsed by operation of law.*

14 5. *A licensee must pay all applicable fees, including renewal fees,*
15 *and maintain any required education during a period of suspension of*
16 *his license.*

17 **Sec. 95.** 1. *An insurer or a producer of insurance shall not pay a*
18 *commission, brokerage, fee for service or other valuable consideration to*
19 *a person for selling, soliciting or negotiating insurance in this state if his*
20 *activities require him to be licensed under this Title and he is not so*
21 *licensed.*

22 2. *A person shall not accept a commission, brokerage, fee for service*
23 *or other valuable consideration for selling, soliciting or negotiating*
24 *insurance in this state if his activities require him to be licensed under*
25 *this Title and he is not so licensed.*

26 3. *Commissions for renewal and other deferred commissions may be*
27 *paid to a person whose activities required him to be licensed under this*
28 *Title at the time of the sale, solicitation or negotiation and he was so*
29 *licensed at that time.*

30 4. *An insurer or producer of insurance may pay or assign*
31 *commissions, brokerage, fees for service or other valuable considerations*
32 *to an insurance agency or a person who does not sell, solicit or negotiate*
33 *insurance in this state unless the payment would violate the provisions of*
34 *NRS 686A.110 or 686A.120.*

35 **Sec. 96.** 1. *A producer of insurance shall not act as an agent of an*
36 *insurer unless he is appointed as an agent of the insurer. A producer*
37 *who is not acting as an agent of the insurer need not be appointed and is*
38 *an agent of the insured.*

39 2. *To appoint a producer of insurance as its agent, an insurer must*
40 *file, in a form approved by the commissioner, a notice of appointment*
41 *within 15 days after the contract is executed or the first application for*
42 *insurance is submitted. An insurer may appoint a producer to act as*
43 *agent for all or some insurers within its holding company or group by*
44 *filing a single notice of appointment. A notice of appointment may*
45 *include several agents.*

46 3. *Upon receipt of a notice of appointment, the commissioner shall*
47 *determine within 30 days whether the producer of insurance is eligible*
48 *for appointment. If he is not, the commissioner shall so notify the insurer*
49 *within 5 days after the determination is made.*



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1 4. An insurer shall pay an appointment fee and remit an annual
2 renewal fee for each producer of insurance appointed as its agent. A
3 payment or remittance may include fees for several agents.

4 5. For the purposes of this section:

5 (a) "Agent of the insured" means a producer of insurance who is
6 compensated only by the insured or consumer and receives no
7 compensation from an insurer for a transaction of insurance with the
8 insured or consumer.

9 (b) "Agent of the insurer" means a producer of insurance who is
10 compensated by the insurer and sells, solicits or negotiates insurance for
11 the insurer.

12 **Sec. 97.** 1. An insurer or its authorized representative who
13 terminates the appointment, employment or other relationship of a
14 producer of insurance to the insurer for any reason shall notify the
15 commissioner within 30 days after the effective date of the termination,
16 in a form prescribed by the commissioner. The insurer shall provide
17 additional information or documents if so requested in writing by the
18 commissioner.

19 2. If the reason for termination is an activity described in section 93
20 of this act as a cause for disciplinary action or the insurer knows that the
21 producer has been found to have engaged in such an activity by a court,
22 governmental agency or self-regulatory organization authorized by law,
23 the insurer or its authorized representative shall notify the commissioner,
24 in a form acceptable to the commissioner, if upon further review or
25 investigation the insurer discovers additional information that would
26 have been reportable originally to the commissioner if the insurer had
27 then known it.

28 3. Within 15 days after notifying the commissioner under subsection
29 1 or 2, the insurer shall mail a copy of the notification to the producer of
30 insurance at his last known address. If the termination was for an
31 activity described in subsection 2, the copy must be sent by certified mail,
32 return receipt requested, or by overnight delivery using a nationally
33 recognized carrier.

34 4. Within 30 days after the producer has received the original or
35 additional notification, he may file written comments concerning the
36 substance of the notification with the commissioner. The producer shall
37 send a copy of the comments, by the same means and at the same time, to
38 the reporting insurer. The comments become a part of the
39 commissioner's file and must accompany every copy of the underlying
40 report that is distributed or disclosed by the commissioner.

41 5. In the absence of actual malice, an insurer, its authorized
42 representative, a producer of insurance, the commissioner, and any
43 organization of which the commissioner is a member which compiles
44 information and makes it available to other commissioners of insurance
45 or to regulatory or law enforcement agencies are not subject to civil
46 liability, and no cause of action arises against any of them or their
47 respective agents or employees, as a result of any statement or
48 information required by or provided pursuant to this section or any
49 statement by a terminating insurer or a producer to another insurer or



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1 *producer limited to whether a termination for a cause described in*
2 *subsection 2 was reported to the commissioner, if in the latter case the*
3 *propriety of termination for that cause is certified in writing by an officer*
4 *or authorized representative of the insurer or by the producer.*

5 6. *In an action brought against a person who may have immunity*
6 *under subsection 5 for making a statement or providing information*
7 *required by this section or requested by the commissioner under this*
8 *section, the plaintiff must plead specifically that subsection 5 does not*
9 *apply because the person making the statement or providing the*
10 *information did so with actual malice.*

11 7. *Subsections 5 and 6 do not abrogate or modify any other privilege*
12 *or immunity under statute or the common law.*

13 **Sec. 98.** *An insurer or its authorized representative who fails to*
14 *report as required by section 97 of this act or is found by a court of*
15 *competent jurisdiction to have reported with actual malice is subject to*
16 *the suspension or revocation of its license, after notice and hearing, and*
17 *may be further punished by a fine under NRS 679A.180.*

18 **Sec. 99.** *A producer of insurance shall report to the commissioner:*

19 1. *Any administrative action taken against him in another*
20 *jurisdiction or by another governmental agency in this state, within 30*
21 *days after the final disposition of the matter. The report must include a*
22 *copy of the complaint filed, the order issued, and any other relevant legal*
23 *documents.*

24 2. *Any criminal prosecution against him in any jurisdiction, within*
25 *30 days after the initial pretrial hearing. The report must include a copy*
26 *of the complaint filed, the order as a result of the pretrial hearing, and*
27 *other relevant legal documents.*

28 **Sec. 100.** NRS 683A.020 is hereby amended to read as follows:

29 683A.020 As used in this code, unless the context otherwise requires,
30 the words and terms defined in NRS 683A.025 to ~~683A.080~~ 683A.060,
31 inclusive, *and sections 75 to 83, inclusive, of this act*, have the meanings
32 ascribed to them in those sections.

33 **Sec. 101.** NRS 683A.025 is hereby amended to read as follows:

34 683A.025 1. Except as limited by this section, “administrator” means
35 a person who:

36 (a) Directly or indirectly underwrites or collects charges or premiums
37 from or adjusts or settles claims of residents of this state or any other state
38 from within this state in connection with workers’ compensation insurance,
39 life or health insurance coverage or annuities, including coverage or
40 annuities provided by an employer for his employees;

41 (b) Administers an internal service fund pursuant to NRS 287.010;

42 (c) Administers a program of self-insurance for an employer;

43 (d) Administers a program which is funded by an employer and which
44 provides pensions, annuities, health benefits, death benefits or other similar
45 benefits for his employees; or

46 (e) Is an insurance company that is licensed to do business in this state
47 or is acting as an insurer with respect to a policy lawfully issued and
48 delivered in a state where the insurer is authorized to do business, if the



1 insurance company performs any act described in paragraphs (a) to (d),
2 inclusive, for or on behalf of another insurer.

3 2. “Administrator” does not include:

4 (a) An employee authorized to act on behalf of an administrator who
5 holds a certificate of registration from the commissioner.

6 (b) An employer acting on behalf of his employees or the employees of
7 a subsidiary or affiliated concern.

8 (c) A labor union acting on behalf of its members.

9 (d) Except as otherwise provided in paragraph (e) of subsection 1, an
10 insurance company licensed to do business in this state or acting as an
11 insurer with respect to a policy lawfully issued and delivered in a state in
12 which the insurer was authorized to do business.

13 (e) A *producer of* life or health insurance ~~agent or broker~~ licensed in
14 this state, when his activities are limited to the sale of insurance.

15 (f) A creditor acting on behalf of his debtors with respect to insurance
16 covering a debt between the creditor and debtor.

17 (g) A trust and its trustees, agents and employees acting for it, if the
18 trust was established under the provisions of 29 U.S.C. § 186.

19 (h) A trust which is exempt from taxation under section 501(a) of the
20 Internal Revenue Code, 26 U.S.C. § 501(a), its trustees and employees, and
21 a custodian, his agents and employees acting under a custodial account
22 which meets the requirements of section 401(f) of the Internal Revenue
23 Code, 26 U.S.C. § 401(f).

24 (i) A bank, credit union or other financial institution which is subject to
25 supervision by federal or state banking authorities.

26 (j) A company which issues credit cards, and which advances for and
27 collects premiums or charges from credit card holders who have authorized
28 it to do so, if the company does not adjust or settle claims.

29 (k) An attorney at law who adjusts or settles claims in the normal course
30 of his practice or employment, but who does not collect charges or
31 premiums in connection with life or health insurance coverage or with
32 annuities.

33 **Sec. 102.** NRS 683A.060 is hereby amended to read as follows:

34 683A.060 1. A “managing general agent” is a person who:

35 (a) Negotiates and binds ceding reinsurance contracts on behalf of an
36 insurer or manages all or part of the insurance business of an insurer,
37 including the management of a separate division, department of
38 underwriting office; ~~and~~ *or*

39 (b) Acts as an agent for ~~such~~ *the* insurer and with or without the
40 authority, either separately or together with affiliates:

41 (1) Produces, directly or indirectly, and underwrites an amount of
42 gross direct written premiums equal to or more than 5 percent of the
43 policyholder surplus as reported in the last annual statement of the insurer
44 in any one quarter or year; and

45 (2) Adjusts or pays claims in excess of an amount determined by the
46 commissioner or negotiates reinsurance on behalf of the insurer.

47 2. A managing general agent includes a person with authority to
48 appoint and to terminate the appointment of an agent for an insurer.



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1 3. For the purposes of this chapter, the following are not managing
2 general agents:

- 3 (a) An employee of the insurer;
4 (b) A manager of the United States branch of an alien insurer;
5 (c) An attorney authorized by and acting for the subscribers of a
6 reciprocal insurer or interinsurance exchange; and
7 (d) An underwriting manager who, pursuant to a contract, manages all
8 or part of the insurance operations of the insurer, is under common control
9 with the insurer, is subject to the provisions of chapter 692C of NRS and
10 whose compensation is not based on the volume of premiums written or the
11 profit of the business written.

12 **Sec. 103.** NRS 683A.08522 is hereby amended to read as follows:

13 683A.08522 Each application for a certificate of registration as an
14 administrator must include or be accompanied by:

15 1. A financial statement that is certified by an officer of the applicant
16 and must include:

17 (a) The amount of money that the applicant expects to collect from or
18 disburse to residents of this state during the next calendar year;

19 (b) Financial information for the 90 days immediately preceding the
20 date the application was filed with the commissioner; and

21 (c) An income statement and balance sheet for the 2 years immediately
22 preceding the application that are prepared in accordance with generally
23 accepted accounting principles. The submission by the applicant of his
24 consolidated income statement and balance sheet does not constitute
25 compliance with the provisions of this paragraph.

26 2. The documents used to create the business association of the
27 administrator, including ~~[-without limitation,]~~ articles of incorporation,
28 articles of association, a partnership agreement, a trust agreement and a
29 ~~[shareholder]~~ *shareholders'* agreement.

30 3. The documents used to regulate the internal affairs of the
31 administrator, including ~~[-without limitation,]~~ the bylaws, rules or
32 regulations of the administrator.

33 4. A certificate of registration issued pursuant to NRS 600.350 for a
34 trade name or trade-mark used by the administrator.

35 5. An organizational chart that identifies each person who directly or
36 indirectly controls the administrator and each affiliate of the administrator.

37 6. A notarized affidavit from each person who manages or controls the
38 administrator, including ~~[-without limitation,]~~ each member of the board of
39 directors or board of trustees, each officer, partner and member of the
40 business association of the administrator, and each shareholder of the
41 administrator who holds not less than 10 percent of the voting stock of the
42 administrator. The affidavit must include : ~~[-without limitation,]~~

43 (a) The personal history, business record and insurance experience of
44 the affiant;

45 (b) Whether the affiant has been investigated by any regulatory
46 authority or has had any license or certificate denied, suspended or revoked
47 in any state; and

48 (c) Any other information that the commissioner may require.



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1 7. The complete name and address of each office of the administrator,
2 including offices located outside this state.

3 8. A statement that sets forth whether the administrator has:

4 (a) Held a license or certificate to transact any kind of insurance in this
5 state or any other state and whether that license or certificate has been
6 refused, suspended or revoked;

7 (b) Been indebted to any person and, if so, the circumstances of that
8 debt; and

9 (c) Had an administrative agreement canceled and, if so, the
10 circumstances of that cancellation.

11 9. A statement that describes the business plan of the administrator.
12 The statement must include information:

13 (a) Concerning the number of persons on the staff of the administrator
14 and the activities proposed in this state or in any other state.

15 (b) That demonstrates the capability of the administrator to provide a
16 sufficient number of experienced and qualified persons for the processing
17 of claims, the keeping of records and, if applicable, underwriting.

18 10. If the applicant intends to solicit new or renewal business, proof
19 that the applicant employs or has contracted with ~~an agent~~ *a producer of*
20 *insurance* licensed in this state to solicit and take applications. An
21 applicant who intends to solicit insurance contracts directly or to act as ~~an~~
22 ~~insurance agent~~ *a producer* must provide proof that he is licensed as ~~an~~
23 ~~insurance agent~~ *a producer* in this state.

24 **Sec. 104.** NRS 683A.090 is hereby amended to read as follows:

25 683A.090 1. ~~{A person shall not in this state be, act as or hold~~
26 ~~himself out to be, with respect to subjects of insurance resident, located or~~
27 ~~to be performed in this state or elsewhere, an agent, broker or solicitor~~
28 ~~unless licensed as such under this code.}~~ A managing general agent,
29 whether or not located in this state, shall not be or act as such with respect
30 to the business of an insurer in this state unless licensed as such under this
31 code.

32 2. ~~{An agent, broker or solicitor shall not take an application for,~~
33 ~~procure or place for others any kind of insurance as to which he is not then~~
34 ~~so licensed.}~~

35 ~~—3.— Except as otherwise provided in NRS 683A.440 concerning the~~
36 ~~sharing of commissions, an agent shall not place any insurance with any~~
37 ~~insurer as to which he does not then hold a license and an appointment as~~
38 ~~agent under this code.~~

39 ~~—4.—~~ A person who acts as ~~{an agent, broker or solicitor}~~ *a managing*
40 *general agent* in this state without a license may be assessed an
41 administrative fine of not more than \$1,000 for each violation.

42 ~~{5.— In addition to or in lieu of any applicable denial, suspension or~~
43 ~~revocation of license or administrative fine, any person violating this~~
44 ~~section is guilty of a misdemeanor.}~~

45 **Sec. 105.** NRS 683A.105 is hereby amended to read as follows:

46 683A.105 If a short-term lessor of passenger vehicles licensed
47 pursuant to NRS 482.363 holds a limited ~~{agent's}~~ license *as a producer of*
48 *insurance* issued pursuant to ~~{NRS 683A.260,}~~ *section 89 of this act*, an
49 employee of the short-term lessor may engage in the solicitation and sale of



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1 insurance requested by a lessee pursuant to NRS 482.3158 without a
2 license issued pursuant to this chapter if the solicitation and sale of such
3 insurance is done on behalf of, and under the supervision of, the short-term
4 lessor.

5 **Sec. 106.** NRS 683A.110 is hereby amended to read as follows:

6 683A.110 1. For the purposes of this section:

7 (a) "Affiliate" means a person that directly, or indirectly through one or
8 more intermediaries, is controlled by, or is under common control with, a
9 bank.

10 (b) "Bank" means any institution that accepts deposits that the depositor
11 has a legal right to withdraw on demand.

12 (c) *"Financial holding company" means a bank holding company as*
13 *defined in section 4(1)(1) of the Bank Holding Company Act of 1956, 12*
14 *U.S.C. § 1841(l)(1).*

15 (d) "Parent" means a person that owns or controls a bank, directly or
16 indirectly, in whole or in part.

17 ~~+(d)+~~ (e) "Subsidiary" means a person owned or controlled by a bank,
18 directly or indirectly, in whole or in part.

19 2. A bank ~~{must not directly or indirectly}~~ may be licensed ~~{to sell}~~ as
20 *a producer of* insurance in this state ~~{except as to}~~ :

21 (a) *to the extent permitted by Title V of Public Law 106-102, 15*
22 *U.S.C. §§ 6801 et seq.; and*

23 (b) *For* credit insurance, as defined in NRS 690A.015, and credit
24 property insurance. ~~{or}~~

25 3. *A bank must not* be licensed or admitted as an insurer.

