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ASSEMBLY BILL NO. 480—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE NEVADA STATE EDUCATION ASSOCIATION)

MARCH 28, 2005

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Referred to Committee on Government Affairs

SUMMARY—Authorizes establishment of plans of group insurance for officers and employees of certain school districts and their dependents. (BDR 23-950)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
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.

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AN ACT relating to programs for public employees; authorizing governing bodies of certain school districts, employee organizations, and governing bodies of certain school districts and employee organizations, to establish a plan of group life, accident or health insurance, or any combination thereof, for officers and employees of certain school districts and their dependents; establishing requirements for the administration of a plan; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     **Section 1.** NRS 286.615 is hereby amended to read as follows:  
2     286.615 1. In addition to the options provided in NRS  
3     287.023 and subject to the requirements of that section, any officer  
4     or employee of a governmental entity enumerated in subsection 1 of  
5     NRS 287.023 who retires under the conditions set forth in NRS  
6     1A.350, 1A.480, 286.510 or 286.620 and, at the time of his  
7     retirement, was covered or had his dependents covered by any group  
8     insurance, plan of benefits or medical and hospital service  
9     established pursuant to NRS 287.010, 287.015 ~~[, 287.020]~~ or  
10  **287.020**, paragraph (b), (c) or (d) of subsection 1 of NRS 287.025,



1 *or section 7 of this act*, has the option of having the Executive  
2 Officer deduct and pay his premium or contribution for that  
3 coverage, as well as the amount due or to become due upon any  
4 obligation designated by the Board pursuant to subsection 2, from  
5 his monthly retirement allowance until:

6 (a) He notifies the Executive Officer to discontinue the  
7 deduction; or

8 (b) Any of his dependents elect to assume the premium or  
9 contribution applicable to the dependent's coverage before the death  
10 of such a retired person and continue coverage pursuant to NRS  
11 287.023 after his death.

12 2. The Board may adopt regulations to carry out the provisions  
13 of subsection 1, including, but not limited to, regulations governing  
14 the number and types of obligations, amounts for the payment of  
15 which may be deducted and paid by the Board at the option of the  
16 officer or employee pursuant to this section.

17 3. The Executive Officer, Board and System are not liable for  
18 any damages resulting from errors or omissions concerning the  
19 deductions and payment of premiums or contributions authorized  
20 pursuant to this section unless willful neglect or gross negligence is  
21 proven.

22 **Sec. 2.** Chapter 287 of NRS is hereby amended by adding  
23 thereto the provisions set forth as sections 3 to 14, inclusive, of this  
24 act.

25 **Sec. 3.** *As used in sections 3 to 14, inclusive, of this act,*  
26 *unless the context otherwise requires, the words and terms defined*  
27 *in sections 4, 5 and 6 of this act have the meanings ascribed to*  
28 *them in those sections.*

29 **Sec. 4.** *"Employee organization" means an organization of*  
30 *any kind having as one of its purposes improvement of the terms*  
31 *and conditions of employment of school district employees.*

32 **Sec. 5.** *"Governing body" means a governing body of a*  
33 *school district that is located in a county whose population is less*  
34 *than 100,000.*

35 **Sec. 6.** *"Plan" means any plan of group life, accident or*  
36 *health insurance, or any combination thereof, established*  
37 *pursuant to section 7 of this act.*

38 **Sec. 7. 1.** *A plan of group life, accident or health*  
39 *insurance, or any combination thereof, may be established by the*  
40 *following for the benefit of officers and employees of a school*  
41 *district located in a county whose population is less than 100,000*  
42 *and their dependents:*

43 (a) *One or more governing bodies;*

44 (b) *One or more employee organizations; and*



1       (c) *One or more governing bodies and one or more employee*  
2 *organizations that are recognized by the governing bodies*  
3 *pursuant to chapter 288 of NRS.*

4       2. *A governing body, an employee organization, or a*  
5 *governing body and an employee organization, that establish a*  
6 *plan pursuant to subsection 1 may:*

7       (a) *Adopt and carry into effect a system of medical or hospital*  
8 *service, or a combination thereof, through nonprofit membership*  
9 *corporations;*

