

Amendment No. 1120

Senate Amendment to Assembly Bill No. 338 Second Reprint (BDR 57-232)

Proposed by: Committee on Commerce and Labor**Amendment Box:****Resolves Conflicts with:** N/A**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: No

Adoption of this amendment will MAINTAIN a 2/3s majority vote requirement for final passage of A.B. 338 R2 (§§ 7, 13, 61-64, 74, 75, 85, 123, 152, 158).

ASSEMBLY ACTION	Initial and Date	SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____
Receded <input type="checkbox"/> Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/> Not <input type="checkbox"/>	_____

Amend sec. 2, page 2, line 5, by deleting:

“3 and 4” and inserting:

“2.3 to 4, inclusive,”.

Amend the bill as a whole by adding new sections designated sections 2.3 through 2.7, following sec. 2, to read as follows:

“Sec. 2.3. “Administrator” means a person authorized pursuant to NRS 683A.0805 to 683A.0893, inclusive, to conduct business in this State as an administrator.

Sec. 2.5. “Affiliate of an insurer” means a person who directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with an insurer.

SH/KP

Date: 6/1/2005

A.B. No. 338—Makes various changes relating to insurance.

Sec. 2.7. “Insurer” means any insurer, fraternal benefit society, nonprofit corporation for hospital, medical and dental services, organization for dental care, health maintenance organization or prepaid limited health service organization authorized pursuant to this title to conduct business in this State.”.

Amend sec. 3, page 2, by deleting lines 7 through 13 and inserting:

“Sec. 3. “Medical discount plan” means a business arrangement or program evidenced by a membership agreement, contract, card, certificate, device or mechanism in which a person, in exchange for fees, dues, charges or any other form of consideration, offers to provide or provides health care or medical services at a discount from providers of health care who are participating in the business arrangement or program or whom the person advertises as or claims to be participating in the business arrangement or program.”.

Amend sec. 5, page 2, lines 17 and 18, by deleting “*discount health*” and inserting “*medical discount*”.

Amend sec. 6, page 2, by deleting lines 19 through 25 and inserting:

“Sec. 6. 1. Except as otherwise provided in this section, it is unlawful for any person to offer, market, sell or engage in business as a medical discount plan in this State without first registering the medical discount plan pursuant to the provisions of this chapter.

2. An insurer is not required to register any medical discount plan pursuant to the provisions of this chapter unless the insurer offers, markets or sells the medical discount plan in this State for separate consideration.

3. If an affiliate of an insurer offers, markets, sells or engages in business as a medical discount plan in this State, the affiliate is required to register the medical discount plan pursuant to the provisions of this chapter.

4. The provisions of this chapter do not apply to any medical discount plan that offers or provides discounts only on prescriptions.”.

Amend sec. 7, page 2, line 27, by deleting “*discount health*” and inserting “*medical discount*”.

Amend sec. 7, page 2, line 30, by deleting “*subsection 2,*” and inserting “*this section,*”.

Amend sec. 7, page 2, line 37, by deleting “*discount health*” and inserting “*medical discount*”.

Amend sec. 7, page 3, line 1, by deleting “*discount health*” and inserting “*medical discount*”.

Amend sec. 7, page 3, line 8, before “*medical*” by inserting:

“*health care or*”.

Amend sec. 7, page 3, by deleting lines 16 through 28 and inserting:

“2. Each person who registers a medical discount plan must renew the registration annually before the registration expires. Except as otherwise provided in this section, an application to renew the registration must include:

(a) An annual renewal fee of \$500; and

(b) Any information set forth in subsection 1 that the Commissioner requires to be included in the application.

3. An administrator or insurer that registers a medical discount plan is not required to pay the fees for registering or renewing the registration of the medical discount plan pursuant to this section.

4. The Commissioner shall, by regulation, designate the provisions of subsection 1 that shall be deemed satisfied by an administrator, insurer or affiliate of an insurer that has complied with substantially similar requirements pursuant to other provisions of this title.”.

Amend sec. 8, page 3, line 30, by deleting “*discount health*” and inserting “*medical discount*”.

Amend sec. 8, page 3, line 31, after ““*insurance*”” by inserting “*or “enrollment”*”.

Amend sec. 8, page 3, lines 32 and 35, by deleting “*discount health*” and inserting “*medical discount*”.

Amend sec. 8, page 3, line 37, by deleting ““*enrollment,*””.

Amend sec. 8, page 3, line 39, by deleting “*discount health*” and inserting “*medical discount*”.