26 ~~{3-}~~ 4. The provisions of subsection ~~{2}~~ 3 do not prohibit the licensing
27 by the commissioner ~~{~~

28 ~~-(a)-~~ ~~Of~~ of an affiliate, *financial holding company*, parent or subsidiary
29 of a bank to sell insurance or be admitted as an insurer. ~~{or}~~

30 ~~-(b)-~~ ~~Of a bank to sell annuities. As used in this paragraph, "annuity" has~~
31 ~~the meaning ascribed to it in NRS 688A.020.~~

32 **Sec. 107.** NRS 683A.140 is hereby amended to read as follows:

33 683A.140 1. A firm or corporation may be licensed ~~{only as an agent~~
34 ~~or broker, resident or nonresident, or}~~ as a managing general agent.

35 2. A resident firm or corporation which has more than one office in
36 this state is a single licensee for the purposes of being appointed by
37 insurers and the authority of natural persons to act for the firm or
38 corporation. Such a firm or corporation must obtain a copy of its license for
39 each location, but only must obtain one original license as ~~{an agent or~~
40 ~~broker.}~~ *a managing general agent.*

41 3. For licensing as ~~{an agent or broker,}~~ *a managing general agent,*
42 each general partner and each natural person to act for the firm, or each
43 natural person to act for the corporation, must be named in the license ~~{or~~
44 ~~registered with the commissioner,}~~ and must qualify as an individual
45 licensee. A natural person who is authorized to act for a firm or corporation
46 and who also wishes to be licensed in an individual capacity must obtain a
47 separate license in his own name. The commissioner shall charge
48 appropriate fees for each person who is licensed to act for a firm or



1 corporation and who is named on the license . ~~for registered with the~~
2 ~~commissioner.~~

3 ~~—4. A natural person who is not a resident of this state as provided in~~
4 ~~paragraph (a) of subsection 1 of NRS 683A.130 must not be so named or~~
5 ~~registered as to the license of a resident agent or resident broker, and shall~~
6 ~~not exercise the license powers thereof. A natural person who is a resident~~
7 ~~of this state must not be so named or registered as to the license of a~~
8 ~~nonresident agent or nonresident broker, and shall not exercise the powers~~
9 ~~thereof.~~

10 ~~—5. A license as a resident agent or resident broker must not be issued to~~
11 ~~a firm or corporation unless it maintains a principal place of business in~~
12 ~~this state, and the transaction of business under the license is specifically~~
13 ~~authorized in the firm's partnership agreement or the corporation's articles.~~

14 ~~—6.} 4.~~ The licensee shall promptly notify the commissioner of all
15 changes among its members, directors and officers, and among other
16 persons ~~designated in or registered as to~~ **named in** the license. The
17 licensee shall provide to the commissioner upon request information
18 concerning officers or owners of the firm or corporation who are not
19 named in the license . ~~for registered with the commissioner.}~~

20 **Sec. 108.** NRS 683A.150 is hereby amended to read as follows:

21 683A.150 ~~{-}~~ Written application for ~~an agent's, broker's or~~
22 ~~solicitor's}~~ **a managing general agent's** license must be filed with the
23 commissioner by the applicant, accompanied by the applicable fee . ~~shown~~
24 ~~in NRS 680B.010. The application form must be accompanied by the~~
25 ~~applicant's fingerprints, and must require full answers to questions~~
26 ~~reasonably necessary to determine the applicant's:~~

27 ~~—(a) Identity and residence;~~

28 ~~—(b) Business record or occupations for not less than the 2 years next~~
29 ~~preceding, with the name and address of each employer, if any; and~~

30 ~~—(c) Experience or instruction in the kind or kinds of insurance business~~
31 ~~he proposes to transact, and relative to the insurance laws of this state,~~
32 ~~and other facts reasonably required by the commissioner to determine the~~
33 ~~applicant's qualifications for the license applied for.~~

34 ~~—2. If for an agent's license, the application must state the kinds of~~
35 ~~insurance proposed to be transacted, and be accompanied by a written~~
36 ~~appointment by an authorized insurer or insurers as agent for such kinds of~~
37 ~~insurance, subject to issuance of the license.~~

38 ~~—3. If for a solicitor's license, the application must be accompanied by~~
39 ~~the written requisition and certification by a licensed resident general lines~~
40 ~~agent or licensed resident broker, showing that the applicant is his bona~~
41 ~~fide employee, or is so employed as a solicitor subject to issuance of the~~
42 ~~license.~~

43 ~~—4. If the applicant for an agent's or broker's license is a firm or~~
44 ~~corporation, the application must also show the names of all members,~~
45 ~~officers and directors, and must designate each natural person who is to~~
46 ~~exercise the powers of a licensee. Each person who is to exercise the power~~
47 ~~of a licensee shall furnish information as to himself as though he were~~
48 ~~applying personally for a license. The commissioner may require members,~~



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1 officers, directors or owners who will not exercise the powers of a licensee
2 to submit such information.

3 ~~— 5. The application must show whether and where the applicant is now~~
4 ~~or ever was previously licensed as to insurance and whether any such~~
5 ~~license was ever refused, suspended, revoked or renewal or continuance~~
6 ~~refused. The application also must indicate whether any insurer, general~~
7 ~~agent, agent or broker claims the applicant has ever had an agency contract~~
8 ~~canceled, and the facts thereof and, if the applicant is married, like~~
9 ~~information with respect to the applicant's spouse.~~

10 ~~— 6. The application must be verified by the applicant, and an applicant~~
11 ~~for a license under this chapter shall not knowingly misrepresent or~~
12 ~~withhold any fact or information called for in the application form or~~
13 ~~relevant thereto.~~

14 **Sec. 109.** NRS 683A.350 is hereby amended to read as follows:

15 683A.350 1. Every nonresident licensed by this state as ~~an agent or~~
16 ~~broker pursuant to NRS 683A.340~~ **a producer of insurance** shall appoint
17 the commissioner in writing as his attorney upon whom may be served all
18 legal process issued in connection with any action or proceeding brought or
19 pending in this state against or involving the licensee and relating to
20 transactions under his Nevada license. The appointment is irrevocable and
21 continues in force for so long as any such action or proceeding may arise or
22 exist. Duplicate copies of process must be served upon the commissioner
23 or other person in apparent charge of the division during the
24 commissioner's absence, accompanied by payment of the fee for service of
25 process . ~~as specified in NRS 680B.010.~~ Upon such service the
26 commissioner shall promptly forward a copy of the process by certified
27 mail with return receipt requested to the nonresident licensee at his
28 business address last of record with the division. Process served and the
29 copy thereof forwarded as provided in this subsection constitutes for all
30 purposes personal service thereof upon the licensee.

31 2. Every such licensee shall likewise file with the commissioner his
32 written agreement to appear before the commissioner pursuant to notice of
33 hearing, show cause order or subpoena issued by the commissioner and
34 deposited, postage paid, by certified mail with the United States Postal
35 Service, addressed to the licensee at his address last of record in the
36 division, and that upon failure of the licensee so to appear the licensee
37 thereby consents to any subsequent suspension, revocation or refusal of the
38 commissioner to continue the licensee's license.

39 **Sec. 110.** NRS 683A.370 is hereby amended to read as follows:

40 683A.370 1. A licensed ~~resident agent~~ **producer of insurance** or
41 insurer may solicit for and issue personal travel accident insurance policies
42 by means of mechanical vending machines supervised by the ~~agent~~
43 **producer** and placed at airports and similar places of convenience to the
44 traveling public, if the commissioner finds that:

45 (a) The policy provides reasonable coverage and benefits, is suitable for
46 sale and issuance by vending machine, and that use of such a machine in a
47 proposed location would be of material convenience to the public;

48 (b) The type of machine proposed to be used is reasonably suitable for
49 the purpose;



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1 (c) Reasonable means are provided for informing prospective
2 purchasers of policy coverages and restrictions;

3 (d) Reasonable means are provided for the refund of money inserted in
4 defective machines and for which insurance so paid for is not received; and

5 (e) The cost of maintaining such a machine at a particular location is
6 reasonable in amount.

7 2. For each machine to be used, the commissioner shall issue to the
8 ~~agent~~ **producer** upon his application a special vending machine license.
9 ~~[The license shall specify the name and address of the insurer and agent,~~
10 ~~the name of the policy to be sold, the serial number and operating location~~
11 ~~of the machine.]~~ The license ~~shall be~~ **is** subject to annual continuation, to
12 expiration, suspension or revocation coincidentally with that of the ~~agent~~
13 **producer**. The commissioner shall also revoke the license of any machine
14 as to which he finds that the license qualifications no longer exist. ~~[The~~
15 ~~license fee shall be as specified in NRS 680B.010 (fee schedule) for each~~
16 ~~license year or part thereof for each respective machine.]~~ Proof of the
17 existence of a subsisting license ~~shall~~ **must** be displayed on or about each
18 machine in use in such manner as the commissioner reasonably requires.

19 **Sec. 111.** NRS 683A.376 is hereby amended to read as follows:

20 683A.376 As used in NRS 683A.375 to 683A.379, inclusive:

21 1. “Agent who performs utilization review” includes any person who
22 performs such review except a person acting on behalf of the Federal
23 Government, but only to the extent that the person provides the service for
24 the Federal Government or an agency thereof.

25 2. “Insured” means a natural person who has contracted for or
26 participates in coverage under a policy of insurance, a contract with a
27 health maintenance organization, a plan for hospital, medical or dental
28 services or any other program providing payment, reimbursement or
29 indemnification for the costs of health care for himself, his dependents, or
30 both.

31 3. “Utilization review” means a system that provides, at a minimum,
32 for review of the necessity and appropriateness of the allocation of health
33 care resources and services provided or proposed to be provided to an
34 insured ~~or to any person claiming benefits against a policy of the~~
35 **insured**. The term does not include responding to requests made by an
36 insured for clarification of his coverage.

37 **Sec. 112.** NRS 683A.383 is hereby amended to read as follows:

38 683A.383 1. A natural person who applies for the issuance or
39 renewal of a certificate of registration as an administrator or a license as
40 ~~an agent, broker, solicitor~~ **a producer of insurance** or managing general
41 agent shall submit to the commissioner the statement prescribed by the
42 welfare division of the department of human resources pursuant to NRS
43 425.520. The statement must be completed and signed by the applicant.

44 2. The commissioner shall include the statement required pursuant to
45 subsection 1 in:

46 (a) The application or any other forms that must be submitted for the
47 issuance or renewal of the certificate of registration or license; or

48 (b) A separate form prescribed by the commissioner.



1 3. A certificate of registration as an administrator or a license as ~~an~~
2 ~~agent, broker, solicitor~~ *a producer of insurance* or managing general
3 agent may not be issued or renewed by the commissioner if the applicant is
4 a natural person who:

- 5 (a) Fails to submit the statement required pursuant to subsection 1; or
6 (b) Indicates on the statement submitted pursuant to subsection 1 that he
7 is subject to a court order for the support of a child and is not in
8 compliance with the order or a plan approved by the district attorney or
9 other public agency enforcing the order for the repayment of the amount
10 owed pursuant to the order.

11 4. If an applicant indicates on the statement submitted pursuant to
12 subsection 1 that he is subject to a court order for the support of a child and
13 is not in compliance with the order or a plan approved by the district
14 attorney or other public agency enforcing the order for the repayment of
15 the amount owed pursuant to the order, the commissioner shall advise the
16 applicant to contact the district attorney or other public agency enforcing
17 the order to determine the actions that the applicant may take to satisfy the
18 arrearage.

19 **Sec. 113.** NRS 683A.385 is hereby amended to read as follows:

20 683A.385 1. If the commissioner receives a copy of a court order
21 issued pursuant to NRS 425.540 that provides for the suspension of all
22 professional, occupational and recreational licenses, certificates and
23 permits issued to a person who is the holder of a certificate of registration
24 as an administrator or a license as ~~an agent, broker, solicitor~~ *a producer*
25 *of insurance* or managing general agent, the commissioner shall ~~deem~~
26 *suspend* the certificate of registration or license issued to that person ~~to be~~
27 *suspended* at the end of the 30th day after the date on which the court
28 order was issued unless the commissioner receives a letter issued to the
29 holder of the certificate of registration or license by the district attorney or
30 other public agency pursuant to NRS 425.550 stating that the holder of the
31 certificate of registration or license has complied with the subpoena or
32 warrant or has satisfied the arrearage pursuant to NRS 425.560.

33 2. The commissioner shall reinstate a certificate of registration as an
34 administrator or a license as ~~an agent, broker, solicitor~~ *a producer of*
35 *insurance* or managing general agent that has been suspended by a district
36 court pursuant to NRS 425.540 if the commissioner receives a letter issued
37 by the district attorney or other public agency pursuant to NRS 425.550 to
38 the person whose certificate of registration or license was suspended
39 stating that the person whose certificate of registration or license was
40 suspended has complied with the subpoena or warrant or has satisfied the
41 arrearage pursuant to NRS 425.560.

42 **Sec. 114.** NRS 683A.387 is hereby amended to read as follows:

43 683A.387 The application of a natural person who applies for the
44 issuance of a certificate of registration as an administrator or a license as
45 ~~an agent, broker, solicitor~~ *a producer of insurance* or managing general
46 agent must include the social security number of the applicant.

47 **Sec. 115.** NRS 683A.390 is hereby amended to read as follows:

48 683A.390 1. Every ~~general lines agent, general lines broker, life~~
49 ~~agent and health agent~~ *producer of insurance* shall keep complete records



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1 of transactions under his license . ~~and those of his solicitors.~~ The records
2 must show, for each insurance policy placed or countersigned by or
3 through the licensee, not less than the names of the insurer and insured, the
4 number and expiration date of, and premium payable as to, the policy or
5 contract, the names of all other persons from whom business is accepted or
6 to whom commissions are promised or paid, all premiums collected, and
7 such additional information as the commissioner may reasonably require.

8 2. The records must be open to examination of the commissioner at all
9 times, and the commissioner may at any time require the licensee to furnish
10 to him, in such manner or form as he requires, any information kept or
11 required to be kept in those records.

12 3. Records of a particular policy or contract may be destroyed 3 years
13 after expiration of the policy or contract.

14 **Sec. 116.** NRS 683A.400 is hereby amended to read as follows:

15 683A.400 1. All money of others received by any person in any way
16 licensed or acting as ~~an insurance agent, broker, solicitor,~~ *a producer of*
17 *insurance*, surplus lines broker, motor club agent or bail agent under any
18 insurance policy or undertaking of bail ~~is~~ *is* received and held by ~~the~~
19 ~~person~~ *him* in a fiduciary capacity. Any such person who diverts or
20 appropriates such fiduciary money to his own use is guilty of
21 embezzlement.

22 2. Each such person who does not make immediate remittance of the
23 money to the insurer or other person entitled thereto, shall elect and follow
24 with respect to money received for the account of a particular insurer or
25 person either of the following methods:

26 (a) Remit received premiums, less applicable commissions, if any, and
27 return premiums to the insurer or other person entitled thereto within 15
28 days after receipt; or

29 (b) Establish and maintain in a commercial bank, credit union or other
30 established financial institution depository in this state one or more
31 accounts, separate from accounts holding his general personal, firm or
32 corporate money, and forthwith deposit and retain in the accounts pending
33 transmittal to the insurer or other person entitled thereto, all such
34 premiums, net of applicable commissions, if any, and return premiums.
35 Money belonging to more than one principal may be so deposited and held
36 in the same such account if the amount so held for each principal is readily
37 ascertainable from the records of the depositor. The depositor may
38 commingle with such fiduciary money in a particular account such
39 additional money as he may deem prudent to advance premiums, establish
40 reserves for the payment of return commissions, or for other contingencies
41 arising in his business of receiving and transmitting premiums or return
42 premiums.

43 3. Such a person may commingle with his own money to an unlimited
44 amount money of a particular principal if the principal in writing
45 in advance has specifically waived the segregation requirements of
46 subsection 2.

47 4. Any commingling of money with money of any such person
48 permitted under this section does not alter the fiduciary capacity of ~~such~~
49 *that* person with respect to the money of others.



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1 **Sec. 117.** NRS 683A.410 is hereby amended to read as follows:
2 683A.410 1. If within 30 days after the contractual due date of any
3 premium received by him, ~~{any agent, broker}~~ *a producer of insurance* or
4 surplus lines broker fails to remit the premium to the insurer or agency to
5 whom it is owing, the insurer or agency, as the case may be, shall promptly
6 report ~~{such}~~ *the* failure to the commissioner in writing.

7 2. The commissioner may suspend the licenses of ~~{any such agent,~~
8 ~~broker}~~ *the producer* or surplus lines broker so failing to remit, until the
9 remittance has been made or the insurer or agency has filed with the
10 commissioner a release of the indebtedness satisfactory to the
11 commissioner.

