

Amendment No. 915

Senate Amendment to Assembly Bill No. 381

(BDR 52-931)

Proposed by: Senator Carlton**Amendment Box:** Consistent with Amendment No. 764 if Amendment No. 764 is adopted first.**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

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 dashed underlining is newly added transitory language.

DP/WLK



Date: 5/21/2009

A.B. No. 381—Revises various provisions relating to arbitration. (BDR 52-931)



ASSEMBLY BILL NO. 381—ASSEMBLYMEN SEGERBLOM, OHRENSCHALL, ANDERSON;
AND MORTENSON

MARCH 16, 2009

Referred to Committee on Commerce and Labor

SUMMARY—Revises various provisions relating to arbitration. (BDR 52-931)

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 trade practices; ~~making provisions in certain contracts that require arbitration void and unenforceable under certain circumstances;~~ requiring certain disclosures by arbitral organizations; requiring certain disclosures in agreements to arbitrate; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~Sections 5 and 17 of this bill make unenforceable, to the extent allowed by federal law, a consumer contract that mandates arbitration of disputes involving subjects of the contract arising after formation of the contract.~~

Section 6 of this bill mandates the inclusion of certain disclosures relating to the costs of arbitration in consumer contracts.

Section 10 of this bill mandates certain disclosures by certain arbitral organizations.

Sections 11 and 13 of this bill prohibit the conduct of consumer arbitration proceedings by arbitral organizations under certain circumstances.

Section 12 of this bill provides for waiver of arbitration fees that would otherwise be charged or assessed against a consumer under certain circumstances.

Section 14 of this bill provides for injunctive relief and other remedies for certain violations by arbitral organizations.

Sections 18 and 19 of this bill revise provisions establishing the circumstances under which remedies may be awarded by a court or arbitrator. (NRS 38.222, 38.238)

~~Section 20 of this bill makes unenforceable, to the extent allowed by federal law, a consumer contract of insurance that mandates arbitration of disputes involving insurance arising after formation of the contract.~~

Sections 21-24 of this bill eliminate provisions in contracts of insurance for health care that mandate arbitration of disputes involving the results of independent evaluations, providing for second independent evaluations. (NRS 689A.0403, 689B.270, 695B.182, 695C.265)

Section 25 of this bill repeals NRS 690B.155, which requires a provision of mandatory arbitration in a contract of insurance for home protection.

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

1 **Section 1.** Chapter 597 of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 2 to 6, inclusive, of this act.

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

6 **Sec. 3.** “Consumer” means a person who ~~either:~~
7 ~~1. Uses,~~ uses, purchases, acquires, attempts to purchase or acquire, or is
8 offered or furnished any ~~real or~~ personal property, tangible or intangible goods,
9 services or credit for personal, family or household purposes. ~~It or~~

10 ~~2. Is an employee of or seeks employment with the other party to the~~
11 ~~agreement.]~~

12 **Sec. 4.** “Consumer arbitration agreement” means a standardized contract
13 where one party drafts a provision that requires disputes arising after the signing
14 of the contract to be submitted to binding arbitration and the other party is a
15 consumer. Such an agreement does not include a public or private sector
16 collective bargaining agreement.

17 **Sec. 5.** ~~[A consumer arbitration agreement is void and unenforceable~~
18 ~~except to the extent federal law provides for its enforceability.]~~ (Deleted by
19 amendment.)

20 **Sec. 6.** 1. A person drafting a consumer arbitration agreement shall
21 clearly and conspicuously disclose in regard to any arbitration:

22 (a) The filing fee;

23 (b) The average daily cost for an arbitrator and hearing room if the
24 consumer elects to appear in person;

25 (c) Other charges that the arbitrator or arbitration service provider will
26 assess in conjunction with an arbitration where the consumer appears in person;
27 and

28 (d) The proportion of these costs which each party bears in the event that the
29 consumer prevails and in the event that the consumer does not prevail.

30 2. The costs specified in subsection 1 need not include attorney’s fees and,
31 to the extent that, with regard to the disclosures required by subsection 1, precise
32 amounts of the fees, costs and charges are not known, the disclosures may be
33 based on reasonable, good faith estimates. A person providing a reasonable, good
34 faith estimate is not liable in any manner for the fact that the actual fees, costs
35 and charges of a particular arbitration vary from the estimate provided.

