

SENATE BILL NO. 319—SENATOR SHAFFER

MARCH 17, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes to provisions regulating insurance. (BDR 57-599)

FISCAL NOTE: Effect on Local Government: No.
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; restricting the use by an insurer of information included in the consumer credit report of an applicant or policyholder as a basis for making certain determinations and taking certain actions regarding policies of insurance, and providing for related procedures, duties, restrictions and exceptions; revising the membership of certain boards; providing that any refund of an assessment by the Division of Industrial Relations of the Department of Business and Industry must include payment for interest earned; providing that hearing officers and appeals officers shall designate the location of certain hearings; requiring the Commissioner of Insurance to conduct a study relating to the Investments of Insurers Model Act adopted by the National Association of Insurance Commissioners; requiring the Commissioner to prepare and submit to the Governor and the Legislature a report concerning certain matters relating to the use of credit information in making decisions related to insurance; 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.** (Deleted by amendment.)



1 **Sec. 1.5.** Chapter 686A of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 15, inclusive, of this
3 act.

4 **Sec. 2.** *As used in sections 2 to 15, inclusive, of this act,*
5 *unless the context otherwise requires, the words and terms defined*
6 *in sections 3 to 8, inclusive, of this act have the meanings ascribed*
7 *to them in those sections.*

8 **Sec. 3.** *“Adverse action” means a denial or cancellation of,*
9 *an increase in any charge for, or a reduction or other adverse or*
10 *unfavorable change in the terms of coverage or amount of, any*
11 *insurance, existing or applied for, in connection with any policy.*

12 **Sec. 4.** *“Affiliate” means any company that controls, is*
13 *controlled by, or is under common control with another company.*

14 **Sec. 5.** *“Consumer credit report” means any written, oral or*
15 *other communication of information by a consumer reporting*
16 *agency bearing on the credit worthiness, credit standing or credit*
17 *capacity of an applicant or policyholder, and which is used or*
18 *expected to be used or collected in whole or in part for the purpose*
19 *of serving as a factor to determine:*

20 1. *Whether to issue, cancel or renew a policy; or*

21 2. *The amount of the premium for a policy.*

22 **Sec. 6.** *“Consumer reporting agency” means any person*
23 *which, for monetary fees, dues, or on a cooperative nonprofit*
24 *basis, regularly engages in whole or in part in the practice of*
25 *assembling or evaluating consumer credit information or other*
26 *information on consumers for the purpose of furnishing consumer*
27 *credit reports to third parties.*

28 **Sec. 7.** *“Credit information” means any information that is*
29 *related to credit and derived from a consumer credit report, found*
30 *on a consumer credit report or provided on an application for a*
31 *policy. The term does not include information that is not related to*
32 *credit, regardless of whether it is contained in a consumer credit*
33 *report or in an application for a policy, or is used to calculate an*
34 *insurance score.*

35 **Sec. 8.** *“Insurance score” means a number or rating that is*
36 *derived from an algorithm, computer application, model or other*
37 *process that is based in whole or in part on credit information for*
38 *the purposes of predicting the future losses or exposure with*
39 *regard to an applicant or policyholder.*

40 **Sec. 9.** *The provisions of sections 2 to 15, inclusive, of this*
41 *act do not apply to a contract of surety insurance issued pursuant*
42 *to chapter 691B of NRS or any commercial or business policy.*

43 **Sec. 10.** *An insurer that uses information from a consumer*
44 *credit report shall not:*