10       (b) *Purchase group policies of insurance;*

11       (c) *Establish a self-insurance reserve fund;*

12       (d) *Establish a trust fund; or*

13       (e) *Any combination of paragraphs (a) to (d), inclusive.*

14       3. *The governing body may, upon written request of an*  
15 *officer or employee, make deductions from the compensation of*  
16 *the officer or employee for the amount of any premium,*  
17 *contribution or membership dues for a plan, and if necessary, pay*  
18 *such premium, contribution or membership dues to an employee*  
19 *organization.*

20       4. *If a plan is established pursuant to this section, members*  
21 *of the board of trustees of the school district must not be excluded*  
22 *from participating in the plan. If the amount of the deductions*  
23 *from compensation required to pay for participating in the plan*  
24 *exceeds the compensation to which a trustee is entitled, the*  
25 *difference must be paid by the trustee.*

26       **Sec. 8. 1.** *A governing body, an employee organization, or*  
27 *a governing body and an employee organization, that establish a*  
28 *plan pursuant to section 7 of this act may enter into contracts*  
29 *relating to the administration of any plan, including, without*  
30 *limitation, a contract with an administrator licensed pursuant to*  
31 *chapter 683A of NRS to oversee the management, operation and*  
32 *control of such a plan.*

33       2. *An administrator is entitled to receive reasonable*  
34 *compensation for the administration of the plan as provided in the*  
35 *contract entered into pursuant to subsection 1.*

36       3. *An administrator shall:*

37       (a) *Discharge the duties of his position in good faith and with*  
38 *the diligence, care and skill which an ordinary, prudent person*  
39 *would exercise under similar circumstances in a similar position;*  
40 *and*

41       (b) *Manage the funding of the plan so as to minimize the risk*  
42 *of financial losses.*

43       4. *An administrator may not engage in any activities for his*  
44 *own financial or personal gain while he is acting on behalf of a*  
45 *plan.*



1       5. An administrator who breaches any duty or obligation  
2 owed to a plan or its participants is liable for any loss caused by  
3 his breach and for any attorney's fees.

4       **Sec. 9.** A governing body, an employee organization, or a  
5 governing body and an employee organization, that establish a  
6 plan pursuant to section 7 of this act may purchase group policies  
7 of life, accident or health insurance, or any combination thereof,  
8 from any insurance company:

9       1. Authorized to transact business of such insurance in the  
10 State of Nevada; and

11       2. Which has a rating of:

12       (a) "A-" or better by A.M. Best Company;

13       (b) "Aa3" or better by Moody's Investors Service, Inc.;

14       (c) "AA-" or better by Standard & Poor's Ratings Services; or

15       (d) "B+" or better by Weiss Ratings, Inc.

16       **Sec. 10.** 1. A governing body, employee organization, and  
17 governing body and employee organization that establish a plan  
18 pursuant to section 7 of this act shall send a description of the  
19 plan to each participant within 120 days:

20       (a) After a plan is established; and

21       (b) After the effective date of any subsequent material changes  
22 or additions made to the plan.

23       2. The description of the plan required pursuant to subsection  
24 1 must be written in plain English and include, without limitation:

25       (a) A clear and concise:

26       (1) Explanation of how the plan is funded;

27       (2) Summary of the benefits provided by the plan; and

28       (3) Explanation of how claims are processed and the  
29 procedure for appealing the denial of any claim; and

30       (b) The names, addresses and telephone numbers of:

31       (1) Any insurer or health maintenance organization that  
32 has entered into a contract of insurance with the governing body,  
33 employee organization, or governing body and employee  
34 organization;

35       (2) All providers of healthcare under the plan; and

36       (3) The administrator of the plan.

37       **Sec. 11.** 1. Within 90 days after the end of each fiscal year,  
38 each governing body, employee organization, and governing body  
39 and employee organization, that establish a plan pursuant to  
40 section 7 of this act shall submit a summary of the financial  
41 condition of the plan to each participant and the Commissioner of  
42 Insurance.