36 3. Failure to comply with this section is not grounds to refuse to enforce a
37 consumer arbitration agreement. However, the information provided in the
38 disclosure can be considered in a determination of whether a consumer
39 arbitration agreement is unconscionable or otherwise not enforceable under
40 other law.

41 4. Whenever this section is violated, any affected person or entity, including
42 the Attorney General, may request a court to enjoin the drafting party from
43 violating this section as to agreements the drafting party enters in the future. The
44 drafting party is liable to the person or entity requesting the injunction for the
45 reasonable attorney’s fees and costs of the person requesting the injunction
46 where the court issues an injunction or where, after the action is commenced, the
47 drafting party voluntarily complies with this section.

1 **Sec. 7.** Chapter 38 of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 8 to 14, inclusive, of this act.

3 **Sec. 8.** *“Consumer” means a person who has a dispute relating to that*
4 *person’s status as:*

5 1. *A user of, purchaser of or person who attempts to use or purchase any*
6 *~~real or~~ personal property, tangible or intangible goods, services or credit for*
7 *personal, family or household purposes;*

8 2. *An enrollee, subscriber or insured under a health care plan or health*
9 *care insurance, or a person with a medical malpractice claim; or*

10 3. *An employee or applicant for employment, except where an arbitration is*
11 *pursuant to the terms of a public or private sector collective bargaining*
12 *agreement.*

13 **Sec. 9.** *“Consumer arbitration” means a binding arbitration where one*
14 *party is a consumer.*

15 **Sec. 10.** 1. *Any arbitral organization that administers or is otherwise*
16 *involved in 50 or more consumer arbitrations a year shall collect, publish at least*
17 *quarterly, and make available to the public in a computer-searchable format,*
18 *which must be accessible on the Internet website of the arbitral organization, if*
19 *any, and on paper upon request, all of the following information regarding each*
20 *consumer arbitration within the preceding 5 years:*

21 (a) *The name of any corporation or other business entity that is a party to the*
22 *arbitration;*

23 (b) *The type of dispute involved, including, without limitation, goods,*
24 *banking, insurance, health care, debt collection, employment and, if the dispute*
25 *involves employment, the amount of the employee’s annual wage divided into the*
26 *following ranges:*

27 (1) *Less than one hundred thousand dollars;*

28 (2) *One hundred thousand dollars or more but not more than two*
29 *hundred fifty thousand dollars; and*

30 (3) *More than two hundred fifty thousand dollars;*

31 (c) *Whether the consumer was the prevailing party;*

32 (d) *On how many occasions, if any, a business entity that is a party to an*
33 *arbitration has previously been a party in an arbitration or mediation*
34 *administered by the arbitral organization;*

35 (e) *Whether the consumer was represented by an attorney;*

36 (f) *The date the arbitral organization received the demand for arbitration,*
37 *the date the arbitrator was appointed and the date of disposition by the arbitrator*
38 *or arbitral organization;*

39 (g) *The type of disposition of the dispute, if known, including, without*
40 *limitation, withdrawal, abandonment, settlement, award after hearing, award*
41 *without hearing, default or dismissal without hearing;*

42 (h) *The amount of the claim, the amount of the award and any other relief*
43 *granted; and*

44 (i) *The name of the arbitrator, his total fee for the case and the percentage of*
45 *the arbitrator’s fee allocated to each party.*

46 2. *If the information that is required pursuant to subsection 1 is provided by*
47 *the arbitral organization in a computer-searchable format on the company’s*
48 *Internet website and may be downloaded without any fee, the arbitral*
49 *organization may charge the actual cost of copying to any person who requests*
50 *the information on paper. If the information required is not accessible on the*
51 *Internet, the arbitral organization shall provide that information without charge*
52 *to any person who requests the information on paper.*

1 3. An arbitral organization that administers or conducts fewer than 50
2 consumer arbitrations per year may collect and publish the information required
3 by subsection 1 semiannually, provide the information only on paper and charge
4 the actual cost of copying.

