

## Amendment No. 181

Senate Amendment to Senate Bill No. 403

(BDR 57-778)

**Proposed by:** Senate Committee on Commerce and Labor**Amends:** Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No

| 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"/> | _____            |

EXPLANATION: Matter in (1) **blue bold italics** is new language in the original bill; (2) **green bold italic underlining** is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) **green bold** is newly added transitory language.

WLK



Date: 4/16/2007

S.B. No. 403—Revises provisions relating to group health insurance.

(BDR 57-778)



## SENATE BILL NO. 403—SENATOR WASHINGTON

MARCH 19, 2007

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to group health insurance.  
(BDR 57-778)

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

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to insurance; providing requirements relating to coverage for group health insurance to certain associations; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law provides requirements concerning group health insurance. (Chapter 689B of NRS) This bill provides requirements for the provision of coverage for group health insurance to members, employees of members and employees of a guaranteed association.

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

**Section 1.** Chapter 689B of NRS is hereby amended by adding thereto a new section to read as follows:

***1. An insurer may offer a policy of group health insurance to a guaranteed association if the policy provides coverage for 500 or more members, employees of members or employees of the guaranteed association or their dependents.***

***2. When an insurer offers coverage to a guaranteed association pursuant to subsection 1, the insurer shall offer coverage to all members, employees of members and employees of the guaranteed association and all dependents thereof without regard to the actual or expected health status of any such member or employee or dependent thereof. The provisions of this subsection apply only for the purpose of requiring coverage to be offered to all such members, employees and dependents.***

***3. An insurer offering coverage to a guaranteed association pursuant to subsection 1 shall establish rates for premiums as follows:***

***(a) For the initial 12-month period of coverage, the insurer shall submit to the Commissioner ~~the certified statement~~ the opinion of a qualified actuary that the rates charged by the guaranteed association for premiums are actuarially sound. ~~The statement must be signed by an actuary certifying~~ opinion must certify the accuracy of the rating methodology as established by the American***

1 Academy of Actuaries, ~~or~~ or a successor organization approved by the  
2 Commissioner. The Commissioner by regulation may further define or enlarge  
3 the scope of this opinion.

4 (b) For any subsequent 12-month period of coverage, according to a rating  
5 methodology as established by the American Academy of Actuaries or ~~the~~ a  
6 successor ~~or~~ organization approved by the Commissioner.

7 4. Except as otherwise provided in subsection 5, a member, employee of a  
8 member or employee of a guaranteed association may apply for coverage offered  
9 pursuant to subsection 1 only:

10 (a) If, as applicable, the person has been an active member of the association  
11 or employed by a member or the guaranteed association for not less than 30 days;

12 (b) During an annual open enrollment period offered by the guaranteed  
13 association; and

14 (c) After meeting any additional eligibility requirements agreed upon by the  
15 guaranteed association and the insurer.

16 5. If a member, employee of a member or employee of a guaranteed  
17 association or a dependent thereof terminates coverage offered pursuant to  
18 subsection 1, the member, employee or dependent must be excluded from such  
19 coverage ~~for 12 months after the date of termination of coverage. Such~~ until the  
20 beginning of the next annual enrollment period. During the next annual  
21 enrollment period or any annual enrollment period thereafter, such a member or  
22 employee may enroll for coverage of the member or employee or dependent  
23 thereof pursuant to subsection 4. ~~during an annual open enrollment period~~  
24 following the expiration of the period of exclusion.

25 6. The provisions of this section do not apply to or affect the status of a  
26 person, including, without limitation, whether the person is an employee, self-  
27 employed or an independent contractor, for the purposes of industrial insurance  
28 or any other law relating to labor or employment.

29 7. As used in this section ~~is~~ “guaranteed” :

30 (a) “Guaranteed association” means an association which:

31 ~~(a) (1) Has a constitution and bylaws;~~

32 ~~(b) (2) ~~Was~~ Is determined by the Commissioner to be a bona fide~~  
33 association which was organized and is maintained in good faith for purposes  
34 other than that of obtaining insurance; and

35 ~~(c) (3) Has been in existence for at least ~~1 year~~ 5 years.~~

36 (b) “Qualified actuary” means a member in good standing of the American  
37 Academy of Actuaries, or a successor organization approved by the  
38 Commissioner.

39 Sec. 2. The provisions of subparagraph 3 of paragraph (a) of subsection  
40 7 of section 1 of this act do not apply to an association which was in existence  
41 on January 1, 2007.