43       2. The summary required pursuant to subsection 1 must  
44 include, without limitation:



1       (a) *The number of participants enrolled in the plan at the end*  
2 *of the fiscal year;*

3       (b) *The assets, liabilities, revenue and expenses of the plan;*  
4 *and*

5       (c) *If the plan is self-funded in whole or in part, an actuarial*  
6 *valuation and report of the actuarial soundness of the plan*  
7 *prepared by an independent actuary.*

8       **Sec. 12.** 1. *Within 90 days after the end of each fiscal year,*  
9 *each governing body, employee organization, and governing body*  
10 *and employee organization, that establish a plan pursuant to*  
11 *section 7 of this act shall submit an annual report to the*  
12 *Commissioner of Insurance.*

13       2. *The annual report required pursuant to subsection 1 must*  
14 *be in a form prescribed by the Commissioner of Insurance and*  
15 *must include, without limitation:*

16       (a) *The number of participants enrolled in the plan at the end*  
17 *of the fiscal year;*

18       (b) *The name and address of any agent, broker, administrator,*  
19 *accountant, attorney, actuary, investment manager or other*  
20 *person who received any financial compensation from the plan for*  
21 *any service rendered to the plan or its participants and, if*  
22 *applicable, a statement explaining why any business relationship*  
23 *between the plan and such a person was terminated;*

24       (c) *The name and address of any insurer or health-*  
25 *maintenance organization that provides benefits under the plan;*

26       (d) *If a governing body, an employee organization, or a*  
27 *governing body and an employee organization, purchase group*  
28 *policies of life, accident or health insurance, or any combination*  
29 *thereof:*

30       (1) *The rate of premium of each category of insurance in*  
31 *the plan;*

32       (2) *The average number of participants per month in each*  
33 *category of insurance in the plan;*

34       (3) *The dividends, retroactive adjustments of rates,*  
35 *commissions and fees for administrative services, if any, paid by*  
36 *the insurer or health maintenance organization during the fiscal*  
37 *year; and*

38       (4) *The total amount of claims related to the plan that were*  
39 *paid during the fiscal year; and*

40       (e) *If a governing body, an employee organization, or a*  
41 *governing body and an employee organization, establish a self-*  
42 *insurance reserve fund pursuant to section 7 of this act:*

43       (1) *The rate of premium of each category of insurance in*  
44 *the plan;*



1       (2) *The average number of participants per month in each*  
2 *category of insurance in the plan;*

3       (3) *The dividends, retroactive adjustments of rates,*  
4 *commissions and fees for administrative services, if any, paid*  
5 *during the fiscal year;*

6       (4) *The total amount of claims related to the plan that were*  
7 *paid during the fiscal year;*

8       (5) *A financial statement prepared in accordance with*  
9 *generally accepted accounting principles that has been prepared*  
10 *or reviewed by an independent certified public accountant;*

11       (6) *A description of any material lease commitments and*  
12 *other contingent liabilities;*

13       (7) *An opinion of an actuary attesting to the adequacy of*  
14 *reserves established for losses incurred and outstanding;*

15       (8) *A summary of any loans and investments made from the*  
16 *funds of the plan; and*

17       (9) *A monthly summary of:*

18           (I) *The number of participants in each category of*  
19 *insurance in the plan;*

20           (II) *The contributions to the plan paid by participants*  
21 *and the governing body, employee organization, or governing body*  
22 *and employee organization;*

23           (III) *The amount paid to any person who received*  
24 *financial compensation from the plan for any service rendered to*  
25 *the plan or its participants;*

26           (IV) *The amount paid for stop-loss insurance, medical*  
27 *management services, access fees for preferred providers of health*  
28 *care, pharmaceutical benefit managers and any other similar*  
29 *service related to the plan; and*

30           (V) *Total assets and liabilities.*

31       3. *An annual report submitted to the Commissioner of*  
32 *Insurance pursuant to this section is a public record for the*  
33 *purposes of NRS 239.010.*

34       **Sec. 13.** *1. The Commissioner of Insurance shall review*  
35 *the annual report submitted pursuant to section 12 of this act and*  
36 *determine the financial condition of the plan. If the Commissioner*  
37 *determines that the plan is in hazardous financial condition, the*  
38 *governing body, employee organization, or governing body and*  
39 *employee organization, shall:*

40           (a) *Within a reasonable time as determined by the*  
41 *Commissioner, develop a proposal to restore the solvency of*  
42 *the plan. The proposal must be approved by the Commissioner. If*  
43 *the proposal is not approved by the Commissioner, the*  
44 *Commissioner may order the plan be terminated.*



(b) Notify participants in the plan of the findings of the Commissioner.