5 4. No arbitral organization has any liability for collecting, publishing or
6 distributing the information in compliance with this section.

7 Sec. 11. No arbitral organization may administer a consumer arbitration to
8 be conducted in this State or provide any other services related to that consumer
9 arbitration, if:

10 1. The arbitral organization has, or within the preceding year has had, a
11 financial interest in any party or attorney for a party to the arbitration; or

12 2. Any party or attorney for a party to the arbitration has, or within the
13 preceding year has had, any type of financial interest in the arbitral organization.

14 Sec. 12. 1. All fees and costs charged to or assessed in this State upon a
15 consumer by an arbitral organization in a consumer arbitration must be waived
16 for any person having a gross monthly income that is less than 300 percent of the
17 federal poverty guidelines.

18 2. Nothing in this section affects the ability of an arbitral organization to
19 shift fees that would otherwise be charged or assessed upon a consumer to
20 another party.

21 3. Prior to requesting or obtaining any fee, an arbitral organization shall
22 provide written notice of the right to obtain a waiver of fees in a manner
23 calculated to bring the matter to the attention of a reasonable consumer,
24 including, without limitation, prominently placing a notice in its first written
25 communication to a consumer and in any invoice, bill, submission form, fee
26 schedule, rules or code of procedure.

27 4. Any consumer requesting a waiver of fees or costs may establish
28 eligibility by making a declaration under oath on a form provided by the arbitral
29 organization indicating the monthly income of the consumer and the number of
30 persons living in the household of the consumer. No arbitral organization may
31 require a consumer to provide any further statement or evidence of indigency.

32 5. Any information obtained by an arbitral organization about a
33 consumer's identity, financial condition, income, wealth or fee waiver request
34 must be kept confidential and may not be disclosed to any adverse party or any
35 nonparty to the arbitration, except that an arbitral organization may not keep
36 confidential the number of waiver requests received or granted, or the total
37 amount of fees waived.

38 Sec. 13. A neutral arbitrator or an arbitral organization shall not
39 administer a consumer arbitration under any agreement or rule requiring that a
40 consumer who is a party to the arbitration pay the fees and costs incurred by an
41 opposing party if the consumer does not prevail in the arbitration, including,
42 without limitation, the fees and costs of the arbitrator, arbitral organization,
43 attorney or witnesses.

44 Sec. 14. Whenever a provision of sections 10 to 14, inclusive, of this act is
45 violated, any affected person or entity, including the Attorney General, may
46 request a court to enjoin the arbitral organization from violating the applicable
47 provision of sections 10 to 14, inclusive, of this act and order such restitution as
48 appropriate. The arbitral organization is liable for the reasonable attorney's fees
49 and costs of that person or entity where that person or entity prevails or where,
50 after the action is commenced, the arbitral organization voluntarily complies with
51 the provisions of sections 10 to 14, inclusive, of this act.

1 **Sec. 15.** NRS 38.207 is hereby amended to read as follows:

2 38.207 As used in NRS 38.206 to 38.248, inclusive, *and sections 8 to 14,*
3 *inclusive, of this act,* the words and terms defined in NRS 38.208 to 38.213,
4 inclusive, *and sections 8 and 9 of this act* have the meanings ascribed to them in
5 those sections.

6 **Sec. 16.** NRS 38.216 is hereby amended to read as follows:

7 38.216 1. NRS 38.206 to 38.248, inclusive, *and sections 8 to 14, inclusive,*
8 *of this act* govern an agreement to arbitrate made on or after October 1, 2001.

9 2. NRS 38.206 to 38.248, inclusive, *and sections 8 to 14, inclusive, of this*
10 *act* govern an agreement to arbitrate made before October 1, 2001, if all the parties
11 to the agreement or to the arbitral proceeding so agree in a record.

12 3. On or after October 1, 2003, NRS 38.206 to 38.248, inclusive, *and sections*
13 *8 to 14, inclusive, of this act* govern an agreement to arbitrate whenever made.

