

## Amendment No. 858

Senate Amendment to Senate Bill No. 426

(BDR 57-1203)

**Proposed by:** Senate Committee on Finance**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 426 (§ 3).

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.

RBL



Date: 5/19/2009

S.B. No. 426—Revises provisions relating to insurance. (BDR 57-1203)



SENATE BILL NO. 426—COMMITTEE ON FINANCE  
(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MAY 15, 2009

Referred to Committee on Finance

SUMMARY—Revises provisions relating to insurance. (BDR 57-1203)

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; creating the Fund for Insurance Administration and Enforcement and new fees to provide money for the Fund; eliminating certain restrictions on out-of-state insurers; requiring certain insurers to comply with newly enacted federal acts; revising provisions related to the Federal Deposit Insurance Corporation; requiring certain health ~~care plans and policies of insurance~~ **insurers** to provide ~~continued coverage for certain~~ **notice regarding a change in its formulary concerning** prescription drugs related to transplanted organs ~~++ in certain circumstances;~~ and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

**Sections 1-3** of this bill create: (1) the Fund for Insurance Administration and Enforcement as an enterprise fund to carry out the provisions of the Nevada Insurance Code; and (2) new fees to provide money for the Fund.

**Sections 7 and 85** of this bill eliminate certain restrictions on out-of-state insurers due to a court decision by the United States Ninth Circuit Court of Appeals (*Council of Insurance Agents & Brokers v. Molasky-Arman*, 522 F.3d 925 (9th Cir. 2008)). (NRS 680A.300, 695E.130) This case holds that Nevada law violates the Privileges and Immunities Clause of the United States Constitution regarding nonresident insurance agents and resident agents.

**Sections 35-38 and 55-58** of this bill require certain insurers to comply with newly enacted federal acts.

**Section 38.5 of this bill requires an insurer that issues policies of health insurance to provide notice before changing its formulary within the plan year if the change will affect a prescription drug used by an insured to prevent the rejection of a transplanted organ. Section 98 of this bill makes this provision applicable to self-funded plans of a local governmental agency. (NRS 287.010)**

**Sections 102 and 103** of this bill revise provisions related to the Federal Deposit Insurance Corporation.

Existing law requires certain public and private health care plans and policies of insurance to provide coverage for certain procedures, including colorectal cancer screenings, cytological screening tests and mammograms, in certain circumstances. (NRS 287.027, 287.04335, 689A.04042, 689A.0405, 689B.0367, 689B.0374, 695B.1907, 695B.1912,

695C.1731, 695C.1735, 695G.168) Existing law also requires employers to provide certain benefits to employees, including coverage for the procedures required to be covered by insurers, if the employer provides health benefits for its employees. (NRS 608.1555)

~~Sections 49, 52, 59, 67, 70, 78, 86 and 90 of this bill require those health care plans and policies of insurance, other than the State Plan for Medicaid, to also provide continued coverage for certain prescription drugs related to transplanted organs. These and any related provisions of this bill apply prospectively to any policy of insurance or health care plan issued or renewed on or after June 15, 2009.~~

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

**Section 1.** Title 57 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 and 3 of this act.

**Sec. 2. 1. *The Fund for Insurance Administration and Enforcement is hereby created in the State Treasury as an enterprise fund.***

**2. *The Fund must be used solely for the administration and enforcement of the Code and other laws and regulations enforced by the Division.***

**3. *The State Treasurer shall invest the money in the Fund in the same manner and in the same securities in which he is authorized to invest state general funds that are in his custody. Income realized from the investment of the assets of the Fund must be credited to the Fund.***

**Sec. 3. 1. *In addition to any other fee or charge, the Commissioner shall collect in advance and receipt for, and persons so served must pay to the Commissioner, the fees required by this section.***

**2. *A fee required by this section must be:***

**(a) *If an initial fee, paid at the time of an initial application or issuance of a license, as applicable;***

**(b) *If an annual fee, paid on or before March 1 of every year;***

**(c) *If a triennial fee, paid on or before the time of continuation, renewal or other similar action in regard to a certificate, license, permit or other type of authorization, as applicable; and***

**(d) *Deposited in the Fund for Insurance Administration and Enforcement created by section 2 of this act.***

**3. *The fees required pursuant to this section are not refundable.***

**4. *The following fees must be paid by the following persons to the Commissioner:***

**(a) *Associations of self-insured private employers, as defined in NRS 616A.050:***

**(1) *Initial fee .....\$1,300***

**(2) *Annual fee .....\$1,300***

**(b) *Associations of self-insured public employers, as defined in NRS 616A.055:***

**(1) *Initial fee .....\$1,300***

**(2) *Annual fee .....\$1,300***

**(c) *External review organizations, as provided for in NRS 616A.469 or 683A.371, or both:***

**(1) *Initial fee .....\$60***

**(2) *Annual fee .....\$60***

**(d) *Insurers not otherwise provided for in this subsection:***

**(1) *Initial fee .....\$1,300***

**(2) *Annual fee .....\$1,300***

(e) <i>Producers of insurance, as defined in NRS 679A.117:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Triennial fee</i> .....	\$60
(f) <i>Accredited reinsurers, as provided for in NRS 681A.160:</i>	
(1) <i>Initial fee</i> .....	\$1,300
(2) <i>Annual fee</i> .....	\$1,300
(g) <i>Intermediaries, as defined in NRS 681A.330:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Triennial fee</i> .....	\$60
(h) <i>Reinsurers, as defined in NRS 681A.370:</i>	
(1) <i>Initial fee</i> .....	\$1,300
(2) <i>Annual fee</i> .....	\$1,300
(i) <i>Administrators, as defined in NRS 683A.025:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Triennial fee</i> .....	\$60
(j) <i>Managing general agents, as defined in NRS 683A.060:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Triennial fee</i> .....	\$60
(k) <i>Agents who perform utilization reviews, as defined in NRS 683A.376:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Annual fee</i> .....	\$60
(l) <i>Insurance consultants, as defined in NRS 683C.010:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Triennial fee</i> .....	\$60
(m) <i>Independent adjusters, as defined in NRS 684A.030:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Triennial fee</i> .....	\$60
(n) <i>Public adjusters, as defined in NRS 684A.030:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Triennial fee</i> .....	\$60
(o) <i>Associate adjusters, as defined in NRS 684A.030:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Triennial fee</i> .....	\$60
(p) <i>Motor vehicle physical damage appraisers, as defined in NRS 684B.010:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Triennial fee</i> .....	\$60
(q) <i>Brokers, as defined in NRS 685A.030:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Triennial fee</i> .....	\$60
(r) <i>Eligible surplus line insurers, as provided for in NRS 685A.070:</i>	
(1) <i>Initial fee</i> .....	\$1,300
(2) <i>Annual fee</i> .....	\$1,300
(s) <i>Companies, as defined in NRS 686A.330:</i>	
(1) <i>Initial fee</i> .....	\$1,300
(2) <i>Annual fee</i> .....	\$1,300
(t) <i>Rate service organizations, as defined in NRS 686B.020:</i>	
(1) <i>Initial fee</i> .....	\$1,300
(2) <i>Annual fee</i> .....	\$1,300
(u) <i>Brokers of viatical settlements, as defined in NRS 688C.030:</i>	
(1) <i>Initial fee</i> .....	\$60
(2) <i>Annual fee</i> .....	\$60
(v) <i>Providers of viatical settlements, as defined in NRS 688C.080:</i>	
(1) <i>Initial fee</i> .....	\$60

1	(2) Annual fee .....	\$60
2	(w) Agents for prepaid burial contracts subject to the provisions of chapter	
3	689 of NRS:	
4	(1) Initial fee .....	\$60
5	(2) Triennial fee .....	\$60
6	(x) Agents for prepaid funeral contracts subject to the provisions of chapter	
7	689 of NRS:	
8	(1) Initial fee .....	\$60
9	(2) Triennial fee .....	\$60
10	(y) Sellers of prepaid burial contracts subject to the provisions of chapter 689	
11	of NRS:	
12	(1) Initial fee .....	\$60
13	(2) Triennial fee .....	\$60
14	(z) Sellers of prepaid funeral contracts subject to the provisions of chapter	
15	689 of NRS:	
16	(1) Initial fee .....	\$60
17	(2) Triennial fee .....	\$60
18	(aa) Providers, as defined in NRS 690C.070:	
19	(1) Initial fee .....	\$1,300
20	(2) Annual fee .....	\$1,300
21	(bb) Escrow officers, as defined in NRS 692A.028:	
22	(1) Initial fee .....	\$60
23	(2) Triennial fee .....	\$60
24	(cc) Title agents, as defined in NRS 692A.060:	
25	(1) Initial fee .....	\$60
26	(2) Triennial fee .....	\$60
27	(dd) Captive insurers, as defined in NRS 694C.060:	
28	(1) Initial fee .....	\$250
29	(2) Annual fee .....	\$250
30	(ee) Fraternal benefit societies, as defined in NRS 695A.010:	
31	(1) Initial fee .....	\$1,300
32	(2) Annual fee .....	\$1,300
33	(ff) Insurance agents for societies, as provided for in NRS 695A.330:	
34	(1) Initial fee .....	\$60
35	(2) Triennial fee .....	\$60
36	(gg) Corporations subject to the provisions of chapter 695B of NRS:	
37	(1) Initial fee .....	\$1,300
38	(2) Annual fee .....	\$1,300
39	(hh) Health maintenance organizations, as defined in NRS 695C.030:	
40	(1) Initial fee .....	\$1,300
41	(2) Annual fee .....	\$1,300
42	(ii) Organizations for dental care, as defined in NRS 695D.060:	
43	(1) Initial fee .....	\$1,300
44	(2) Annual fee .....	\$1,300
45	(jj) Purchasing groups, as defined in NRS 695E.100:	
46	(1) Initial fee .....	\$250
47	(2) Annual fee .....	\$250
48	(kk) Risk retention groups, as defined in NRS 695E.110:	
49	(1) Initial fee .....	\$250
50	(2) Annual fee .....	\$250
51	(ll) Prepaid limited health service organizations, as defined in NRS	
52	695F.050:	
53	(1) Initial fee .....	\$1,300

(2) Annual fee.....	\$1,300
<i>(mm) Medical discount plans, as defined in NRS 695H.050:</i>	
(1) Initial fee.....	\$1,300
(2) Annual fee.....	\$1,300
<i>(nn) Club agents, as defined in NRS 696A.040:</i>	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
<i>(oo) Motor clubs, as defined in NRS 696A.050:</i>	
(1) Initial fee.....	\$1,300
(2) Annual fee.....	\$1,300
<i>(pp) Bail agents, as defined in NRS 697.040:</i>	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
<i>(qq) Bail enforcement agents, as defined in NRS 697.055:</i>	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
<i>(rr) Bail solicitors, as defined in NRS 697.060:</i>	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
<i>(ss) General agents, as defined in NRS 697.070:</i>	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60

**Sec. 4.** NRS 679B.380 is hereby amended to read as follows:

679B.380 1. Except as otherwise expressly provided in this Code, funds with which to carry out the administration and enforcement by the Commissioner of this Code shall be provided by ~~Legislative appropriation from the General Fund~~ *the Fund for Insurance Administration and Enforcement created by section 2 of this act* and shall be paid out on claims as other claims against the State are paid.

2. No such claim shall be paid unless approved by the commissioner.

**Sec. 5.** NRS 680A.150 is hereby amended to read as follows:

680A.150 To apply for an original certificate of authority an insurer shall file with the Commissioner its written application therefor on forms as prescribed and furnished by the Commissioner, accompanied by the applicable fees specified in NRS 680B.010 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act*, stating under the oath of the president or vice president or other chief officer and the secretary of the insurer, or of the attorney-in-fact if a reciprocal insurer, the insurer's name, location of its home office, or principal office in the United States if an alien insurer, the kinds of insurance to be transacted, date of organization or incorporation, form of organization, state or country of domicile, and such additional information as the Commissioner may reasonably require, together with the following documents, as applicable:

1. If a corporation, a copy of its charter or certificate or articles of incorporation, together with all amendments thereto, or as restated and amended under the laws of its state or country of domicile, currently certified by the public officer with whom the originals are on file in that state or country.

2. If a domestic incorporated insurer or a mutual insurer, a copy of its bylaws, certified by the insurer's corporate secretary.

3. If a reciprocal insurer, a copy of the power of attorney of its attorney-in-fact, certified by the attorney-in-fact; and if a domestic reciprocal insurer, the declaration provided for in NRS 694B.060.

4. A complete copy of its financial statement as of not earlier than the December 31 next preceding in form as customarily used in the United States by

1 like insurers, sworn to by at least two executive officers of the insurer or certified  
2 by the public insurance supervisory officer of the insurer's state of domicile, or of  
3 entry into the United States if an alien insurer.

4 5. A copy of the report of last examination made of the insurer within not  
5 more than 5 years next preceding, certified by the public insurance supervisory  
6 officer of the insurer's state of domicile, or of entry into the United States if an  
7 alien insurer.

8 6. The appointment of the Commissioner pursuant to NRS 680A.250 as its  
9 attorney to receive service of legal process.

10 7. If a foreign or alien insurer, a certificate of the public insurance supervisory  
11 officer of its state or country of domicile showing that it is authorized or qualified  
12 for authority to transact in such state or country the kinds of insurance proposed to  
13 be transacted in this state.

14 8. If a foreign insurer, a certificate as to a deposit if it is to be tendered  
15 pursuant to NRS 680A.140.

16 9. A copy of the insurer's rate book and of each form of policy currently  
17 proposed to be issued in this state, and of the form of application therefor.

18 10. If an alien insurer, a copy of the appointment and authority of its United  
19 States manager, certified by its officer having custody of its records.

20 11. Designation by the insurer of its officer or representative authorized to  
21 appoint and remove its agents in this state.

22 **Sec. 6.** NRS 680A.180 is hereby amended to read as follows:

23 680A.180 1. A certificate of authority continues in force as long as the  
24 insurer is entitled thereto under this Code, and until suspended or revoked by the  
25 Commissioner or terminated at the insurer's request, if, each year, the insurer:

26 (a) Pays on or before March 1 the continuation fee provided in NRS 680B.010  
27 ~~+~~ *and, in addition to any other fee or charge, all applicable fees required*  
28 *pursuant to section 3 of this act;*

29 (b) Files its annual statement for the next preceding calendar year as required  
30 by NRS 680A.270; and

31 (c) Pays, if required, the premium taxes for the preceding calendar year.

32 2. If not so continued by the insurer, its certificate of authority expires at  
33 midnight on the May 31 next following such failure of the insurer to continue it in  
34 force, unless earlier revoked for failure to pay taxes as provided in NRS 680A.190.  
35 The Commissioner shall promptly notify the insurer of the occurrence of any failure  
36 resulting in the impending expiration of its certificate of authority.

37 3. The Commissioner may, upon the insurer's request made within 3 months  
38 after expiration, reinstate a certificate of authority which the insurer has  
39 inadvertently permitted to expire, after the insurer has fully cured all its failures  
40 which resulted in the expiration, and upon payment by the insurer of the fee for  
41 reinstatement specified in subsection 1 of NRS 680B.010. Otherwise, the insurer  
42 may be granted another certificate of authority only after filing an application  
43 therefor and meeting all other requirements for an original certificate of authority in  
44 this state.