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- 1 1. Use an insurance score that is calculated using income,
2 gender, address, zip code, ethnic group, religion, marital status or
3 nationality of the consumer as a factor, or would otherwise lead to
4 unfair or invidious discrimination.
- 5 2. Deny, cancel or fail to renew a policy on the basis of credit
6 information unless the insurer also considers other applicable
7 underwriting factors that are independent of credit information
8 and not expressly prohibited by this section.
- 9 3. Base renewal rates for a policy upon credit information
10 unless the insurer also considers other applicable factors
11 independent of credit information.
- 12 4. Take an adverse action against an applicant or
13 policyholder based on the applicant or policyholder not having a
14 credit card account unless the insurer also considers other
15 applicable factors independent of credit information.
- 16 5. Consider an absence of credit information or an inability
17 to calculate an insurance score in underwriting or rating a policy
18 unless the insurer does any one of the following:
19 (a) Treats the applicant or policyholder as otherwise approved
20 by the Commissioner, after the insurer presents to the
21 Commissioner information indicating that such an absence or
22 inability relates to the risk for the insurer.
- 23 (b) Treats the applicant or policyholder as if the applicant or
24 policyholder had neutral credit information, as defined by the
25 insurer.
- 26 (c) Excludes the use of credit information as a factor, and uses
27 only underwriting criteria other than credit information.
- 28 6. Take an adverse action against an applicant or
29 policyholder based on credit information, unless an insurer
30 obtains and uses a consumer credit report issued or an insurance
31 score calculated within 90 days from the date the policy is first
32 written or renewal is issued.
- 33 7. Except as otherwise provided in this subsection, use credit
34 information regarding a policyholder without obtaining an
35 updated consumer credit report regarding the policyholder and
36 recalculating the insurance score at least once every 36 months.
37 At the time of the annual renewal of a policyholder's policy, the
38 insurer shall, upon the request of the policyholder or the
39 policyholder's agent, reunderwrite and rerate the policy based
40 upon a current consumer credit report or insurance score. An
41 insurer need not, at the request of a policyholder or the
42 policyholder's agent, recalculate the insurance score of or obtain
43 an updated consumer credit report of the policyholder more
44 frequently than once in any 12-month period. An insurer may, at
45 its discretion, obtain an updated consumer credit report regarding



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1 *a policyholder more frequently than once every 36 months, if to do*
2 *so is consistent with the underwriting guidelines of the insurer. An*
3 *insurer does not need to obtain an updated consumer credit report*
4 *for a policyholder if any one of the following applies:*

5 *(a) The insurer is treating the policyholder as otherwise*
6 *approved by the Commissioner.*

7 *(b) The policyholder is in the most favorably-priced tier of the*
8 *insurer and all affiliates of the insurer. With respect to such a*
9 *policyholder, the insurer may elect to obtain an updated consumer*
10 *credit report if to do so is consistent with the underwriting*
11 *guidelines of the insurer.*

12 *(c) Credit information was not used for underwriting or rating*
13 *the policyholder when the policy was initially written. The fact that*
14 *credit information was not used initially does not preclude an*
15 *insurer from using such information subsequently when*
16 *underwriting or rating such a policyholder upon renewal, if to do*
17 *so is consistent with the underwriting guidelines of the insurer.*

18 *(d) The insurer reevaluates the policyholder at least once every*
19 *36 months based upon underwriting or rating factors other than*
20 *credit information.*

21 *8. Use the following as a negative factor in any insurance*
22 *scoring methodology or in reviewing credit information for the*
23 *purpose of underwriting or rating a policy:*

24 *(a) Credit inquiries not initiated by the applicant or*
25 *policyholder, or inquiries requested by the applicant or*
26 *policyholder for his or her own credit information.*

27 *(b) Inquiries relating to insurance coverage, if so identified on*
28 *the consumer credit report.*

29 *(c) Collection accounts relating to medical treatment, if so*
30 *identified on the consumer credit report.*

31 *(d) Multiple lender inquiries, if identified on the consumer*
32 *credit report as being related to home loans or mortgages and*
33 *made within 30 days of one another, unless only one inquiry is*
34 *considered.*

35 *(e) Multiple lender inquiries, if identified on the consumer*
36 *credit report as being related to a loan for an automobile and*
37 *made within 30 days of one another, unless only one inquiry is*
38 *considered.*