12 3. The applicable procedures provided for in ~~{NRS 683A.450~~
13 ~~{suspension, revocation, refusal of license} and NRS 683A.460 {certain~~
14 ~~procedure for suspension, revocation of license}}~~ *section 93 of this act*
15 apply to suspensions of license under this section . ~~{, except that the 12-~~
16 ~~month limit of suspension periods provided in NRS 683A.450 does not~~
17 ~~apply.}~~

18 4. If the commissioner, by the admission of the ~~{agent, broker}~~
19 ~~producer~~ or surplus lines broker, or by examination of the records of the
20 ~~{agent, broker}~~ *producer* or surplus lines broker, determines that the
21 charged failure to remit is true, he may suspend the license without
22 hearing.

23 **Sec. 118.** Chapter 683C of NRS is hereby amended by adding thereto
24 the provisions set forth as sections 119 to 121, inclusive, of this act.

25 **Sec. 119.** 1. *A nonresident who is licensed by this state as an*
26 *insurance consultant shall appoint the commissioner, in writing, as his*
27 *attorney upon whom may be served all legal process issued in connection*
28 *with any action or proceeding brought or pending in this state against or*
29 *involving him and relating to transactions under his Nevada license. The*
30 *appointment is irrevocable and remains in force so long as such an*
31 *action or proceeding exists or may arise. Duplicate copies of process*
32 *must be served upon the commissioner, or other person in apparent*
33 *charge of the division during his absence, accompanied by payment of*
34 *the fee for service of process. Promptly after any such service, the*
35 *commissioner shall forward a copy of the process by certified mail,*
36 *return receipt requested, to the nonresident licensee at his business*
37 *address of most recent record with the division. Process so served and the*
38 *copy so forwarded constitutes personal service upon the licensee for all*
39 *purposes.*

40 2. *Each such nonresident licensee shall also file with the*
41 *commissioner his written promise to appear before the commissioner*
42 *pursuant to notice of hearing, order to show cause, or subpoena issued*
43 *by the commissioner and sent by certified mail to the licensee at his*
44 *business address of most recent record with the division, and that if he*
45 *fails to appear, he thereby consents to any subsequent suspension,*
46 *revocation or refusal to renew his license.*

47 **Sec. 120.** 1. *The commissioner may place an insurance consultant*
48 *on probation, suspend his license for not more than 12 months, or revoke*
49 *or refuse to renew his license, or may impose an administrative fine or*



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1 *take any combination of the foregoing actions, for one or more of the*
2 *causes set forth in section 93 in this act.*

3 *2. The provisions of section 94 of this act also apply to an insurance*
4 *consultant.*

5 **Sec. 121.** *1. Upon suspension, limitation or revocation of the*
6 *license of an insurance consultant, the commissioner shall immediately*
7 *notify the licensee in person or by mail addressed to him at his most*
8 *recent address of record with the division. Notice by mail is effective*
9 *when mailed.*

10 *2. The commissioner shall not again issue a license under this*
11 *chapter to any natural person whose license has been revoked until at*
12 *least 1 year after the revocation has become final, and thereafter not*
13 *until the person again qualifies for it under this chapter. A person whose*
14 *license has been revoked twice is not eligible for any license under this*
15 *Title.*

16 *3. If the license of a business organization is suspended, limited or*
17 *revoked, no member, officer or director of the organization may be*
18 *licensed, or designated in a license to exercise its powers, during the*
19 *period of suspension or revocation, unless the commissioner determines*
20 *upon substantial evidence that the member, officer or director was not*
21 *personally at fault and did not knowingly aid, abet, assist or acquiesce in*
22 *the matter for which the license was suspended or revoked.*

23 **Sec. 122.** NRS 683C.040 is hereby amended to read as follows:

24 683C.040 A license may be renewed for additional 3-year periods by
25 submitting to the commissioner an application for renewal and:

26 1. If the application is made:

27 (a) On or before the expiration date of the license, ~~the applicable~~
28 renewal fee ~~of \$78~~ and an additional fee of \$15 for deposit in the
29 insurance recovery account; or

30 (b) Not more than 30 days after the expiration date of the license, ~~the~~
31 *the applicable* renewal fee ~~of \$117~~ *plus any late fee required* and an
32 additional fee of \$15 for deposit in the insurance recovery account;

33 2. If the applicant is a natural person, the statement required pursuant
34 to NRS 683C.043; and

35 3. ~~Proof~~ *If the applicant is a resident, proof* of the successful
36 completion of appropriate courses of study required for renewal, as
37 established by the commissioner by regulation.

38 **Sec. 123.** NRS 683C.090 is hereby amended to read as follows:

39 683C.090 ~~{The qualifications required for the licensing of a natural~~
40 ~~person pursuant to subsection 1 of NRS 683A.130 also apply to an~~
41 ~~insurance consultant.}~~

42 *1. The commissioner shall prescribe the form of application by a*
43 *natural person for a license as an insurance consultant. The applicant*
44 *must declare, under penalty of refusal to issue, or suspension or*
45 *revocation of, the license, that the statements made in the application are*
46 *true, correct and complete to the best of his knowledge and belief. Before*
47 *approving the application, the commissioner must find that the applicant*
48 *has:*

49 (a) *Attained the age of 18 years.*



1 (b) Not committed any act that is a ground for refusal to issue, or
2 suspension or revocation of, a license.

3 (c) Paid the fee prescribed for the license and a fee of \$15 for deposit
4 in the insurance recovery account, neither of which may be refunded.

5 (d) Passed each examination required for the license and successfully
6 complete each course of instruction which the commissioner requires by
7 regulation, unless he is a resident of another state and holds a similar
8 license in that state.

9 2. A business organization must be licensed as an insurance
10 consultant in order to act as such. Application must be made on a form
11 prescribed by the commissioner. Before approving the application, the
12 commissioner must find that the applicant has:

13 (a) Paid the fee prescribed for the license and a fee of \$15 for deposit
14 in the insurance recovery account, neither of which may be refunded;
15 and

16 (b) Designated a natural person licensed as an insurance consultant
17 to be responsible for the organization's compliance with the laws and
18 regulations of this state relating to insurance.

19 3. The commissioner may require any document reasonably
20 necessary to verify information contained in an application.

21 4. A license issued pursuant to this chapter is valid for 3 years after
22 the date of issuance or until it is suspended, revoked or otherwise
23 terminated.

24 **Sec. 124.** Chapter 684A of NRS is hereby amended by adding thereto
25 a new section to read as follows:

26 *An adjuster whose license expires is exempt from retaking the*
27 *examination required by NRS 684A.100 if he applies and is relicensed*
28 *within 6 months after the date of expiration.*

29 **Sec. 125.** NRS 684A.040 is hereby amended to read as follows:

30 684A.040 1. No person ~~shall~~ *may* act as, or hold himself out to be,
31 an adjuster or associate adjuster in this state unless then licensed as such
32 under the applicable independent adjuster's license, public adjuster's
33 license or associate adjuster's license, as the case may be, issued under the
34 provisions of this chapter.

35 2. For purposes of this chapter the commissioner may ~~in his~~
36 ~~discretion,~~ issue a limited license to an adjuster handling claims under a
37 contract of one or more of the kinds of insurance defined in NRS 681A.010
38 to 681A.080, inclusive.

39 3. Any person violating the provisions of this section is guilty of a
40 gross misdemeanor.

41 4. *A person who acts as an adjuster in this state without a license is*
42 *subject to an administrative fine of not more than \$1,000 for each*
43 *violation.*

44 **Sec. 126.** NRS 684A.110 is hereby amended to read as follows:

45 684A.110 1. If the commissioner finds that the application is
46 complete, that the applicant has passed all required examinations and is
47 otherwise eligible and qualified for the license as an adjuster, the
48 commissioner shall promptly issue the license. If the commissioner refuses



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1 to issue the license, he shall promptly notify the applicant in writing of the
2 refusal, stating the grounds for the refusal.

3 2. All fees paid by an applicant with his application for a license shall
4 be deemed earned when received and may not be refunded.

5 3. An applicant for a license who desires to use a name other than his
6 true name must comply with the provisions of ~~NRS 683A.240~~ *section 91*
7 *of this act*.

8 **Sec. 127.** NRS 684A.200 is hereby amended to read as follows:

9 684A.200 Nonresidents of this state who are granted licenses as
10 adjusters pursuant to subsection 2 of NRS 684A.070 ~~shall also be~~ *are*
11 *also* subject to NRS 683A.350 . ~~[(nonresident agents, brokers: Service of~~
12 ~~process, agreement to appear)]~~

13 **Sec. 128.** NRS 684A.210 is hereby amended to read as follows:

14 684A.210 1. The commissioner may suspend, revoke, limit or refuse
15 to continue any adjuster's license or associate adjuster's license:

16 (a) For any cause specified in any other provision of this chapter;

17 (b) For any ~~such~~ applicable cause ~~as~~ for revocation of ~~an agent's or~~
18 ~~broker's license under NRS 683A.450;~~ *the license of a producer of*
19 *insurance under section 93 of this act;* or

20 (c) If the licensee has for compensation represented or attempted to
21 represent both the insurer and the insured in the same transaction.

22 2. The license of a firm or corporation may be suspended, revoked,
23 limited or continuation refused for any cause which relates to any
24 individual designated in or with respect to the license to exercise its
25 powers.

26 3. The holder of any license which has been suspended or revoked
27 shall forthwith surrender the license to the commissioner.

28 **Sec. 129.** NRS 684A.220 is hereby amended to read as follows:

29 684A.220 NRS ~~683A.460 (certain procedure for suspension,~~
30 ~~revocation of license), NRS 683A.470 (procedure following suspension,~~
31 ~~revocation) and NRS 683A.480 (return of license to commissioner) shall~~
32 *683A.480 and sections 93 and 94 of this act* also apply to suspension,
33 revocation, limitation or refusal to continue adjusters' licenses and
34 associate adjusters' licenses, except where in conflict with the express
35 provisions of this chapter.

36 **Sec. 130.** NRS 684B.020 is hereby amended to read as follows:

37 684B.020 1. No person ~~shall~~ *may* act as a motor vehicle physical
38 damage appraiser for motor vehicle physical damage claims on behalf of
39 any insurance company or ~~firm or corporation~~ *business organization*
40 engaged in the adjustment or appraisal of motor vehicle claims unless
41 ~~such person~~ *he* has:

42 (a) Secured a license from the commissioner.

43 (b) Paid the applicable license fee.

44 2. Any person who has been engaged in the business as a motor
45 vehicle physical damage appraiser for a period of 2 consecutive years
46 immediately ~~prior to~~ *before* January 1, 1972, ~~shall be granted~~ *is entitled*
47 *to* a license upon application to the commissioner without further
48 qualification.

49 3. The provisions of this section do not apply to:



- 1 (a) A licensed insurance adjuster.
2 (b) An employee of any authorized insurer, motor club, motor vehicle
3 dealer or automobile body repair shop.

4 *4. A person who acts as a motor vehicle physical damage appraiser*
5 *in this state without a license, unless exempt under subsection 3, is*
6 *subject to an administrative fine of not more than \$1,000 for each*
7 *violation.*

8 **Sec. 131.** NRS 684B.040 is hereby amended to read as follows:

9 684B.040 1. An applicant for a license as a motor vehicle physical
10 damage appraiser must file a written application therefor with the
11 commissioner on forms prescribed and furnished by the commissioner. The
12 applicant must furnish information as to his identity, personal history,
13 experience, financial responsibility, business record and other pertinent
14 matters as reasonably required by the commissioner to determine the
15 applicant's eligibility and qualifications for the license.

16 2. If the applicant is a natural person, the application must include the
17 social security number of the applicant.

18 3. If the applicant is a ~~{firm or corporation}~~ *business organization*, the
19 application must include the names of all members, ~~{of the firm,~~
20 ~~corporate}~~ officers and ~~{corporate}~~ directors, and must designate each
21 natural person who is to exercise the ~~{license powers. Each such member,~~
22 ~~officer, director and natural person must qualify as an individual licensee.}~~
23 *licensee's powers.* A natural person who is authorized to act for a ~~{firm or~~
24 ~~corporation}~~ *business organization* and who also wishes to be licensed in
25 an individual capacity must obtain a separate license in his own name.

26 4. The application must be accompanied by the applicable license fee.
27 ~~{specified in NRS 680B.010.}~~ The commissioner shall charge a separate
28 fee for each person authorized to act for a ~~{firm or corporation}~~ *business*
29 *organization.*

30 5. An applicant for a license who desires to use a name other than his
31 true name must comply with the provisions of ~~{NRS 683A.240.}~~ *section 91*
32 *of this act.* The commissioner shall not issue a license in a trade name
33 unless the name has been registered pursuant to NRS 600.240 to 600.450,
34 inclusive.

35 6. An applicant for a license shall not willfully misrepresent or
36 withhold any fact or information called for in the application form or in
37 connection with his application. A violation of this subsection is a gross
38 misdemeanor.

39 **Sec. 132.** NRS 684B.110 is hereby amended to read as follows:

40 684B.110 1. The commissioner may suspend, revoke, limit or refuse
41 to continue any motor vehicle physical damage appraiser's license:

42 (a) For any cause specified in any other provision of this chapter;
43 (b) For any such applicable cause as for revocation of ~~{an agent's or~~
44 ~~broker's license under NRS 683A.450;}~~ *the license of a producer of*
45 *insurance under section 93 of this act;* or

46 (c) If the licensee has for compensation represented or attempted to
47 represent both the insurer and the insured in the same transaction.

48 2. The license of a ~~{firm or corporation}~~ *business organization* may be
49 suspended, revoked, limited or continuation refused for any cause which



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1 relates to any individual designated in or with respect to the license to
2 exercise its powers.

3 3. The holder of any license which has been suspended or revoked
4 shall forthwith surrender the license to the commissioner.

5 **Sec. 133.** NRS 684B.120 is hereby amended to read as follows:

6 684B.120 NRS ~~{683A.460 (certain procedure for suspension,~~
7 ~~revocation of license), NRS 683A.470 (procedure following suspension,~~
8 ~~revocation) and NRS 683A.480 (return of license to commissioner) shall}~~
9 *683A.480 and sections 93 and 94 of this act* also apply to suspension,
10 revocation, limitation or refusal to continue motor vehicle physical damage
11 appraiser's licenses, except where in conflict with the express provisions of
12 this chapter.

13 **Sec. 134.** NRS 685A.220 is hereby amended to read as follows:

14 685A.220 In addition to those referred to in other provisions of ~~{the~~
15 ~~Surplus Lines Law,}~~ *this chapter*, the following provisions of chapter 683A
16 of NRS , ~~{(agents, brokers and solicitors) shall,}~~ to the extent applicable
17 and not inconsistent with the express provisions of this chapter, also apply
18 to surplus lines brokers:

- 19 1. ~~{NRS 683A.270 (continuation, expiration of license);~~
- 20 ~~—2.} NRS 683A.400 ; {(fiduciary funds);~~
- 21 ~~—3.} 2. NRS 683A.410 ; {(failure to remit premiums);~~
- 22 ~~—4. NRS 683A.450 (suspension, revocation, refusal of license);~~
- 23 ~~—5. NRS 683A.460 (certain procedure for suspension, limitation or~~
24 ~~revocation of license);~~
- 25 ~~—6. NRS 683A.470 (procedure following suspension, revocation);~~
- 26 ~~—7. NRS 683A.480 (return of license to commissioner); and~~
- 27 ~~—8.} 3. *Section 94 of this act;*~~
- 28 *4. Section 95 of this act;*
- 29 *5. Section 99 of this act;*
- 30 *6. NRS 683A.480; and*
- 31 *7. NRS 683A.490 . {(penalties).}*

32 **Sec. 135.** Chapter 686A of NRS is hereby amended by adding thereto
33 a new section to read as follows:

34 *1. Disclosure of nonpublic personal information in a manner*
35 *contrary to the provisions of subchapter 1 of Title V of Public Law 106-*
36 *102, 15 U.S.C. §§ 6801-6809 is an unfair act or practice in the business*
37 *of insurance within the meaning of this chapter.*

38 *2. As used in this section "nonpublic personal information" has the*
39 *meaning ascribed to it in 15 U.S.C. § 6809(4).*

40 *3. The commissioner shall adopt regulations necessary to carry out*
41 *the provisions of this section.*

42 **Sec. 136.** NRS 686A.010 is hereby amended to read as follows:

43 686A.010 The purpose of NRS 686A.010 to 686A.310, inclusive, *and*
44 *section 135 of this act* is to regulate trade practices in the business of
45 insurance in accordance with the intent of Congress as expressed in the Act
46 of Congress approved March 9, 1945, being c. 20, 59 Stat. 33, also
47 designated as 15 U.S.C. §§ 1011 to 1015, inclusive, ~~{by defining, or~~
48 ~~providing for the determination of, all such practices in this state which~~
49 ~~constitute unfair methods of competition or unfair or deceptive acts or~~



~~practices and by prohibiting the trade practices so defined or determined.]~~
~~and Title V of Public Law 106-102, 15 U.S.C. §§ 6801 et seq.~~

Sec. 137. NRS 686A.520 is hereby amended to read as follows:

686A.520 1. The provisions of NRS ~~683A.450 to 683A.480,~~
~~inclusive, and 683A.480 and sections 93, 94 and 99 of this act and NRS~~
686A.010 to 686A.310, inclusive, apply to companies.