45 **Sec. 7.** NRS 680A.300 is hereby amended to read as follows:

46 680A.300 1. Except as provided in NRS 680A.310, no authorized insurer  
47 may make, write, place, renew or cause to be made, placed or renewed, any policy  
48 or duplicate policy , *endorsement or contract* of insurance of any kind upon  
49 persons, property or risks resident, located or to be performed in this State, except  
50 through its duly appointed and licensed agents , ~~resident in this State,~~ any one of  
51 whom shall countersign the policy ~~+~~ *, endorsement or contract.*

2. Where two or more insurers jointly issue a single policy, the policy may be countersigned, on behalf of all insurers appearing thereon, by a *duly appointed and* licensed agent ~~[resident in this State]~~ of any one insurer.

3. In any case where it is necessary to execute an emergency bond and a commissioned agent authorized to execute the bond is not present, a manager or other employee of the insurer having authority under a power of attorney may execute the bond in order to produce a valid contract between the insurer and the obligee. The bond must subsequently be countersigned by a ~~[resident]~~ commissioned agent ~~[ ]~~ who *is authorized to execute the bond. The commissioned agent who executes the bond* shall make and retain an adequate office record of the transaction.

~~4. [Nothing contained in this section prevents exercise of the free and unlimited right to negotiate contracts by licensed nonresident agents or brokers outside this State, if the policies, endorsements or evidence of those contracts covering properties or insurable interests in this State are countersigned by a registered agent of this State. Every such policy or contract must be countersigned by a registered agent.]~~

~~5. On business produced by a licensed nonresident agent or broker, which is countersigned by a resident commissioned agent of this State, there must be a division of the usual commission between the licensed nonresident producing agent or broker and the resident countersigning commissioned agent which must produce for the latter a commission of at least 5 percent of the premium. No commission or fee is required as to policies with an annual premium of \$250 or less. The insurer issuing any policy or bond is responsible for payment to the countersigning agent of the fee or commission for the countersignature. Where the licensed nonresident agent or broker or the insurer assuming the risk desires the resident commissioned agent to render additional services during the life of a policy, the compensation to the countersigning commissioned registered agent is a matter of contract between the parties in interest.~~

~~6.]~~ An insurer may use an endorsement to the policy for the sole purpose of countersigning the policy, as required in this section, only if:

(a) The endorsement is attached to the policy to which it applies; and

(b) The policy insures persons or property in this State and one or more other states.

**Sec. 8.** 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, inclusive.....283

(2) For two or more kinds of insurance as so defined.....578

(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



1	articles of incorporation, charter, bylaws, power of attorney and	
2	other constituent documents of the insurer, each document.....	\$10
3	3. Annual statement or report. For filing annual statement or	
4	report.....	\$25
5	4. Service of process:	
6	(a) Filing of power of attorney.....	\$5
7	(b) Acceptance of service of process.....	30
8	5. Licenses, appointments and renewals for producers of	
9	insurance:	
10	(a) Application and license.....	\$125
11	(b) Appointment fee for each insurer.....	15
12	(c) Triennial renewal of each license.....	125
13	(d) Temporary license.....	10
14	(e) Modification of an existing license.....	50
15	6. Surplus lines brokers:	
16	(a) Application and license.....	\$125
17	(b) Triennial renewal of each license.....	125
18	7. Managing general agents' licenses, appointments and	
19	renewals:	
20	(a) Application and license.....	\$125
21	(b) Appointment fee for each insurer.....	15
22	(c) Triennial renewal of each license.....	125
23	8. Adjusters' licenses and renewals:	
24	(a) Independent and public adjusters:	
25	(1) Application and license.....	\$125
26	(2) Triennial renewal of each license.....	125
27	(b) Associate adjusters:	
28	(1) Application and license.....	125
29	(2) Triennial renewal of each license.....	125
30	9. Licenses and renewals for appraisers of physical damage to	
31	motor vehicles:	
32	(a) Application and license.....	\$125
33	(b) Triennial renewal of each license.....	125
34	10. Additional title and property insurers pursuant to NRS	
35	680A.240:	
36	(a) Original registration.....	\$50
37	(b) Annual renewal.....	25
38	11. Insurance vending machines:	
39	(a) Application and license, for each machine.....	\$125
40	(b) Triennial renewal of each license.....	125
41	12. Permit for solicitation for securities:	
42	(a) Application for permit.....	\$100
43	(b) Extension of permit.....	\$50
44	13. Securities salesmen for domestic insurers:	
45	(a) Application and license.....	\$25
46	(b) Annual renewal of license.....	15
47	14. Rating organizations:	
48	(a) Application and license.....	\$500
49	(b) Annual renewal.....	500
50	15. Certificates and renewals for administrators licensed	
51	pursuant to chapter 683A of NRS:	
52	(a) Application and certificate of registration.....	\$125
53	(b) Triennial renewal.....	125

1	16. For copies of the insurance laws of Nevada, a fee which is	
2	not less than the cost of producing the copies.	
3	17. Certified copies of certificates of authority and licenses	
4	issued pursuant to the Code.....	\$10
5	18. For copies and amendments of documents on file in the	
6	Division, a reasonable charge fixed by the Commissioner, including	
7	charges for duplicating or amending the forms and for certifying the	
8	copies and affixing the official seal.	
9	19. Letter of clearance for a producer of insurance or other	
10	licensee if requested by someone other than the licensee .....	\$10
11	20. Certificate of status as a producer of insurance or other	
12	licensee if requested by someone other than the licensee .....	\$10
13	21. Licenses, appointments and renewals for bail agents:	
14	(a) Application and license .....	\$125
15	(b) Appointment for each surety insurer .....	15
16	(c) Triennial renewal of each license .....	125
17	22. Licenses and renewals for bail enforcement agents:	
18	(a) Application and license .....	\$125
19	(b) Triennial renewal of each license .....	125
20	23. Licenses, appointments and renewals for general agents	
21	for bail:	
22	(a) Application and license .....	\$125
23	(b) Initial appointment by each insurer .....	15
24	(c) Triennial renewal of each license .....	125
25	24. Licenses and renewals for bail solicitors:	
26	(a) Application and license .....	\$125
27	(b) Triennial renewal of each license .....	125
28	25. Licenses and renewals for title agents and escrow officers:	
29	(a) Application and license .....	\$125
30	(b) Triennial renewal of each license .....	125
31	(c) Appointment fee for each title insurer .....	15
32	(d) Change in name or location of business or in association .....	10
33	26. Certificate of authority and renewal for a seller of prepaid	
34	funeral contracts .....	\$125
35	27. Licenses and renewals for agents for prepaid funeral	
36	contracts:	
37	(a) Application and license .....	\$125
38	(b) Triennial renewal of each license .....	\$125
39	28. Licenses, appointments and renewals for agents for	
40	fraternal benefit societies:	
41	(a) Application and license .....	\$125
42	(b) Appointment for each insurer .....	15
43	(c) Triennial renewal of each license .....	125
44	29. Reinsurance intermediary broker or manager:	
45	(a) Application and license .....	\$125
46	(b) Triennial renewal of each license .....	125
47	30. Agents for and sellers of prepaid burial contracts:	
48	(a) Application and certificate or license .....	\$125
49	(b) Triennial renewal .....	125
50	31. Risk retention groups:	
51	(a) Initial registration .....	\$250
52	(b) Each annual continuation of a certificate of registration .....	250
53	32. Required filing of forms:	

1	(a) For rates and policies.....	\$25
2	(b) For riders and endorsements .....	10
3	33. Viatical settlements:	
4	(a) Provider of viatical settlements:	
5	(1) Application and license.....	\$1,000
6	(2) Annual renewal .....	1,000
7	(b) Broker of viatical settlements:	
8	(1) Application and license.....	500
9	(2) Annual renewal .....	500
10	(c) Registration of producer of insurance acting as a viatical	
11	settlement broker.....	250
12	34. Insurance consultants:	
13	(a) Application and license .....	\$125
14	(b) Triennial renewal .....	125
15	35. Licensee's association with or appointment or	
16	sponsorship by an organization:	
17	(a) Initial appointment, association or sponsorship, for each	
18	organization.....	\$50
19	(b) Renewal of each association or sponsorship .....	50
20	(c) Annual renewal of appointment .....	15
21	36. Purchasing groups:	
22	(a) Initial registration and review of an application .....	\$100
23	(b) Each annual continuation of registration.....	100
24	<b>37. In addition to any other fee or charge, all applicable fees required of</b>	
25	<b>any person, including, without limitation, persons listed in this section, pursuant</b>	
26	<b>to section 3 of this act.</b>	

**Sec. 9.** NRS 680B.060 is hereby amended to read as follows:

680B.060 1. The taxes imposed under NRS 680B.027 must be collected by the Department of Taxation and promptly deposited with the State Treasurer for credit to the State General Fund.

2. If the tax is not paid by the insurer on or before the date required for payment, the tax then becomes delinquent, and payment thereof may be enforced by court action instituted on behalf of the State by the Attorney General. The Attorney General may employ additional counsel in the city where the home office of the insurer is located, subject to the approval of compensation for such services by the State Board of Examiners. The administrative and substantive enforcement provisions of chapters 360 and 372 of NRS apply to the enforcement of the taxes imposed under NRS 680B.027.

3. Upon the tax becoming delinquent, the Executive Director of the Department of Taxation shall notify the Commissioner, who shall suspend or revoke the insurer's certificate of authority pursuant to NRS 680A.190.

4. If a dispute arises between an insurer and the State as to the amount of tax, if any, payable, the insurer is entitled to pay under protest the tax in the amount assessed by the Department of Taxation, without waiving or otherwise affecting any right of the insurer to recover any amount determined, through appropriate legal action taken by the insurer against the Department of Taxation, to have been in excess of the amount of tax lawfully payable.

5. ~~[(A)]~~ Except as otherwise provided in section 3 of this act, all taxes, fees, licenses, fines and charges collected under this Code, including the general premium tax provided for under NRS 680B.027 and as increased in any instances pursuant to NRS 680A.330, must be promptly deposited with the State Treasurer for credit to the State General Fund.

**Sec. 10.** NRS 681A.160 is hereby amended to read as follows:

681A.160 1. Except as otherwise provided in subsection 2, credit must be allowed if reinsurance is ceded to an assuming insurer which is accredited as a reinsurer in this state. An accredited reinsurer is one which:

(a) Files with the Commissioner an executed form approved by the Commissioner as evidence of its submission to this state's jurisdiction;

(b) Submits to this state's authority to examine its books and records;

(c) Files with the Commissioner a certified copy of a certificate of authority or other evidence approved by the Commissioner indicating that it is licensed to transact insurance or reinsurance in at least one state, or in the case of a branch in the United States of an alien assuming insurer is entered through and licensed to transact insurance or reinsurance in at least one state;

(d) Files annually with the Commissioner a copy of its annual statement filed with the Division of its state of domicile or entry and a copy of its most recent audited financial statement; ~~and~~

(e) Maintains a surplus as regards policyholders in an amount which is not less than \$20,000,000 and whose accreditation:

(1) Has not been denied by the Commissioner within 90 days after its submission; or

(2) Has been approved by the Commissioner ~~and~~; and

*(f) Pays all applicable fees, including, without limitation, all applicable fees required pursuant to section 3 of this act.*

2. No credit may be allowed for a domestic ceding insurer if the assuming insurer's accreditation has been revoked by the Commissioner after notice and a hearing.

**Sec. 11.** NRS 681A.430 is hereby amended to read as follows:

681A.430 1. The Commissioner may issue a license to act as an intermediary to any person who has complied with the requirements of NRS 681A.250 to 681A.580, inclusive, and who submits a written application for a license to act as an intermediary, ~~and~~ the appropriate fee set forth in NRS 680B.010 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.* A license issued to a firm or association authorizes all the members of the firm or association and any designated employees to act as intermediaries. All those persons must be named in the application and any supplements thereto. A license issued to a corporation authorizes all of the officers and any designated employees and directors of the corporation to act as intermediaries on behalf of the corporation. All those persons must be named in the application and in any supplements thereto.

2. If an applicant for a license to act as an intermediary is a nonresident, he shall:

(a) Designate the Commissioner as agent for service of process;

(b) Furnish the Commissioner with the name and address of a resident of Nevada upon whom notices or orders of the Commissioner or process affecting the nonresident reinsurance intermediary may be served; and

(c) Promptly notify the Commissioner in writing of every change in his designated agent for service of process. The change is not effective until acknowledged by the Commissioner.

**Sec. 12.** NRS 683A.08524 is hereby amended to read as follows:

683A.08524 1. Except as otherwise provided in subsection 2, the Commissioner shall issue a certificate of registration as an administrator to an applicant who:

(a) Submits an application on a form prescribed by the Commissioner;

(b) Has complied with the provisions of NRS 683A.08522; and

(c) Pays the fee for the issuance of a certificate of registration prescribed in NRS 680B.010 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

2. The Commissioner may refuse to issue a certificate of registration as an administrator to an applicant if the Commissioner determines that the applicant or any person who has completed an affidavit pursuant to subsection 6 of NRS 683A.08522:

- (a) Is not competent to act as an administrator;
- (b) Is not trustworthy or financially responsible;
- (c) Does not have a good personal or business reputation;
- (d) Has had a license or certificate to transact insurance denied for cause, suspended or revoked in this state or any other state;
- (e) Has failed to comply with any provision of this chapter; or
- (f) Is financially unsound.

**Sec. 13.** NRS 683A.08526 is hereby amended to read as follows:

683A.08526 1. A certificate of registration as an administrator is valid for 3 years after the date the Commissioner issues the certificate to the administrator.

2. An administrator may renew a certificate of registration if he submits to the Commissioner:

- (a) An application on a form prescribed by the Commissioner; and
- (b) The fee for the renewal of the certificate of registration prescribed in NRS 680B.010 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

3. A certificate of registration that is suspended or revoked must be surrendered immediately to the Commissioner.

**Sec. 14.** NRS 683A.160 is hereby amended to read as follows:

683A.160 Each applicant for a license as a managing general agent must submit with his application:

1. A complete set of his fingerprints which the Commissioner may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

2. The appointment of the applicant as a managing general agent by each insurer or underwriter department to be so represented; and

3. The application and license fee specified in NRS 680B.010 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

**Sec. 15.** NRS 683A.251 is hereby amended to read as follows:

683A.251 1. The Commissioner shall prescribe the form of application by a natural person for a license as a resident producer of insurance. The applicant must declare, under penalty of refusal to issue, or suspension or revocation of, the license, that the statements made in the application are true, correct and complete to the best of his knowledge and belief. Before approving the application, the Commissioner must find that the applicant has:

- (a) Attained the age of 18 years;
- (b) Not committed any act that is a ground for refusal to issue, or suspension or revocation of, a license;
- (c) Completed a course of study for the lines of authority for which the application is made, unless the applicant is exempt from this requirement;
- (d) Paid ~~the fee~~ *all applicable fees* prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, neither of which may be refunded; and
- (e) Successfully passed the examinations for the lines of authority for which application is made, unless the applicant is exempt from this requirement.

2. A business organization must be licensed as a producer of insurance in order to act as such. Application must be made on a form prescribed by the Commissioner. Before approving the application, the Commissioner must find that the applicant has:

(a) Paid ~~the fee~~ *all applicable fees* prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, neither of which may be refunded;

(b) Designated a natural person who is licensed as a producer of insurance and who is authorized to transact business on behalf of the business organization to be responsible for the organization's compliance with the laws and regulations of this State relating to insurance; and

(c) If the business organization has authorized a producer of insurance not designated pursuant to paragraph (b) to transact business on behalf of the business organization, submitted to the Commissioner on a form prescribed by the Commissioner the name of each producer of insurance authorized to transact business on behalf of the business organization.

3. A natural person who is a resident of this State applying for a license must furnish a complete set of his fingerprints which the Commissioner may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report. The Commissioner shall adopt regulations concerning the procedures for obtaining this information.