39 **Sec. 11.** *If it is determined pursuant to the dispute resolution*
40 *process set forth in section 611(a) of the federal Fair Credit*
41 *Reporting Act, 15 U.S.C. § 1681i(a), that the credit information of*
42 *a policyholder was incorrect or incomplete and if the insurer*
43 *receives notice of such determination from either the consumer*
44 *reporting agency or from the policyholder, the insurer shall*
45 *reunderwrite and rerate the policyholder within 30 days of*



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1 *receiving the notice. After reunderwriting or rerating the insured,*
2 *the insurer shall make any adjustments necessary, consistent with*
3 *its underwriting and rating guidelines. If an insurer determines*
4 *that the policyholder has overpaid a premium, the insurer shall*
5 *refund to the policyholder the amount of overpayment calculated*
6 *back to the shorter of either the last 12 months of coverage or the*
7 *actual period of the policy.*

8 **Sec. 12.** *1. If an insurer uses credit information in*
9 *underwriting or rating an applicant, the insurer or its agent shall*
10 *disclose, either on the application for the policy or at the time the*
11 *application is taken, that the insurer may obtain credit*
12 *information in connection with the application. The disclosure*
13 *must be written or provided to an applicant in the same medium as*
14 *the application. The insurer need not provide the disclosure*
15 *required pursuant to this section to a policyholder upon renewal of*
16 *a policy if the policyholder was previously provided the disclosure*
17 *in connection with the policy.*

18 *2. An insurer may comply with the requirements of this*
19 *section by providing the following statement:*

20
21 *In connection with this application for insurance, we may*
22 *review your credit report or obtain or use a credit-based*
23 *insurance score based on the information contained in that*
24 *credit report. We may use a third party in connection with*
25 *the development of your insurance score.*

26 **Sec. 13.** *If an insurer takes an adverse action based upon*
27 *credit information, the insurer shall:*

28 *1. Provide notice to the applicant or policyholder that an*
29 *adverse action has been taken, in accordance with the*
30 *requirements of section 615(a) of the federal Fair Credit*
31 *Reporting Act, 15 U.S.C. § 1681m(a).*

32 *2. Provide notice to the applicant or policyholder explaining*
33 *the reasons for the adverse action. The reasons must be provided*
34 *in sufficiently clear and specific language so that a person can*
35 *identify the basis for the insurer's decision to take the adverse*
36 *action. The notice must include a description of not more than*
37 *four factors that were the primary influences of the adverse*
38 *action. The use of generalized terms such as "poor credit history,"*
39 *"poor credit rating" or "poor insurance score" does not meet the*
40 *requirements of this subsection. Standardized explanations*
41 *provided by consumer reporting agencies are deemed to comply*
42 *with this section.*

43 **Sec. 14.** *1. An insurer shall indemnify, defend and hold*
44 *harmless an agent of the insurer from and against all liability, fees*
45 *and costs arising out of or relating to the actions, errors or*



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1 *omissions of the agent with regard to obtaining or using credit*
2 *information or insurance scores for the insurer, if the agent*
3 *follows the instructions of or procedures established by the insurer*
4 *and complies with any applicable law or regulation.*

5 *2. This section does not provide, expand, limit or prohibit any*
6 *cause of action an applicant or policyholder may have against an*
7 *agent of an insurer.*

8 **Sec. 15.** *1. A consumer reporting agency shall not provide*
9 *or sell data or lists that include any information that in whole or*
10 *in part was submitted in conjunction with:*

11 *(a) An inquiry by or for an insurer about the credit*
12 *information of an applicant or policyholder; or*

13 *(b) A request for a credit report or insurance score.*

14 *2. The information described in subsection 1 includes,*
15 *without limitation:*

16 *(a) The expiration date of a policy or any other information*
17 *that may identify time periods during which a policy of an*
18 *applicant or policyholder may expire; and*