Amend sec. 8, pages 3 and 4, by deleting lines 40 through 45 on page 3 and lines 1 through 3 on page 4, and inserting:

“3. Pay a provider of health care any fee for providing any health care or medical services; or

4. Collect or accept money from a member of the medical discount plan for payment to a provider of health care for specific health care or medical services that the provider has provided or will provide to the member unless the registration for the medical discount plan is held by an administrator or insurer.”.

Amend sec. 9, page 4, by deleting lines 5 through 18 and inserting:

“writing to any prospective member of a medical discount plan and must be in clear language and prominently displayed in any advertisements, marketing materials and brochures relating to a medical discount plan:

(a) That the medical discount plan is not a policy of health insurance;

(b) That the medical discount plan provides discounts from providers of health care who provide health care or medical services to members;

(c) That the medical discount plan does not make payments directly to the providers of health care;

(d) That the member will be required to pay for all health care or medical services but will receive a discount from those providers of health care who have contracted with the medical discount plan;

(e) The corporate name of the person offering the medical discount plan and the location and address of each office for the medical discount plan; and”.

Amend sec. 9, page 4, line 24, after “**Ten**” by inserting “**business**”.

Amend sec. 9, page 4, lines 25 and 27, by deleting “**discount health**” and inserting “**medical discount**”.

Amend sec. 10, page 4, by deleting lines 29 and 30 and inserting:
“**printed in type that is not smaller than 12-point type.**”.

Amend sec. 11, page 4, line 31, by deleting “**discount health**” and inserting “**medical discount**”.

Amend sec. 11, page 4, by deleting lines 34 and 35 and inserting:
“**of a registration for a medical discount plan unless the person registering or renewing the registration certifies that the medical discount plan has a net worth of at least \$100,000.**”.

Amend sec. 12, page 4, line 40, by deleting “**discount health**” and inserting “**medical discount**”.

Amend sec. 12, page 4, by deleting line 41 and inserting:
“**with a medical discount plan unless the medical discount plan is**”.

Amend sec. 12, page 5, by deleting line 4 and inserting:

“all participating providers of health care who have contracted with the medical discount plan and who are located in the applicant’s or”.

Amend sec. 12, page 5, line 6, before “*services*” by inserting:

“health care or medical”.

Amend sec. 12, page 5, by deleting line 7 and inserting:

“be made available, upon the request of the applicant, at the time the applicant purchases a membership”.

Amend sec. 12, page 5, by deleting lines 12 through 21 and inserting:

“5. Offers discounted products or services to the applicant or member that are not authorized by a contract with each provider of health care listed in conjunction with the medical discount plan.

6. Fails to allow the applicant or member to cancel the membership in the medical discount plan.

7. If appropriate, fails to refund any required portion of membership fees paid to the medical discount plan by the applicant or member within 30 days after the applicant or member provides timely notification of the cancellation of the membership to the person administering the medical discount plan.”.

Amend sec. 14, page 5, line 39, by deleting “*discount health*” and inserting “*medical discount*”.

Amend sec. 14, page 5, by deleting lines 41 through 44 and inserting:

“any accounts, books and records concerning the medical discount plan which are reasonably necessary to enable the Commissioner to determine whether the medical discount plan is in compliance with the provisions of”.

Amend sec. 15, page 6, lines 1 and 4, by deleting “*discount health*” and inserting “*medical discount*”.

Amend sec. 15, page 6, by deleting lines 6 through 10 and inserting:

“(b) The name and address of each member of the medical discount plan;

(c) A copy of each contract that the medical discount plan enters into with providers of health care for purposes of providing members with health care or medical services at a discount; and”.

Amend sec. 15, page 6, lines 14 and 15, by deleting “*discount health*” and inserting “*medical discount*”.

Amend sec. 49, page 12, line 32, by deleting “*All*” and inserting:

“Except as otherwise provided in sections 50 and 51 of this act, all”.

Amend the bill as a whole by deleting sections 50 and 51 and adding new sections designated sections 50 through 51.5, following sec. 49, to read as follows:

“Sec. 50. 1. The Commissioner may adopt by regulation forms for use in the issuance of credit personal property insurance, including applications, policies, forms for claims and any other forms required for the sale, issuance and administration of credit personal property insurance. An insurer may elect to use those forms in lieu of any other forms.

2. If an officer of the insurer submits, in the manner prescribed by the Commissioner, a written certification to the Commissioner that the forms used by the insurer are identical to those adopted by the Commissioner, the insurer is not required to file those forms with the Commissioner for approval pursuant to section 49 of this act.