2. For the purposes of subsection 1, unless the context requires that a
section apply only to insurers, any reference in those sections to "insurer"
must be replaced by a reference to "company."

Sec. 138. NRS 689.065 is hereby amended to read as follows:

689.065 "Net purchase price" means the ~~net amount of the~~ purchase
price, *including interest earned on the trust funds attributable to the*
buyer, remaining after deduction of the sales commission.

Sec. 139. NRS 689.160 is hereby amended to read as follows:

689.160 1. The provisions of NRS ~~683A.450 to 683A.480,~~
~~inclusive, and 683A.480 and sections 93, 94 and 99 of this act and NRS~~
686A.010 to 686A.310, inclusive, apply to agents and sellers.

2. For the purposes of subsection 1, unless the context requires that a
section apply only to insurers, any reference in those sections to "insurer"
must be replaced by a reference to "agent" and "seller."

3. The provisions of NRS 679B.230 to 679B.300, inclusive, apply to
sellers. Unless the context requires that a provision apply only to insurers,
any reference in those sections to "insurer" must be replaced by a reference
to "seller."

Sec. 140. NRS 689.225 is hereby amended to read as follows:

689.225 1. It is unlawful for any person to solicit the sale of a
prepaid contract in this state on behalf of a seller unless he holds a valid
agent's license issued by the commissioner.

2. This section does not apply to a seller who holds a valid seller's
certificate of authority.

3. A person who solicits the sale of a prepaid contract in this state
without a license is subject to an administrative fine of not more than
\$1,000 for each violation.

Sec. 141. NRS 689.355 is hereby amended to read as follows:

689.355 1. Except as *otherwise* provided in subsection 2, if the buyer
moves to another geographic area beyond the normal facilities of the seller
and performs under the prepaid contract, the contract automatically
terminates upon the buyer's written notice to the seller and trustee of his
move and of his desire to terminate the contract. The trustee, as soon as
reasonably possible after receipt of the notice, shall refund to the buyer all
money in the trust fund, *including earned interest*, held ~~to~~ *for* the
buyer's account.

2. If the contract continues in force and the buyer is not in default
thereunder, upon the demise of the contract beneficiary, the contract
automatically terminates. Upon termination, the seller shall refund to the
buyer or to his representative or estate, or transfer to a substituted
performer, if any, all money paid on the contract.



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1 **Sec. 142.** NRS 689.365 is hereby amended to read as follows:
2 689.365 1. An executory prepaid contract automatically terminates if
3 the seller or any performer under the contract goes out of business, dies,
4 becomes insolvent or bankrupt, makes an assignment for the benefit of
5 creditors or is otherwise unable to fulfill the obligations under the contract
6 unless, within 30 days after the going out of business, death, insolvency or
7 bankruptcy of the seller, or within any extension of time granted by the
8 commissioner, the contract is assigned to a holder of a valid seller's
9 certificate of authority who agrees in writing to accept the liabilities under
10 the contract and agrees to fulfill all obligations set forth therein.

11 2. Upon any such termination, the money in the trust fund, *including*
12 *earned interest*, held by the trustee for the account of the buyer must be
13 distributed by the trustee to the buyer or to a qualified seller or performer
14 assuming the outstanding contractual liabilities, as authorized by the
15 commissioner.

16 **Sec. 143.** NRS 689.485 is hereby amended to read as follows:

17 689.485 1. It is unlawful for any cemetery authority, or any person
18 on behalf of a cemetery authority, to offer or sell any burial merchandise or
19 services under a prepaid contract unless the cemetery authority has been
20 issued a seller's permit by the commissioner.

21 2. Subsection 1 does not apply to cemeteries owned and operated by
22 governmental agencies.

23 3. *A person who offers or sells any burial merchandise or services*
24 *under a prepaid contract in this state in violation of the provisions of this*
25 *section is subject to an administrative fine of not more than \$1,000 for*
26 *each violation.*

27 **Sec. 144.** NRS 689.515 is hereby amended to read as follows:

28 689.515 1. It is unlawful for any person to solicit the sale of a
29 prepaid contract in this state on behalf of a seller unless he holds a valid
30 agent's license issued by the commissioner.

31 2. This section does not apply to a seller who holds a valid seller's
32 permit.

33 3. *A person who solicits the sale of a prepaid contract in this state*
34 *without a license or seller's permit is subject to an administrative fine of*
35 *not more than \$1,000 for each violation.*

36 **Sec. 145.** NRS 689.575 is hereby amended to read as follows:

37 689.575 1. Except as *otherwise* provided in subsection 2, if the buyer
38 moves to another geographic area beyond the normal service facilities of
39 the seller and performers under the prepaid burial merchandise and service
40 contract, the contract automatically terminates upon the buyer's written
41 notice to the seller and trustee of his move and of his desire to terminate
42 the contract. The trustee, as soon as reasonably possible after receipt of the
43 notice, shall refund to the buyer all money, *including earned interest*, in
44 the trust fund held ~~for~~ *for* the buyer's account.

45 2. If the contract continues in force and the buyer is not in default
46 thereunder, upon the demise of the buyer, the contract automatically
47 terminates. Upon termination, the seller shall:

48 (a) Furnish the merchandise and perform or arrange to perform the
49 services;



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1 (b) Make arrangements for the fulfillment of the agreement on a dollar-
2 for-dollar basis with another performer serving the area to which the buyer
3 has moved; or

4 (c) Refund to the buyer or his representative or estate, or transfer to a
5 substituted performer, all money , *including earned interest*, in the trust
6 fund held ~~for~~ *for* the buyer's account.

7 3. The cemetery authority shall include a provision in each prepaid
8 contract substantially stating: "If the purchaser defaults in making any
9 payment under this contract, the cemetery authority may terminate the
10 contract and is entitled to retain as damages not more than 40 percent of the
11 total purchase price. The balance remaining, if any, must be refunded to the
12 purchaser."

13 **Sec. 146.** NRS 689.580 is hereby amended to read as follows:

14 689.580 1. An executory prepaid contract automatically terminates if
15 the seller or any performer under the contract goes out of business, dies,
16 becomes insolvent or bankrupt, makes an assignment for the benefit of
17 creditors or is otherwise unable to fulfill the obligations under the contract,
18 unless the successors or assignees of the business agree to accept all
19 liability and to fulfill all obligations as originally set forth in the contract.

20 2. Upon any such termination, the money in the trust fund , *including*
21 *earned interest*, held by the trustee for the account of the buyer must be
22 distributed by the trustee to the buyer or to a qualified seller or performer
23 assuming the outstanding contractual liabilities, as authorized by the
24 commissioner.

25 **Sec. 147.** NRS 689.595 is hereby amended to read as follows:

26 689.595 1. The provisions of NRS ~~683A.450 to 683A.480,~~
27 ~~inclusive, and 683A.480 and sections 93, 94 and 99 of this act and NRS~~
28 ~~686A.010 to 686A.310, inclusive, apply to agents and sellers.~~

29 2. For the purposes of subsection 1, unless the context requires that a
30 section apply only to insurers, any reference in those sections to "insurer"
31 must be replaced by a reference to "agent" and "seller."

32 3. The provisions of NRS 679B.230 to 679B.300, inclusive, apply to
33 sellers. Unless the context requires that a provision apply only to insurers,
34 any reference in those sections to "insurer" must be replaced by a reference
35 to "seller."

36 **Sec. 148.** NRS 689A.041 is hereby amended to read as follows:

37 689A.041 1. ~~Any~~ *A* policy of health insurance which provides
38 coverage for the surgical procedure known as a mastectomy must also
39 provide commensurate coverage for ~~at least two prosthetic devices and for~~
40 ~~reconstructive surgery incident to the mastectomy. Except as otherwise~~
41 ~~provided in subsection 2, this coverage must be subject to the same terms~~
42 ~~and conditions that apply to the coverage for the mastectomy.~~ :

43 *(a) Reconstruction of the breast on which the mastectomy has been*
44 *performed;*

45 *(b) Surgery and reconstruction of the other breast to produce a*
46 *symmetrical structure; and*

47 *(c) Prostheses and physical complications for all stages of*
48 *mastectomy, including lymphedemas.*



- 1 2. *The provision of services must be determined by the attending*
2 *physician and the patient.*
- 3 3. *The plan or issuer may require deductibles and coinsurance*
4 *payments if they are consistent with those established for other benefits.*
- 5 4. *Written notice of the availability of the coverage must be given*
6 *upon enrollment and annually thereafter. The notice must be sent to all*
7 *participants:*
- 8 (a) *In the next mailing made by the plan or issuer to the participant or*
9 *beneficiary; or*
- 10 (b) *As part of any annual information packet sent to the participant or*
11 *beneficiary,*
12 *whichever is earlier.*
- 13 5. *A plan or issuer may not:*
- 14 (a) *Deny eligibility, or continued eligibility, to enroll or renew*
15 *coverage, in order to avoid the requirements of subsections 1 to 4,*
16 *inclusive; or*
- 17 (b) *Penalize, or limit reimbursement to, a provider of care, or provide*
18 *incentives to a provider of care, in order to induce the provider not to*
19 *provide the care listed in subsections 1 to 4, inclusive.*
- 20 6. *A plan or issuer may negotiate rates of reimbursement with*
21 *providers of care.*
- 22 7. *If reconstructive surgery is begun within 3 years after a mastectomy,*
23 *the amount of the benefits for that surgery must equal the amounts*
24 *provided for in the policy at the time of the mastectomy. If the surgery is*
25 *begun more than 3 years after the mastectomy, the benefits provided are*
26 *subject to all of the terms, conditions and exclusions contained in the*
27 *policy at the time of the reconstructive surgery.*
- 28 ~~13-1~~ 8. *A policy subject to the provisions of this chapter which is*
29 *delivered, issued for delivery or renewed on or after October 1, ~~1989,~~*
30 *2001, has the legal effect of including the coverage required by this*
31 *section, and any provision of the policy or the renewal which is in conflict*
32 *with this section is void.*
- 33 ~~14-1~~ 9. *For the purposes of this section, “reconstructive surgery”*
34 *means a surgical procedure performed following a mastectomy on one*
35 *breast or both breasts to reestablish symmetry between the two breasts. The*
36 *term includes ~~1, but is not limited to,~~ augmentation mammoplasty,*
37 *reduction mammoplasty and mastopexy.*
- 38 **Sec. 149.** *NRS 689A.500 is hereby amended to read as follows:*
39 689A.500 “Converted policy” means a basic or standard health benefit
40 plan issued in accordance with NRS 689B.120 to ~~689B.240,~~ 689B.210,
41 inclusive, and 689B.590.
- 42 **Sec. 150.** *Chapter 689B of NRS is hereby amended by adding thereto*
43 *the provisions set forth as sections 151, 152 and 153 of this act.*
- 44 **Sec. 151.** *“Blanket accident and health insurance” has the meaning*
45 *ascribed to it in NRS 689B.070.*
- 46 **Sec. 152.** *1. An insurer shall provide to each policyholder, or*
47 *producer of insurance acting on behalf of a policyholder, on a form*
48 *approved by the commissioner, a summary of the coverage provided by*



1 *each policy of group or blanket health insurance offered by the insurer.*
2 *The summary must disclose any:*

- 3 *(a) Significant exception, reduction or limitation that applies to the*
4 *policy;*
5 *(b) Restriction on payment for care in an emergency, including*
6 *related definitions of emergency and medical necessity;*
7 *(c) Right of the insurer to change the rate of premium and the factors,*
8 *other than claims experienced, which affect changes in rate;*
9 *(d) Provisions relating to renewability;*
10 *(e) Provisions relating to preexisting conditions; and*
11 *(f) Other information that the commissioner finds necessary for full*
12 *and fair disclosure of the provisions of the policy.*

13 2. *The language of the disclosure must be easily understood. The*
14 *disclosure must state that it is only a summary of the policy and that the*
15 *policy should be read to ascertain the governing contractual provisions.*

16 3. *The commissioner shall not approve a proposed disclosure that*
17 *does not satisfy the requirements of this section and of applicable*
18 *regulations.*

19 4. *In addition to the disclosure, the insurer shall provide information*
20 *about guaranteed availability of basic and standard plans for benefits to*
21 *an eligible person.*

22 5. *The insurer shall provide the summary before the policy is issued.*

23 **Sec. 153.** *An insurer providing blanket health insurance shall make*
24 *all information concerning rates available to the commissioner upon*
25 *request. The information is proprietary, constitutes a trade secret, and*
26 *may not be disclosed by the commissioner to any person outside the*
27 *division except as agreed by the insurer or ordered by a court of*
28 *competent jurisdiction.*

29 **Sec. 154.** NRS 689B.010 is hereby amended to read as follows:

30 689B.010 1. This chapter may be cited as the Group or Blanket
31 Health Insurance Law.

32 2. This chapter applies only to group health insurance contracts and to
33 blanket *accident and* health insurance contracts as provided ~~for~~ in this
34 chapter.

35 **Sec. 155.** NRS 689B.0375 is hereby amended to read as follows:

36 689B.0375 1. ~~Any~~ A policy of group health insurance which
37 provides coverage for the surgical procedure known as a mastectomy must
38 also provide commensurate coverage for ~~at least two prosthetic devices~~
39 ~~and for reconstructive surgery incident to the mastectomy. Except~~
40 ~~as otherwise provided in subsection 2, this coverage must be subject~~
41 ~~to the same terms and conditions that apply to the coverage for the~~
42 ~~mastectomy.~~ :

43 (a) *Reconstruction of the breast on which the mastectomy has been*
44 *performed;*

45 (b) *Surgery and reconstruction of the other breast to produce a*
46 *symmetrical structure; and*

47 (c) *Prostheses and physical complications for all stages of*
48 *mastectomy, including lymphedemas.*



- 1 2. *The provision of services must be determined by the attending*
2 *physician and the patient.*
3 3. *The plan or issuer may require deductibles and coinsurance*
4 *payments if they are consistent with those established for other benefits.*
5 4. *Written notice of the availability of the coverage must be given*
6 *upon enrollment and annually thereafter. The notice must be sent to all*
7 *participants:*
8 (a) *In the next mailing made by the plan or issuer to the participant or*
9 *beneficiary; or*
10 (b) *As part of any annual information packet sent to the participant or*
11 *beneficiary,*
12 *whichever is earlier.*
13 5. *A plan or issuer may not:*
14 (a) *Deny eligibility, or continued eligibility, to enroll or renew*
15 *coverage, in order to avoid the requirements of subsections 1 to 4,*
16 *inclusive; or*
17 (b) *Penalize, or limit reimbursement to, a provider of care, or provide*
18 *incentives to a provider of care, in order to induce the provider not to*
19 *provide the care listed in subsections 1 to 4, inclusive.*
20 6. *A plan or issuer may negotiate rates of reimbursement with*
21 *providers of care.*
22 7. *If reconstructive surgery is begun within 3 years after a mastectomy,*
23 *the amount of the benefits for that surgery must equal those amounts*
24 *provided for in the policy at the time of the mastectomy. If the surgery is*
25 *begun more than 3 years after the mastectomy, the benefits provided are*
26 *subject to all of the terms, conditions and exclusions contained in the*
27 *policy at the time of the reconstructive surgery.*
28 ~~13-1~~ 8. *A policy subject to the provisions of this chapter which is*
29 *delivered, issued for delivery or renewed on or after October 1, ~~1989,~~*
30 *2001, has the legal effect of including the coverage required by this*
31 *section, and any provision of the policy or the renewal which is in conflict*
32 *with this section is void.*
33 ~~14-1~~ 9. *For the purposes of this section, “reconstructive surgery”*
34 *means a surgical procedure performed following a mastectomy on one*
35 *breast or both breasts to reestablish symmetry between the two breasts. The*
36 *term includes ~~1, but is not limited to,~~ augmentation mammoplasty,*
37 *reduction mammoplasty and mastopexy.*
38 **Sec. 156.** NRS 689B.070 is hereby amended to read as follows:
39 689B.070 “Blanket *accident and* health insurance” is that form of
40 *accident insurance, health insurance , or both,* covering groups of persons
41 as enumerated in one of the following subsections under a policy or
42 contract issued to:
43 1. Any common carrier or to any operator, owner or lessee of a means
44 of transportation, who or which shall be deemed the policyholder, covering
45 a group of persons who may become passengers defined by reference to
46 their travel status on ~~such~~ *the* common carrier or ~~such~~ means of
47 transportation.
48 2. An employer, who shall be deemed the policyholder, covering any
49 group of employees, dependents or guests, defined by reference to



1 specified hazards incident to an activity or activities or operations of the
2 policyholder.