19 *(b) The terms and conditions of the coverage provided by a*
20 *policy of an applicant or policyholder.*

21 *3. The restriction set forth in subsection 1 does not apply to*
22 *data or lists the consumer reporting agency supplies to the insurer,*
23 *or an agent or affiliate of the insurer, from whom the information*
24 *was received.*

25 *4. The provisions of this section do not restrict any insurer*
26 *from being able to obtain a report regarding a motor vehicle or a*
27 *report of a history of claims.*

28 **Sec. 16.** NRS 686C.140 is hereby amended to read as follows:

29 686C.140 1. The Board of Directors of the Association
30 consists of not less than five nor more than nine members, serving
31 terms as established in the plan of operation.

32 *2. The members of the Board who represent insurers must be*
33 *selected by member insurers subject to the approval of the*
34 *Commissioner. If practicable, one of the members of the Board*
35 *must be an officer of a domestic insurer.*

36 *3. Two public representatives must be appointed to the Board*
37 *by the Commissioner. A public representative may not be an officer,*
38 *director or employee of an insurer or engaged in the business of*
39 *insurance.*

40 *4. Vacancies on the Board must be filled for the remaining*
41 *period of the term by majority vote of the members of the Board,*
42 *subject to the approval of the Commissioner, for members who*
43 *represent insurers, and by the Commissioner for public*
44 *representatives.*



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1 **5.** To select the initial Board of Directors, and initially organize
2 the Association, the Commissioner shall give notice to all member
3 insurers of the time and place of the organizational meeting. In
4 determining voting rights at the organizational meeting, each
5 member insurer is entitled to one vote in person or by proxy. If the
6 Board of Directors is not selected within 60 days after notice of the
7 organizational meeting, the Commissioner may appoint the initial
8 members to represent insurers in addition to the public
9 representatives.

10 ~~**6.**~~ **6.** In approving selections or in appointing members to the
11 Board, the Commissioner shall consider, among other things,
12 whether all member insurers are fairly represented.

13 ~~**7.**~~ **7.** Members of the Board may be reimbursed from the
14 assets of the Association for expenses incurred by them as members
15 of the Board of Directors but members of the Board may not
16 otherwise be compensated by the Association for their services.

17 **Sec. 17.** NRS 687A.050 is hereby amended to read as follows:

18 687A.050 1. The Board of Directors of the Association shall
19 consist of not fewer than five nor more than nine persons. The
20 members of the Board shall be appointed by the Commissioner and
21 shall serve at his discretion. Vacancies on the Board shall be filled
22 in the same manner as initial appointments.

23 2. A majority of the members appointed shall be the designated
24 representatives of member insurers. *If practicable, one of the*
25 *members appointed as a designated representative of the member*
26 *insurers must be an officer of a domestic insurer.* The
27 Commissioner shall consider among other things whether all
28 member insurers are fairly represented.

29 3. Members of the Board may be reimbursed from the assets of
30 the Association for expenses incurred by them as members of the
31 Board of Directors.

32 **Sec. 18.** Chapter 687B of NRS is hereby amended by adding
33 thereto a new section to read as follows:

34 *Unless otherwise provided by a specific statute, if a signature is*
35 *required of any person, the person may provide as the signature of*
36 *the person:*

37 1. *An original signature;*

38 2. *A facsimile signature; or*

39 3. *An electronic signature pursuant to the provisions of*
40 *chapter 719 of NRS.*

41 **Sec. 19.** NRS 687B.160 is hereby amended to read as follows:

42 687B.160 1. Every insurance policy must be executed in the
43 name of and on behalf of the insurer by its officer, attorney in fact,
44 employee or representative duly authorized by the insurer.



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1 2. ~~[A facsimile signature of any]~~ Any such executing individual
2 may ~~[be used]~~ use, in lieu of an original signature ~~[]~~ :

3 (a) A facsimile signature; or

4 (b) An electronic signature pursuant to the provisions of
5 chapter 719 of NRS.