Sec. 51. 1. The Commissioner shall, by regulation, establish reasonable rates as described in this chapter and in accordance with the standards established in NRS 686B.050 and 686B.060.

The rates must be reasonable in relation to the benefits provided and must not be excessive, inadequate or unfairly discriminatory.

2. The Commissioner may, by regulation, establish rates that an insurer may use without filing pursuant to section 49 of this act. In establishing such rates, the Commissioner shall consider and apply the following factors:

- (a) Actual and expected loss experience;*
- (b) General and administrative expenses;*
- (c) Loss settlement and adjustment expenses;*
- (d) Reasonable creditor compensation;*
- (e) The manner in which premiums are charged;*
- (f) Other acquisition costs;*
- (g) Reserves;*
- (h) Taxes;*
- (i) Regulatory license fees and fund assessments;*
- (j) Reasonable insurer profit; and*
- (k) Other relevant data consistent with generally accepted actuarial standards.*

Sec. 51.5. Except as otherwise provided in section 51 of this act:

1. A rate that has been filed and approved pursuant to section 49 of this act is effective for a period not to exceed 3 years after the date of approval. The insurer shall file a rate for approval before the expiration of the 3-year period. The insurer may file a rate for approval at any time before the expiration of the 3-year period.

2. If an insurer revises its schedule of premium rates, the insurer shall file the revised schedule with the Commissioner pursuant to section 49 of this act. An insurer shall not issue credit personal property insurance for which the premium rates exceed the rates determined by the schedule approved by the Commissioner.”.

Amend the bill as a whole by deleting sec. 55 and adding:

“Sec. 55. (Deleted by amendment.)”.

Amend sec. 56, page 14, by deleting lines 7 through 11 and inserting:

“Sec. 56. 1. Each individual policy or certificate of insurance must provide for a refund of unearned premiums if the credit personal property insurance is cancelled before the scheduled date of termination of the insurance.

2. Except as otherwise provided in this section, any refund must be provided to the person to whom it is entitled as soon as practicable after the date of cancellation of the insurance.

3. The Commissioner shall, by regulation, establish the minimum amount of unearned premiums that must remain outstanding at the time of cancellation in order for a person to be entitled to a refund. If the amount of unearned premiums that remains outstanding at the time of cancellation is less than the minimum amount established by regulation, the person is not entitled to a refund.

4. The formula that an insurer uses to determine the amount of a refund must be submitted to and approved by the Commissioner before it is used.”.

Amend sec. 60, pages 14 and 15, by deleting lines 41 through 44 on page 14 and lines 1 and 2 on page 15, and inserting:

“Sec. 60. The Commissioner may adopt regulations to carry out the provisions of this chapter.”.

Amend the bill as a whole by deleting sections 62 and 63 and adding new sections designated sections 62 and 63, following sec. 61, to read as follows:

“Sec. 62. Chapter 680B of NRS is hereby amended by adding thereto a new section to read as follows:

Each risk retention group which is chartered in a state other than this State and which is registered in this State pursuant to NRS 695E.140 to 695E.200, inclusive, shall pay the tax imposed by NRS 680B.027 at a rate of 2 percent.

Sec. 63. NRS 680B.010 is hereby amended to read as follows:

680B.010 The Commissioner shall collect in advance and receipt for, and persons so served must pay to the Commissioner, fees and miscellaneous charges as follows:

1. Insurer’s certificate of authority:

(a) Filing initial application.....\$2,450

(b) Issuance of certificate:

(1) For any one kind of insurance as defined in NRS 681A.010 to 681A.080,
inclusive283

(2) For two or more kinds of insurance as so defined578

(3) For a reinsurer.....2,450

(c) Each annual continuation of a certificate.....2,450

(d) Reinstatement pursuant to NRS 680A.180, 50 percent of the annual continuation fee otherwise required.