14 **Sec. 17.** ~~NRS 38.219 is hereby amended to read as follows:~~

15 ~~38.219 1. An agreement contained in a record to submit to arbitration any~~
16 ~~existing or subsequent controversy arising between the parties to the agreement is~~
17 ~~valid, enforceable and irrevocable except: (upon)~~

18 ~~(a) As provided in sections 5 and 20 of this act; or~~

19 ~~(b) Upon a ground that exists at law or in equity for the revocation of a~~
20 ~~contract.~~

21 ~~2. The court shall decide whether an agreement to arbitrate exists or a~~
22 ~~controversy is subject to an agreement to arbitrate.~~

23 ~~3. An arbitrator shall decide whether a condition precedent to arbitrability has~~
24 ~~been fulfilled and whether a contract containing a valid agreement to arbitrate is~~
25 ~~enforceable.~~

26 ~~4. If a party to a judicial proceeding challenges the existence of, or claims that~~
27 ~~a controversy is not subject to, an agreement to arbitrate, the arbitral proceeding~~
28 ~~may continue pending final resolution of the issue by the court, unless the court~~
29 ~~otherwise orders.] (Deleted by amendment.)~~

30 **Sec. 18.** NRS 38.222 is hereby amended to read as follows:

31 38.222 1. *Except as otherwise provided in section 13 of this act:*

32 (a) Before an arbitrator is appointed and is authorized and able to act, the court,
33 upon motion of a party to an arbitral proceeding and for good cause shown, may
34 enter an order for provisional remedies to protect the effectiveness of the arbitral
35 proceeding to the same extent and under the same conditions as if the controversy
36 were the subject of a civil action.

37 ~~(b)~~ (b) After an arbitrator is appointed and is authorized and able to act:

38 ~~(a)~~ (1) The arbitrator may issue such orders for provisional remedies,
39 including interim awards, as he finds necessary to protect the effectiveness of the
40 arbitral proceeding and to promote the fair and expeditious resolution of the
41 controversy, to the same extent and under the same conditions as if the controversy
42 were the subject of a civil action; and

43 ~~(b)~~ (2) A party to an arbitral proceeding may move the court for a
44 provisional remedy only if the matter is urgent and the arbitrator is not able to act
45 timely or the arbitrator cannot provide an adequate remedy.

46 ~~(3)~~ 2. A party does not waive a right of arbitration by making a motion under
47 subsection 1. ~~for 2.~~

48 **Sec. 19.** NRS 38.238 is hereby amended to read as follows:

49 38.238 *Except as otherwise provided in section 13 of this act:*

50 1. An arbitrator may award reasonable attorney's fees and other reasonable
51 expenses of arbitration if such an award is authorized by law in a civil action
52 involving the same claim or by the agreement of the parties to the arbitral
53 proceeding.

2. As to all remedies other than those authorized by subsection 1, an arbitrator may order such remedies as he considers just and appropriate under the circumstances of the arbitral proceeding. The fact that such a remedy could not or would not be granted by the court is not a ground for refusing to confirm an award under NRS 38.239 or for vacating an award under NRS 38.241.

3. An arbitrator's expenses and fees, together with other expenses, must be paid as provided in the award.

Sec. 20. ~~[Chapter 687B of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. Any provisions in any contract of insurance that require a consumer to submit a controversy relating to insurance thereafter arising to arbitration are contrary to the established public policy of this State.~~

~~2. A contract of insurance with a consumer that requires the submission to arbitration of any controversy related to the insurance transaction thereafter arising between the parties is hereby prohibited and any such arbitration provision is hereby declared invalid, unenforceable and void. Any such arbitration provision shall be considered severable and other provisions of the contract for insurance will remain in effect and given full force.~~

~~3. If a written agreement that involves both insurance and any other services, goods, property or credit includes a mandatory arbitration provision, there must be a clear and conspicuous disclosure that the mandatory arbitration provision does not apply to any dispute related to insurance.~~

~~4. A person violating this section is liable to the consumer in an amount equal to the sum of any actual damage sustained by the consumer as a result of the violation plus \$100, even if no actual damage is proved, plus costs of the action, together with a reasonable attorney's fee. Any provision in a contract of insurance that requires an action to enforce this section to be submitted to arbitration is void and unenforceable unless the consumer agrees to arbitration after filing suit or after otherwise notifying the other party of the violation.~~