6 3. An insurance contract issued before, on or after January 1,
7 1972, which is otherwise valid is not rendered invalid by reason of
8 the apparent execution thereof on behalf of the insurer by the
9 imprinted facsimile signature of an individual not authorized so to
10 execute as of the date of the policy.

11 **Sec. 20.** NRS 232.680 is hereby amended to read as follows:

12 232.680 1. The cost of carrying out the provisions of NRS
13 232.550 to 232.700, inclusive, and of supporting the Division, a
14 full-time employee of the Legislative Counsel Bureau and the Fraud
15 Control Unit for Industrial Insurance established pursuant to NRS
16 228.420, and that portion of the cost of the Office for Consumer
17 Health Assistance established pursuant to NRS 223.550 that is
18 related to providing assistance to consumers and injured employees
19 concerning workers' compensation, must be paid from assessments
20 payable by each insurer, including each employer who provides
21 accident benefits for injured employees pursuant to NRS 616C.265.

22 2. The Administrator shall assess each insurer, including each
23 employer who provides accident benefits for injured employees
24 pursuant to NRS 616C.265. To establish the amount of the
25 assessment, the Administrator shall determine the amount of money
26 necessary for each of the expenses set forth in subsections 1 and 4 of
27 this section and subsection 3 of NRS 616A.425 and determine the
28 amount that is payable by the private carriers, the self-insured
29 employers, the associations of self-insured public or private
30 employers and the employers who provide accident benefits
31 pursuant to NRS 616C.265 for each of the programs. For the
32 expenses from which more than one group of insurers receives
33 benefit, the Administrator shall allocate a portion of the amount
34 necessary for that expense to be payable by each of the relevant
35 group of insurers, based upon the expected annual expenditures for
36 claims of each group of insurers. After allocating the amounts
37 payable among each group of insurers for all the expenses from
38 which each group receives benefit, the Administrator shall apply an
39 assessment rate to the:

40 (a) Private carriers that reflects the relative hazard of the
41 employments covered by the private carriers, results in an equitable
42 distribution of costs among the private carriers and is based upon
43 expected annual premiums to be received;



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1 (b) Self-insured employers that results in an equitable
2 distribution of costs among the self-insured employers and is based
3 upon expected annual expenditures for claims;

4 (c) Associations of self-insured public or private employers that
5 results in an equitable distribution of costs among the associations
6 of self-insured public or private employers and is based upon
7 expected annual expenditures for claims; and

8 (d) Employers who provide accident benefits pursuant to NRS
9 616C.265 that reflect the relative hazard of the employments
10 covered by those employers, results in an equitable distribution of
11 costs among the employers and is based upon expected annual
12 expenditures for claims.

13 The Administrator shall adopt regulations that establish the formula
14 for the assessment and for the administration of payment, and any
15 penalties that the Administrator determines are necessary to carry
16 out the provisions of this subsection. The formula may use actual
17 expenditures for claims. As used in this subsection, the term "group
18 of insurers" includes the group of employers who provide accident
19 benefits for injured employees pursuant to NRS 616C.265.

20 3. Federal grants may partially defray the costs of the Division.

21 4. Assessments made against insurers by the Division after the
22 adoption of regulations must be used to defray all costs and
23 expenses of administering the program of workers' compensation,
24 including the payment of:

25 (a) All salaries and other expenses in administering the Division,
26 including the costs of the office and staff of the Administrator.

27 (b) All salaries and other expenses of administering NRS
28 616A.435 to 616A.460, inclusive, the offices of the Hearings
29 Division of the Department of Administration and the programs of
30 self-insurance and review of premium rates by the Commissioner of
31 Insurance.

32 (c) The salary and other expenses of a full-time employee of the
33 Legislative Counsel Bureau whose principal duties are limited to
34 conducting research and reviewing and evaluating data related to
35 industrial insurance.