4. The Commissioner may require any document reasonably necessary to verify information contained in an application.

**Sec. 16.** NRS 683A.261 is hereby amended to read as follows:

683A.261 1. Unless the Commissioner refuses to issue the license under NRS 683A.451, he shall issue a license as a producer of insurance to a person who has satisfied the requirements of NRS 683A.241 and 683A.251. A producer of insurance may qualify for a license in one or more of the lines of authority permitted by statute or regulation, including:

(a) Life insurance on human lives, which includes benefits from endowments and annuities and may include additional benefits from death by accident and benefits for dismemberment by accident and for disability.

(b) Health insurance for sickness, bodily injury or accidental death, which may include benefits for disability.

(c) Property insurance for direct or consequential loss or damage to property of every kind.

(d) Casualty insurance against legal liability, including liability for death, injury or disability and damage to real or personal property.

(e) Surety indemnifying financial institutions or providing bonds for fidelity, performance of contracts or financial guaranty.

(f) Variable annuities and variable life insurance, including coverage reflecting the results of a separate investment account.

(g) Credit insurance, including life, disability, property, unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed protection of assets, and any other form of insurance offered in connection with an extension of credit that is limited to wholly or partially extinguishing the obligation which the Commissioner determines should be considered as limited-line credit insurance.

(h) Personal lines, consisting of automobile and motorcycle insurance and residential property insurance, including coverage for flood, of personal watercraft and of excess liability, written over one or more underlying policies of automobile or residential property insurance.

(i) Fixed annuities as a limited line.

(j) Travel and baggage as a limited line.

(k) Rental car agency as a limited line.

2. A license as a producer of insurance remains in effect unless revoked, suspended or otherwise terminated if a request for a renewal is submitted on or before the date for the renewal specified on the license. ~~the fee~~ *all applicable fees* for renewal and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account are paid for each license and each authorization to transact business on behalf of a business organization licensed pursuant to subsection 2 of NRS 683A.251, and any requirement for education or any other requirement to renew the license is satisfied by the date specified on the license for the renewal. A producer of insurance may submit a request for a renewal of his license within 30 days after the date specified on the license for the renewal if the producer of insurance otherwise complies with the provisions of this subsection and pays, in addition to any fee paid pursuant to this subsection, a penalty of 50 percent of ~~the~~ *all applicable* renewal ~~fee~~ *fees, except for any fee required pursuant to section 3 of this act*. A license as a producer of insurance expires if the Commissioner receives a request for a renewal of the license more than 30 days after the date specified on the license for the renewal. A fee paid pursuant to this subsection is nonrefundable.

3. A natural person who allows his license as a producer of insurance to expire may reapply for the same license within 12 months after the date specified on the license for a renewal without passing a written examination or completing a course of study required by paragraph (c) of subsection 1 of NRS 683A.251, but a penalty of twice ~~the~~ *all applicable* renewal ~~fee~~ *fees, except for any fee required pursuant to section 3 of this act*, is required for any request for a renewal of the license that is received after the date specified on the license for the renewal.

4. A licensed producer of insurance who is unable to renew his license because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.

5. A license must state the licensee's name, address, personal identification number, the date of issuance, the lines of authority and the date of expiration and must contain any other information the Commissioner considers necessary. A resident producer of insurance shall maintain a place of business in this State which is accessible to the public and where he principally conducts transactions under his license. The place of business may be in his residence. The license must be conspicuously displayed in an area of the place of business which is open to the public.

6. A licensee shall inform the Commissioner of each change of location from which he conducts business as a producer of insurance and each change of business or residence address, in writing or by other means acceptable to the Commissioner, within 30 days after the change. If a licensee changes the location from which he conducts business as a producer of insurance or his business or residence address without giving written notice and the Commissioner is unable to locate the licensee after diligent effort, he may revoke the license without a hearing. The mailing of a letter by certified mail, return receipt requested, addressed to the licensee at his last mailing address appearing on the records of the Division, and the return of the letter undelivered, constitutes a diligent effort by the Commissioner.

**Sec. 17.** NRS 683A.271 is hereby amended to read as follows:

683A.271 1. Unless the Commissioner refuses to issue the license under NRS 683A.451, the Commissioner shall issue a license as a producer of insurance to a nonresident person if:

(a) He is currently licensed as a resident and in good standing in his home state;

(b) He has made the proper request for licensure and paid ~~the fee~~ *all applicable fees* prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account;

(c) He has sent to the Commissioner the application for licensure that he made in his home state, or a completed uniform application; and

(d) His home state issues nonresident licenses as producers of insurance to residents of this State pursuant to substantially the same procedure.

2. The Commissioner may participate with the National Association of Insurance Commissioners or a subsidiary in a centralized registry in which licensing and appointment of producers of insurance may be effected for all states that require licensing and participate in the registry. If he finds that participation is in the public interest, he may adopt by regulation any uniform standards and procedures necessary for participation, including central collection of fees for licensing and appointment that are handled through the registry.

3. A nonresident producer who moves from one state to another state shall file a change of address and certification from his new state of residence within 30 days after his change of legal residence. No fee or application for license is required.

4. A nonresident licensed as a producer for surplus lines in his home state must be issued a nonresident license of that kind in this State pursuant to subsection 1, subject in all other respects to chapter 685A of NRS. A nonresident licensed as a producer for limited lines in his home state is entitled to a nonresident license of that kind in this State pursuant to subsection 1, granting the same scope of authority as the license issued in the home state. As used in this subsection, insurance for limited lines is authority granted by the home state which is restricted to less than the total authority prescribed for the associated major lines pursuant to NRS 683A.261.

**Sec. 18.** NRS 683A.371 is hereby amended to read as follows:

683A.371 1. An external review organization shall not conduct an external review of a final adverse determination pursuant to NRS 695G.241 to 695G.310, inclusive, unless the external review organization is certified in accordance with regulations adopted by the Commissioner. The regulations must include, without limitation, provisions setting forth:

(a) The manner in which an external review organization may apply for a certificate and the requirements for the issuance and renewal of the certificate pursuant to this section;

(b) The grounds for which the Commissioner may refuse to issue, suspend, revoke or refuse to renew a certificate issued pursuant to this section; and

(c) The manner and circumstances under which an external review organization is required to conduct its business.

2. A certificate issued pursuant to this section expires 1 year after it is issued and may be renewed in accordance with regulations adopted by the Commissioner.

3. Except as otherwise provided in subsection 6, before the Commissioner may certify an external review organization, the external review organization must:

(a) Demonstrate to the satisfaction of the Commissioner that it is able to carry out, in a timely manner, the duties of an external review organization set forth in this section and NRS 695G.241 to 695G.310, inclusive. The demonstration must include, without limitation, proof that the external review organization employs, contracts with or otherwise retains only persons who are qualified because of their education, training, professional licensing and experience to perform the duties assigned to those persons; and



(b) Provide assurances satisfactory to the Commissioner that the external review organization will:

(1) Conduct its external review activities in accordance with the provisions of this section and NRS 695G.241 to 695G.310, inclusive;

(2) Provide its determinations in a clear, consistent, thorough and timely manner; and

(3) Avoid conflicts of interest.

4. For the purposes of this section, an external review organization has a conflict of interest if the external review organization or any employee, agent or contractor of the external review organization who conducts an external review has a material professional, familial or financial interest in any person who has a substantial interest in the outcome of the external review, including, without limitation:

(a) The insured;

(b) The insurer or any officer, director or management employee of the insurer;

(c) The provider of health care services that are provided or proposed to be provided, his partner or any other member of his medical group or practice;

(d) The hospital or other licensed health care facility where the health care service or treatment that is subject to external review has been or will be provided; or

(e) A developer, manufacturer or other person who has a substantial interest in the principal procedure, equipment, drug, device or other instrumentality that is the subject of the external review.

5. The Commissioner shall not certify an external review organization that is affiliated with:

(a) A health care plan; or

(b) A national, state or local trade association.

6. An external review organization that is certified or accredited by an accrediting body that is nationally recognized shall be deemed to have satisfied all the conditions and qualifications required for certification pursuant to this section.

7. The Commissioner may charge and collect ~~a fee~~ *all applicable fees* for issuing or renewing a certificate of an external review organization pursuant to this section. ~~[The fee must not exceed the cost of issuing or renewing the certificate.]~~

8. The Commissioner shall annually prepare and make available to the general public a list that includes the name of each external review organization which is issued a certificate or whose certificate is renewed pursuant to this section during the year immediately preceding the year in which the Commissioner prepares the list.

9. As used in this section:

(a) "Adverse determination" has the meaning ascribed to it in NRS 695G.012.

(b) "External review organization" has the meaning ascribed to it in NRS 695G.018.

(c) "Provider of health care" means any physician or other person who is licensed in this State or is licensed, certified or otherwise authorized by any other state to provide any health care service.

**Sec. 19.** NRS 683A.378 is hereby amended to read as follows:

683A.378 1. A person shall not conduct utilization review unless he is:

(a) Registered with the Commissioner as an agent who performs utilization review and has a medical director who is a physician or, in the case of an agent who reviews dental services, a dentist, licensed in any state; or

(b) Employed by a registered agent who performs utilization review.

2. A person may apply for registration by filing with the Commissioner a \$250 fee *and, in addition to any other fee or charge, all applicable fees required*

*pursuant to section 3 of this act* and the following information on a form provided by the Commissioner:

(a) The applicant's name, address, telephone number and normal business hours;

(b) The name and telephone number of a person the Commissioner may contact for information concerning the applicant;

(c) The name of the medical director of the applicant and the state in which he is licensed to practice medicine or dentistry; and

(d) A summary of the plan for utilization review, including procedures for appealing determinations made through utilization review.

3. An agent who performs utilization review shall file with the Commissioner any material changes in the information provided pursuant to subsection 1 within 30 days after the change occurs.

4. The Commissioner shall not evaluate the plan submitted pursuant to paragraph (d) of subsection 2. The Commissioner shall make the plan available upon request and shall charge a reasonable fee for providing a copy of the plan.

5. Registration pursuant to this section must be renewed on or before March 1 of each year by providing the information specified in subsection 2 and paying a renewal fee of \$250 ~~+~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

**Sec. 20.** NRS 683C.030 is hereby amended to read as follows:

683C.030 1. An application for a license to act as an insurance consultant must be submitted to the Commissioner on forms prescribed by the Commissioner and must be accompanied by the applicable license fee set forth in NRS 680B.010 , ~~and~~ an additional fee established by the Commissioner of not more than \$15 which must be deposited in the Insurance Recovery Account created pursuant to NRS 679B.305 ~~+~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.* The license fee *set forth in NRS 680B.010* and the additional fee *established by the Commissioner of not more than \$15* are not refundable. If the applicant is a natural person, the application must include the social security number of the applicant.

2. An applicant for an insurance consultant's license must successfully complete an examination and a course of instruction which the Commissioner shall establish by regulation.

3. Each license issued pursuant to this chapter is valid for 3 years from the date of issuance or until it is suspended, revoked or otherwise terminated ~~+~~ , *and each insurance consultant must pay, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

**Sec. 21.** NRS 683C.035 is hereby amended to read as follows:

683C.035 1. The Commissioner shall prescribe the form of application by a natural person for a license as an insurance consultant. The applicant must declare, under penalty of refusal to issue, or suspension or revocation of, the license, that the statements made in the application are true, correct and complete to the best of his knowledge and belief. Before approving the application, the Commissioner must find that the applicant has:

(a) Attained the age of 18 years.

(b) Not committed any act that is a ground for refusal to issue, or suspension or revocation of, a license pursuant to NRS 683A.451.

(c) Paid ~~the fee~~ *all applicable fees* prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, ~~neither~~ *none* of which may be refunded.

(d) Passed each examination required for the license and successfully completed each course of instruction which the Commissioner requires by

1 regulation, unless he is a resident of another state and holds a similar license in that  
2 state.

3 2. A business organization must be licensed as an insurance consultant in  
4 order to act as such. Application must be made on a form prescribed by the  
5 Commissioner. Before approving the application, the Commissioner must find that  
6 the applicant has:

7 (a) Paid ~~the fee~~ *all applicable fees* prescribed for the license and a fee  
8 established by the Commissioner of not more than \$15 for deposit in the Insurance  
9 Recovery Account, ~~neither~~ *none* of which may be refunded; and

10 (b) Designated a natural person who is licensed as an insurance consultant in  
11 this State and who is affiliated with the business organization to be responsible for  
12 the organization's compliance with the laws and regulations of this State relating to  
13 insurance.

14 3. The Commissioner may require any document reasonably necessary to  
15 verify information contained in an application.

16 4. A license issued pursuant to this chapter is valid for 3 years after the date  
17 of issuance or until it is suspended, revoked or otherwise terminated.

18 5. An insurance consultant may qualify for a license pursuant to this chapter  
19 in one or more of the lines of authority set forth in paragraphs (a) to (d), inclusive,  
20 of subsection 1 of NRS 683A.261.

21 **Sec. 22.** NRS 683C.040 is hereby amended to read as follows:

22 683C.040 1. A license may be renewed for additional 3-year periods by  
23 submitting to the Commissioner an application for renewal and:

24 (a) If the application is made:

25 (1) On or before the expiration date of the license, ~~the~~ *all* applicable  
26 renewal ~~fee~~ *fees* and an additional fee established by the Commissioner of not  
27 more than \$15 for deposit in the Insurance Recovery Account; or

28 (2) Not more than 30 days after the expiration date of the license, ~~the~~ *all*  
29 applicable renewal ~~fee~~ *fees* plus any late fee required and an additional fee  
30 established by the Commissioner of not more than \$15 for deposit in the Insurance  
31 Recovery Account;

32 (b) If the applicant is a natural person, the statement required pursuant to NRS  
33 683C.043; and

34 (c) If the applicant is a resident, proof of the successful completion of  
35 appropriate courses of study required for renewal, as established by the  
36 Commissioner by regulation.

37 2. The fees specified in this section are not refundable.

38 **Sec. 23.** NRS 684A.090 is hereby amended to read as follows:

39 684A.090 1. The applicant for a license as an adjuster shall file a written  
40 application therefor with the Commissioner on forms prescribed and furnished by  
41 the Commissioner. As part of, or in connection with, the application, the applicant  
42 shall furnish information as to his identity, personal history, experience, financial  
43 responsibility, business record and other pertinent matters as reasonably required by  
44 the Commissioner to determine the applicant's eligibility and qualifications for the  
45 license.

46 2. If the applicant is a natural person, the application must include the social  
47 security number of the applicant.

48 3. If the applicant is a firm or corporation, the application must also include  
49 the names of all firm members, all corporate officers and directors, and shall  
50 designate each individual who is to exercise the license powers. Each such member,  
51 officer, director and individual shall furnish information to the Commissioner as  
52 though applying for an individual license.

4. If the applicant is a nonresident of this state, the application must be accompanied by an appointment of the Commissioner as process agent and agreement to appear pursuant to NRS 684A.200.

5. The application must be accompanied by the applicable license fee as specified in NRS 680B.010 ~~and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.~~

6. No applicant for such a license may willfully misrepresent or withhold any fact or information called for in the application form or in connection therewith. A violation of this subsection is a gross misdemeanor.

**Sec. 24.** NRS 684A.130 is hereby amended to read as follows:

684A.130 1. Each license issued under this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon payment of ~~the~~ all applicable ~~fee~~ fees for renewal to the Commissioner and submission of the statement required pursuant to NRS 684A.143 if the licensee is a natural person. The statement, if required, must be submitted and ~~the fee~~ all applicable fees must be paid on or before the last day of the month in which the license is renewable.