(e) Registration of additional title pursuant to NRS 680A.240.....	50
(f) Annual renewal of the registration of additional title pursuant to NRS 680A.240.....	25
2. Charter documents, other than those filed with an application for a certificate of authority. Filing amendments to articles of incorporation, charter, bylaws, power of attorney and other constituent documents of the insurer, each document	\$10
3. Annual statement or report. For filing annual statement or report.....	\$25
4. Service of process:	
(a) Filing of power of attorney	\$5
(b) Acceptance of service of process	30
5. Licenses, appointments and renewals for producers of insurance:	
(a) Application and license.....	\$125
(b) Appointment fee for each insurer	15
(c) Triennial renewal of each license	125
(d) Temporary license	10
(e) Modification of an existing license.....	50
6. Surplus lines brokers:	
(a) Application and license	\$125
(b) Triennial renewal of each license	125
7. Managing general agents' licenses, appointments and renewals:	
(a) Application and license.....	\$125
(b) Appointment fee for each insurer	15
(c) Triennial renewal of each license	125

8. Adjusters' licenses and renewals:

(a) Independent and public adjusters:

(1) Application and license\$125

(2) Triennial renewal of each license125

(b) Associate adjusters:

(1) Application and license125

(2) Triennial renewal of each license125

9. Licenses and renewals for appraisers of physical damage to motor vehicles:

(a) Application and license\$125

(b) Triennial renewal of each license125

10. Additional title and property insurers pursuant to NRS 680A.240:

(a) Original registration.....\$50

(b) Annual renewal.....25

11. Insurance vending machines:

(a) Application and license, for each machine\$125

(b) Triennial renewal of each license125

12. Permit for solicitation for securities:

(a) Application for permit\$100

(b) Extension of permit50

13. Securities salesmen for domestic insurers:

(a) Application and license\$25

(b) Annual renewal of license15

14. Rating organizations:

(a) Application and license\$500

(b) Annual renewal.....500

15. Certificates and renewals for administrators licensed pursuant to chapter 683A of NRS:

(a) Application and certificate of registration\$125

(b) Triennial renewal.....125

16. For copies of the insurance laws of Nevada, a fee which is not less than the cost of producing the copies.

17. Certified copies of certificates of authority and licenses issued pursuant to the

~~[Insurance]~~ Code\$10

18. For copies and amendments of documents on file in the Division, a reasonable charge fixed by the Commissioner, including charges for duplicating or amending the forms and for certifying the copies and affixing the official seal.

19. Letter of clearance for a producer of insurance or other licensee if requested by someone other than the licensee\$10

20. Certificate of status as a producer of insurance or other licensee if requested by someone other than the licensee\$10

21. Licenses, appointments and renewals for bail agents:

(a) Application and license\$125

(b) Appointment for each surety insurer15

(c) Triennial renewal of each license125

22. Licenses and renewals for bail enforcement agents:

(a) Application and license	\$125
(b) Triennial renewal of each license	125
23. Licenses, appointments and renewals for general agents for bail:	
(a) Application and license	\$125
(b) Initial appointment by each insurer	15
(c) Triennial renewal of each license	125
24. Licenses and renewals for bail solicitors:	
(a) Application and license.....	\$125
(b) Triennial renewal of each license	125
25. Licenses and renewals for title agents and escrow officers:	
(a) Application and license	\$125
(b) Triennial renewal of each license	125
(c) Appointment fee for each title insurer	15
(d) Change in name or location of business or in association.....	10
26. Certificate of authority and renewal for a seller of prepaid funeral contracts	\$125
27. Licenses and renewals for agents for prepaid funeral contracts:	
(a) Application and license	\$125
(b) Triennial renewal of each license	125
28. Licenses, appointments and renewals for agents for fraternal benefit societies:	
(a) Application and license	\$125
(b) Appointment for each insurer	15
(c) Triennial renewal of each license	125

29. Reinsurance intermediary broker or manager:

- (a) Application and license.....\$125
- (b) Triennial renewal of each license125

30. Agents for and sellers of prepaid burial contracts:

- (a) Application and certificate or license\$125
- (b) Triennial renewal.....125

31. Risk retention groups:

- (a) Initial registration ~~and review of an application~~.....~~\$2,450~~ **\$250**
- (b) Each annual continuation of a certificate of registration.....~~[2,450]~~ **250**

32. Required filing of forms:

- (a) For rates and policies\$25
- (b) For riders and endorsements.....10

33. Viatical settlements:

(a) Provider of viatical settlements:

- (1) Application and license\$1,000
- (2) Annual renewal.....1,000

(b) Broker of viatical settlements:

- (1) Application and license500
- (2) Annual renewal.....500

34. Insurance consultants:

- (a) Application and license.....\$125
- (b) Triennial renewal.....125

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

- (a) Initial appointment, association or sponsorship, for each organization.....\$50
- (b) Renewal of each association or sponsorship50
- (c) Annual renewal of appointment.....15

36. Purchasing groups:

- (a) Initial registration and review of an application\$100
- (b) Each annual continuation of registration.....100”.

Amend sec. 64, page 17, line 2, by deleting “[Insurance]”.