3 3. A college, school or other institution of learning, a school district or
4 districts, or school jurisdictional unit, or to the head, principal or governing
5 board of any such educational unit, who or which shall be deemed the
6 policyholder, covering students, teachers or employees.

7 4. A religious, charitable, recreational, educational or civic
8 organization, or branch thereof, which shall be deemed the policyholder,
9 covering any group of members or participants defined by reference to
10 specified hazards incident to an activity or activities or operations
11 sponsored or supervised by ~~{such}~~ *the* policyholder.

12 5. A sports team, camp or sponsor thereof, which shall be deemed the
13 policyholder, covering members, campers, employees, officials or
14 supervisors.

15 6. A volunteer fire department, organization providing first aid,
16 organization for emergency management or other such volunteer
17 organization, which shall be deemed the policyholder, covering any group
18 of members or participants defined by reference to specified hazards
19 incident to an activity or activities or operations sponsored or supervised
20 by ~~{such}~~ *the* policyholder.

21 7. A newspaper or other publisher, which shall be deemed the
22 policyholder, covering its carriers.

23 8. An association, including a labor union, which has a constitution
24 and bylaws and which has been organized and is maintained in good faith
25 for purposes other than that of obtaining insurance, which shall be deemed
26 the policyholder, covering any group of members or participants defined
27 by reference to specified hazards incident to an activity or activities or
28 operations sponsored or supervised by ~~{such}~~ *the* policyholder.

29 9. Cover any other risk or class of risks which, in the discretion of the
30 commissioner, may be properly eligible for blanket *accident and* health
31 insurance. The discretion of the commissioner may be exercised on the
32 basis of an individual risk or class of risks, or both.

33 **Sec. 157.** NRS 689B.080 is hereby amended to read as follows:

34 689B.080 Any insurer authorized to write health insurance in this
35 state, including a nonprofit corporation for hospital, medical or dental
36 services that has a certificate of authority issued pursuant to chapter 695B
37 of NRS, may issue blanket *accident and* health insurance. No blanket
38 policy, except as provided in subsection 4 of NRS 687B.120, may be
39 issued or delivered in this state unless a copy of the form thereof has been
40 filed in accordance with NRS 687B.120. Every blanket policy must contain
41 provisions which in the opinion of the commissioner are not less favorable
42 to the policyholder and the individual insured than the following:

43 1. A provision that the policy, including endorsements and a copy of
44 the application, if any, of the policyholder and the persons insured
45 constitutes the entire contract between the parties, and that any statement
46 made by the policyholder or by a person insured is in the absence of fraud
47 a representation and not a warranty, and that no such statements may be
48 used in defense to a claim under the policy, unless contained in a written
49 application. The insured, his beneficiary or assignee has the right to make a



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1 written request to the insurer for a copy of an application, and the insurer
2 shall, within 15 days after the receipt of a request at its home office or any
3 branch office of the insurer, deliver or mail to the person making the
4 request a copy of the application. If a copy is not so delivered or mailed,
5 the insurer is precluded from introducing the application as evidence in any
6 action based upon or involving any statements contained therein.

7 2. A provision that written notice of sickness or of injury must be
8 given to the insurer within 20 days after the date when the sickness or
9 injury occurred. Failure to give notice within that time does not invalidate
10 or reduce any claim if it is shown that it was not reasonably possible to
11 give notice and that notice was given as soon as was reasonably possible.

12 3. A provision that the insurer will furnish to the claimant or to the
13 policyholder for delivery to the claimant such forms as are usually
14 furnished by it for filing proof of loss. If the forms are not furnished before
15 the expiration of 15 days after giving written notice of sickness or injury,
16 the claimant shall be deemed to have complied with the requirements of the
17 policy as to proof of loss upon submitting, within the time fixed in the
18 policy for filing proof of loss, written proof covering the occurrence, the
19 character and the extent of the loss for which claim is made.

20 4. A provision that in the case of a claim for loss of time for disability,
21 written proof of the loss must be furnished to the insurer within 90 days
22 after the commencement of the period for which the insurer is liable, and
23 that subsequent written proofs of the continuance of the disability must be
24 furnished to the insurer at such intervals as the insurer may reasonably
25 require, and that in the case of a claim for any other loss, written proof of
26 the loss must be furnished to the insurer within 90 days after the date of the
27 loss. Failure to furnish such proof within that time does not invalidate or
28 reduce any claim if it is shown that it was not reasonably possible to
29 furnish proof and that the proof was furnished as soon as was reasonably
30 possible.

31 5. A provision that all benefits payable under the policy other than
32 benefits for loss of time will be payable immediately upon receipt of
33 written proof of loss, and that, subject to proof of loss, all accrued benefits
34 payable under the policy for loss of time will be paid not less frequently
35 than monthly during the continuance of the period for which the insurer is
36 liable, and that any balance remaining unpaid at the termination of that
37 period will be paid immediately upon receipt of proof.

38 6. A provision that the insurer at its own expense has the right and
39 opportunity to examine the person of the insured when and so often as it
40 may reasonably require during the pendency of claim under the policy and
41 also the right and opportunity to make an autopsy where it is not prohibited
42 by law.

43 7. A provision, if applicable, setting forth the provisions of NRS
44 689B.035.

45 8. A provision for benefits for expense arising from care at home or
46 health supportive services if that care or service was prescribed by a
47 physician and would have been covered by the policy if performed in a
48 medical facility or facility for the dependent as defined in chapter 449 of
49 NRS.



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1 9. A provision that no action at law or in equity may be brought to
2 recover under the policy before the expiration of 60 days after written
3 proof of loss has been furnished in accordance with the requirements of the
4 policy and that no such action may be brought after the expiration of 3
5 years after the time written proof of loss is required to be furnished.

6 **Sec. 158.** NRS 689B.130 is hereby amended to read as follows:

7 689B.130 Subject to the conditions set forth in NRS 689B.120 to
8 ~~689B.240, 689B.210,~~ inclusive, the conversion privilege must also be
9 made available:

10 1. To the surviving spouse, if any, upon the death of the employee or
11 member, with respect to the spouse and any child whose coverage under
12 the group policy is terminated by reason of ~~such~~ *the* death, or if there is
13 no surviving spouse, to each surviving child whose coverage under the
14 group policy terminates by reason of ~~such~~ *the* death, or, if the group
15 policy provides for continuation of dependents' coverage following the
16 employee's or member's death, at the end of the continued coverage;

17 2. To the spouse of the employee or member upon termination of
18 coverage of the spouse while the employee or member remains insured
19 under the group policy, if the spouse ceases to be a qualified family
20 member under the group policy, and to any child whose coverage under the
21 group policy terminates at the same time; or

22 3. To a child solely with respect to himself upon termination of his
23 coverage because he ceases to be a qualified family member under the
24 group policy, if a conversion privilege is not otherwise provided with
25 respect to the termination.

26 **Sec. 159.** NRS 689B.150 is hereby amended to read as follows:

27 689B.150 ~~1-~~ A person who is entitled to a converted policy must be
28 given his choice of ~~at least three types of policies offering benefits on an~~
29 ~~expense incurred basis.~~

30 ~~2. At least one choice among the three types of policies must include~~
31 ~~major medical or catastrophic benefits if they were provided under the~~
32 ~~group policy.~~

33 ~~3. For those insureds eligible for Medicare, the insurer may provide a~~
34 ~~supplement to Medicare as the converted policy.~~ *a basic or standard*
35 *health benefit plan in the manner provided in NRS 689B.590.*

36 **Sec. 160.** NRS 689B.180 is hereby amended to read as follows:

37 689B.180 The insurer shall:

38 1. Issue the converted policy , *as described in NRS 689B.590*, without
39 evidence of insurability;

40 2. ~~Base~~ *Establish* the premium on the converted policies ~~for the first~~
41 ~~12 months, and subsequent renewals, upon the insurer's table of premium~~
42 ~~rates applicable to the age and class of risk of each person to be covered~~
43 ~~under the policy and to the type and amount of insurance provided. The~~
44 ~~frequency of premium payments must be the same as is customarily~~
45 ~~required by the insurer for the policy form and plan selected except that~~
46 ~~premium payments must not be required more often than quarterly.~~ *in the*
47 *manner provided in subsections 3, 4 and 5, or pursuant to subsection 6,*
48 *of NRS 689B.590, and may not require that premiums be paid annually,*



1 *semi-annually or quarterly unless so requested by the employee, a*
2 *member or a dependent;*

3 3. Provide that the effective date of the converted policy is 12:01 a.m.
4 on the day after the termination of insurance under the group policy; and

5 4. Provide that the converted policy covers the employee or member
6 and his dependents who were covered by the group policy on the date of its
7 termination. ~~At the option of the insurer, a~~ A separate converted policy
8 may be issued to cover any dependent.

9 **Sec. 161.** NRS 689B.250 is hereby amended to read as follows:

10 689B.250 Every insurer under a group health insurance contract or a
11 blanket *accident and* health insurance contract and every state agency, for
12 its records shall accept from:

13 1. A hospital the Uniform Billing and Claims Forms established by the
14 American Hospital Association in lieu of its individual billing and claims
15 forms.

16 2. An individual who is licensed to practice one of the health
17 professions regulated by Title 54 of NRS such uniform health insurance
18 claims forms as the commissioner shall prescribe, except in those cases
19 where the commissioner has excused uniform reporting.

20 **Sec. 162.** NRS 689B.340 is hereby amended to read as follows:

21 689B.340 As used in NRS 689B.340 to 689B.600, inclusive, unless
22 the context otherwise requires, the words and terms defined in NRS
23 689B.350 to 689B.460, inclusive, *and section 151 of this act* have the
24 meanings ascribed to them in those sections.

25 **Sec. 163.** NRS 689B.380 is hereby amended to read as follows:

26 689B.380 “Creditable coverage” means health benefits or coverage
27 provided to a person pursuant to:

28 1. A group health plan;

29 2. A health benefit plan;

30 3. Part A or Part B of Title XVIII of the Social Security Act, 42 U.S.C.
31 §§ 1395c et seq., also known as Medicare;

32 4. Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 et seq., also
33 known as Medicaid, other than coverage consisting solely of benefits under
34 section 1928 of that Title, 42 U.S.C. § 1396s;

35 5. The Civilian Health and Medical Program of Uniformed Services,
36 CHAMPUS, 10 U.S.C. §§ 1071 et seq.;

37 6. A medical care program of the Indian Health Service or of a tribal
38 organization;

39 7. A state health benefit risk pool;

40 8. A health plan offered pursuant to the Federal Employees Health
41 Benefits Program, FEHBP, 5 U.S.C. §§ 8901 et seq.;

42 9. A public health plan as defined in 45 C.F.R. § 146.113, authorized
43 by the Public Health Service Act, 42 U.S.C. § 300gg(c)(1)(I);

44 10. A health benefit plan under section 5(e) of the Peace Corps Act, 22
45 U.S.C. § 2504(e);

46 11. The children’s health insurance program established pursuant to 42
47 U.S.C. §§ 1397aa to 1397jj, inclusive;

48 12. A short-term health insurance policy; or

49 13. A blanket ~~student~~ accident and health insurance policy.



1 **Sec. 164.** NRS 689B.490 is hereby amended to read as follows:
2 689B.490 1. For the purpose of determining the period of creditable
3 coverage of a person accumulated under a health benefit plan , *blanket*
4 *accident and health insurance* or group health insurance, the insurer shall
5 provide written certification on a form prescribed by the commissioner of
6 coverage to the person which certifies the length of:

7 (a) The period of creditable coverage that the person accumulated under
8 the plan and any coverage under any provision of the Consolidated
9 Omnibus Budget Reconciliation Act of 1985, as that act existed on July 16,
10 1997, relating to the continuation of coverage; and

11 (b) Any waiting and affiliation period imposed on the person pursuant
12 to that coverage.

13 2. The certification of coverage must be provided to the person who
14 was insured:

15 (a) At the time that he ceases to be covered under the plan, if he does
16 not otherwise become covered under any provision of the Consolidated
17 Omnibus Budget Reconciliation Act of 1985, as that act existed on July 16,
18 1997, relating to the continuation of coverage;

19 (b) If he becomes covered under such a provision, at the time that he
20 ceases to be covered by that provision; and

21 (c) Upon request, if the request is made not later than 24 months after
22 the date on which he ceased to be covered as described in paragraphs (a)
23 and (b).

24 **Sec. 165.** NRS 689B.500 is hereby amended to read as follows:

25 689B.500 1. Except as otherwise provided in this section, a carrier
26 that issues a group health plan or coverage under *blanket accident and*
27 *health insurance or* group health insurance shall not deny, exclude or limit
28 a benefit for a preexisting condition for:

29 (a) More than 12 months after the effective date of coverage if the
30 employee *or other insured* enrolls through open enrollment or after the
31 first day of the waiting period for that enrollment, whichever is earlier; or

32 (b) More than 18 months after the effective date of coverage for a late
33 enrollee.

34 A carrier may not define a preexisting condition more restrictively than
35 that term is defined in NRS 689B.450.

36 2. The period of any exclusion for a preexisting condition imposed by
37 a group health plan or coverage under *blanket accident and health*
38 *insurance or* group health insurance on a person to be insured in
39 accordance with the provisions of this chapter must be reduced by the
40 aggregate period of creditable coverage of that person, if the creditable
41 coverage was continuous to a date not more than 63 days before the
42 effective date of the coverage. The period of continuous coverage must not
43 include:

44 (a) Any waiting period for the effective date of the new coverage
45 applied by the employer or the carrier; or

46 (b) Any affiliation period not to exceed 60 days for a new enrollee and
47 90 days for a late enrollee required before becoming eligible to enroll in
48 the group health plan.



- 1 3. A health maintenance organization authorized to transact insurance
2 pursuant to chapter 695C of NRS that does not restrict coverage for a
3 preexisting condition may require an affiliation period before coverage
4 becomes effective under a plan of insurance if the affiliation period applies
5 uniformly to all employees *or other persons insured* and without regard to
6 any health status-related factors. During the affiliation period, the carrier
7 shall not collect any premiums for coverage of the employee ~~H~~ *or other*
8 *insured*.
- 9 4. An insurer that restricts coverage for preexisting conditions shall not
10 impose an affiliation period.
- 11 5. A carrier shall not impose any exclusion for a preexisting condition:
12 (a) Relating to pregnancy.
13 (b) In the case of a person who, as of the last day of the 30-day period
14 beginning on the date of his birth, is covered under creditable coverage.
15 (c) In the case of a child who is adopted or placed for adoption before
16 attaining the age of 18 years and who, as of the last day of the 30-day
17 period beginning on the date of adoption or placement for adoption,
18 whichever is earlier, is covered under creditable coverage. The provisions
19 of this paragraph do not apply to coverage before the date of adoption or
20 placement for adoption.
21 (d) In the case of a condition for which medical advice, diagnosis, care
22 or treatment was recommended or received for the first time while the
23 covered person held creditable coverage, and the medical advice,
24 diagnosis, care or treatment was a benefit under the plan, if the creditable
25 coverage was continuous to a date not more than 63 days before the
26 effective date of the new coverage.
27 The provisions of paragraphs (b) and (c) do not apply to a person after the
28 end of the first 63-day period during all of which the person was not
29 covered under any creditable coverage.
- 30 6. As used in this section, “late enrollee” means an eligible employee,
31 or his dependent, who requests enrollment in a group health plan following
32 the initial period of enrollment, if that initial period of enrollment is at least
33 30 days, during which the person is entitled to enroll under the terms of the
34 health benefit plan. The term does not include an eligible employee or his
35 dependent if:
36 (a) The employee or dependent:
37 (1) Was covered under creditable coverage at the time of the initial
38 enrollment;
39 (2) Lost coverage under creditable coverage as a result of cessation of
40 contributions by his employer, termination of employment or eligibility,
41 reduction in the number of hours of employment, involuntary termination
42 of creditable coverage, or death of, or divorce or legal separation from, a
43 covered spouse; and
44 (3) Requests enrollment not later than 30 days after the date on which
45 his creditable coverage was terminated or on which the change in
46 conditions that gave rise to the termination of the coverage occurred.
47 (b) The employee enrolls during the open enrollment period, as
48 provided in the contract or as otherwise specifically provided by specific
49 statute.



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1 (c) The employer of the employee offers ~~multiple~~ *several* health
2 benefit plans and the employee elected a different plan during an open
3 enrollment period.

4 (d) A court has ordered coverage to be provided to the spouse or a
5 minor or dependent child of an employee under a health benefit plan of the
6 employee and a request for enrollment is made within 30 days after the
7 issuance of the court order.

8 (e) The employee changes status from not being an eligible employee to
9 being an eligible employee and requests enrollment, subject to any waiting
10 period, within 30 days after the change in status.