2. Any license not so renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by:

(a) A fee for renewal of 150 percent of ~~the fee~~ all applicable fees otherwise required ~~and~~, except for any fee required pursuant to section 3 of this act; and

(b) If the person requesting renewal is a natural person, the statement required pursuant to NRS 684A.143.

3. This section does not apply to temporary licenses issued under NRS 684A.150.

**Sec. 25.** NRS 684A.140 is hereby amended to read as follows:

684A.140 1. Concurrently with an application for a license or for renewal of a license as an adjuster, the applicant or licensee must provide an appointment for each associate adjuster employed by him or to be employed by him contingent upon issuance of the license. Each person who desires to become licensed as an associate adjuster must submit an application to the Commissioner for such a license. The application must include the social security number of the applicant.

2. Upon payment of ~~the appropriate fee~~ all applicable fees, the Commissioner shall issue and deliver to a licensed adjuster a license for each associate authorized by the State to act on behalf of the licensee. The Commissioner shall not issue a license as an associate adjuster to a person who is licensed as a producer of insurance for property, casualty or surety or a surplus lines broker.

3. The license of an associate adjuster may be renewed upon payment of ~~the~~ all applicable ~~fee~~ fees. His license terminates at the same time as the license of the employing adjuster unless, within 30 days after the termination of the license, the associate adjuster submits to the Commissioner ~~the~~ all applicable ~~fee~~ fees and a request to be employed by another employing adjuster. The Commissioner shall promptly terminate an associate adjuster's license upon written request therefor by the employing adjuster.

4. A person shall not act as or hold himself out in this State to be an associate adjuster unless he holds a current license as such issued to him by the Commissioner. A violation of this provision is a gross misdemeanor.

**Sec. 26.** NRS 684B.020 is hereby amended to read as follows:

684B.020 1. No person may act as a motor vehicle physical damage appraiser for motor vehicle physical damage claims on behalf of any insurance

1 company or business organization engaged in the adjustment or appraisal of motor  
2 vehicle claims unless he has:

3 (a) Secured a license from the Commissioner.

4 (b) Paid ~~the~~ *all* applicable license ~~fee~~ *fees*.

5 2. Any person who has been engaged in the business as a motor vehicle  
6 physical damage appraiser for a period of 2 consecutive years immediately before  
7 January 1, 1972, is entitled to a license upon application to the Commissioner  
8 without further qualification.

9 3. The provisions of this section do not apply to:

10 (a) A licensed insurance adjuster.

11 (b) An employee of any authorized insurer, motor club, motor vehicle dealer or  
12 automobile body repair shop.

13 4. A person who acts as a motor vehicle physical damage appraiser in this  
14 state without a license, unless exempt under subsection 3, is subject to an  
15 administrative fine of not more than \$1,000 for each violation.

16 **Sec. 27.** NRS 684B.040 is hereby amended to read as follows:

17 684B.040 1. An applicant for a license as a motor vehicle physical damage  
18 appraiser must file a written application therefor with the Commissioner on forms  
19 prescribed and furnished by the Commissioner. The applicant must furnish  
20 information as to his identity, personal history, experience, financial responsibility,  
21 business record and other pertinent matters as reasonably required by the  
22 Commissioner to determine the applicant's eligibility and qualifications for the  
23 license.

24 2. If the applicant is a natural person, the application must include the social  
25 security number of the applicant.

26 3. If the applicant is a business organization, the application must include the  
27 names of all members, officers and directors, and must designate each natural  
28 person who is to exercise the licensee's powers. A natural person who is authorized  
29 to act for a business organization and who also wishes to be licensed in an  
30 individual capacity must obtain a separate license in his own name.

31 4. The application must be accompanied by ~~the~~ *all* applicable license ~~fee~~ *fees*  
32 *fees*. The Commissioner shall charge ~~a~~ separate ~~fee~~ *fees* for each person  
33 authorized to act for a business organization.

34 5. An applicant for a license who desires to use a name other than his true  
35 name must comply with the provisions of NRS 683A.301. The Commissioner shall  
36 not issue a license in a trade name unless the name has been registered pursuant to  
37 NRS 600.240 to 600.450, inclusive.

38 6. An applicant for a license shall not willfully misrepresent or withhold any  
39 fact or information called for in the application form or in connection with his  
40 application. A violation of this subsection is a gross misdemeanor.

41 **Sec. 28.** NRS 684B.060 is hereby amended to read as follows:

42 684B.060 1. If the Commissioner finds that the application is complete and  
43 the applicant is otherwise eligible and qualified for the license as a motor vehicle  
44 physical damage appraiser, the Commissioner shall promptly issue the license. If  
45 the Commissioner refuses to issue the license he shall promptly notify the applicant  
46 in writing of the refusal, stating the grounds for the refusal.

47 2. If the license is refused, the Commissioner shall promptly refund to the  
48 applicant ~~the~~ *any refundable* license ~~fee~~ *fees* tendered with the application.

49 **Sec. 29.** NRS 684B.080 is hereby amended to read as follows:

50 684B.080 1. Each license issued under this chapter continues in force for 3  
51 years unless it is suspended, revoked or otherwise terminated. A license may be  
52 renewed upon payment of ~~the~~ *all* applicable ~~fee~~ *fees* for renewal to the  
53 Commissioner and submission of the statement required pursuant to NRS 684B.083

1 if the licensee is a natural person. The statement, if required, must be submitted and  
2 ~~{the fee}~~ *all applicable fees* must be paid on or before the last day of the month in  
3 which the license is renewable.

4 2. Any license not so renewed expires at midnight on the last day specified  
5 for its renewal. The Commissioner may accept a request for renewal received by  
6 him within 30 days after the expiration of the license if the request is accompanied  
7 by a fee for renewal of 150 percent of ~~{the fee}~~ *all applicable fees* otherwise  
8 required, *except for any fee required pursuant to section 3 of this act*, and the  
9 statement required pursuant to NRS 684B.083 if the person requesting renewal is a  
10 natural person.

11 **Sec. 30.** NRS 685A.070 is hereby amended to read as follows:

12 685A.070 1. A broker shall not knowingly place surplus lines insurance  
13 with an insurer which is unsound financially or ineligible pursuant to this section.

14 2. Except as otherwise provided in this section, an insurer is not eligible to  
15 accept surplus lines risks pursuant to this chapter unless it has surplus as to  
16 policyholders in an amount of not less than \$15,000,000 and, if an alien insurer,  
17 unless it has and maintains in a bank or trust company which is a member of the  
18 United States Federal Reserve System a trust fund established pursuant to terms  
19 that are reasonably adequate to protect all of its policyholders in the United States.  
20 Such a trust fund must not have an expiration date which is at any time less than 5  
21 years in the future, on a continuing basis. In the case of:

22 (a) A single alien insurer, such a trust fund must not be less than the greater of  
23 \$5,400,000 or 30 percent of the gross liabilities of the alien insurer for surplus lines  
24 in the United States, excluding any liabilities for aviation, wet marine and  
25 transportation insurance, not to exceed \$60,000,000, to be determined annually on  
26 the basis of accounting practices and procedures that are substantially equivalent to  
27 the accounting practices and procedures applicable in this State as of December 31  
28 of the year immediately preceding the date of the determination where:

29 (1) The liabilities are maintained in an irrevocable trust account in a  
30 qualified financial institution in the United States, on behalf of policyholders in the  
31 United States, consisting of cash, securities, letters of credit or any other  
32 investments of substantially the same character and quality as investments that are  
33 eligible investments pursuant to chapter 682A of NRS for the capital and statutory  
34 reserves of admitted insurers to write like kinds of insurance in this State. The trust  
35 fund, which must be included in any calculation of capital and surplus or its  
36 equivalent, must comply with the requirements set forth in the Standard Trust  
37 Agreement required for listing with the International Insurers Department of the  
38 National Association of Insurance Commissioners;

39 (2) The alien insurer may request approval by the Commissioner to use the  
40 trust fund to pay any valid claim against a surplus line if the balance of the trust  
41 fund is not, during any period, less than \$5,400,000 or 30 percent of the alien  
42 insurer's current gross liabilities for surplus lines in the United States, excluding  
43 any liabilities for aviation, wet marine and transportation insurance; and

44 (3) In calculating the amount of the trust fund required by this subsection,  
45 credit must be given for any deposits for any surplus lines that are separately  
46 required and maintained within a state or territory of the United States, not to  
47 exceed the amount of the alien insurer's loss and loss adjustment reserves  
48 maintained in that state or territory.

49 (b) A group of insurers which includes individual unincorporated insurers,  
50 such a trust fund must not be less than \$100,000,000.

51 (c) A group of incorporated insurers under common administration, such a trust  
52 fund must not be less than \$100,000,000. Each insurer within the group must

1 individually maintain capital and surplus of not less than \$25,000,000. The group of  
2 incorporated insurers must:

3 (1) Operate under the supervision of the Department of Trade and Industry  
4 of the United Kingdom;

5 (2) Possess aggregate policyholders surplus of \$10,000,000,000, which  
6 must consist of money in trust in an amount not less than the assuming insurers'  
7 liabilities attributable to insurance written in the United States; and

8 (3) Maintain a joint trustee surplus of which \$100,000,000 must be held  
9 jointly for the benefit of United States ceding insurers of any member of the group.

10 (d) An insurance exchange created by the laws of a state, the insurance  
11 exchange shall have and maintain a trust fund in an amount of not less than  
12 \$75,000,000 or have a surplus as to policyholders in an amount of not less than  
13 \$75,000,000. If an insurance exchange maintains money for the protection of all  
14 policyholders, each syndicate shall maintain minimum capital and surplus of not  
15 less than \$15,000,000 and must qualify separately to be eligible for the acceptance  
16 of surplus lines risks pursuant to this chapter.

17 ➤ The Commissioner may require larger trust funds or surplus as to policyholders  
18 than those set forth in this section if, in his judgment, the volume of business being  
19 transacted or proposed to be transacted warrants larger amounts.

20 3. An insurer is not eligible to write surplus lines of insurance unless it has  
21 established a reputation for financial integrity and satisfactory practices in  
22 underwriting and handling claims. In addition, a foreign insurer must be authorized  
23 in the state of its domicile to write the kinds of insurance which it intends to write  
24 in Nevada.

25 4. The Commissioner may from time to time compile or approve a list of all  
26 surplus lines insurers deemed by him to be eligible currently, and may mail a copy  
27 of the list to each broker at his office last of record with the Commissioner. To be  
28 placed on the list, a surplus lines insurer must file an application with the  
29 Commissioner. The application must be accompanied by a nonrefundable fee of  
30 \$2,450 ~~and, in addition to any other fee or charge, all applicable fees required~~  
31 ~~pursuant to section 3 of this act. To remain on the list, a surplus line insurer must~~  
32 ~~pay, in addition to any other fee or charge, all applicable fees required pursuant~~  
33 ~~to section 3 of this act.~~ This subsection does not require the Commissioner to  
34 determine the actual financial condition or claims practices of any unauthorized  
35 insurer. The status of eligibility, if granted by the Commissioner, indicates only that  
36 the insurer appears to be sound financially and to have satisfactory claims practices,  
37 and that the Commissioner has no credible evidence to the contrary. While any such  
38 list is in effect, the broker shall restrict to the insurers so listed all surplus lines  
39 business placed by him.

40 **Sec. 31.** NRS 685A.120 is hereby amended to read as follows:

41 685A.120 1. No person may act as, hold himself out as or be a surplus lines  
42 broker with respect to subjects of insurance resident, located or to be performed in  
43 this State or elsewhere unless he is licensed as such by the Commissioner pursuant  
44 to this chapter.

45 2. Any person who has been licensed by this State as a producer of insurance  
46 for general lines for at least 6 months, or has been licensed in another state as a  
47 surplus lines broker and continues to be licensed in that state, and who is deemed  
48 by the Commissioner to be competent and trustworthy with respect to the handling  
49 of surplus lines may be licensed as a surplus lines broker upon:

50 (a) Application for a license and payment of ~~the~~ *all* applicable ~~fee~~ *fees* for a  
51 license and a fee established by the Commissioner of not more than \$15 for deposit  
52 in the Insurance Recovery Account created by NRS 679B.305;

53 (b) Submitting the statement required pursuant to NRS 685A.127; and



(c) Passing any examination prescribed by the Commissioner on the subject of surplus lines.

3. An application for a license must be submitted to the Commissioner on a form designated and furnished by him. The application must include the social security number of the applicant.

4. A license issued pursuant to this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. The license may be renewed upon submission of the statement required pursuant to NRS 685A.127 and payment of ~~the~~ *all* applicable ~~fee~~ *fees* for renewal and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created by NRS 679B.305 to the Commissioner on or before the last day of the month in which the license is renewable.

5. A license which is not renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by:

(a) The statement required pursuant to NRS 685A.127;

(b) ~~The~~ *All* applicable ~~fee~~ *fees* for renewal;

(c) A penalty in an amount that is equal to 50 percent of ~~the~~ *all* applicable ~~fee~~ *fees* for renewal ~~and~~ *, except for any fee required pursuant to section 3 of this act;* and

(d) A fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created by NRS 679B.305.

**Sec. 32.** NRS 686A.360 is hereby amended to read as follows:

686A.360 1. An application for a license to engage in the business of a company must be filed with the Commissioner on a form prescribed by him and must include:

(a) A nonrefundable fee for application and for investigation of the applicant of \$500 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act;*

(b) A surety bond payable to the State of Nevada in the amount of \$50,000, executed by a surety company which is authorized to do business in Nevada;

(c) A current certified financial statement or another financial statement if individually approved by the Commissioner;

(d) An appointment of the Commissioner and his successors in office as the applicant's attorney to receive service of process; and

(e) If the applicant is a corporation, a copy of its articles of incorporation.

2. The applicant shall provide the Commissioner with any material change concerning information contained in the application within 10 days after the change occurs.

**Sec. 33.** NRS 686A.380 is hereby amended to read as follows:

686A.380 1. A company must renew its license on or before March 1 of each year. An application for renewal must be submitted on a form prescribed by the Commissioner and must be accompanied by:

(a) A financial statement for the preceding year; and

(b) A fee of \$500, ~~and~~ *any penalty imposed pursuant to subsection 2 and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

2. The Commissioner may grant an extension allowing a company to file an application for renewal after March 1 if the company shows that for reasons beyond its control it cannot apply before that date. If a company which has not been granted an extension files its application for renewal after March 1, the company shall pay a penalty of \$25 for each day the application is late.



1       **Sec. 34.** NRS 686B.140 is hereby amended to read as follows:

2       686B.140 1. A rate service organization or an advisory organization  
3 applying for a license as required by NRS 686B.130 must include with its  
4 application:

5       (a) A copy of its constitution, charter, articles of organization, agreement,  
6 association or incorporation, and a copy of its bylaws, plan of operation and any  
7 other rules or regulations governing the conduct of its business;

8       (b) A list of its membership and subscribers;

9       (c) The name and address of one or more residents of this State upon whom  
10 notices, process affecting it or orders of the Commissioner may be served;

11       (d) A statement showing its technical qualifications for acting in the capacity  
12 for which it seeks a license;

13       (e) If the applicant is a natural person who wishes to obtain a license as a rate  
14 service organization, the statement required pursuant to NRS 686B.143;

15       (f) Any other relevant information and documents that the Commissioner may  
16 require; and

17       (g) ~~{the}~~ All applicable ~~{fee}~~ fees.

18       2. If the applicant is a natural person, the application must include the social  
19 security number of the applicant.

20       3. Every organization which has applied for a license pursuant to subsection 1  
21 shall thereafter promptly notify the Commissioner of every material change in the  
22 facts or in the documents on which its application was based.