Amend sec. 64, page 18, by deleting line 11 and inserting:

“(a) Initial registration.....\$250”.

Amend sec. 64, page 18, line 13, by deleting “2,450” and inserting “250”.

Amend the bill as a whole by deleting sec. 65 and adding a new section designated sec. 65,
following sec. 64, to read as follows:

“**Sec. 65.** NRS 680B.027 is hereby amended to read as follows:

680B.027 1. Except as otherwise provided in NRS 680B.033, 680B.050 and 690C.110, *and section 62 of this act*, for the privilege of transacting business in this State, each insurer shall pay to the Department of Taxation a tax upon his net direct premiums and net direct considerations written at the rate of 3.5 percent.

2. The tax must be paid in the manner required by NRS 680B.030 and 680B.032.

3. The Commissioner or the Executive Director of the Department of Taxation may require at any time verified supplemental statements with reference to any matter pertinent to the proper assessment of the tax.”.

Amend the bill as a whole by deleting sections 80 and 81 and adding:

“Secs. 80 and 81. (Deleted by amendment.)”.

Amend the bill as a whole by deleting sec. 92 and adding:

“Sec. 92. (Deleted by amendment.)”.

Amend sec. 101, page 44, by deleting line 9 and inserting:

“8. Other kinds of insurance may be used if those kinds are not”.

Amend sec. 108, page 48, line 6, by deleting “All” and inserting:

“Except as otherwise provided in sections 109 and 110 of this act, all”.

Amend the bill as a whole by deleting sections 109 and 110 and adding new sections designated sections 109 through 110.7, following sec. 108, to read as follows:

“Sec. 109. 1. The Commissioner may adopt by regulation forms for use in the issuance of consumer credit insurance, including applications, policies, forms for claims and any other forms required for the sale, issuance and administration of consumer credit insurance. An insurer may elect to use those forms in lieu of any other forms.

2. If an officer of the insurer submits, in the manner prescribed by the Commissioner, a written certification to the Commissioner that the forms used by the insurer are identical to those adopted by the Commissioner, the insurer is not required to file those forms with the Commissioner for approval pursuant to section 108 of this act.

Sec. 110. 1. The Commissioner shall, by regulation, establish reasonable rates as described in this chapter and in accordance with the standards established in NRS 686B.050 and 686B.060. The rates must be reasonable in relation to the benefits provided and must not be excessive, inadequate or unfairly discriminatory.

2. The Commissioner may, by regulation, establish rates that an insurer may use without filing pursuant to section 108 of this act. In establishing such rates, the Commissioner shall consider and apply the following factors:

- (a) Actual and expected loss experience;*
- (b) General and administrative expenses;*
- (c) Loss settlement and adjustment expenses;*
- (d) Reasonable creditor compensation;*
- (e) The manner in which premiums are charged;*
- (f) Other acquisition costs;*
- (g) Reserves;*
- (h) Taxes;*
- (i) Regulatory license fees and fund assessments;*
- (j) Reasonable insurer profit; and*
- (k) Other relevant data consistent with generally accepted actuarial standards.*

Sec. 110.3. Except as otherwise provided in section 110 of this act, if an insurer revises its schedule of premium rates, the insurer shall file the revised schedule with the Commissioner pursuant to section 108 of this act. An insurer shall not issue consumer credit insurance for which the premium rates differ from the rates determined by the schedule approved by the Commissioner.

Sec. 110.7. 1. Each individual policy or group certificate must provide for a refund of unearned premiums if the consumer credit insurance is cancelled before the scheduled date of termination of the insurance.

2. Except as otherwise provided in this section, any refund must be provided to the person to whom it is entitled as soon as practicable after the date of cancellation of the insurance.

3. The Commissioner shall, by regulation, establish the minimum amount of unearned premiums that must remain outstanding at the time of cancellation in order for a person to be entitled to a refund. If the amount of unearned premiums that remains outstanding at the time of cancellation is less than the minimum amount established by regulation, the person is not entitled to a refund.

4. The formula that an insurer uses to determine the amount of a refund must be submitted to and approved by the Commissioner before it is used.”.

Amend sec. 114, page 49, by deleting lines 22 through 27 and inserting:

“Sec. 114. The Commissioner may adopt regulations to carry out the provisions of this chapter.”.

Amend sec. 116, page 50, by deleting lines 5 and 6 and inserting:

“requires, the words and terms defined in NRS 690A.012 to ~~[690A.028,]~~ 690A.018, inclusive, and sections 92 to 99,”.