11 (f) The person has continued coverage in accordance with the
12 Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law 99-
13 272, and that coverage has been exhausted.

14 **Sec. 166.** NRS 689B.550 is hereby amended to read as follows:

15 689B.550 1. A carrier shall not place any restriction on a person or
16 his dependent as a condition of being a participant in or a beneficiary of a
17 policy of *blanket accident and health insurance or* group health insurance
18 that is inconsistent with the provisions of this chapter.

19 2. A carrier that offers coverage under a policy of *blanket accident*
20 *and health insurance or* group health insurance pursuant to this chapter
21 shall not establish rules of eligibility, including ~~but not limited to,~~ rules
22 which define applicable waiting periods, for the initial or continued
23 enrollment under ~~the~~ *a* group health plan offered by the carrier that are
24 based on the following factors relating to the employee or his dependent:

- 25 (a) Health status.
26 (b) Medical condition, including physical and mental illnesses, or both.
27 (c) Claims experience.
28 (d) Receipt of health care.
29 (e) Medical history.
30 (f) Genetic information.
31 (g) Evidence of insurability, including conditions which arise out of acts
32 of domestic violence.
33 (h) Disability.

34 3. Except as otherwise provided in NRS 689B.500, the provisions of
35 subsection 1 do not:

36 (a) Require a carrier to provide particular benefits other than those that
37 would otherwise be provided under the terms of the *blanket health and*
38 *accident insurance or* group health insurance or coverage; or

39 (b) Prevent a carrier from establishing limitations or restrictions on the
40 amount, level, extent or nature of the benefits or coverage for similarly
41 situated persons.

42 4. As a condition of enrollment or continued enrollment under a policy
43 of *blanket accident and health insurance or* group health insurance, a
44 carrier shall not require an employee to pay a premium or contribution that
45 is greater than the premium or contribution for a similarly situated person
46 covered by similar coverage on the basis of any factor described in
47 subsection 2 in relation to the employee or his dependent.

48 5. ~~Nothing in this section:~~

49 ~~—(a) Restricts~~ *This section does not:*



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1 (a) *Restrict* the amount that an employer or employee may be charged
2 for coverage by a carrier;

3 (b) ~~{Prevents}~~ *Prevent* a carrier from establishing premium discounts or
4 rebates or from modifying otherwise applicable copayments or deductibles
5 in return for adherence by the insured person to programs of health
6 promotion and disease prevention; or

7 (c) ~~{Precludes}~~ *Preclude* a carrier from establishing rules relating to
8 employer contribution or group participation when offering health
9 insurance coverage to small employers in this state.

10 **Sec. 167.** NRS 692A.1045 is hereby amended to read as follows:

11 692A.1045 1. The commissioner shall establish by regulation the
12 fees to be paid by title agents and title insurers for ~~{the}~~ *their* supervision
13 and examination ~~{of such agents and insurers}~~ by the commissioner or his
14 representative.

15 2. In establishing the fees pursuant to subsection 1, the commissioner
16 shall consider:

17 (a) The complexity of the various examinations to which the fees apply;

18 (b) The skill required to conduct such examinations;

19 (c) The expenses associated with conducting such examinations and
20 preparing reports; and

21 (d) Any other factors the commissioner deems relevant.

22 3. The commissioner shall, with the approval of the commissioner of
23 financial institutions, adopt regulations prescribing the standards for
24 determining whether a title insurer or title agent has maintained adequate
25 supervision of a title agent or ~~{title}~~ *escrow* officer pursuant to the
26 provisions of this chapter.

27 **Sec. 168.** NRS 692A.270 is hereby amended to read as follows:

28 692A.270 The provisions of NRS 683A.400, 683A.410 *683A.480* and
29 ~~{683A.450 to 683A.490, inclusive,}~~ *683A.490, and sections 93, 94 and 99*
30 *of this act* apply to title insurers, title agents and escrow officers.

31 **Sec. 169.** Chapter 692C of NRS is hereby amended by adding thereto
32 a new section to read as follows:

33 *An insurer, financial holding company, depository institution or*
34 *affiliate of any of them which proposes an acquisition or change or*
35 *continuation of control of an insurer domiciled in this state shall give*
36 *notice to the commissioner of the proposed action no later than 60 days*
37 *before the proposed action is to become effective. During this period the*
38 *commissioner may collect, review and act upon applications and other*
39 *documents or reports relating to the proposed action under his authority*
40 *conferred by this Title.*

41 **Sec. 170.** NRS 692C.140 is hereby amended to read as follows:

42 692C.140 In addition to making investments in common stock,
43 preferred stock, debt obligations and other securities permitted under
44 chapter 682A of NRS, a domestic insurer may invest:

45 1. In common stock, preferred stock, debt obligations and other
46 securities of one or more subsidiaries, amounts which do not exceed the
47 lesser of ~~{5}~~ *10* percent of ~~{such}~~ *the* insurer's assets or 50 percent of ~~{such~~
48 ~~insurer's}~~ *its* surplus as regards policyholders, ~~{provided}~~ *if* the insurer's
49 surplus as regards policyholders remains at a reasonable level in relation to



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1 the insurer's outstanding liabilities and adequate to its financial needs. In
2 calculating the amount of such investments ~~there shall~~ *the following must*
3 be included:

4 (a) Total ~~moneys~~ *money* or other consideration expended and
5 obligations assumed in the acquisition or formation of a subsidiary,
6 including all organizational expenses and contributions to capital and
7 surplus of ~~such~~ *the* subsidiary whether or not represented by the purchase
8 of capital stock or issuance of other securities; and

9 (b) All amounts expended in acquiring additional common stock,
10 preferred stock, debt obligations and other securities and all contributions
11 to the capital or surplus of a subsidiary ~~subsequent to~~ *after* its acquisition
12 or formation.

13 2. Any amount in common stock, preferred stock, debt obligations and
14 other securities of one or more subsidiaries, ~~provided~~ *if* the insurer's total
15 liabilities, as calculated for the National Association of Insurance
16 ~~Commissioners~~ *Commissioners'* annual statement purposes, are less than
17 10 percent of assets and ~~provided~~ *if* the insurer's surplus remains as
18 regards policyholders, considering such investment as if it were a
19 disallowed asset, at a reasonable level in relation to the insurer's
20 outstanding liabilities and adequate to its financial needs.

21 3. Any amount in common stock, preferred stock, debt obligations and
22 other securities of one or more subsidiaries ~~provided~~ *if* each subsidiary
23 agrees to limit its investments in any asset so that ~~such~~ *those* investments
24 will not cause the amount of the total investment of the insurer to exceed
25 any of the investment limitations specified in subsection 1 or in chapter
26 682A of NRS. For the purpose of this subsection, "total investment of the
27 insurer" includes any direct investment by the insurer in an asset and the
28 insurer's proportionate share of any investment in an asset by any
29 subsidiary of the insurer, which ~~shall~~ *must* be calculated by multiplying
30 the amount of the subsidiary's investment by the percentage of the
31 insurer's ownership of ~~such~~ *the* subsidiary.

32 4. Any amount in common stock, preferred stock, debt obligations or
33 other securities of one or more subsidiaries, with the approval of the
34 commissioner, ~~provided~~ *if* the insurer's surplus as regards policyholders
35 remains at a reasonable level in relation to the insurer's outstanding
36 liabilities and adequate to its financial needs.

37 5. Any amount in the common stock, preferred stock, debt obligations
38 or other securities of any subsidiary exclusively engaged in holding title to
39 or holding title to and managing or developing real or personal property, if
40 after considering as a disallowed asset so much of the investment as is
41 represented by subsidiary assets which if held directly by the insurer would
42 be considered as a disallowed asset, the insurer's surplus as regards
43 policyholders will remain at a reasonable level in relation to the insurer's
44 outstanding liabilities and adequate to its financial needs, and if ~~following~~
45 ~~such~~ *after the* investment all voting securities of ~~such~~ *the* subsidiary are
46 owned by the insurer.

47 **Sec. 171.** NRS 692C.180 is hereby amended to read as follows:

48 692C.180 1. No person other than the issuer ~~shall~~ *may* make a
49 tender for or a request or invitation for tenders of, or enter into any



1 agreement to exchange securities for, seek to acquire or acquire in the open
2 market or otherwise, any voting security of a domestic insurer if, after the
3 consummation thereof, ~~such person~~ *he* would directly or indirectly, ~~or~~
4 by conversion or by exercise of any right to acquire, ~~or~~ be in control of
5 ~~such~~ *the* insurer ~~;~~.

6 ~~2. No person shall~~ *nor may any person* enter into an agreement to
7 merge with or otherwise acquire control of a domestic insurer, unless, at
8 the time any such offer, request or invitation is made or any such
9 agreement is entered into, or ~~prior to~~ *before* the acquisition of ~~such~~
10 *those* securities if no offer or agreement is involved, ~~such person~~ *he* has
11 filed with the commissioner and has sent to ~~such~~ *the* insurer, and ~~such~~
12 *the* insurer has sent to its shareholders, a statement containing the
13 information required by NRS 692C.180 to 692C.250, inclusive, and ~~such~~
14 *the* offer, request, invitation, agreement or acquisition has been approved
15 by the commissioner in the manner prescribed in this chapter.

16 ~~3. 2.~~ For purposes of this section, a domestic insurer includes any
17 other person controlling a domestic insurer unless ~~such~~ *the* other person
18 is either directly or through its affiliates primarily engaged in business
19 other than the business of insurance. *However, a person primarily engaged*
20 *in another business shall file a notice of intent to acquire, on a form*
21 *prescribed by the commissioner, at least 60 days before the proposed*
22 *effective date of the acquisition.*

23 **Sec. 172.** NRS 692C.210 is hereby amended to read as follows:

24 692C.210 1. The commissioner shall approve any merger or other
25 acquisition of control referred to in NRS 692C.180 unless, after a public
26 hearing thereon, he finds that:

27 (a) After the change of control the domestic insurer referred to in NRS
28 692C.180 would not be able to satisfy the requirements for the issuance of
29 a license to write the line or lines of insurance for which it is presently
30 licensed;

31 (b) The effect of the merger or other acquisition of control would be
32 substantially to lessen competition in insurance in this state or tend to
33 create a monopoly therein;

34 (c) The financial condition of any acquiring party is such as might
35 jeopardize the financial stability of the insurer, or prejudice the interest of
36 its policyholders or the interests of any remaining security holders who are
37 unaffiliated with the acquiring party;

38 (d) The terms of the offer, request, invitation, agreement or acquisition
39 referred to in NRS 692C.180 are unfair and unreasonable to the security
40 holders of the insurer;

41 (e) The plans or proposals which the acquiring party has to liquidate the
42 insurer, sell its assets or consolidate or merge it with any person, or to
43 make any other material change in its business or corporate structure or
44 management, are unfair and unreasonable to policyholders of the insurer
45 and not in the public interest; or

46 (f) The competence, experience and integrity of those persons who
47 would control the operation of the insurer are such that it would not be in
48 the interest of policyholders of the insurer and of the public to permit the
49 merger or other acquisition of control.



1 2. The public hearing referred to in subsection 1 must be held within ~~1a~~
2 ~~reasonable time~~ **30 days** after the statement required by NRS 692C.180
3 has been filed, and at least 20 days' notice thereof must be given by the
4 commissioner to the person filing the statement. Not less than 7 days'
5 notice of the public hearing must be given by the person filing the
6 statement to the insurer and to such other persons as may be designated by
7 the commissioner. The insurer shall give such notice to its security holders.
8 The commissioner shall make a determination within 30 days after the
9 conclusion of the hearing. *If he determines that an infusion of capital to*
10 *restore capital in connection with the change in control, the requirement*
11 *must be met within 60 days after notification is given of the*
12 *determination.* At the hearing, the person filing the statement, the insurer,
13 any person to whom notice of hearing was sent, and any other person
14 whose interests may be affected thereby may present evidence, examine
15 and cross-examine witnesses, and offer oral and written arguments and in
16 connection therewith may conduct discovery proceedings in the same
17 manner as is presently allowed in the district court of this state. All
18 discovery proceedings must be concluded not later than 3 days before the
19 commencement of the public hearing.
20 3. The commissioner may retain at the acquiring party's expense
21 attorneys, actuaries, accountants and other experts not otherwise a part of
22 his staff as may be reasonably necessary to assist him in reviewing the
23 proposed acquisition of control.
24 4. *The period for review by the commissioner must not exceed the 60*
25 *days allowed between the filing of the notice of intent to acquire and the*
26 *date of proposed acquisition if the proposed affiliation or change of*
27 *control involves a financial institution, or an affiliate of a financial*
28 *institution, and an insured.*
29 **Sec. 173.** NRS 692C.363 is hereby amended to read as follows:
30 692C.363 1. A domestic insurer shall not enter into any of the
31 following transactions with an affiliate unless the insurer has notified the
32 commissioner in writing of its intention to enter into the transaction at least
33 ~~30~~ **60** days previously, or such shorter period as the commissioner may
34 permit, and the commissioner has not disapproved it within that period:
35 (a) A sale, purchase, exchange, loan or extension of credit, guaranty or
36 investment if the transaction equals at least:
37 (1) With respect to an insurer other than a life insurer, the ~~greater of~~
38 ~~5~~ **lesser of 3** percent of the insurer's admitted assets or 25 percent of
39 surplus as regards policyholders; or
40 (2) With respect to a life insurer, ~~15~~ **3** percent of the insurer's
41 admitted assets,
42 computed as of December 31 next preceding the transaction.
43 (b) A loan or extension of credit to any person who is not an affiliate, if
44 the insurer makes the loan or extension of credit with the agreement or
45 understanding that the proceeds of the transaction, in whole or in
46 substantial part, are to be used to make loans or extensions of credit to, to
47 purchase assets of, or to make investments in, any affiliate of the insurer if
48 the transaction equals at least:



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1 (1) With respect to insurers other than life insurers, the ~~greater of 51~~
2 *lesser of 3* percent of the insurer's admitted assets or 25 percent of surplus
3 as regards policyholders; or

4 (2) With respect to life insurers, ~~51~~ 3 percent of the insurer's
5 admitted assets,
6 computed as of December 31 next preceding the transaction.

7 (c) An agreement for reinsurance or a modification thereto in which the
8 premium for reinsurance or a change in the insurer's liabilities equals at
9 least 5 percent of the insurer's surplus as regards policyholders as of
10 December 31 next preceding the transaction, including an agreement which
11 requires as consideration the transfer of assets from an insurer to a
12 nonaffiliate, if an agreement or understanding exists between the insurer
13 and nonaffiliate that any portion of those assets will be transferred to an
14 affiliate of the insurer.

15 (d) An agreement for management ~~H~~, *contract for service, guarantee*
16 *or arrangement to share costs.*

17 (e) A material transaction, specified by regulation, which the
18 commissioner determines may adversely affect the interest of the insurer's
19 policyholders.

20 2. This section does not authorize or permit any transaction which, in
21 the case of an insurer not an affiliate, would be contrary to law.

22 **Sec. 174.** NRS 693A.290 is hereby amended to read as follows:

23 693A.290 1. A stock insurer other than a title insurer may become a
24 mutual insurer under such plan and procedure as may be approved by the
25 commissioner after a hearing thereon.

26 2. The commissioner shall not approve any such plan, procedure or
27 mutualization unless:

28 (a) It is equitable to stockholders and policyholders;

29 (b) It is subject to approval by the holders of not less than two-thirds of
30 the insurer's outstanding capital stock having voting rights, and by not less
31 than two-thirds of the insurer's policyholders who vote on ~~such~~ *the* plan
32 in person, by proxy or by mail pursuant to such notice and procedure as
33 may be approved by the ~~commissioners~~ *commissioner*;

34 (c) If a life insurer, the right to vote thereon is limited to holders of
35 policies other than term or group policies, ~~and~~ whose policies have been
36 in force for more than 1 year;

37 (d) Mutualization will result in retirement of shares of the insurer's
38 capital stock at a price not in excess of the fair market value thereof as
39 determined ~~by competent disinterested appraisers~~ *under a fair and*
40 *reasonable formula approved by the commissioner or, if so ordered, by*
41 *an examination of the insurer and all of its controlled affiliates or by an*
42 *appraisal committee, consisting of at least three qualified persons, to be*
43 *appointed by the commissioner;*

44 (e) The plan provides for the purchase of the shares of any
45 nonconsenting stockholder in the same manner and subject to the same
46 applicable conditions as provided by the general corporation law of the
47 state as to rights of nonconsenting stockholders, with respect to
48 consolidation or merger of private corporations;



1 (f) The plan provides for definite conditions to be fulfilled by a
2 designated early date upon which such mutualization will ~~be deemed~~
3 *become* effective; and

4 (g) The mutualization leaves the insurer with *a* surplus ~~funds~~
5 reasonably adequate for the security of its policyholders and to enable it to
6 continue successfully in business in the states in which it is then authorized
7 to transact insurance, and for the kinds of insurance included in its
8 certificates of authority in such states.