(c) If health insurance is provided by the plan pursuant to a self-insurance reserve fund, obtain a contract for stop-loss insurance coverage in the amounts determined from the following table:

<u>Number of participants</u>	<u>Free surplus</u>	<u>Maximum stop-loss threshold per participant</u>
500 or less	Less than \$100,000	\$25,000
500 or less	\$100,000 or more	50,000
501 to 2,000	Less than \$250,000	50,000
501 to 2,000	\$250,000 or more	100,000
2,001 or more	Less than \$500,000	150,000
2,001 or more	\$500,000 or more	200,000

2. A contract for stop-loss insurance obtained pursuant to subsection 1 must provide that if the contract is terminated, a claim will still be eligible for payment if:

(a) The claim is incurred during the period in which the contract was in effect; and

(b) The claim is submitted for payment not later than 90 days after the date that the contract is terminated.

3. A proposal to restore the solvency of the plan submitted to the Commissioner pursuant to this section is a public record for the purposes of NRS 239.010.

4. As used in this section:

(a) "Free surplus" means the amount by which the total cash and investments of a plan exceed the total of its reported claims and reserves for unreported claims and expenses.

(b) "Hazardous financial condition" means that, based on its present or reasonably anticipated financial condition, a plan, although not yet financially impaired or insolvent, is unlikely to be able to:

(1) Meet obligations to participants with respect to known claims and reasonably anticipated claims; or

(2) Pay other obligations in the normal course of business.

**Sec. 14.** The Commissioner of Insurance shall adopt regulations to carry out the provisions of sections 3 to 14, inclusive, of this act.

**Sec. 15.** NRS 287.020 is hereby amended to read as follows:

287.020 1. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of



1 Nevada may adopt and carry into effect a system of medical or  
2 hospital service, or a combination thereof, through nonprofit  
3 membership corporations defraying the cost of medical service or  
4 hospital care, or both, open to participation by all licentiates of the  
5 particular class, whether doctors of medicine, doctors of osteopathy  
6 or doctors of chiropractic, offering services through such a nonprofit  
7 membership corporation, for the benefit of such of their officers and  
8 employees, and the dependents of such officers and employees, as  
9 may elect to accept membership in such nonprofit corporation and  
10 who have authorized the governing body to make deductions from  
11 their compensation for the payment of membership dues.

12 2. A part, not to exceed 50 percent, of the cost of such  
13 membership dues may be defrayed by such governing body by  
14 contribution. The money for such contributions must be budgeted  
15 for in accordance with the laws governing such county, school  
16 district, municipal corporation, political subdivision, public  
17 corporation or other local governmental agency of the State of  
18 Nevada.

19 3. The power conferred in this section, with respect to the  
20 rendition of medical or hospital service, or a combination thereof, is  
21 coextensive with the power conferred in NRS 287.010 *and section 7*  
22 *of this act* with respect to insurance companies.

23 4. If a school district offers coverage for medical service or  
24 hospital care, or both, to its officers and employees pursuant to this  
25 section, members of the board of trustees of the school district must  
26 not be excluded from participating in the coverage. If the amount of  
27 the deductions from compensation required to pay for the coverage  
28 exceeds the compensation to which a trustee is entitled, the  
29 difference must be paid by the trustee.

30 **Sec. 16.** NRS 287.023 is hereby amended to read as follows:

31 287.023 1. Whenever an officer or employee of the  
32 governing body of any county, school district, municipal  
33 corporation, political subdivision, public corporation or other local  
34 governmental agency of the State of Nevada retires under the  
35 conditions set forth in NRS 1A.350 or 1A.480, or 286.510 or  
36 286.620 and, at the time of his retirement, was covered or had his  
37 dependents covered by any group insurance, plan of benefits or  
38 medical and hospital service established pursuant to NRS 287.010,  
39 287.015 ~~[287.020]~~ or **287.020**, paragraph (b), (c) or (d) of  
40 subsection 1 of NRS 287.025, *or section 7 of this act*, the officer or  
41 employee has the option upon retirement to cancel or continue any  
42 such coverage or join the Public Employees' Benefits Program to  
43 the extent that such coverage is not provided to him or a dependent  
44 by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq.