36 (d) All salaries and other expenses of the Fraud Control Unit for
37 Industrial Insurance established pursuant to NRS 228.420.

38 (e) Claims against uninsured employers arising from compliance
39 with NRS 616C.220 and 617.401.

40 (f) That portion of the salaries and other expenses of the Office
41 for Consumer Health Assistance established pursuant to NRS
42 223.550 that is related to providing assistance to consumers and
43 injured employees concerning workers' compensation.



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1 ***5. If the Division refunds any part of an assessment, the***
2 ***Division shall include in that refund any interest earned by the***
3 ***Division from the refunded part of the assessment.***

4 **Sec. 21.** NRS 616A.425 is hereby amended to read as follows:
5 616A.425 1. There is hereby established in the State Treasury
6 the Fund for Workers' Compensation and Safety as an enterprise
7 fund. All money received from assessments levied on insurers and
8 employers by the Administrator pursuant to NRS 232.680 must be
9 deposited in this Fund.

10 2. All assessments, penalties, bonds, securities and all other
11 properties received, collected or acquired by the Division for
12 functions supported in whole or in part from the Fund must be
13 delivered to the custody of the State Treasurer for deposit to the
14 credit of the Fund.

15 3. All money and securities in the Fund must be used to defray
16 all costs and expenses of administering the program of workmen's
17 compensation, including the payment of:

18 (a) All salaries and other expenses in administering the Division
19 of Industrial Relations, including the costs of the office and staff of
20 the Administrator.

21 (b) All salaries and other expenses of administering NRS
22 616A.435 to 616A.460, inclusive, the offices of the Hearings
23 Division of the Department of Administration and the programs of
24 self-insurance and review of premium rates by the Commissioner.

25 (c) The salary and other expenses of a full-time employee of the
26 Legislative Counsel Bureau whose principal duties are limited to
27 conducting research and reviewing and evaluating data related to
28 industrial insurance.

29 (d) All salaries and other expenses of the Fraud Control Unit for
30 Industrial Insurance established pursuant to NRS 228.420.

31 (e) Claims against uninsured employers arising from compliance
32 with NRS 616C.220 and 617.401.

33 (f) That portion of the salaries and other expenses of the Office
34 for Consumer Health Assistance established pursuant to NRS
35 223.550 that is related to providing assistance to consumers and
36 injured employees concerning workers' compensation.

37 4. The State Treasurer may disburse money from the Fund only
38 upon written order of the Controller.

39 5. The State Treasurer shall invest money of the Fund in the
40 same manner and in the same securities in which he is authorized to
41 invest state general funds which are in his custody. Income realized
42 from the investment of the assets of the Fund must be credited to the
43 Fund.

44 6. The Commissioner shall assign an actuary to review the
45 establishment of assessment rates. The rates must be filed with the



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1 Commissioner 30 days before their effective date. Any insurer or
2 employer who wishes to appeal the rate so filed must do so pursuant
3 to NRS 679B.310.

4 *7. If the Division refunds any part of an assessment, the*
5 *Division shall include in that refund any interest earned by the*
6 *Division from the refunded part of the assessment.*

7 **Sec. 22.** NRS 616C.330 is hereby amended to read as follows:

8 616C.330 1. The hearing officer shall:

9 (a) Within 5 days after receiving a request for a hearing, set the
10 hearing for a date and time within 30 days after his receipt of the
11 request ~~H~~ *at a place in Carson City, Nevada, or Las Vegas,*
12 *Nevada, or upon agreement of one or more of the parties to pay all*
13 *additional costs directly related to an alternative location, at any*
14 *other place of convenience to the parties, at the discretion of the*
15 *hearing officer;*

16 (b) Give notice by mail or by personal service to all interested
17 parties to the hearing at least 15 days before the date and time
18 scheduled; and

19 (c) Conduct hearings expeditiously and informally.