9 3. No director, officer, agent or employee of the insurer, or any other
10 person, ~~shall~~ *may* receive any fee, commission or other valuable
11 consideration whatsoever, other than his customary salary or other regular
12 compensation, for in any manner aiding, promoting or assisting in the
13 mutualization, except as set forth in the plan of mutualization as approved
14 by the commissioner.

15 4. This section does not apply to mutualization under an order of court
16 pursuant to rehabilitation or reorganization of an insurer under chapter
17 696B of NRS.

18 **Sec. 175.** NRS 693A.320 is hereby amended to read as follows:

19 693A.320 1. Any person proposing to acquire the controlling capital
20 stock of any domestic stock insurer and thereby to change the control of
21 the insurer, other than through merger or consolidation or affiliation as
22 provided for in NRS 693A.310 and 693A.330, must first apply to the
23 commissioner in writing for approval of ~~such~~ *the* proposed change of
24 control. The application must state the names and addresses of the
25 proposed new owners of the controlling stock and contain such additional
26 information as the commissioner may reasonably require.

27 2. The commissioner shall not approve the proposed change of control
28 if he finds that:

29 (a) The proposed new owners are not qualified by character, experience
30 and financial responsibility to control and operate the insurer, or cause the
31 insurer to be operated, in a lawful and proper manner;

32 (b) As a result of the proposed change of control the insurer may not be
33 qualified for a certificate of authority under the provisions of NRS
34 680A.090;

35 (c) The interests of the insurer or other stockholders of the insurer or
36 policyholder would be materially harmed through the proposed change of
37 control; or

38 (d) The proposed change of control would tend materially to lessen
39 competition, or to create any monopoly, in a business of insurance in this
40 state or elsewhere.

41 3. If the commissioner does not by affirmative action approve or
42 disapprove the proposed change of control within ~~30~~ *60* days after the
43 date the application was so filed with him, the proposed change may be
44 made without his approval, but if the commissioner gives notice to the
45 parties of a hearing to be held by him with respect to the proposed change
46 of control, and the hearing is held within the 30 days or on a date mutually
47 acceptable to the commissioner and the parties, the commissioner has 10
48 days after the conclusion of the hearing within which to so approve or



1 disapprove the proposed change. If not so approved or disapproved, the
2 change may thereafter be made without the commissioner's approval.

3 4. If the commissioner disapproves the proposed change he shall give
4 written notice thereof to the parties, setting forth in detail the reasons for
5 disapproval.

6 5. The commissioner shall suspend or revoke the certificate of
7 authority of any insurer the control of which has been changed in violation
8 of this section.

9 6. The commissioner may retain at the acquiring party's expense
10 attorneys, actuaries, accountants and other experts not otherwise a part of
11 his staff as may be necessary only for the review of the proposed
12 acquisition of control. Such a review may be conducted only if the parties
13 fail to provide sufficient information to the commissioner. Expenses
14 chargeable to the acquiring party pursuant to this subsection must not
15 exceed 1 percent of the acquired insurer's net revenue during the year
16 immediately preceding the year in which the application for change of
17 control is filed with the commissioner pursuant to subsection 1.

18 **Sec. 176.** NRS 693A.360 is hereby amended to read as follows:

19 693A.360 1. A mutual insurer may become a stock insurer under
20 such reasonable plan and procedure as may be approved by the
21 commissioner after a hearing thereon of which notice was given to the
22 insurer, its directors or trustees, *and* its officers, employees and ~~its~~
23 members, all of whom ~~shall have the right to~~ *may* appear and be heard at
24 the hearing.

25 2. The commissioner shall not approve any such plan or procedure
26 unless:

27 (a) Its terms and conditions are fair and equitable;

28 (b) It is subject to approval by vote of not less than three-fourths of the
29 insurer's current members entitled to vote and voting thereon in person, by
30 proxy, or by mail at a meeting of members entitled to vote and called for
31 the purpose pursuant to such reasonable notice and procedure as may be
32 approved by the commissioner ~~;~~ *, and* in the case of a life insurer, the
33 right to vote ~~shall be~~ *is* limited to members who hold policies other than
34 group policies or term policies for terms of less than 20 years, and whose
35 policies have been in force for not less than 1 year;

36 (c) The equity of each member in the insurer is determinable under a
37 fair and reasonable formula approved by the commissioner and *, if ordered*
38 *by the commissioner*, based upon the ~~determination of the~~ value of the
39 corporation *as determined* by an *examination of the insurer and all its*
40 *controlled affiliates or as determined by an* appraisal committee,
41 consisting of at least three qualified persons, to be appointed by the
42 commissioner;

43 (d) The plan gives to each member of the insurer *,* as specified in
44 paragraph (e), a preemptive right to acquire his proportionate part of all of
45 the proposed capital stock of the insurer within a designated reasonable
46 period, as ~~such~~ *that* part is determinable under the plan of conversion,
47 and to apply upon the purchase thereof the amount of his equity in the
48 insurer as determined under paragraph (c);



1 (e) The members entitled to participate in the purchase of stock or
2 distribution of assets ~~{shall}~~ include ~~{not less than}~~ all current policyholders
3 of the insurer and each existing person who ~~{had been}~~ *was* a policyholder
4 of the insurer within 3 years ~~{prior to}~~ *before* the date ~~{such}~~ *the* plan was
5 submitted to the commissioner;

6 (f) Shares are to be offered to members at a price not greater than to be
7 thereafter offered under the plan to others, and not in excess of one-half of
8 the median equitable share of all policyholders;

9 (g) The plan provides for payment, to each member not electing to
10 apply his equity in the insurer for or upon the purchase price of stock to
11 which *he is* preemptively entitled, of cash in an amount found to be
12 reasonable by the commissioner but not in excess of 50 percent of the
13 amount of his equity not so used for the purchase of stock, and ~~{which}~~
14 ~~cash~~ payment together with stock so purchased, if any, ~~{shall constitute}~~
15 *constitutes* full payment and discharge of the member's equity or property
16 interest in ~~{such}~~ *the* mutual insurer;

17 (h) The plan, when completed, would provide for the converted insurer
18 paid-in capital stock in an amount not less than the minimum paid-in
19 capital stock required of a new domestic stock insurer upon initial
20 authorization to transact like kinds of insurance, together with *an*
21 expendable surplus ~~{funds}~~ in *an* amount not less than one-half of ~~{such}~~
22 *the* required capital stock; and

23 (i) The commissioner finds that the insurer's management has not,
24 through reduction in volume of new business written, or cancellation or
25 through any other means sought to reduce, limit or affect the number or
26 identity of the insurer's members to be entitled to participate in ~~{such}~~ *the*
27 plan, or to secure for the ~~{individuals comprising management}~~ *individual*
28 *managers* any unfair advantage through ~~{such}~~ *the* plan.

29 3. *All proceedings must be held not later than 60 days before the*
30 *effective date of the acquisition or change or continuation of control.*

31 4. Subsection 2 ~~{shall not be deemed to}~~ *does not* prohibit the
32 inclusion in the conversion plan of provisions under which the ~~{individuals~~
33 ~~comprising the insurer's management and employee group}~~ *individual*
34 *managers and employees of the insurer* are entitled to purchase for cash at
35 the same price as offered to the insurer's members, shares of stock not
36 taken by members on the preemptive offering to members, in accordance
37 with such reasonable classification of ~~{such individuals}~~ *the managers and*
38 *employees* as may be included in the plan and approved by the
39 commissioner.

40 ~~{4.}~~ 5. No director, officer, agent or employee of the insurer, or any
41 other person, ~~{shall}~~ *may* receive any fee, commission or other valuable
42 consideration, ~~{whatsoever}~~ other than ~~{their usual regular salaries}~~ *his*
43 *usual salary* and compensation, for in any manner aiding, promoting or
44 assisting in ~~{such}~~ *the* conversion except as set forth in the plan approved
45 by the commissioner. This provision ~~{shall not be deemed to}~~ *does not*
46 prohibit the payment of reasonable fees and compensation to attorneys at
47 law, accountants and actuaries for services performed in the independent
48 practice of their professions, even though also directors of the insurer.



1 **Sec. 177.** NRS 695A.580 is hereby amended to read as follows:
2 695A.580 1. Any person who makes a false or fraudulent statement
3 in or relating to an application for membership or for the purpose of
4 obtaining money from or a benefit in any society is guilty of a gross
5 misdemeanor.

6 2. Any person who solicits membership for, or in any manner assists in
7 procuring membership in, any society not licensed to do business in this
8 state is subject to an administrative fine, imposed by the commissioner, of
9 not less than \$25 nor more than \$500 for each violation. In addition if the
10 person is an insurance agent of the society, the commissioner may suspend,
11 revoke, limit or refuse to continue his license in the manner provided in
12 ~~NRS 683A.450.~~ *sections 93 and 94 of this act.*

13 3. Any person convicted of a willful violation of, or neglect or refusal
14 to comply with, any provision of this chapter for which a penalty is not
15 otherwise prescribed shall be punished by a fine of not more than \$1,000
16 for each violation, and not more than \$10,000 for all related violations.

17 **Sec. 178.** NRS 695B.191 is hereby amended to read as follows:

18 695B.191 1. ~~Any~~ *A* policy of health insurance, issued by a medical
19 service corporation, which provides coverage for the surgical procedure
20 known as a mastectomy must also provide commensurate coverage for ~~at~~
21 ~~least two prosthetic devices and for reconstructive surgery incident to the~~
22 ~~mastectomy. Except as otherwise provided in subsection 2, this coverage~~
23 ~~must be subject to the same terms and conditions that apply to the coverage~~
24 ~~for the mastectomy.~~ :

25 *(a) Reconstruction of the breast on which the mastectomy has been*
26 *performed;*

27 *(b) Surgery and reconstruction of the other breast to produce a*
28 *symmetrical structure; and*

29 *(c) Prostheses and physical complications for all stages of*
30 *mastectomy, including lymphedemas.*

31 2. *The provision of services must be determined by the attending*
32 *physician and the patient.*

33 3. *The plan or issuer may require deductibles and coinsurance*
34 *payments if they are consistent with those established for other benefits.*

35 4. *Written notice of the availability of the coverage must be given*
36 *upon enrollment and annually thereafter. The notice must be sent to all*
37 *participants:*

38 *(a) In the next mailing made by the plan or issuer to the participant or*
39 *beneficiary; or*

40 *(b) As part of any annual information packet sent to the participant or*
41 *beneficiary,*
42 *whichever is earlier.*

43 5. *A plan or issuer may not:*

44 *(a) Deny eligibility, or continued eligibility, to enroll or renew*
45 *coverage, in order to avoid the requirements of subsections 1 to 4,*
46 *inclusive; or*

47 *(b) Penalize, or limit reimbursement to, a provider of care, or provide*
48 *incentives to a provider of care, in order to induce the provider not to*
49 *provide the care listed in subsections 1 to 4, inclusive.*



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1 *6. A plan or issuer may negotiate rates of reimbursement with*
2 *providers of care.*

3 *7. If reconstructive surgery is begun within 3 years after a mastectomy,*
4 *the amount of the benefits for that surgery must equal those amounts*
5 *provided for in the policy at the time of the mastectomy. If the surgery is*
6 *begun more than 3 years after the mastectomy, the benefits provided are*
7 *subject to all of the terms, conditions and exclusions contained in the*
8 *policy at the time of the reconstructive surgery.*

9 ~~13-1~~ *8. A policy subject to the provisions of this chapter which is*
10 *delivered, issued for delivery or renewed on or after October 1, ~~1989,~~*
11 *2001, has the legal effect of including the coverage required by this*
12 *section, and any provision of the policy or the renewal which is in conflict*
13 *with this section is void.*

14 ~~14-1~~ *9. For the purposes of this section, “reconstructive surgery”*
15 *means a surgical procedure performed following a mastectomy on one*
16 *breast or both breasts to reestablish symmetry between the two breasts. The*
17 *term includes ~~1, but is not limited to,~~ augmentation mammoplasty,*
18 *reduction mammoplasty and mastopexy.*

19 **Sec. 179.** NRS 695C.171 is hereby amended to read as follows:

20 695C.171 1. ~~Any~~ *A* health maintenance plan which provides
21 coverage for the surgical procedure known as a mastectomy must also
22 provide commensurate coverage for ~~at least two prosthetic devices and for~~
23 ~~reconstructive surgery incident to the mastectomy. Except as otherwise~~
24 ~~provided in subsection 2, this coverage must be subject to the same terms~~
25 ~~and conditions that apply to the coverage for the mastectomy.~~
26 ~~2-1~~ :

27 *(a) Reconstruction of the breast on which the mastectomy has been*
28 *performed;*

29 *(b) Surgery and reconstruction of the other breast to produce a*
30 *symmetrical structure; and*

31 *(c) Prostheses and physical complications for all stages of*
32 *mastectomy, including lymphedemas.*

33 *2. The provision of services must be determined by the attending*
34 *physician and the patient.*

35 *3. The plan or issuer may require deductibles and coinsurance*
36 *payments if they are consistent with those established for other benefits.*

37 *4. Written notice of the availability of the coverage must be given*
38 *upon enrollment and annually thereafter. The notice must be sent to all*
39 *participants:*

40 *(a) In the next mailing made by the plan or issuer to the participant or*
41 *beneficiary; or*

42 *(b) As part of any annual information packet sent to the participant or*
43 *beneficiary,*
44 *whichever is earlier.*

45 *5. A plan or issuer may not:*

46 *(a) Deny eligibility, or continued eligibility, to enroll or renew*
47 *coverage, in order to avoid the requirements of subsections 1 to 4,*
48 *inclusive; or*



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1 *(b) Penalize, or limit reimbursement to, a provider of care, or provide*
2 *incentives to a provider of care, in order to induce the provider not to*
3 *provide the care listed in subsections 1 to 4, inclusive.*

4 *6. A plan or issuer may negotiate rates of reimbursement with*
5 *providers of care.*

6 *7. If reconstructive surgery is begun within 3 years after a mastectomy,*
7 *the amount of the benefits for that surgery must equal those amounts*
8 *provided for in the policy at the time of the mastectomy. If the surgery is*
9 *begun more than 3 years after the mastectomy, the benefits provided are*
10 *subject to all of the terms, conditions and exclusions contained in the*
11 *policy at the time of the reconstructive surgery.*

12 ~~13-1~~ *8. A policy subject to the provisions of this chapter which is*
13 *delivered, issued for delivery or renewed on or after October 1, ~~1989,~~*
14 *2001, has the legal effect of including the coverage required by this*
15 *section, and any provision of the policy or the renewal which is in conflict*
16 *with this section is void.*

17 ~~14-1~~ *9. For the purposes of this section, "reconstructive surgery"*
18 *means a surgical procedure performed following a mastectomy on one*
19 *breast or both breasts to reestablish symmetry between the two breasts. The*
20 *term includes, but is not limited to, augmentation mammoplasty, reduction*
21 *mammoplasty and mastopexy.*

22 **Sec. 180.** NRS 696A.310 is hereby amended to read as follows:

23 696A.310 The commissioner may suspend, revoke or refuse to renew
24 any club agent's license issued under this chapter for any cause specified in
25 any other provision of this chapter, or for any of the same applicable
26 grounds and in the manner provided for ~~agents of insurers in NRS~~
27 ~~683A.450, 683A.460 and 683A.470.~~ *a producer of insurance in sections*
28 *93 and 94 of this act.*

29 **Sec. 181.** Chapter 696B of NRS is hereby amended by adding thereto
30 a new section to read as follows:

31 *1. Except as otherwise provided in subsections 2 and 4, if an order*
32 *for liquidation or rehabilitation of a domestic insurer has been issued,*
33 *the receiver appointed under the order may recover on behalf of the*
34 *insurer:*

35 *(a) From any parent corporation, holding company, affiliate or*
36 *person who otherwise controlled the insurer, the amount of any*
37 *distribution, other than a distribution of shares of the same class of*
38 *stock, made by the insurer on its capital stock; and*

39 *(b) Any payment in the form of a bonus, settlement on termination, or*
40 *extraordinary adjustment of salary in a lump sum made by the insurer or*
41 *a subsidiary to a director, officer or employee,*
42 *made during the year preceding the petition for liquidation, conservation*
43 *or rehabilitation.*

44 *2. A distribution is not recoverable if the parent corporation, holding*
45 *company or affiliate shows that when made the distribution was lawful*
46 *and reasonable and that the insurer did not know and could not*
47 *reasonably have known that the distribution might adversely affect the*
48 *ability of the insurer to fulfill its contractual obligations.*



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1 3. *A parent corporation, holding company or person who otherwise*
2 *controlled the insurer or affiliate at the time the distribution or payment*
3 *was made is liable up to the amount of the distribution or payment which*
4 *he received. A person who otherwise controlled the insurer at the time a*
5 *distribution was declared is liable up to the amount that would have been*
6 *received if the distribution had been made immediately. If two or more*
7 *persons are liable with respect to the same distribution, they are jointly*
8 *and severally liable.*