23       4. If the Commissioner finds that the applicant and the natural persons  
24 through whom it acts are competent, trustworthy and technically qualified to  
25 provide the services proposed, and that all requirements of law are met, he shall  
26 issue a license specifying the authorized activity of the applicant. He shall not issue  
27 a license if the proposed activity would tend to create a monopoly or to lessen or  
28 destroy competition in prices.

29       5. A license issued pursuant to this section continues in effect until the  
30 licensee leaves the State or until the license is suspended, revoked or otherwise  
31 terminated. A license may be renewed upon:

32       (a) If the licensee is a natural person who has been issued a license as a rate  
33 service organization, submission of the statement required pursuant to NRS  
34 686B.143 and payment of ~~{the}~~ all applicable ~~{fee}~~ fees for renewal to the  
35 Commissioner on or before the last day on which the license is renewable; or

36       (b) If the licensee is an advisory organization or a rate service organization that  
37 is not a natural person, payment of ~~{the}~~ all applicable ~~{fee}~~ fees for renewal to the  
38 Commissioner on or before the last day on which the license is renewable.

39       6. A license which is not renewed annually expires on March 1. The  
40 Commissioner may accept a request for renewal received by him within 30 days  
41 after the expiration of the license if the request is accompanied by:

42       (a) If the licensee is a natural person who has been issued a license as a rate  
43 service organization, the statement required pursuant to NRS 686B.143 and a fee  
44 for renewal of 150 percent of ~~{the fee}~~ all applicable fees otherwise required ~~{}~~ ,  
45 *except for any fee required pursuant to section 3 of this act*; or

46       (b) If the licensee is a rate service organization that is not a natural person or is  
47 an advisory organization, a fee for renewal of 150 percent of ~~{the fee}~~ all applicable  
48 fees otherwise required ~~{}~~ , *except for any fee required pursuant to section 3 of*  
49 *this act*.

50       7. Any amendment to a document filed pursuant to paragraph (a) of  
51 subsection 1 must be filed at least 30 days before it becomes effective. Failure to  
52 comply with this subsection is a ground for revocation of the license granted  
53 pursuant to subsection 4.

1       **Sec. 35.** Chapter 687B of NRS is hereby amended by adding thereto the  
2 provisions set forth as sections 36, ~~37 and 38,~~ **to 38.5,** inclusive, of this act.

3       **Sec. 36.** *An insurer or other organization providing health coverage*  
4 *pursuant to chapter 689A, 689B, 689C, 695A, 695B, 695C, 695D or 695F of NRS*  
5 *shall comply with the provisions of the Genetic Information Nondiscrimination*  
6 *Act of 2008, Public Law 110-233, and any federal regulations issued pursuant*  
7 *thereto.*

8       **Sec. 37.** *An insurer or other organization providing health coverage*  
9 *pursuant to chapter 689B, 695A, 695B, 695C or 695F of NRS shall comply with*  
10 *the provisions of the Paul Wellstone and Pete Domenici Mental Health Parity*  
11 *and Addition Equity Act of 2008, Public Law 110-343, Division C, Title V,*  
12 *Subtitle B, and any federal regulations issued pursuant thereto.*

13       **Sec. 38.** *An insurer or other organization providing health coverage*  
14 *pursuant to chapter 689B, 689C, 695A, 695B, 695C or 695F of NRS shall comply*  
15 *with the provisions of Michelle's Law, Public Law 110-381, and any federal*  
16 *regulations issued pursuant thereto.*

17       **Sec. 38.5.** *If a policy of health insurance issued pursuant to chapter 689A,*  
18 *689B, 689C, 695A, 695B, 695C or 695G includes coverage for a prescription drug*  
19 *that is necessary for an insured to prevent the rejection of a transplanted organ,*  
20 *the insurer must notify the insured and, if known, the physician of the insured*  
21 *who prescribed the drug at least 30 days before a change in the formulary of the*  
22 *insurer within the plan year which affects that prescription becomes effective.*

23       **Sec. 39.** NRS 688C.190 is hereby amended to read as follows:

24       688C.190 1. Except as otherwise provided in NRS 688C.215, a person shall  
25 not, without first obtaining a license from the Commissioner, operate in or from this  
26 State as a provider or broker of viatical settlements.

27       2. Application for a license must be made to the Commissioner on a form  
28 prescribed by him, accompanied by ~~the prescribed fee,~~ **all applicable fees.** A  
29 license may be renewed from year to year on its anniversary by payment of ~~the~~  
30 ~~prescribed fee,~~ **all applicable fees.** The license expires if ~~the fee is,~~ **all applicable**  
31 **fees** are not paid by that date.

32       3. An applicant shall provide information on forms required by the  
33 Commissioner, who may at any time require the applicant to disclose the identity of  
34 all stockholders, partners, members, officers and employees. The Commissioner  
35 may refuse to issue a license to an organization if he is not satisfied that a  
36 stockholder, partner, member or officer who may materially influence the  
37 applicant's conduct satisfies the requirements of this chapter.

38       4. A license issued to an organization authorizes all partners, members,  
39 officers and designated employees to act as providers or brokers of viatical  
40 settlements. Those persons must be named in the application or a supplement to it.

41       **Sec. 40.** NRS 688C.200 is hereby amended to read as follows:

42       688C.200 1. Upon the filing of an application and payment of ~~the fee,~~ **all**  
43 **applicable fees,** the Commissioner shall investigate the applicant, and issue a  
44 license if he finds that the applicant:

45       (a) If a provider of viatical settlements, has set forth a detailed plan of  
46 operation;

47       (b) Is competent and trustworthy and intends to act in good faith in the capacity  
48 for which the license is sought;

49       (c) Has a good reputation in business and, if a natural person, has had  
50 experience, training or education which qualifies him in that capacity;

51       (d) If an organization, provides a certificate of good standing from the state of  
52 its domicile; and

(e) If a provider or broker of viatical settlements, has included a plan to prevent fraud which satisfies the requirements of NRS 688C.490.

2. The Commissioner shall not issue a license to a nonresident unless a written designation of an agent for service of process, or an irrevocable written consent to the commencement of an action against the applicant by service of process upon the Commissioner, accompanies the application.

3. A provider or broker of viatical settlements shall furnish to the Commissioner new or revised information concerning partners, members, officers, holders of more than 10 percent of its stock, and designated employees within 30 days after a change occurs.

**Sec. 41.** NRS 689.175 is hereby amended to read as follows:

689.175 1. The proposed seller, or the appropriate corporate officer of the proposed seller, shall apply in writing to the Commissioner for a seller's certificate of authority, showing:

(a) The proposed seller's name and address, and his occupations during the preceding 5 years;

(b) The name and address of the proposed trustee;

(c) The names and addresses of the proposed performers, specifying what particular services, supplies and equipment each performer is to furnish under the proposed prepaid contract; and

(d) Such other pertinent information as the Commissioner may reasonably require.

2. The application must be accompanied by:

(a) A copy of the proposed trust agreement and a written statement signed by an authorized officer of the proposed trustee to the effect that the proposed trustee understands the nature of the proposed trust fund and accepts it;

(b) A copy of each contract or understanding, existing or proposed, between the seller and performers relating to the proposed prepaid contract or items to be supplied under it;

(c) A certified copy of the articles of incorporation and the bylaws of any corporate applicant;

(d) A copy of any other document relating to the proposed seller, trustee, trust, performer or prepaid contract, as required by the Commissioner;

(e) A complete set of his fingerprints and written permission authorizing the Commissioner to forward those fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(f) A fee representing the amount charged by the Federal Bureau of Investigation for processing the fingerprints of the applicant; and

(g) The applicable fee established in NRS 680B.010, which is not refundable ~~{ }~~, and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.

**Sec. 42.** NRS 689.205 is hereby amended to read as follows:

689.205 1. Each seller's certificate of authority issued pursuant to NRS 689.150 to 689.375, inclusive, expires at midnight on April 30 of the third year following its date of issuance or renewal.

2. The Commissioner shall renew a certificate of authority upon receiving a written request for renewal from the seller, accompanied by ~~the~~ all applicable ~~{fee}~~ fees for renewal, which ~~{is}~~ are not refundable, if he finds that the seller is, at that time, in compliance with all applicable provisions of NRS 689.150 to 689.375, inclusive.

3. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the certificate if the request is accompanied

by a fee for renewal of 150 percent of ~~the fee~~ *all applicable fees* otherwise required ~~it~~, *except for any fee required pursuant to section 3 of this act.*

**Sec. 43.** NRS 689.235 is hereby amended to read as follows:

689.235 1. To qualify for an agent's license, the applicant:

(a) Must file a written application with the Commissioner on forms prescribed by the Commissioner;

(b) Must have a good business and personal reputation; and

(c) Must not have been convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or any crime involving moral turpitude.

2. The application must:

(a) Contain information concerning the applicant's identity, address, social security number and personal background and business, professional or work history.

(b) Contain such other pertinent information as the Commissioner may require.

(c) Be accompanied by a complete set of the fingerprints of the applicant and written permission authorizing the Commissioner to forward those fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

(d) Be accompanied by a fee representing the amount charged by the Federal Bureau of Investigation for processing the fingerprints of the applicant.

(e) Be accompanied by the statement required pursuant to NRS 689.258.

(f) Be accompanied by the applicable fee established in NRS 680B.010, which is not refundable ~~it~~, *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

3. A conviction of, or plea of guilty, guilty but mentally ill or nolo contendere by, an applicant or licensee for any crime listed in paragraph (c) of subsection 1 is a sufficient ground for the Commissioner to deny a license to the applicant, or to suspend or revoke the agent's license pursuant to NRS 689.265.

**Sec. 44.** NRS 689.255 is hereby amended to read as follows:

689.255 1. Each agent's license issued pursuant to NRS 689.150 to 689.375, inclusive, continues in force for 3 years unless it is suspended, revoked or otherwise terminated.

2. An agent's license may be renewed at the request of the holder of a valid seller's certificate of authority, upon filing a written request for renewal accompanied by ~~the required fee~~ *all applicable fees* for renewal and the statement required pursuant to NRS 689.258. ~~The fee~~ *All applicable fees* for renewal ~~is~~ *are* nonrefundable.

3. Any license not so renewed expires at midnight on the last day of the month specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by a fee for renewal of 150 percent of ~~the fee~~ *all applicable fees* otherwise required, *except for any fee required pursuant to section 3 of this act*, and the statement required pursuant to NRS 689.258.

4. An agent's license is valid only while the agent is employed by a holder of a valid seller's certificate of authority.

**Sec. 45.** NRS 689.490 is hereby amended to read as follows:

689.490 1. The proposed seller, or the appropriate corporate officer of the seller, shall apply in writing to the Commissioner for a seller's permit, showing:

(a) The proposed seller's name and address and his occupations during the preceding 5 years;

(b) The name and address of the proposed trustee;

(c) The names and addresses of the proposed performers, specifying what particular services, supplies and equipment each performer is to furnish under the proposed prepaid contract; and

(d) Such other pertinent information as the Commissioner may reasonably require.

2. The application must be accompanied by:

(a) A copy of the proposed trust agreement and a written statement signed by an authorized officer of the proposed trustee to the effect that the proposed trustee understands the nature of the proposed trust fund and accepts it;

(b) A copy of each contract or understanding, existing or proposed, between the seller and performers relating to the proposed prepaid contract or items to be supplied under it;

(c) A certified copy of the articles of incorporation and the bylaws of any corporate applicant;

(d) A copy of any other document relating to the proposed seller, trustee, trust, performer or prepaid contract, as required by the Commissioner;

(e) A complete set of his fingerprints and written permission authorizing the Commissioner to forward those fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(f) A fee representing the amount charged by the Federal Bureau of Investigation for processing the fingerprints of the applicant; and

(g) The applicable fee established in NRS 680B.010, which is not refundable ~~[-]~~, *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

**Sec. 46.** NRS 689.505 is hereby amended to read as follows:

689.505 1. Each seller's permit issued pursuant to NRS 689.450 to 689.595, inclusive, continues in effect for 3 years unless it is suspended, revoked or otherwise terminated.

2. The Commissioner shall renew a seller's permit upon receiving a written request for renewal from the seller, accompanied by ~~the~~ *all* applicable ~~fee~~ *fees* for renewal, which ~~fee~~ *are* not refundable, if he finds that the seller is, at that time, in compliance with all applicable provisions of NRS 689.450 to 689.595, inclusive.

3. A permit which is not renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the permit if the request is accompanied by a fee for renewal of 150 percent of ~~the fee~~ *all applicable fees* otherwise required ~~[-]~~, *except for any fee required pursuant to section 3 of this act.*

**Sec. 47.** NRS 689.520 is hereby amended to read as follows:

689.520 1. To qualify for an agent's license, the applicant:

(a) Must file a written application with the Commissioner on forms prescribed by the Commissioner; and

(b) Must not have been convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or any crime involving moral turpitude.

2. The application must:

(a) Contain information concerning the applicant's identity, address, social security number, personal background and business, professional or work history.

(b) Contain such other pertinent information as the Commissioner may require.

(c) Be accompanied by a complete set of fingerprints and written permission authorizing the Commissioner to forward those fingerprints to the Central

Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

(d) Be accompanied by a fee representing the amount charged by the Federal Bureau of Investigation for processing the fingerprints of the applicant.

(e) Be accompanied by the statement required pursuant to NRS 689.258.

(f) Be accompanied by the applicable fee established in NRS 680B.010, which is not refundable ~~+~~, and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.

3. A conviction of, or plea of guilty, guilty but mentally ill or nolo contendere by, an applicant or licensee for any crime listed in paragraph (b) of subsection 1 is a sufficient ground for the Commissioner to deny a license to the applicant, or to suspend or revoke the agent's license pursuant to NRS 689.535.

**Sec. 48.** NRS 689.530 is hereby amended to read as follows:

689.530 1. Each agent's license issued pursuant to NRS 689.450 to 689.595, inclusive, continues in effect for 3 years unless it is suspended, revoked or otherwise terminated.

2. An agent's license may be renewed, unless it has been suspended or revoked, at the request of the holder of a valid seller's permit upon filing a written request for renewal accompanied by ~~the~~ all applicable ~~fee~~ fees for renewal and the statement required pursuant to NRS 689.258. ~~The fee~~ All applicable fees for renewal ~~is~~ are not refundable.

3. The Commissioner may accept a request for renewal which is received by him within 30 days after the expiration of the license if the request is accompanied by a fee for renewal of 150 percent of ~~the fee~~ all applicable fees otherwise required, except for any fee required pursuant to section 3 of this act, and the statement required pursuant to NRS 689.258.

4. An agent's license is valid only while the agent is employed by a holder of a valid seller's permit.

**Sec. 49.** ~~Chapter 689A of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. Except as otherwise provided in subsection 2, if a policy of health insurance includes coverage for prescription drugs and the coverage is revised, including, without limitation, a revision in coverage from changing the formulary, the insurer must not limit or exclude coverage for any prescription drug with respect to an insured for whom the prescription drug is necessary to prevent the rejection of a transplanted organ if:~~

~~(a) The insured had been taking the prescription drug before the revision;~~

~~(b) The drug was covered by the policy of health insurance before the revision; and~~

~~(c) The provider of health care of the insured continues to prescribe the drug for the insured.~~

~~2. If the coverage for prescription drugs in a policy of health insurance is revised, the insurer must not increase the amount that an insured is required to pay with respect to a prescription drug described in subsection 1 until at least 1 year after the insurer has notified the insured of any increase.~~

~~3. A policy of health insurance subject to the provisions of this chapter that is, or has been, delivered, issued for delivery or renewed before, on or after June 15, 2009, has the legal effect of including the coverage required by this section, and any provision of the policy or the renewal which is in conflict with this section is void.~~ (Deleted by amendment.)