~~5. For the purposes of this section, "consumer" means a person who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished insurance for personal, family or household purposes.] (Deleted by amendment.)~~

Sec. 21. NRS 689A.0403 is hereby amended to read as follows:

689A.0403 1. ~~[Each policy of health insurance must include a procedure for binding arbitration to resolve disputes concerning independent medical evaluations pursuant to the rules of the American Arbitration Association.~~

~~2.] If an insurer, for any final determination of benefits or care, requires an independent evaluation of the medical or chiropractic care of any person for whom such care is covered under the terms of the contract of insurance, only a physician or chiropractor who is certified to practice in the same field of practice as the primary treating physician or chiropractor or who is formally educated in that field may conduct the independent evaluation.~~

~~[3.] 2. The independent evaluation must include a physical examination of the patient, unless he is deceased, and a personal review of all X rays and reports prepared by the primary treating physician or chiropractor. A certified copy of all reports of findings must be sent to the primary treating physician or chiropractor and the insured person within 10 working days after the evaluation.~~

3. If the insured person disagrees with the finding of the evaluation, he must submit an appeal to the insurer ~~[pursuant to the procedure for binding arbitration set forth in the policy of insurance]~~ within 30 days after he receives the finding of the evaluation. Upon its receipt of an appeal, the insurer shall so notify in writing the primary treating physician or chiropractor ~~[]~~ and obtain a second independent evaluation in compliance with the provisions of subsections 1 and 2.

4. The insurer shall not limit or deny coverage for care related to a disputed claim while the dispute is ~~in arbitration,~~ *being appealed*, except that, if the insurer prevails in the ~~arbitration,~~ *appeal*, the primary treating physician or chiropractor may not recover any payment from either the insurer, insured person or the patient for services that he provided to the patient after receiving written notice from the insurer pursuant to subsection ~~[3] 2~~ concerning the appeal of the insured person.

Sec. 22. NRS 689B.270 is hereby amended to read as follows:

689B.270 1. ~~[Each policy of group or blanket health insurance must include a procedure for binding arbitration to resolve disputes concerning independent medical evaluations pursuant to the rules of the American Arbitration Association.~~

~~—2.]~~ If an insurer, for any final determination of benefits or care, requires an independent evaluation of the medical or chiropractic care of any person for whom such care is covered under the terms of a policy of group or blanket health insurance, only a physician or chiropractor who is certified to practice in the same field of practice as the primary treating physician or chiropractor or who is formally educated in that field may conduct the independent evaluation.

~~[3.] 2.~~ The independent evaluation must include a physical examination of the patient, unless he is deceased, and a personal review of all X rays and reports prepared by the primary treating physician or chiropractor. A certified copy of all reports of findings must be sent to the primary treating physician or chiropractor and the insured person within 10 working days after the evaluation.

3. If the insured person disagrees with the finding of the evaluation, he must submit an appeal to the insurer ~~[pursuant to the procedure for binding arbitration set forth in the policy of insurance]~~ within 30 days after he receives the finding of the evaluation. Upon its receipt of an appeal, the insurer shall so notify in writing the primary treating physician or chiropractor ~~[and obtain a second independent evaluation in compliance with the provisions of subsections 1 and 2.~~

4. The insurer shall not limit or deny coverage for care related to a disputed claim while the dispute is ~~in arbitration,~~ *being appealed*, except that, if the insurer prevails in the ~~arbitration,~~ *appeal*, the primary treating physician or chiropractor may not recover any payment from either the insurer, insured person or the patient for services that he provided to the patient after receiving written notice from the insurer pursuant to subsection ~~[3] 2~~ concerning the appeal of the insured person.

Sec. 23. NRS 695B.182 is hereby amended to read as follows:

695B.182 1. ~~[Each contract for hospital or medical services must include a procedure for binding arbitration to resolve disputes concerning independent medical evaluations pursuant to the rules of the American Arbitration Association.~~

~~—2.]~~ If a corporation subject to the provisions of this chapter, for any final determination of benefits or care, requires an independent evaluation of the medical or chiropractic care of any person for whom such care is covered under a contract for hospital or medical services, only a physician or chiropractor who is certified to practice in the same field of practice as the primary treating physician or chiropractor or who is formally educated in that field may conduct the independent evaluation.