2. A retired person who joins the Public Employees' Benefits Program upon retirement pursuant to subsection 1 or continues coverage under the Public Employees' Benefits Program shall assume the portion of the premium or contribution costs for the coverage which the governing body or the State does not pay on behalf of retired officers or employees. A dependent of such a retired person has the option, which may be exercised to the same extent and in the same manner as the retired person, to cancel or continue coverage in effect on the date the retired person dies. The dependent is not required to continue to receive retirement payments from the Public Employees' Retirement System to continue coverage.

3. Notice of the selection of the option must be given in writing to the last public employer of the officer or employee within 60 days after the date of retirement or death, as the case may be. If no notice is given by that date, the retired officer or employee and his dependents shall be deemed to have selected the option to cancel the coverage for the group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287.010, 287.015 ~~or 287.020~~ or 287.020, paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 *or section 7 of this act* or not to join the Public Employees' Benefits Program, as the case may be.

4. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State:

(a) May pay the cost, or any part of the cost, of coverage established pursuant to NRS 287.010, 287.015 or 287.020 , ~~for~~ paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 *or section 7 of this act* for persons who continue that coverage pursuant to subsection 1, but it must not pay a greater portion than it does for its current officers and employees.

(b) Shall pay the same portion of the cost of coverage under the Public Employees' Benefits Program for persons who join the Program upon retirement pursuant to subsection 1 as the State pays pursuant to subsection 2 of NRS 287.046 for persons retired from state service who have continued to participate in the Program.

5. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State shall, for the purpose of establishing actuarial data to determine rates and coverage for persons who continue coverage for group insurance, a plan of benefits or medical and hospital service with the governing body pursuant to subsection 1, commingle the claims experience of those persons with the claims experience of active officers and employees



1 and their dependents who participate in the group insurance, a plan  
2 of benefits or medical and hospital service.

3 **Sec. 17.** NRS 287.024 is hereby amended to read as follows:

4 287.024 1. If a member of the board of trustees of a school  
5 district who has served at least one full term of office does not seek  
6 reelection or is defeated for reelection and, upon the expiration of  
7 his term of office, was covered or had his dependents covered by  
8 any group insurance, plan of benefits or medical and hospital service  
9 established pursuant to NRS 287.010, 287.015 ~~[-287.020]~~ or  
10 **287.020**, paragraph (b), (c) or (d) of subsection 1 of NRS 287.025,  
11 **or section 7 of this act**, the board member has the option upon the  
12 expiration of his term of office to cancel or continue any such  
13 coverage to the extent that coverage is not provided to him or a  
14 dependent by the Health Insurance for the Aged Act, 42 U.S.C. §§  
15 1395 et seq. A board member who continues coverage pursuant to  
16 this section shall assume all costs for the continued coverage. A  
17 dependent of such a board member has the option, which may be  
18 exercised to the same extent and in the same manner as the board  
19 member, to cancel or continue coverage in effect on the date the  
20 board member dies.

21 2. Notice of the selection of the option must be given in writing  
22 to the board of trustees of the school district within 30 days after the  
23 expiration of the board member's term of office or the date of his  
24 death, as the case may be. If no notice is given by that date, the  
25 board member and his dependents shall be deemed to have selected  
26 the option to cancel the coverage.

27 **Sec. 18.** NRS 287.025 is hereby amended to read as follows:

28 287.025 1. The governing body of any county, school  
29 district, municipal corporation, political subdivision, public  
30 corporation or other local governmental agency of the State of  
31 Nevada may, in addition to the other powers granted in NRS  
32 287.010, 287.015 and 287.020 ~~[-]~~ **and section 7 of this act**:

33 (a) Negotiate and contract with the Board of the Public  
34 Employees' Benefits Program to secure group insurance for its  
35 officers and employees and their dependents by participation in the  
36 Public Employees' Benefits Program.

37 (b) Negotiate and contract with another county, school district,  
38 municipal corporation, political subdivision, public corporation or  
39 other local governmental agency of the State of Nevada to secure  
40 group insurance for its officers and employees and their dependents  
41 by participation in any group insurance plan established or to be  
42 established by the other local governmental agency.