1       **Sec. 50.** ~~[NRS 689A.04045 is hereby amended to read as follows:~~  
2       ~~689A.04045 1. Except as otherwise provided in this section, a policy of~~  
3       ~~health insurance which provides coverage for prescription drugs must not limit or~~  
4       ~~exclude coverage for a drug if the drug:~~  
5       ~~(a) Had previously been approved for coverage by the insurer for a medical~~  
6       ~~condition of an insured and the insured's provider of health care determines, after~~  
7       ~~conducting a reasonable investigation, that none of the drugs which are otherwise~~  
8       ~~currently approved for coverage are medically appropriate for the insured; and~~  
9       ~~(b) Is appropriately prescribed and considered safe and effective for treating~~  
10      ~~the medical condition of the insured.~~  
11      ~~2. The provisions of subsection 1 do not:~~  
12      ~~(a) Apply to coverage for any drug that is prescribed for a use that is different~~  
13      ~~from the use for which that drug has been approved for marketing by the Food and~~  
14      ~~Drug Administration;~~  
15      ~~(b) Prohibit:~~  
16      ~~(1) The insurer from charging a deductible, copayment or coinsurance for~~  
17      ~~the provision of benefits for prescription drugs to the insured or from establishing,~~  
18      ~~by contract, limitations on the maximum coverage for prescription drugs;~~  
19      ~~(2) A provider of health care from prescribing another drug covered by the~~  
20      ~~policy that is medically appropriate for the insured; or~~  
21      ~~(3) The substitution of another drug pursuant to NRS 639.23286 or~~  
22      ~~639.2583 to 639.2597, inclusive; for]~~  
23      ~~(c) Require any coverage for a drug after the term of the policy [.] ; or~~  
24      ~~(d) Apply if the prescription drug is covered under the provisions of section~~  
25      ~~49 of this act.~~  
26      ~~3. Any provision of a policy subject to the provisions of this chapter that is~~  
27      ~~delivered, issued for delivery or renewed on or after October 1, 2001, which is in~~  
28      ~~conflict with this section is void.] (Deleted by amendment.)~~

29      **Sec. 51.** ~~[NRS 689A.230 is hereby amended to read as follows:~~  
30      ~~689A.230 If any policy is issued by a domestic insurer for delivery to a~~  
31      ~~person residing in another state, and if the insurance commissioner or~~  
32      ~~corresponding public officer of that other state has informed the Commissioner or~~  
33      ~~the policy is not subject to approval or disapproval by that officer, the~~  
34      ~~Commissioner may by ruling require that the policy meet the standards set forth in~~  
35      ~~NRS 689A.030 to 689A.220, inclusive [.] , and section 49 of this act.] (Deleted by~~  
36      ~~amendment.)~~

37      **Sec. 52.** ~~[Chapter 689B of NRS is hereby amended by adding thereto a new~~  
38      ~~section to read as follows:~~

39      ~~1. Except as otherwise provided in subsection 2, if a policy of group health~~  
40      ~~insurance includes coverage for prescription drugs and the coverage is revised,~~  
41      ~~including, without limitation, a revision in coverage from changing the~~  
42      ~~formulary, the insurer must not limit or exclude coverage for any prescription~~  
43      ~~drug with respect to an insured for whom the prescription drug is necessary to~~  
44      ~~prevent the rejection of a transplanted organ if:~~

45      ~~(a) The insured had been taking the prescription drug before the revision;~~  
46      ~~(b) The drug was covered by the policy of group health insurance before the~~  
47      ~~revision; and~~  
48      ~~(c) The provider of health care of the insured continues to prescribe the drug~~  
49      ~~for the insured.~~

50      ~~2. If the coverage for prescription drugs in a policy of group health~~  
51      ~~insurance is revised, the insurer must not increase the amount that an insured is~~  
52      ~~required to pay with respect to a prescription drug described in subsection 1 until~~  
53      ~~at least 1 year after the insurer has notified the insured of any increase.~~



~~3. A policy of group health insurance subject to the provisions of this chapter that is, or has been, delivered, issued for delivery or renewed before, on or after June 15, 2009, has the legal effect of including the coverage required by this section, and any provision of the policy or the renewal which is in conflict with this section is void. (Deleted by amendment.)~~

**Sec. 53.** NRS 689B.030 is hereby amended to read as follows:

689B.030 Each group health insurance policy must contain in substance the following provisions:

1. A provision that, in the absence of fraud, all statements made by applicants or the policyholders or by an insured person are representations and not warranties, and that no statement made for the purpose of effecting insurance voids the insurance or reduces its benefits unless the statement is contained in a written instrument signed by the policyholder or the insured person, a copy of which has been furnished to him or his beneficiary.

2. A provision that the insurer will furnish to the policyholder for delivery to each employee or member of the insured group a statement in summary form of the essential features of the insurance coverage of that employee or member and to whom benefits thereunder are payable. If dependents are included in the coverage, only one statement need be issued for each family.

3. A provision that to the group originally insured may be added from time to time eligible new employees or members or dependents, as the case may be, in accordance with the terms of the policy.

4. A provision for benefits for expense arising from care at home or health supportive services if the care or service was prescribed by a physician and would have been covered by the policy if performed in a medical facility or facility for the dependent as defined in chapter 449 of NRS.

5. ~~[A provision for benefits payable for expenses incurred for the treatment of the abuse of alcohol or drugs, as provided in NRS 689B.036.~~

~~6.] A provision for benefits for expenses arising from hospice care.~~

**Sec. 54.** ~~[NRS 689B.0368 is hereby amended to read as follows:~~

~~689B.0368 1. Except as otherwise provided in this section, a policy of group health insurance which provides coverage for prescription drugs must not limit or exclude coverage for a drug if the drug:~~

~~(a) Had previously been approved for coverage by the insurer for a medical condition of an insured and the insured's provider of health care determines, after conducting a reasonable investigation, that none of the drugs which are otherwise currently approved for coverage are medically appropriate for the insured; and~~

~~(b) Is appropriately prescribed and considered safe and effective for treating the medical condition of the insured.~~

~~2. The provisions of subsection 1 do not:~~

~~(a) Apply to coverage for any drug that is prescribed for a use that is different from the use for which that drug has been approved for marketing by the Food and Drug Administration;~~

~~(b) Prohibit:~~

~~(1) The insurer from charging a deductible, copayment or coinsurance for the provision of benefits for prescription drugs to the insured or from establishing, by contract, limitations on the maximum coverage for prescription drugs;~~

~~(2) A provider of health care from prescribing another drug covered by the policy that is medically appropriate for the insured; or~~

~~(3) The substitution of another drug pursuant to NRS 639.22286 or 639.2583 to 639.2597, inclusive; [or]~~

~~(c) Require any coverage for a drug after the term of the policy [.] or~~



~~(d) Apply if the prescription drug is covered under the provisions of section 52 of this act.~~

~~3. Any provision of a policy subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2001, which is in conflict with this section is void.] (Deleted by amendment.)~~

Sec. 55. Chapter 689C of NRS is hereby amended by adding thereto the provisions set forth as sections 56 to 59, inclusive, of this act.

Sec. 56. *Each group health insurance policy must contain in substance a provision for benefits payable for expenses incurred for the treatment of abuse of alcohol or drugs, as provided in section 58 of this act.*

Sec. 57. 1. *Notwithstanding any provisions of this title to the contrary, a policy of group health insurance delivered or issued for delivery in this State pursuant to this chapter must provide coverage for the treatment of conditions relating to severe mental illness.*

2. *The coverage required by this section:*

(a) *Must provide:*

(1) *Benefits for at least 40 days of hospitalization as an inpatient per policy year and 40 visits for treatment as an outpatient per policy year, excluding visits for the management of medication; and*

(2) *That two visits for partial or respite care, or a combination thereof, may be substituted for each 1 day of hospitalization not used by the insured. In no event is the policy required to provide coverage for more than 40 days of hospitalization as an inpatient per policy year.*

(b) *Is not required to provide benefits for psychosocial rehabilitation or care received as a custodial inpatient.*

3. *Any deductibles and copayments required to be paid for the coverage required by this section must not be greater than 150 percent of the out-of-pocket expenses required to be paid for medical and surgical benefits provided pursuant to the policy of group health insurance.*

4. *The provisions of this section do not apply to a policy of group health insurance if, at the end of the policy year, the premiums charged for that policy, or a standard grouping of policies, increase by more than 2 percent as a result of providing the coverage required by this section and the insurer obtains an exemption from the Commissioner pursuant to subsection 5.*

5. *To obtain the exemption required by subsection 4, an insurer must submit to the Commissioner a written request therefor that is signed by an actuary and sets forth the reasons and actuarial assumptions upon which the request is based. To determine whether an exemption may be granted, the Commissioner shall subtract from the amount of premiums charged during the policy year the amount of premiums charged during the period immediately preceding the policy year and the amount of any increase in the premiums charged that is attributable to factors that are unrelated to providing the coverage required by this section. The Commissioner shall verify the information within 30 days after receiving the request. The request shall be deemed approved if the Commissioner does not deny the request within that time.*

6. *The provisions of this section do not:*

(a) *Limit the provision of specialized services covered by Medicaid for persons with conditions relating to mental health or substance abuse.*

(b) *Supersede any provision of federal law, any federal or state policy relating to Medicaid, or the terms and conditions imposed on any Medicaid waiver granted to this State with respect to the provisions of services to persons with conditions relating to mental health or substance abuse.*

7. A policy of group health insurance subject to the provisions of this chapter which is delivered, issued for delivery or renewed on or after October 3, 2009, has the legal effect of including the coverage required by this section, and any provision of the policy or the renewal which is in conflict with this section is void, unless the policy is otherwise exempt from the provisions of this section pursuant to subsection 4.

8. As used in this section, "severe mental illness" means any of the following mental illnesses that are biologically based and for which diagnostic criteria are prescribed in the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition, published by the American Psychiatric Association:

- (a) Schizophrenia.
- (b) Schizoaffective disorder.
- (c) Bipolar disorder.
- (d) Major depressive disorders.
- (e) Panic disorder.
- (f) Obsessive-compulsive disorder.

**Sec. 58. 1.** The benefits provided by a group policy for health insurance, as required by section 56 of this act, for the treatment of abuse of alcohol or drugs must consist of:

(a) Treatment for withdrawal from the physiological effects of alcohol or drugs, with a minimum benefit of \$1,500 per calendar year.

(b) Treatment for a patient admitted to a facility, with a minimum benefit of \$9,000 per calendar year.

(c) Counseling for a person, group or family who is not admitted to a facility, with a minimum benefit of \$2,500 per calendar year.

2. These benefits must be paid in the same manner as benefits for any other illness covered by a similar policy are paid.

3. The insured person is entitled to these benefits if treatment is received in any:

(a) Facility for the treatment of abuse of alcohol or drugs which is certified by the Health Division of the Department of Health and Human Services.

(b) Hospital or other medical facility or facility for the dependent which is licensed by the Health Division of the Department of Health and Human Services, is accredited by the Joint Commission on Accreditation of Healthcare Organizations and provides a program for the treatment of abuse of alcohol or drugs as part of its accredited activities.

~~Sec. 59. 1. Except as otherwise provided in subsection 2, if a health benefit plan includes coverage for prescription drugs and the coverage is revised, including, without limitation, a revision in coverage from changing the formulary, the carrier must not limit or exclude coverage for any prescription drug with respect to an insured for whom the prescription drug is necessary to prevent the rejection of a transplanted organ if:~~

~~—(a) The insured had been taking the prescription drug before the revision;~~

~~—(b) The drug was covered by the health benefit plan before the revision; and~~

~~—(c) The provider of health care of the insured continues to prescribe the drug for the insured.~~

~~2. If the coverage for prescription drugs in a health benefit plan is revised, the carrier must not increase the amount that an insured is required to pay with respect to a prescription drug described in subsection 1 until at least 1 year after the carrier has notified the insured of any increase.~~

~~3. A health benefit plan subject to the provisions of this chapter that is, or has been, delivered, issued for delivery or renewed before, on or after June 15, 2009, has the legal effect of including the coverage required by this section, and~~

~~any provision of the plan or the renewal which is in conflict with this section is void.~~ (Deleted by amendment.)

**Sec. 60.** ~~[NRS 689C.156 is hereby amended to read as follows:~~

~~689C.156 1. As a condition of transacting business in this State with small employers, a carrier shall actively market to a small employer each health benefit plan which is actively marketed in this State by the carrier to any small employer in this State. The health insurance plans marketed pursuant to this section by the carrier must include, without limitation, a basic health benefit plan and a standard health benefit plan. A carrier shall be deemed to be actively marketing a health benefit plan when it makes available any of its plans to a small employer that is not currently receiving coverage under a health benefit plan issued by that carrier.~~

~~2. A carrier shall issue to a small employer any health benefit plan marketed in accordance with this section if the eligible small employer applies for the plan and agrees to make the required premium payments and satisfy the other reasonable provisions of the health benefit plan that are not inconsistent with NRS 689C.015 to 689C.355, inclusive, and section 59 of this act, and 689C.610 to 689C.980, inclusive, except that a carrier is not required to issue a health benefit plan to a self-employed person who is covered by, or is eligible for coverage under, a health benefit plan offered by another employer.~~

~~3. If a health benefit plan marketed pursuant to this section provides, delivers, arranges for, pays for or reimburses any cost of health care services through managed care, the carrier shall provide a system for resolving any complaints of an employee concerning those health care services that complies with the provisions of NRS 695C.200 to 695C.310, inclusive.] (Deleted by amendment.)~~

**Sec. 61.** ~~[NRS 689C.168 is hereby amended to read as follows:~~

~~689C.168 1. Except as otherwise provided in this section, a health benefit plan which provides coverage for prescription drugs must not limit or exclude coverage for a drug if the drug:~~

~~(a) Had previously been approved for coverage by the carrier for a medical condition of an insured and the insured's provider of health care determines, after conducting a reasonable investigation, that none of the drugs which are otherwise currently approved for coverage are medically appropriate for the insured; and~~

~~(b) Is appropriately prescribed and considered safe and effective for treating the medical condition of the insured.~~

~~2. The provisions of subsection 1 do not:~~

~~(a) Apply to coverage for any drug that is prescribed for a use that is different from the use for which that drug has been approved for marketing by the Food and Drug Administration;~~

~~(b) Prohibit:~~

~~(1) The carrier from charging a deductible, copayment or coinsurance for the provision of benefits for prescription drugs to the insured or from establishing, by contract, limitations on the maximum coverage for prescription drugs;~~

~~(2) A provider of health care from prescribing another drug covered by the plan that is medically appropriate for the insured; or~~

~~(3) The substitution of another drug pursuant to NRS 639.23286 or 639.2583 to 639.2597, inclusive; [or]~~

~~(c) Require any coverage for a drug after the term of the plan [.] ; or~~

~~(d) Apply if the prescription drug is covered under the provisions of section 59 of this act.~~

~~3. Any provision of a health benefit plan subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2001, which is in conflict with this section is void.] (Deleted by amendment.)~~

1       **Sec. 62.** NRS 689C.425 is hereby amended to read as follows:

2       689C.425 A voluntary purchasing group and any contract issued to such a  
3 group pursuant to NRS 689C.360 to 689C.600, inclusive, are subject to the  
4 provisions of NRS 689C.015 to 689C.355, inclusive, to the extent applicable and  
5 not in conflict with the express provisions of section 38.5 of this act and NRS  
6 689C.360 to 689C.600, inclusive. ~~and section 59 of this act~~

7       **Sec. 63.** NRS 690C.160 is hereby amended to read as follows:

8       690C.160 1. A provider who wishes to issue, sell or offer for sale service  
9 contracts in this state must submit to the Commissioner:

10       (a) A registration application on a form prescribed by the Commissioner;

11       (b) Proof that he has complied with the requirements for security set forth in  
12 NRS 690C.170;

13       (c) A copy of each type of service contract he proposes to issue, sell or offer  
14 for sale;

15       (d) The name, address and telephone number of each administrator with whom  
16 the provider intends to contract; and

17       (e) A fee of \$1,000 ~~and~~ *and, in addition to any other fee or charge, all*  
18 *applicable fees required pursuant to section 3 of this act.*

19       2. In addition to the fee required by subsection 1, a provider must pay a fee of  
20 \$25 for each type of service contract he files with the Commissioner.