~~[3.] 2.~~ The independent evaluation must include a physical examination of the patient, unless he is deceased, and a personal review of all X rays and reports prepared by the primary treating physician or chiropractor. A certified copy of all reports of findings must be sent to the primary treating physician or chiropractor and the insured person within 10 working days after the evaluation.

3. If the insured person disagrees with the finding of the evaluation, he must submit an appeal to the insurer ~~[pursuant to the procedure for binding arbitration set forth in the contract for services]~~ within 30 days after he receives the finding of the evaluation. Upon its receipt of an appeal, the insurer shall so notify in writing the

primary treating physician or chiropractor ~~[.]~~ *and obtain a second independent medical evaluation in compliance with the provisions of subsections 1 and 2.*

4. The insurer shall not limit or deny coverage for care related to a disputed claim while the dispute is in arbitration, except that, if the insurer prevails in the arbitration, the primary treating physician or chiropractor may not recover any payment from either the insurer, insured person or the patient for services that he provided to the patient after receiving written notice from the insurer pursuant to subsection ~~[3.]~~ 2 concerning the appeal of the insured person.

Sec. 24. NRS 695C.265 is hereby amended to read as follows:

695C.265 1. If a health maintenance organization, for any final determination of benefits or care, requires an independent evaluation of the medical or chiropractic care of any person for whom such care is provided under the evidence of coverage ~~[.]~~

~~—(a) The evidence of coverage must include a procedure for binding arbitration to resolve disputes concerning independent medical evaluations pursuant to the rules of the American Arbitration Association; and~~

~~—(b) Only~~, *only* a physician or chiropractor who is certified to practice in the same field of practice as the primary treating physician or chiropractor or who is formally educated in that field may conduct the independent evaluation.

2. The independent evaluation must include a physical examination of the patient, unless he is deceased, and a personal review of all X rays and reports prepared by the primary treating physician or chiropractor. A certified copy of all reports of findings must be sent to the primary treating physician or chiropractor and the insured person within 10 working days after the evaluation.

3. If the insured person disagrees with the finding of the evaluation, he must submit an appeal to the insurer ~~[pursuant to the procedure for binding arbitration set forth in the evidence of coverage]~~ within 30 days after he receives the finding of the evaluation. Upon its receipt of an appeal, the insurer shall so notify in writing the primary treating physician or chiropractor ~~[.]~~ *and obtain a second independent medical evaluation in compliance with the provisions of subsections 1 and 2.*

~~[3.]~~ 4. The insurer shall not limit or deny coverage for care related to a disputed claim while the dispute is ~~[in arbitration.]~~ *being appealed*, except that, if the insurer prevails in the ~~[arbitration.]~~ *appeal*, the primary treating physician or chiropractor may not recover any payment from either the insurer, insured person or the patient for services that he provided to the patient after receiving written notice from the insurer pursuant to subsection ~~[2.]~~ 3 concerning the appeal of the insured person.

Sec. 25. NRS 690B.155 is hereby repealed.

TEXT OF REPEALED SECTION

690B.155 Provision requiring binding arbitration authorized; procedures for arbitration.

1. Subject to the approval of the Commissioner, a contract of insurance for home protection may include a provision which requires the parties to the contract to submit for binding arbitration any dispute between the parties concerning any matter directly or indirectly related to, or associated with, the contract.

2. Except as otherwise provided in subsection 3, the arbitration must be conducted pursuant to the rules for commercial arbitration established by the American Arbitration Association. The insurer is responsible for any administrative

fees and expenses relating to the arbitration, except that the insurer is not responsible for attorney's fees and fees for expert witnesses unless those fees are awarded by the arbitrator.

3. If a provision described in subsection 1 is included in a contract of insurance for home protection, the provision shall not be deemed unenforceable as an unreasonable contract of adhesion if the provision is included in compliance with the provisions of subsection 1.