20 2. The notice must include a statement that the injured
21 employee may be represented by a private attorney or seek
22 assistance and advice from the Nevada Attorney for Injured
23 Workers.

24 3. If necessary to resolve a medical question concerning an
25 injured employee's condition or to determine the necessity of
26 treatment for which authorization for payment has been denied, the
27 hearing officer may refer the employee to a physician or
28 chiropractor of his choice who has demonstrated special competence
29 to treat the particular medical condition of the employee. If the
30 medical question concerns the rating of a permanent disability, the
31 hearing officer may refer the employee to a rating physician or
32 chiropractor. The rating physician or chiropractor must be selected
33 in rotation from the list of qualified physicians and chiropractors
34 maintained by the Administrator pursuant to subsection 2 of NRS
35 616C.490, unless the insurer and injured employee otherwise agree
36 to a rating physician or chiropractor. The insurer shall pay the costs
37 of any medical examination requested by the hearing officer.

38 4. If an injured employee has requested payment for the cost of
39 obtaining a second determination of his percentage of disability
40 pursuant to NRS 616C.100, the hearing officer shall decide whether
41 the determination of the higher percentage of disability made
42 pursuant to NRS 616C.100 is appropriate and, if so, may order the
43 insurer to pay to the employee an amount equal to the maximum
44 allowable fee established by the Administrator pursuant to NRS



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1 616C.260 for the type of service performed, or the usual fee of that
2 physician or chiropractor for such service, whichever is less.

3 5. The hearing officer shall order an insurer, organization for
4 managed care or employer who provides accident benefits for
5 injured employees pursuant to NRS 616C.265 to pay the charges of
6 a provider of health care if the conditions of NRS 616C.138 are
7 satisfied.

8 6. The hearing officer may allow or forbid the presence of a
9 court reporter and the use of a tape recorder in a hearing.

10 7. The hearing officer shall render his decision within 15 days
11 after:

12 (a) The hearing; or

13 (b) He receives a copy of the report from the medical
14 examination he requested.

15 8. The hearing officer shall render his decision in the most
16 efficient format developed by the Chief of the Hearings Division of
17 the Department of Administration.

18 9. The hearing officer shall give notice of his decision to each
19 party by mail. He shall include with the notice of his decision the
20 necessary forms for appealing from the decision.

21 10. Except as otherwise provided in NRS 616C.380, the
22 decision of the hearing officer is not stayed if an appeal from that
23 decision is taken unless an application for a stay is submitted by a
24 party. If such an application is submitted, the decision is
25 automatically stayed until a determination is made on the
26 application. A determination on the application must be made within
27 30 days after the filing of the application. If, after reviewing the
28 application, a stay is not granted by the hearing officer or an appeals
29 officer, the decision must be complied with within 10 days after the
30 refusal to grant a stay.

31 **Sec. 23.** NRS 616C.345 is hereby amended to read as follows:

32 616C.345 1. Any party aggrieved by a decision of the
33 hearing officer relating to a claim for compensation may appeal
34 from the decision by filing a notice of appeal with an appeals officer
35 within 30 days after the date of the decision.

36 2. If a dispute is required to be submitted to a procedure for
37 resolving complaints pursuant to NRS 616C.305 and:

38 (a) A final determination was rendered pursuant to that
39 procedure; or

40 (b) The dispute was not resolved pursuant to that procedure
41 within 14 days after it was submitted,

42 any party to the dispute may file a notice of appeal within 70 days
43 after the date on which the final determination was mailed to the
44 employee, or his dependent, or the unanswered request for
45 resolution was submitted. Failure to render a written determination



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1 within 30 days after receipt of such a request shall be deemed by the
2 appeals officer to be a denial of the request.