9 4. *The greatest amount recoverable under this section is the amount*
10 *needed in excess of all other available assets of the impaired or insolvent*
11 *insurer to pay its contractual obligations and reimburse any guaranty*
12 *fund.*

13 5. *To the extent that a person liable under subsection 3 is insolvent*
14 *or otherwise fails to pay a claim due from it, a parent corporation,*
15 *holding company or person who otherwise controlled it at the time the*
16 *distribution was made is jointly and severally liable for any resulting*
17 *deficiency in the amount recovered from the person so liable.*

18 **Sec. 182.** NRS 696B.565 is hereby amended to read as follows:

19 696B.565 1. *The commissioner, as receiver, all present and former*
20 *deputy receivers, special deputy receivers and their employees, and the*
21 *other officers, agents, employees and attorneys of the division are* ~~not~~
22 ~~liable for any action or omission made in good faith by the commissioner,~~
23 ~~officer, agent, employee or attorney in the performance of his duties or~~
24 ~~exercise of authority pursuant to this chapter. Nothing in this section~~
25 ~~abrogates or modifies any other privilege otherwise provided by law to the~~
26 ~~commissioner or the officers, agents, employees and attorneys of the~~
27 ~~division.]~~ *immune from liability, both personally and in their official*
28 *capacities, for any claim for damage to or loss of property or personal*
29 *injury or other civil liability caused by or resulting from any alleged act,*
30 *error or omission of the officers, agents, employees and attorneys of the*
31 *division arising out of or by reason of their duties or employment. This*
32 *subsection must not be construed to hold the officers, agents, employees*
33 *and attorneys of the division immune from liability for any damage, loss,*
34 *injury or liability caused by actual malice.*

35 2. *Attorneys, accountants, auditors and other professional persons or*
36 *firms who are retained by the commissioner as independent contractors*
37 *and their employers must not be considered employees for the purposes*
38 *of this chapter.*

39 3. *The commissioner, all present and former deputy receivers, special*
40 *deputy receivers and their employees, and the other officers, agents,*
41 *employees and attorneys of the division must be indemnified for all*
42 *expenses, attorney's fees, judgments, settlements, decrees, or amounts*
43 *due or paid in satisfaction of, or incurred in the defense of, such a legal*
44 *action, unless it is determined upon a final adjudication on the merits of*
45 *the case that the alleged acts, error or omission of the officer, agent,*
46 *employee or attorney of the division did not arise out of or by reason of*
47 *his duties or employment and was caused by actual malice.*

48 4. *The state may seek indemnification for the payment of expenses,*
49 *judgments, settlements, decrees, attorney's fees, surety bond premiums or*



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1 *other amounts paid or to be paid from the insurer's assets. Any payment*
2 *pursuant to this section shall be deemed an administrative expense of the*
3 *insurer.*

4 **Sec. 183.** Chapter 697 of NRS is hereby amended by adding thereto a
5 new section to read as follows:

6 *A bail agent, bail enforcement agent or bail solicitor whose license*
7 *lapses is exempt from retaking the examination otherwise required under*
8 *NRS 697.200 if he applies and is relicensed within 6 months after the*
9 *date of lapse.*

10 **Sec. 184.** NRS 697.090 is hereby amended to read as follows:

11 697.090 1. A person in this state shall not act in the capacity of a bail
12 agent, bail enforcement agent or bail solicitor, or perform any of the
13 functions, duties or powers prescribed for a bail agent, bail enforcement
14 agent or bail solicitor under the provisions of this chapter, unless that
15 person is qualified and licensed as provided in this chapter. The
16 commissioner may, after notice and ~~to a hearing, impose a~~ *opportunity to be*
17 *heard, impose an administrative* fine of not more than \$1,000 for each act
18 or violation of the provisions of this subsection.

19 2. A person, whether or not located in this state, shall not act as or hold
20 himself out to be a general agent unless qualified and licensed as such
21 under the provisions of this chapter.

22 3. For the protection of the people of this state, the commissioner shall
23 not issue or renew, or permit to exist, any license except in compliance
24 with this chapter. The commissioner shall not issue or renew, or permit to
25 exist, a license for any person found to be untrustworthy or incompetent, or
26 who has not established to the satisfaction of the commissioner that he is
27 qualified therefor in accordance with this chapter.

28 **Sec. 185.** NRS 697.120 is hereby amended to read as follows:

29 697.120 This chapter does not:

30 1. Prevent ~~any licensed general lines agent, as defined in NRS~~
31 ~~683A.050, a producer of insurance~~ from writing bail bonds for any
32 insurer authorized to write surety *for* which he ~~represents as agent,~~
33 ~~providing the agent~~ *is an appointed agent, but he* is subject to and
34 governed by all laws ~~and rules~~ and regulations relating to bail agents when
35 engaged in the activities thereof.

36 2. Affect the negotiation for or the execution or delivery of a bail bond
37 which is authorized by chapter 696A of NRS.

38 **Sec. 186.** NRS 697.230 is hereby amended to read as follows:

39 697.230 1. Except as otherwise provided in NRS 697.177, each
40 license issued to a general agent, bail agent, bail enforcement agent or bail
41 solicitor under this chapter continues in force for 3 years unless it is
42 suspended, revoked or otherwise terminated. A license may be renewed
43 upon payment of the applicable fee for renewal to the commissioner on or
44 before the last day of the month in which the license is renewable. The fee
45 must be accompanied by:

46 (a) Proof that the licensee has completed a 3-hour program of
47 continuing education that is:

48 (1) Offered by the authorized surety insurer from whom he received
49 his written appointment, if any, a state or national organization of bail



1 agents or another organization that administers training programs for
2 general agents, bail agents, bail enforcement agents or bail solicitors; and

3 (2) Approved by the commissioner;

4 (b) If the licensee is a natural person, the statement required pursuant to
5 NRS 697.181; and

6 (c) A written request for renewal of the license. The request must be
7 made and signed:

8 (1) By the licensee in the case of the renewal of a license as a general
9 agent, bail enforcement agent or bail agent.

10 (2) By the bail solicitor and the bail agent who employs the solicitor
11 in the case of the renewal of a license as a bail solicitor.

12 2. Any license that is not renewed on or before the last day specified
13 for its renewal expires at midnight on that day. The commissioner may
14 accept a request for renewal received by him within 30 days after the date
15 of expiration if the request is accompanied by a fee for renewal of 150
16 percent of the fee otherwise required and, if the person requesting renewal
17 is a natural person, the statement required pursuant to NRS 697.181.

18 3. A bail agent's license continues in force while there is in effect an
19 appointment of him as a bail agent of one or more authorized insurers.
20 Upon termination of all the bail agent's appointments and his failure to
21 replace any appointment within 30 days thereafter, his license expires and
22 he shall promptly deliver his license to the commissioner.

23 4. The commissioner shall terminate the license of a general agent for
24 a particular insurer upon a written request by the insurer.

25 5. This section does not apply to temporary licenses issued under
26 ~~NRS 683A.300~~ *section 92 of this act* or *NRS 697.177*.

27 **Sec. 187.** NRS 697.360 is hereby amended to read as follows:

28 697.360 Licensed bail agents, bail solicitors and general agents are
29 also subject to the following provisions of this code, to the extent
30 reasonably applicable:

31 1. Chapter 679A of NRS.

32 2. Chapter 679B of NRS.

33 3. ~~NRS 683A.240.~~

34 ~~4. NRS 683A.300.~~ *Section 91 of this act.*

35 *4. Section 92 of this act.*

36 5. NRS 683A.400.

37 6. NRS 683A.410.

38 7. NRS ~~683A.450 to 683A.480, inclusive.~~ *683A.480 and sections 93,*
39 *94, 95 and 99 of this act.*

40 8. NRS 686A.010 to 686A.310, inclusive.

41 **Sec. 188.** NRS 179A.100 is hereby amended to read as follows:

42 179A.100 1. The following records of criminal history may be
43 disseminated by an agency of criminal justice without any restriction
44 pursuant to this chapter:

45 (a) Any which reflect records of conviction only; and

46 (b) Any which pertain to an incident for which a person is currently
47 within the system of criminal justice, including parole or probation.

48 2. Without any restriction pursuant to this chapter, a record of criminal
49 history or the absence of such a record may be:



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1 (a) Disclosed among agencies which maintain a system for the mutual
2 exchange of criminal records.

3 (b) Furnished by one agency to another to administer the system of
4 criminal justice, including the furnishing of information by a police
5 department to a district attorney.

6 (c) Reported to the central repository.

7 3. An agency of criminal justice shall disseminate to a prospective
8 employer, upon request, records of criminal history concerning a
9 prospective employee or volunteer which:

10 (a) Reflect convictions only; or

11 (b) Pertain to an incident for which the prospective employee or
12 volunteer is currently within the system of criminal justice, including
13 parole or probation.

14 4. The central repository shall disseminate to a prospective or current
15 employer, upon request, information relating to sexual offenses concerning
16 an employee, prospective employee, volunteer or prospective volunteer
17 who gives his written consent to the release of that information.

18 5. Records of criminal history must be disseminated by an agency of
19 criminal justice upon request, to the following persons or governmental
20 entities:

21 (a) The person who is the subject of the record of criminal history for
22 the purposes of NRS 179A.150.

23 (b) The person who is the subject of the record of criminal history or his
24 attorney of record when the subject is a party in a judicial, administrative,
25 licensing, disciplinary or other proceeding to which the information is
26 relevant.

27 (c) The state gaming control board.

28 (d) The state board of nursing.

29 (e) The private investigator's licensing board to investigate an applicant
30 for a license.

31 (f) A public administrator to carry out his duties as prescribed in chapter
32 253 of NRS.

33 (g) A public guardian to investigate a ward or proposed ward or persons
34 who may have knowledge of assets belonging to a ward or proposed ward.

35 (h) Any agency of criminal justice of the United States or of another
36 state or the District of Columbia.

37 (i) Any public utility subject to the jurisdiction of the public utilities
38 commission of Nevada when the information is necessary to conduct a
39 security investigation of an employee or prospective employee, or to
40 protect the public health, safety or welfare.

41 (j) Persons and agencies authorized by statute, ordinance, executive
42 order, court rule, court decision or court order as construed by appropriate
43 state or local officers or agencies.

44 (k) Any person or governmental entity which has entered into a contract
45 to provide services to an agency of criminal justice relating to the
46 administration of criminal justice, if authorized by the contract, and if the
47 contract also specifies that the information will be used only for stated
48 purposes and that it will be otherwise confidential in accordance with state
49 and federal law and regulation.



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1 (l) Any reporter for the electronic or printed media in his professional
2 capacity for communication to the public.

3 (m) Prospective employers if the person who is the subject of the
4 information has given written consent to the release of that information by
5 the agency which maintains it.

6 (n) For the express purpose of research, evaluative or statistical
7 programs pursuant to an agreement with an agency of criminal justice.

8 (o) The division of child and family services of the department of
9 human resources and any county agency that is operated pursuant to NRS
10 432B.325 or authorized by a court of competent jurisdiction to receive and
11 investigate reports of abuse or neglect of children and which provides or
12 arranges for protective services for such children.

13 (p) The welfare division of the department of human resources or its
14 designated representative.

15 (q) An agency of this or any other state or the Federal Government that
16 is conducting activities pursuant to Part D of Title IV of the Social Security
17 Act, ~~(H)~~ 42 U.S.C. §§ 651 et seq. ~~(D)~~

18 (r) The state disaster identification team of the division of emergency
19 management of the department of motor vehicles and public safety.

20 ***(s) The commissioner of insurance.***

21 6. Agencies of criminal justice in this state which receive information
22 from sources outside this state concerning transactions involving criminal
23 justice which occur outside Nevada shall treat the information as
24 confidentially as is required by the provisions of this chapter.

25 **Sec. 189.** NRS 628A.010 is hereby amended to read as follows:

26 628A.010 As used in this chapter, unless the context otherwise
27 requires:

28 1. "Client" means a person who receives advice from a financial
29 planner.

30 2. "Compensation" means a fee for services provided by a financial
31 planner to a client or a commission or other remuneration derived by a
32 financial planner from a person other than the client as the result of the
33 purchase of a good or service by the client.

34 3. "Financial planner" means a person who for compensation advises
35 others upon the investment of money or upon provision for income to be
36 needed in the future, or who holds himself out as qualified to perform
37 either of these functions, but does not include:

38 (a) An attorney and counselor at law admitted by the supreme court of
39 this state;

40 (b) A certified public accountant or a public accountant licensed
41 pursuant to NRS 628.190 to 628.310, inclusive, or 628.350;

42 (c) A broker-dealer or sales representative licensed pursuant to NRS
43 90.310 or exempt under NRS 90.320;

44 (d) An investment adviser licensed pursuant to NRS 90.330 or exempt
45 under NRS 90.340; or

46 (e) ~~[An insurance agent or broker]~~ *A producer of insurance* licensed
47 pursuant to ~~[NRS 683A.090 to 683A.350,]~~ *sections 75 to 99, inclusive, of*
48 *this act* or an insurance consultant licensed pursuant to NRS 683C.010 to
49 683C.100, inclusive,



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- 1 whose advice upon investment or provision of future income is incidental
2 to the practice of his profession or business.
- 3 **Sec. 190.** Section 23 of chapter 620, Statutes of Nevada 1999, at page
4 3382, is hereby amended to read as follows:
- 5 Sec. 23. 1. This section and sections 1 to 18, inclusive, 20 and
6 22 of this act become effective upon passage and approval . ~~and~~
7 ~~expire by limitation on July 1, 2001.~~
- 8 2. Sections 20.2, 20.4 and 21 of this act become effective at 12:01
9 a.m. on July 1, 1999 . ~~and expire by limitation on July 1, 2001.~~
- 10 **Sec. 191.** NRS 683A.030, 683A.040, 683A.050, 683A.070, 683A.080,
11 683A.100, 683A.120, 683A.130, 683A.170, 683A.180, 683A.190,
12 683A.200, 683A.220, 683A.230, 683A.240, 683A.260, 683A.270,
13 683A.280, 683A.290, 683A.300, 683A.320, 683A.330, 683A.340,
14 683A.360, 683A.380, 683A.420, 683A.430, 683A.440, 683A.450,
15 683A.460, 683A.470, 689B.160, 689B.220, 689B.230, 689B.240 and
16 692C.420 are hereby repealed.
- 17 **Sec. 192.** The amendatory provisions of this act do not apply to
18 offenses committed before October 1, 2001.
- 19 **Sec. 193.** 1. This section and section 190 of this act become
20 effective upon passage and approval.
- 21 2. Sections 1 to 189, inclusive, and 191 and 192 of this act become
22 effective on October 1, 2001.
- 23 3. Section 59 of this act expires by limitation on October 1, 2003.

LEADLINES OF REPEALED SECTIONS

683A.030 “Agent” and “nonresident agent” defined.
683A.040 “Broker” and “nonresident broker” defined.
683A.050 “General lines” agent, “general lines” broker, “life”
agent and “health” agent defined.
683A.070 “Service representative” defined.
683A.080 “Solicitor” defined.
683A.100 Persons exempt from licensing.
683A.120 Forms for licensing and appointment.
683A.130 Qualifications for licensing natural person; fee for
recovery account.
683A.170 Examination for license as agent, broker or solicitor.
683A.180 Exemption from examination.
683A.190 Commissioner authorized to contract with testing
service to conduct examinations; reciprocal arrangements.
683A.200 Scope of examination; reference material.
683A.220 Issuance of license; grounds for refusal to issue license;
nonrefundability of fees.
683A.230 Contents of license.
683A.240 Name of licensee.
683A.260 Limited licenses.
683A.270 Renewal and expiration of license.



- 683A.280 Appointment of agents; annual report.
- 683A.290 Termination of appointment of agent; termination of employment of solicitor.
- 683A.300 Temporary license as agent or broker.
- 683A.320 Broker's authority and commissions; licensed agent may be licensed as broker.
- 683A.330 Broker must place business with agent.
- 683A.340 Nonresident agents and nonresident brokers: Licensing; qualifications; rights; obligations; fees.
- 683A.360 Solicitors: Special requirements.
- 683A.380 Place of business; display of licenses.
- 683A.420 Commissions: Persons entitled to receive.
- 683A.430 Commissions: Payment.
- 683A.440 Commissions: Sharing.
- 683A.450 Suspension, revocation, limitation and refusal of license; administrative fine.
- 683A.460 Procedure for suspension or revocation of license.
- 683A.470 Notice and effect of suspension, limitation or revocation of license.
- 689B.160 Benefits exceeding those provided under group policy not required; exclusions and limitations.
- 689B.220 Extension of coverage under existing group policy.
- 689B.230 Group coverage may be provided in lieu of converted individual policy.
- 689B.240 Insurer may continue identical coverage in lieu of converting policy.
- 692C.420 Confidentiality of disclosed information; exception.