21       3. A certificate of registration is valid for 1 year after the date the  
22 Commissioner issues the certificate to the provider. A provider may renew his  
23 certificate of registration if, before the certificate expires, he submits to the  
24 Commissioner an application on a form prescribed by the Commissioner, ~~and~~ a  
25 fee of \$1,000 ~~and~~ *and, in addition to any other fee or charge, all applicable fees*  
26 *required pursuant to section 3 of this act.*

27       **Sec. 64.** NRS 692A.103 is hereby amended to read as follows:

28       692A.103 1. A person who wishes to obtain a license as an escrow officer  
29 must:

30       (a) File a written application in the Office of the Commissioner;

31       (b) Except as otherwise provided in subsection 3, demonstrate competency in  
32 matters relating to escrows by:

33       (1) Having at least 1 year of recent experience with respect to escrows of a  
34 sufficient nature to allow him to fulfill the responsibilities of an escrow officer; or

35       (2) Passing a written examination concerning escrows as prescribed by the  
36 Commissioner;

37       (c) Submit the name and business address of the title agent who will supervise  
38 the escrow officer;

39       (d) Submit the statement required pursuant to NRS 692A.1033; and

40       (e) Pay the fees required by NRS 680B.010 ~~and~~ *and, in addition to any other*  
41 *fee or charge, all applicable fees required pursuant to section 3 of this act.*

42       2. The Commissioner shall issue a license as an escrow officer to any person  
43 who satisfies the requirements of subsection 1.

44       3. The Commissioner may waive the requirements of paragraph (b) of  
45 subsection 1 if the applicant submits with his application satisfactory proof that he,  
46 in good standing, currently holds a license, or held a license within 1 year before  
47 the date he submits his application, which was issued pursuant to the provisions of  
48 NRS 645A.020.

49       4. A license issued pursuant to this chapter continues in force for 3 years  
50 unless it is suspended, revoked or otherwise terminated. The license may be  
51 renewed upon submission of the statement required pursuant to NRS 692A.1033  
52 and payment of ~~the~~ *all* applicable ~~fee~~ *fees* for renewal to the Commissioner on  
53 or before the last day of the month in which the license is renewable.

5. A license which is not renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by the statement required pursuant to NRS 692A.1033 and a fee for renewal of 150 percent of ~~the fee~~ *all applicable fees* otherwise required ~~+~~ , *except for any fee required pursuant to section 3 of this act.*

6. The Commissioner shall adopt regulations to carry out the provisions of this section.

**Sec. 65.** NRS 694C.230 is hereby amended to read as follows:

694C.230 1. If the Commissioner determines that the documents and statements filed by the captive insurer satisfy the requirements for licensure, the Commissioner shall issue a license to the captive insurer. The license may be renewed annually upon the satisfaction of all requirements imposed by the Commissioner and payment of ~~the~~ *all applicable* renewal ~~fee~~ *fees*.

2. A captive insurer must pay a fee of \$300 for the issuance of a license and, on or before March 1 of each year, an annual fee of \$300 *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act* for the renewal of a license.

**Sec. 66.** NRS 694C.460 is hereby amended to read as follows:

694C.460 1. There is hereby created in the State General Fund an Account for the Regulation and Supervision of Captive Insurers. Money in the Account must be used only to carry out the provisions of this chapter. Except as otherwise provided in NRS 694C.450 ~~+~~ *and section 3 of this act*, all fees and assessments received by the Commissioner or Division pursuant to this chapter must be credited to the Account. Not more than 2 percent of the tax collected and deposited in the Account pursuant to NRS 694C.450, may, upon application by the Division or an agency for economic development to, and with the approval of, the Interim Finance Committee, be transferred to an agency for economic development to be used by that agency to promote the industry of captive insurance in this State.

2. Except as otherwise provided in this section, all payments from the Account for the maintenance of staff and associated expenses, including contractual services, as necessary, must be disbursed from the State Treasury only upon warrants issued by the State Controller, after receipt of proper documentation of the services rendered and expenses incurred.

3. At the end of each fiscal year, that portion of the balance in the Account which exceeds \$500,000 must be transferred to the State General Fund.

4. The State Controller may anticipate receipts to the Account and issue warrants based thereon.

**Sec. 67.** ~~Chapter 695A of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. Except as otherwise provided in subsection 2, if a benefit contract includes coverage for prescription drugs and the coverage is revised, including, without limitation, a revision in coverage from changing the formulary, the society must not limit or exclude coverage for any prescription drug with respect to an insured for whom the prescription drug is necessary to prevent the rejection of a transplanted organ if:~~

~~—(a) The insured had been taking the prescription drug before the revision;~~

~~—(b) The drug was covered by the benefit contract before the revision; and~~

~~—(c) The provider of health care of the insured continues to prescribe the drug for the insured.~~

~~2. If the coverage for prescription drugs in a benefit contract is revised, the society must not increase the amount that an insured is required to pay with~~

~~respect to a prescription drug described in subsection 1 until at least 1 year after the society has notified the insured of any increase.~~

~~3. A benefit contract subject to the provisions of this chapter that is, or has been, delivered, issued for delivery or renewed before, on or after June 15, 2009, has the legal effect of including the coverage required by this section, and any provision of the benefit contract or the renewal which is in conflict with this section is void. (Deleted by amendment.)~~

**Sec. 68.** NRS 695A.080 is hereby amended to read as follows:

695A.080 1. The Commissioner may make such examination and require such further information as he deems advisable. Upon presentation of satisfactory evidence that the society has complied with all applicable provisions of law, he shall issue to the society a certificate of authority indicating that the society may transact business pursuant to the provisions of this chapter.

2. The certificate of authority is prima facie evidence of the existence of the society on the date of the certificate.

3. The Commissioner shall cause a record of the certificate of authority to be made. A certified copy of the record may be given in evidence with like effect as the original certificate of authority.

4. For the issuance or renewal of a certificate of authority, a society must pay to the Commissioner:

(a) A fee of \$250 if the number of outstanding benefit contracts within Nevada of the society is 600 or less;

(b) A fee of \$500 if the number of outstanding benefit contracts within Nevada of the society is more than 600 but less than 1,200; ~~and~~

(c) A fee of \$2,450 if the number of outstanding benefit contracts within Nevada of the society is 1,200 or more ~~;~~ **and**

**(d) In addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.**

➤ Each such certificate or renewal expires on March 1 following its issuance.

5. If a society properly applies for the renewal of its certificate of authority but does not receive approval of its application by March 1, it may continue to transact business pursuant to this chapter unless it receives notice that the application for renewal is specifically denied.

6. A certified copy or duplicate of a certificate of authority is prima facie evidence that the society may lawfully transact business in this state pursuant to the provisions of this chapter during the period stated on the license.

**Sec. 69.** ~~NRS 695A.184 is hereby amended to read as follows:~~

~~695A.184 1. Except as otherwise provided in this section, a benefit contract which provides coverage for prescription drugs must not limit or exclude coverage for a drug if the drug:~~

~~(a) Had previously been approved for coverage by the society for a medical condition of an insured and the insured's provider of health care determines, after conducting a reasonable investigation, that none of the drugs which are otherwise currently approved for coverage are medically appropriate for the insured; and~~

~~(b) Is appropriately prescribed and considered safe and effective for treating the medical condition of the insured.~~

~~2. The provisions of subsection 1 do not:~~

~~(a) Apply to coverage for any drug that is prescribed for a use that is different from the use for which that drug has been approved for marketing by the Food and Drug Administration;~~

~~(b) Prohibit:~~

~~(1) The society from charging a deductible, copayment or coinsurance for the provision of benefits for prescription drugs to the insured or from establishing, by contract, limitations on the maximum coverage for prescription drugs;~~

~~(2) A provider of health care from prescribing another drug covered by the benefit contract that is medically appropriate for the insured; or~~

~~(3) The substitution of another drug pursuant to NRS 639.23286 or 639.2582 to 639.2597, inclusive; [or]~~

~~(c) Require any coverage for a drug after the term of the benefit contract [.] ;~~  
~~or~~

~~(d) Apply if the prescription drug is covered under the provisions of section 67 of this act.~~

~~3. Any provision of a benefit contract subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2001, which is in conflict with this section is void. (Deleted by amendment.)~~

**Sec. 70.** [Chapter 695B of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. Except as otherwise provided in subsection 2, if a contract for hospital or medical services includes coverage for prescription drugs and the coverage is revised, including, without limitation, a revision in coverage from changing the formulary, the insurer must not limit or exclude coverage for any prescription drug with respect to an insured for whom the prescription drug is necessary to prevent the rejection of a transplanted organ if:~~

~~(a) The insured had been taking the prescription drug before the revision;~~

~~(b) The drug was covered by the contract for hospital or medical services before the revision; and~~

~~(c) The provider of health care of the insured continues to prescribe the drug for the insured.~~

~~2. If the coverage for prescription drugs in a contract for hospital or medical services is revised, the insurer must not increase the amount that an insured is required to pay with respect to a prescription drug described in subsection 1 until at least 1 year after the insurer has notified the insured of any increase.~~

~~3. A contract for hospital or medical services subject to the provisions of this chapter that is, or has been, delivered, issued for delivery or renewed before, on or after June 15, 2009, has the legal effect of including the coverage required by this section, and any provision of the contract or the renewal which is in conflict with this section is void. (Deleted by amendment.)~~

**Sec. 71.** NRS 695B.110 is hereby amended to read as follows:

695B.110 A corporation shall not establish, maintain or operate a nonprofit service plan as authorized by the provisions of this chapter unless it has:

1. Procured a certificate of authority from the Commissioner for the establishment, maintenance and operation of the plan.

2. Paid to the Commissioner the fees required of insurers by NRS 680B.010 for:

(a) The filing of the initial application;

(b) The issuance of the certificate of authority;

(c) Each annual continuation of the certificate of authority; and

(d) The filing of each annual report.

3. Paid, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.

**Sec. 72.** NRS 695B.130 is hereby amended to read as follows:

695B.130 1. An application for a certificate of authority must be filed with the Commissioner in writing by the corporation for medical service which is



1 applying for the certificate on forms furnished or accepted by the Commissioner.  
2 The application must set forth such information concerning the applicant and its  
3 qualifications and in other respects as the Commissioner may reasonably require.

4 2. The application must be accompanied by:

5 (a) A copy of the applicant's charter or articles of incorporation, certified by  
6 the public officer with whom the original is required to be filed in its state of  
7 domicile;

8 (b) A copy of the applicant's bylaws, certified by the corporate secretary;

9 (c) A copy of each contract the applicant has made or proposed to make with  
10 hospitals, or physicians or dentists in this state;

11 (d) A copy of each service contract proposed to be issued to its subscribers in  
12 this state;

13 (e) The schedule of the rates, dues, fees or other periodical charges proposed to  
14 be charged for such service contracts; and

15 (f) ~~the~~ *all* applicable ~~fee~~ *fees* for an initial application and the issuance of a  
16 certificate of authority.

17 3. If upon completion of the application the Commissioner determines that the  
18 applicant is fully qualified and entitled to a certificate of authority under this  
19 chapter, he shall promptly issue a certificate of authority to the applicant. If the  
20 Commissioner refuses to issue the certificate of authority, he shall give the  
21 applicant written notice of the refusal setting forth the grounds therefor.

22 **Sec. 73.** NRS 695B.135 is hereby amended to read as follows:

23 695B.135 1. A certificate of authority issued pursuant to this chapter expires  
24 on March 1 of the year following its date of issuance or renewal.

25 2. To renew a certificate of authority a corporation for medical service must:

26 (a) File a written request for renewal with the Commissioner; and

27 (b) Pay ~~the~~ *all* applicable ~~fee~~ *fees* for renewal for a certificate of authority.

28 3. The Commissioner may accept a request for renewal received by him  
29 within 30 days after the expiration of the certificate if the request is accompanied  
30 by a fee for renewal of 150 percent of ~~the fee~~ *all applicable fees* otherwise  
31 required ~~it~~ *, except for any fee required pursuant to section 3 of this act.*

32 **Sec. 74.** NRS 695B.160 is hereby amended to read as follows:

33 695B.160 1. Every corporation subject to the provisions of this chapter shall  
34 annually:

35 (a) On or before March 1, file in the Office of the Commissioner a statement  
36 verified by at least two of the principal officers of the corporation, showing its  
37 condition and affairs as of December 31 of the preceding calendar year. The  
38 statement must be in the form required by the Commissioner and must contain  
39 statements relative to the matters required to be established as a condition precedent  
40 to maintaining or operating a nonprofit hospital, medical or dental service plan and  
41 to other matters which the Commissioner may prescribe.

42 (b) Pay ~~the annual fee~~ *all applicable fees* for the renewal of a certificate of  
43 authority and the fee for the filing of an annual statement.

44 2. The Commissioner may examine, as often as he deems it desirable, the  
45 affairs of every corporation subject to the provisions of this chapter. He shall, if  
46 practicable, examine each such corporation at least once in every 3 years, and in  
47 any event, at least once in every 5 years, as to its condition, fulfillment of its  
48 contractual obligations and compliance with applicable laws. For examining the  
49 financial condition of every such corporation the Commissioner shall collect the  
50 actual expenses of the examination. Such expenses must be paid by the corporation.  
51 The Commissioner shall refuse to issue a certificate of authority or shall revoke his  
52 certificate of authority issued to any corporation which neglects or refuses to pay  
53 such expenses.



**Sec. 75.** NRS 695B.180 is hereby amended to read as follows:

695B.180 A contract for hospital, medical or dental services must not be entered into between a corporation proposing to furnish or provide any one or more of the services authorized under this chapter and a subscriber:

1. Unless the entire consideration therefor is expressed in the contract.

2. Unless the times at which the benefits or services to the subscriber take effect and terminate are stated in a portion of the contract above the evidence of its execution.

3. If the contract purports to entitle more than one person to benefits or services, except for family contracts issued under NRS 695B.190, group contracts issued under NRS 695B.200, and blanket contracts issued under NRS 695B.220.

4. Unless every printed portion and any endorsement or attached papers are plainly printed in type of which the face is not smaller than 10 points.

5. Except for group contracts and blanket contracts issued under NRS 695B.220, unless the exceptions of the contract are printed with greater prominence than the benefits to which they apply.

6. Except for group contracts and blanket contracts issued under NRS 695B.230, unless, if any portion of the contract purports, by reason of the circumstances under which an illness, injury or disablement is incurred to reduce any service to less than that provided for the same illness, injury or disablement incurred under ordinary circumstances, that portion is printed in boldface type and with greater prominence than any other text of the contract.

7. If the contract contains any provisions purporting to make any portion of the charter, constitution or bylaws of a nonprofit corporation a part of the contract unless that portion is set forth in full in the contract.

8. ~~Unless the contract, if it is a group contract, contains a provision for benefits payable for expenses incurred for the treatment of the abuse of alcohol or drugs, as provided in NRS 695B.194.~~

~~9.~~ Unless the contract provides benefits for expenses incurred for hospice care.