43 (c) To secure group health, life or workers' compensation  
44 insurance for its officers and employees and their dependents,  
45 participate as a member of a nonprofit cooperative association or



1 nonprofit corporation that has been established in this State to  
2 secure such insurance for its members from an insurer licensed  
3 pursuant to the provisions of title 57 of NRS.

4 (d) In addition to the provisions of paragraph (c), participate as a  
5 member of a nonprofit cooperative association or nonprofit  
6 corporation that has been established in this State to:

7 (1) Facilitate contractual arrangements for the provision of  
8 medical services to its members' officers and employees and their  
9 dependents and for related administrative services.

10 (2) Procure health-related information and disseminate that  
11 information to its members' officers and employees and their  
12 dependents.

13 2. Each contract negotiated pursuant to paragraph (a) or (b) of  
14 subsection 1:

15 (a) Must be submitted to the Commissioner of Insurance for  
16 approval not less than 30 days before the date on which the contract  
17 is to become effective.

18 (b) Does not become effective unless approved by the  
19 Commissioner of Insurance.

20 (c) Shall be deemed to be approved if not disapproved by the  
21 Commissioner within 30 days after its submission.

22 **Sec. 19.** NRS 287.029 is hereby amended to read as follows:

23 287.029 1. If the governing body of a school district:

24 (a) Provides group life, accident or health coverage through a  
25 self-insurance reserve fund as described in paragraph (c) of  
26 subsection 1 of NRS 287.010 ~~§~~ *or section 7 of this act;* or

27 (b) Establishes or carries into effect any other system of self-  
28 funded life, accident or health coverage,

29 ➡ any money that is paid toward such coverage by officers and  
30 employees of the school district in the form of contributions,  
31 deductions and premiums, and any money that is set aside by the  
32 school district for the matching of contributions, or for the defraying  
33 of costs pursuant to paragraph (d) of subsection 1 of NRS 287.010,  
34 must be deposited in a trust fund or otherwise held in trust for the  
35 benefit of the officers and employees of the school district.

36 2. Money that is deposited in a trust fund or otherwise held in  
37 trust pursuant to subsection 1:

38 (a) Must be used only for the purpose of funding, maintaining,  
39 operating and administering the program or system of group  
40 insurance;

41 (b) Must not be loaned to the school district or the board of  
42 trustees of the school district or its agent or any other governmental  
43 entity; and

44 (c) May be invested in any reasonable and prudent manner,  
45 except that such money must not be invested to purchase any



1 obligations of the school district or the board of trustees of the  
2 school district or its agent. All interest and income earned on the  
3 money in the fund must be deposited in the fund.

4 **Sec. 20.** NRS 287.030 is hereby amended to read as follows:

5 287.030 No provisions of law prohibiting, restricting or  
6 limiting the assignment of or order for wages or salary shall be  
7 deemed in any way to prohibit, restrict or limit the powers  
8 enumerated in NRS 287.010, 287.015, 287.020 or 287.025, *or*  
9 *section 7 of this act*, nor the right and power of officers or  
10 employees to authorize and approve payment of premiums or  
11 contributions by wage and salary deductions.

12 **Sec. 21.** NRS 287.040 is hereby amended to read as follows:

13 287.040 The provisions of NRS 287.010 to 287.040, inclusive,  
14 *and sections 3 to 14, inclusive, of this act* do not make it  
15 compulsory upon any governing body of any county, school district,  
16 municipal corporation, political subdivision, public corporation or  
17 other local governmental agency of the State of Nevada, except as  
18 otherwise provided in NRS 287.021 or in an agreement entered into  
19 pursuant to subsection 3 of NRS 287.015, to pay any premiums,  
20 contributions or other costs for group insurance, a plan of benefits or  
21 medical or hospital services established pursuant to NRS 287.010,  
22 287.015 ~~[-287.020]~~ or *287.020*, paragraph (b), (c) or (d) of  
23 subsection 1 of NRS 287.025, *or section 7 of this act*, or upon any  
24 officer or employee of any county, school district, municipal  
25 corporation, political subdivision, public corporation or other local  
26 governmental agency of this State to accept any such coverage or to  
27 assign his wages or salary in payment of premiums or contributions  
28 therefor.