Amend the bill as a whole by adding a new section designated sec. 116.5, following sec. 116, to read as follows:

“Sec. 116.5. NRS 690A.012 is hereby amended to read as follows:

690A.012 “Compensation” means any valuable consideration, direct or indirect, paid by or on behalf of the insurer, or by any subsidiary or parent, or subsidiary of the parent of the insurer, or by any other person to or on behalf of any group policyholder or producer or withheld from an insurer by any group policyholder or producer, and includes:

1. Paid or credited commissions or contingent commissions.
2. Fees for services, consulting fees or any other fee paid or credited within or outside this State in direct relation to the volume of premiums produced or written in this State.
3. The use of electronic data processing equipment or services, except for devices provided in lieu of books and charts of rates and refunds usable only for that purpose.
4. The furnishing of supplies, except forms approved by the Commissioner, the usual forms for claims and reports, envelopes for transmitting claims and brochures, and books and charts of rates and refunds.
5. Providing rental equipment of any type.
6. Advertising.
7. Providing telephone service without charge or at a charge less than the usual cost.
8. Participation in a profit-sharing plan.
9. Dividends and refunds or credits based on experience ratings.
10. An allowance for expenses.
11. Participation in stock plans or bonuses.
12. Any form of credit, including the use of money.
13. Commissions for reinsurance, ceded or assumed.
14. Reinsurance with a nonauthorized insurer owned or controlled by a creditor or producer or with a nonauthorized insurer in which a creditor or producer is a stockholder.
15. Any commission or fee, inducement or intention to induce, or any other consideration arising from the sale of insurance or other product or service, except *consumer* credit insurance as part of

the transaction in which the indebtedness is arranged or the application for the *consumer* credit insurance is made.”.

Amend the bill as a whole by adding a new section designated sec. 122.5, following sec. 122, to read as follows:

“**Sec. 122.5.** NRS 690A.260 is hereby amended to read as follows:

690A.260 1. Except as otherwise provided in subsection 2, an authorized insurer issuing *consumer* credit insurance may not enter into any agreement whereby the authorized insurer transfers, by reinsurance or otherwise, to an unauthorized insurer, as they relate to *consumer* credit insurance written or issued in this State:

(a) A substantial portion of the risk of loss under the *consumer* credit insurance written by the authorized insurer in this State;

(b) All of one or more kinds, lines, types or classes of *consumer* credit insurance;

(c) All of the *consumer* credit insurance produced through one or more agents, agencies or creditors;

(d) All of the *consumer* credit insurance written or issued in a designated geographical area; or

(e) All of the *consumer* credit insurance under a policy of group insurance.

2. An authorized insurer may make the transfers listed in subsection 1 to an unauthorized insurer if the unauthorized insurer:

(a) Maintains security on deposit with the Commissioner in an amount which when added to the actual capital and surplus of the insurer is equal to the capital and surplus required of an authorized stock insurer pursuant to NRS 680A.120. The security may consist only of the following:

(1) Cash.

(2) General obligations of, or obligations guaranteed by, the Federal Government, this State or any of its political subdivisions. These obligations must be valued at the lower of market value or par value.

(3) Any other type of security that would be acceptable if posted by a domestic or foreign insurer.

(b) Files an annual statement with the Commissioner pursuant to NRS 680A.270.

(c) Maintains reserves on its **consumer** credit insurance business pursuant to NRS 681B.050.

(d) Values its assets and liabilities pursuant to NRS 681B.010 to 681B.040, inclusive.

(e) Agrees to examinations conducted by the Commissioner pursuant to NRS 679B.230.

(f) Complies with the standards adopted by the Commissioner pursuant to NRS 679A.150.

(g) Does not hold, issue or have an arrangement for holding or issuing any of its stock for which dividends are paid based on:

(1) The experience of a specific risk of all of one or more kinds, lines, types or classes of insurance;

(2) All of the business produced through one or more agents, agencies or creditors;

(3) All of the business written in a designated geographical area; or

(4) All of the business written for one or more forms of insurance.”.

Amend sec. 164, page 68, line 30, by deleting “690A.012,”.

Amend sec. 164, page 68, line 35, by deleting “690A.260,”.

Amend the leadlines of repealed sections by deleting the leadlines of NRS 690A.012 and 690A.260.

Amend the title of the bill by deleting the second through fourth lines and inserting:

“medical discount plans; providing the tax rate on premiums for risk retention groups; providing for the regulation of credit personal property insurance; decreasing certain fees for risk retention groups; authorizing an insurer”.