3 3. Except as otherwise provided in NRS 616C.380, the filing of
4 a notice of appeal does not automatically stay the enforcement of the
5 decision of a hearing officer or a determination rendered pursuant to
6 NRS 616C.305. The appeals officer may order a stay, when
7 appropriate, upon the application of a party. If such an application is
8 submitted, the decision is automatically stayed until a determination
9 is made concerning the application. A determination on the
10 application must be made within 30 days after the filing of the
11 application. If a stay is not granted by the officer after reviewing
12 the application, the decision must be complied with within 10 days
13 after the date of the refusal to grant a stay.

14 4. Except as otherwise provided in ~~this subsection,~~
15 *subsection 5*, the appeals officer shall, within 10 days after
16 receiving a notice of appeal pursuant to this section or a contested
17 claim pursuant to subsection 5 of NRS 616C.315 ~~[-, schedule]~~ :

18 (a) *Schedule* a hearing on the merits of the appeal or contested
19 claim for a date and time within 90 days after his receipt of the
20 notice *at a place in Carson City, Nevada, or Las Vegas, Nevada, or*
21 *upon agreement of one or more of the parties to pay all additional*
22 *costs directly related to an alternative location, at any other place*
23 *of convenience to the parties, at the discretion of the appeals*
24 *officer;* and ~~give~~

25 (b) *Give* notice by mail or by personal service to all parties to
26 the matter and their attorneys or agents at least 30 days before the
27 date and time scheduled.

28 5. A request to schedule the hearing for a date and time which
29 is:

30 (a) Within 60 days after the receipt of the notice of appeal or
31 contested claim; or

32 (b) More than 90 days after the receipt of the notice or
33 claim,

34 may be submitted to the appeals officer only if all parties to the
35 appeal or contested claim agree to the request.

36 ~~5-~~ 6. An appeal or contested claim may be continued upon
37 written stipulation of all parties, or upon good cause shown.

38 ~~6-~~ 7. Failure to file a notice of appeal within the period
39 specified in subsection 1 or 2 may be excused if the party aggrieved
40 shows by a preponderance of the evidence that he did not receive
41 the notice of the determination and the forms necessary to appeal the
42 determination. The claimant, employer or insurer shall notify the
43 hearing officer of a change of address.



* S B 3 1 9 R 5 *

1 **Sec. 24.** 1. The Commissioner of Insurance shall conduct a
2 study to review whether the State of Nevada should enact, in the
3 interest of the public:

4 (a) The Defined Limits Version of the Investments of Insurers
5 Model Act adopted by the National Association of Insurance
6 Commissioners;

7 (b) The Defined Standards Version of the Investments of
8 Insurers Model Act adopted by the National Association of
9 Insurance Commissioners; or

10 (c) Other legislation regulating the investments of insurers.

11 2. The Commissioner shall seek to obtain all relevant
12 information from public and private sources as part of this study.
13 Any such information obtained by the Commissioner may only be
14 used for the purposes of conducting this study.

15 3. The Commissioner shall complete this study and submit a
16 copy of his findings and recommendations on or before January 1,
17 2005, to the Director of the Legislative Counsel Bureau for
18 distribution to the 73rd Session of the Nevada Legislature.

19 **Sec. 25.** 1. On or before December 31, 2004, the
20 Commissioner of Insurance shall prepare a report and submit the
21 report to the Governor and the Legislature. The report must address:

22 (a) The operation of sections 2 to 15, inclusive, of this act;

23 (b) The efficacy, necessity and desirability of using credit
24 information in making decisions related to insurance;

25 (c) The impacts upon the residents of Nevada of the continued
26 use of credit information in making decisions related to insurance;
27 and

28 (d) Any additional consumer protections identified by the
29 Commissioner for the consideration of the Legislature.

30 2. As used in this section, "credit information" has the meaning
31 ascribed to it in section 7 of this act.

32 **Sec. 26.** 1. This section and sections 1 and 16 to 25,
33 inclusive, of this act become effective on October 1, 2003.

34 2. Sections 1.5 to 15, inclusive, of this act become effective on
35 July 1, 2004.