29 **Sec. 22.** NRS 287.0475 is hereby amended to read as follows:

30 287.0475 1. A public officer or employee who has retired  
31 pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, or a  
32 retirement program provided pursuant to NRS 286.802, or the  
33 surviving spouse of such a retired public officer or employee who is  
34 deceased may, in any even-numbered year, reinstate any insurance,  
35 except life insurance, which was provided to him and his dependents  
36 at the time of his retirement pursuant to NRS 287.010, 287.015 ~~[-~~  
37 ~~287.020]~~ or *287.020*, paragraph (b), (c) or (d) of subsection 1 of  
38 NRS 287.025 *or section 7 of this act* or the Program as a public  
39 officer or employee by:

40 (a) Giving written notice of his intent to reinstate the insurance  
41 to the last public employer of the public officer or employee not  
42 later than January 31 of an even-numbered year;

43 (b) Accepting the public employer's current program or plan of  
44 insurance and any subsequent changes thereto; and



(c) Paying any portion of the premiums or contributions of the public employer's program or plan of insurance, in the manner set forth in NRS 1A.470 or 286.615, which are due from the date of reinstatement and not paid by the public employer.

➤ The last public employer shall give the insurer notice of the reinstatement ~~[(a)]~~ **not** later than March 31 of the year in which the public officer or employee or surviving spouse gives notice of his intent to reinstate the insurance.

2. Reinstatement of insurance excludes claims for expenses for any condition for which medical advice, treatment or consultation was rendered within 12 months before reinstatement unless the reinstated insurance has been in effect more than 12 consecutive months.

3. The last public employer of a retired officer or employee who reinstates insurance, except life insurance, which was provided to him and his dependents at the time of his retirement pursuant to NRS 287.010, 287.015 ~~[(, 287.020)]~~ or **287.020**, paragraph (b), (c) or (d) of subsection 1 of NRS 287.025, **or section 7 of this act**, shall, for the purpose of establishing actuarial data to determine rates and coverage for such persons, commingle the claims experience of such persons with the claims experience of active and retired officers and employees and their dependents who participate in that group insurance, plan of benefits or medical and hospital service.

**Sec. 23.** NRS 683A.025 is hereby amended to read as follows:

683A.025 1. Except as limited by this section, "administrator" means a person who:

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

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

(c) Administers a trust established pursuant to NRS 287.015, under a contract with the trust;

(d) **Administers a plan established pursuant to section 7 of this act;**

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

~~[(e)]~~ (f) Administers a program which is funded by an employer and which provides pensions, annuities, health benefits, death benefits or other similar benefits for his employees; or

~~[(f)]~~ (g) Is an insurance company that is licensed to do business in this State or is acting as an insurer with respect to a policy lawfully issued and delivered in a state where the insurer is



1 authorized to do business, if the insurance company performs any  
2 act described in paragraphs (a) to ~~[(e)]~~ (f), inclusive, for or on  
3 behalf of another insurer.

4 2. "Administrator" does not include:

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

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

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

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

15 (e) A producer of life or health insurance licensed in this State,  
16 when his activities are limited to the sale of insurance.

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

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

21 (h) Except as otherwise provided in paragraph (c) of subsection  
22 1, a trust and its trustees, agents and employees acting for it, if the  
23 trust was established pursuant to NRS 287.015.

24 (i) A trust which is exempt from taxation under section 501(a)  
25 of the Internal Revenue Code, 26 U.S.C. § 501(a), its trustees and  
26 employees, and a custodian, his agents and employees acting under  
27 a custodial account which meets the requirements of section 401(f)  
28 of the Internal Revenue Code, 26 U.S.C. § 401(f).

29 (j) A bank, credit union or other financial institution which is  
30 subject to supervision by federal or state banking authorities.

31 (k) A company which issues credit cards, and which advances  
32 for and collects premiums or charges from credit card holders who  
33 have authorized it to do so, if the company does not adjust or settle  
34 claims.

35 (l) An attorney at law who adjusts or settles claims in the normal  
36 course of his practice or employment, but who does not collect  
37 charges or premiums in connection with life or health insurance  
38 coverage or with annuities.

39 **Sec. 24.** 1. This section and section 14 of this act become  
40 effective upon passage and approval.

41 2. Sections 1 to 13, inclusive, and 15 to 23, inclusive, of this  
42 act become effective on July 1, 2005.