~~10.~~ 9. Unless the contract for service in a hospital contains in blackface type, not less than 10 points, the following provisions:

This contract does not restrict or interfere with the right of any person entitled to service and care in a hospital to select the contracting hospital or to make a free choice of his attending physician, who must be the holder of a valid and unrevoked physician's license and a member of, or acceptable to, the attending staff and board of directors of the hospital in which the services are to be provided.

**Sec. 76.** ~~NRS 695B.1905 is hereby amended to read as follows:~~

~~695B.1905 1. Except as otherwise provided in this section, a contract for hospital or medical services which provides coverage for prescription drugs must not limit or exclude coverage for a drug if the drug:~~

~~(a) Had previously been approved for coverage by the insurer for a medical condition of an insured and the insured's provider of health care determines, after conducting a reasonable investigation, that none of the drugs which are otherwise currently approved for coverage are medically appropriate for the insured; and~~

~~(b) Is appropriately prescribed and considered safe and effective for treating the medical condition of the insured.~~

~~2. The provisions of subsection 1 do not:~~

~~(a) Apply to coverage for any drug that is prescribed for a use that is different from the use for which that drug has been approved for marketing by the Food and Drug Administration;~~

~~(b) Prohibit:~~

~~(1) The insurer from charging a deductible, copayment or coinsurance for the provision of benefits for prescription drugs to the insured or from establishing, by contract, limitations on the maximum coverage for prescription drugs;~~

~~(2) A provider of health care from prescribing another drug covered by the contract that is medically appropriate for the insured; or~~

~~(3) The substitution of another drug pursuant to NRS 639.23286 or 639.2582 to 639.2597, inclusive; [or]~~

~~(c) Require any coverage for a drug after the term of the contract [.] ; or~~

~~(d) Apply if the prescription drugs are covered under the provisions of section 70 of this act.~~

~~3. Any provision of a contract for hospital or medical services subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2001, which is in conflict with this section is void. (Deleted by amendment.)~~

**Sec. 77.** NRS 695B.290 is hereby amended to read as follows:

695B.290 Any agent of a nonprofit hospital or medical or dental service corporation who acts as such in the solicitation, negotiation, procurement or making of a hospital service or medical or dental care contract shall be qualified, examined and licensed in the same manner and pay the same fees as provided for health insurance agents in NRS 680B.010 (fee schedule), ~~and~~ chapter 683A of NRS ~~and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.~~

**Sec. 78.** ~~[Chapter 695C of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. Except as otherwise provided in subsection 2, if an evidence of coverage includes coverage for prescription drugs and the coverage is revised, including, without limitation, a revision in coverage from changing the formulary, the health maintenance organization must not limit or exclude coverage for any prescription drug with respect to an insured for whom the prescription drug is necessary to prevent the rejection of a transplanted organ if:~~

~~(a) The insured had been taking the prescription drug before the revision;~~

~~(b) The drug was covered by the evidence of coverage before the revision; and~~

~~(c) The provider of health care of the insured continues to prescribe the drug for the insured.~~

~~2. If the coverage for prescription drugs in an evidence of coverage is revised, the health maintenance organization must not increase the amount that an insured is required to pay with respect to a prescription drug described in subsection 1 until at least 1 year after the health maintenance organization has notified the insured of any increase.~~

~~3. An evidence of coverage subject to the provisions of this chapter that is, or has been, delivered, issued for delivery or renewed before, on or after June 15, 2009, has the legal effect of including the coverage required by this section, and any provision of the evidence of coverage or the renewal which is in conflict with this section is void. (Deleted by amendment.)~~

**Sec. 79.** ~~[NRS 695C.050 is hereby amended to read as follows:~~

~~695C.050 1. Except as otherwise provided in this chapter or in specific provisions of this title, the provisions of this title are not applicable to any health maintenance organization granted a certificate of authority under this chapter. This provision does not apply to an insurer licensed and regulated pursuant to this title except with respect to its activities as a health maintenance organization authorized and regulated pursuant to this chapter.~~

~~2. Solicitation of enrollees by a health maintenance organization granted a certificate of authority, or its representatives, must not be construed to violate any provision of law relating to solicitation or advertising by practitioners of a healing art.~~

~~3. Any health maintenance organization authorized under this chapter shall not be deemed to be practicing medicine and is exempt from the provisions of chapter 620 of NRS.~~

~~4. The provisions of NRS 695C.110, 695C.125, 695C.1691, 695C.1693, 695C.170 to 695C.200, inclusive, and section 78 of this act, 695C.250 and 695C.265 do not apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid under the State Plan for Medicaid or insurance pursuant to the Children's Health Insurance Program pursuant to a contract with the Division of Health Care Financing and Policy of the Department of Health and Human Services. This subsection does not exempt a health maintenance organization from any provision of this chapter for services provided pursuant to any other contract.~~

~~5. The provisions of NRS 695C.1694, 695C.1695 and 695C.1731 apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid under the State Plan for Medicaid.]~~  
(Deleted by amendment.)

Sec. 80. NRS 695C.170 is hereby amended to read as follows:

695C.170 1. Every enrollee residing in this state is entitled to evidence of coverage under a health care plan. If the enrollee obtains coverage under a health care plan through an insurance policy, whether by option or otherwise, the insurer shall issue the evidence of coverage. Otherwise, the health maintenance organization shall issue the evidence of coverage.

2. Evidence of coverage or amendment thereto must not be issued or delivered to any person in this state until a copy of the form of the evidence of coverage or amendment thereto has been filed with and approved by the Commissioner.

3. An evidence of coverage:

(a) Must not contain any provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, which encourage misrepresentation or which are untrue, misleading or deceptive as defined in subsection 1 of NRS 695C.300; and

(b) Must contain a clear and complete statement, if a contract, or a reasonably complete summary if a certificate, of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health care plan;

(2) Any limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature;

(3) Where and in what manner the services may be obtained; and

(4) The total amount of payment for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay. ~~}; and~~

~~(5) A provision for benefits payable for expenses incurred for the treatment of the abuse of alcohol or drugs, as provided in NRS 695C.174.]~~

Any subsequent change may be evidenced in a separate document issued to the enrollee.

4. A copy of the form of the evidence of coverage to be used in this state and any amendment thereto is subject to the requirements for filing and approval of subsection 2 unless it is subject to the jurisdiction of the Commissioner under the laws governing health insurance, in which event the provisions for filing and approval of those laws apply. To the extent that such provisions do not apply to the requirements in subsection 3, such provisions are amended to incorporate the

requirements of subsection 3 in approving or disapproving an evidence of coverage required by subsection 2.

**Sec. 81.** ~~NRS 695C.1734 is hereby amended to read as follows:~~

~~695C.1734 1. Except as otherwise provided in this section, evidence of coverage which provides coverage for prescription drugs must not limit or exclude coverage for a drug if the drug:~~

~~(a) Had previously been approved for coverage by the health maintenance organization or insurer for a medical condition of an enrollee and the enrollee's provider of health care determines, after conducting a reasonable investigation, that none of the drugs which are otherwise currently approved for coverage are medically appropriate for the enrollee; and~~

~~(b) Is appropriately prescribed and considered safe and effective for treating the medical condition of the enrollee;~~

~~2. The provisions of subsection 1 do not:~~

~~(a) Apply to coverage for any drug that is prescribed for a use that is different from the use for which that drug has been approved for marketing by the Food and Drug Administration;~~

~~(b) Prohibit:~~

~~(1) The health maintenance organization or insurer from charging a deductible, copayment or coinsurance for the provision of benefits for prescription drugs to the enrollee or from establishing, by contract, limitations on the maximum coverage for prescription drugs;~~

~~(2) A provider of health care from prescribing another drug covered by the evidence of coverage that is medically appropriate for the enrollee; or~~

~~(3) The substitution of another drug pursuant to NRS 639.23286 or 639.2583 to 639.2597, inclusive, for;~~

~~(c) Require any coverage for a drug after the term of the evidence of coverage [;], or~~

~~(d) Apply if the prescription drug is covered under the provisions of section 78 of this act.~~

~~3. Any provision of an evidence of coverage subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2001, which is in conflict with this section is void.] (Deleted by amendment.)~~

**Sec. 82.** NRS 695C.230 is hereby amended to read as follows:

695C.230 1. Every health maintenance organization subject to this chapter shall pay to the Commissioner the following fees:

(a) For filing an application for a certificate of authority, \$2,450.

(b) For issuance of a certificate of authority, \$250.

(c) For an amendment to a certificate of authority, \$100.

(d) For the renewal of a certificate of authority, \$2,450.

(e) For filing each annual report, \$25.

*(f) In addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

2. At the time of filing the annual report the health maintenance organization shall forward to the department of taxation the tax and any penalty for nonpayment or delinquent payment of the tax in accordance with the provisions of chapter 680B of NRS.

3. All fees paid pursuant to this section shall be deemed earned when paid and may not be refunded.

**Sec. 83.** NRS 695D.130 is hereby amended to read as follows:

695D.130 The Commissioner shall issue a certificate of authority to an organization for dental care after the organization has paid an application fee of

\$2,450 *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act*, and the Commissioner is satisfied that:

1. The persons responsible for operating the organization are competent, trustworthy, have not been convicted of a felony and have good reputations.

2. The plan for dental care includes care which is appropriate for the plan and the plan is appropriate for providing that care.

3. The organization is financially responsible and may reasonably be expected to meet its obligations to its members. To determine financial responsibility the Commissioner may consider:

(a) The organization's arrangements for dental care and the schedule of charges to be used;

(b) The agreements with an insurer, government or any other organizations for ensuring payment for the dental care;

(c) Any provisions for alternative coverage if the plan for dental care is discontinued; and

(d) The agreements with the dentists providing dental care to the organization's members.

4. The appropriate deposits or bonds have been filed with the Commissioner by the organization and its officers.

**Sec. 84.** NRS 695D.150 is hereby amended to read as follows:

695D.150 A certificate of authority expires at midnight on March 1 following the date it was issued or previously renewed. The Commissioner shall renew the certificate of any organization for dental care which:

1. Continues to comply with the provisions of this chapter; and

2. Pays the fee for renewal of \$2,450 ~~+~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

**Sec. 85.** NRS 695E.130 is hereby amended to read as follows:

695E.130 1. Except as otherwise provided in chapter 685A of NRS, a purchasing group shall not purchase insurance from an unauthorized insurer or a risk retention group that is not chartered or registered in this state.

2. A purchasing group is exempt from any law of this state that relates to the formation or prohibition of groups for the purchase of insurance, and any law that would discriminate against a purchasing group or its members.

3. An insurer is exempt from any law of this state that prohibits providing, or offering to provide, to a purchasing group or its members advantages based on their loss and expense experiences not afforded to other persons with respect to rates, policy forms, coverages or other matters.

4. ~~{A purchasing group and its insurer are exempt from any law of this state which requires that an insurance policy issued to a purchasing group or any of its members be countersigned by an insurance agent residing in this state.~~

~~—5.—~~ A purchasing group that obtains liability insurance from a surplus lines insurer or a risk retention group shall inform each of the members of the purchasing group which have a risk resident or located in this state that the risk is not protected by an insurance insolvency guaranty fund in this state, and that the risk retention group or insurer may not be subject to all insurance laws and regulations of this state.

~~{6.}~~ 5. No purchasing group may purchase insurance providing for a deductible or self-insured retention applicable to the group as a whole, but the coverage may provide for a deductible or self-insured retention applicable to individual members of the group.

~~{7.}~~ 6. Purchases of insurance by purchasing groups are subject to the same standards regarding aggregate limits which are applicable to all purchases of group insurance.

1       **Sec. 86.** ~~[Chapter 695F of NRS is hereby amended by adding thereto a new~~  
2 ~~section to read as follows:~~

3       ~~1. Except as otherwise provided in subsection 2, if an evidence of coverage~~  
4 ~~includes coverage for prescription drugs and the coverage is revised, including,~~  
5 ~~without limitation, a revision in coverage from changing the formulary, the~~  
6 ~~prepaid limited health service organization must not limit or exclude coverage for~~  
7 ~~any prescription drug with respect to an insured for whom the prescription drug~~  
8 ~~is necessary to prevent the rejection of a transplanted organ if:~~

9       ~~(a) The insured had been taking the prescription drug before the revision;~~

10       ~~(b) The drug was covered by the evidence of coverage before the revision;~~  
11 ~~and~~

12       ~~(c) The provider of health care of the insured continues to prescribe the drug~~  
13 ~~for the insured.~~

14       ~~2. If the coverage for prescription drugs in an evidence of coverage is~~  
15 ~~revised, the prepaid limited health service organization must not increase the~~  
16 ~~amount that an insured is required to pay with respect to a prescription drug~~  
17 ~~described in subsection 1 until at least 1 year after the organization has notified~~  
18 ~~the insured of any increase.~~

19       ~~3. An evidence of coverage subject to the provisions of this chapter that is,~~  
20 ~~or has been, delivered, issued for delivery or renewed before, on or after June 15,~~  
21 ~~2009, has the legal effect of including the coverage required by this section, and~~  
22 ~~any provision of the evidence of coverage or the renewal which is in conflict with~~  
23 ~~this section is void.~~ **(Deleted by amendment.)**

24       **Sec. 87.** NRS 695F.110 is hereby amended to read as follows:

25       695F.110 An application for a certificate of authority to operate a prepaid  
26 limited health service organization must be filed with the Commissioner on a form  
27 prescribed by him. The application must be verified by an officer or authorized  
28 representative of the applicant and include:

29       1. A copy of the applicant's basic organizational document, including any  
30 articles of incorporation, articles of association, partnership agreement, trust  
31 agreement or any other applicable document or amendment thereto.

32       2. A copy of the bylaws, rules and regulations or similar documents, if any,  
33 which regulate the conduct of the internal affairs of the applicant.

34       3. A list of the names, addresses, official positions and biographical  
35 information of the persons responsible for conducting the applicant's affairs,  
36 including, but not limited to:

37       (a) The members of the board of directors;

38       (b) The members of the board of trustees;

39       (c) The members of the executive committee or other governing board or  
40 committee;

41       (d) The principal officers;

42       (e) Any person owning or having the right to acquire 10 percent or more of the  
43 voting securities of the applicant; and

44       (f) If the applicant is a partnership or association, the partners or members of  
45 that partnership or association.

46       4. A statement generally describing the applicant, its facilities, employees and  
47 the limited health service or services to be offered.

48       5. A copy of any contract made or to be made between the applicant and any  
49 provider concerning the provision of a limited health service to enrollees.

50       6. A copy of any contract made, or to be made between the applicant and any  
51 person described in subsection 3. **[of this section.]**

52       7. A copy of any contract made or to be made between the applicant and any  
53 person for the performance on the applicant's behalf of any functions, including,

but not limited to, marketing, administration, enrollment, management of investments and subcontracting for the provision of a limited health service to enrollees.

8. A copy of the form of any group contract which is to be issued to employers, unions, trustees or other organizations.

9. A copy of any form for evidence of coverage to be issued to subscribers.

10. A copy of the applicant's most recent financial statements which have been audited by an independent certified public accountant. If the financial affairs of the parent company of the applicant are audited by an independent certified public accountant and the financial affairs of the applicant are not audited, the applicant must submit a copy of the most recently audited financial statement of the parent company which was certified by an independent certified public accountant and the consolidating financial statements of the applicant, unless the Commissioner determines that additional or more recent financial information is required.

11. A copy of the applicant's financial plan, including a 3-year projection of the anticipated operating results, a statement of the sources of working capital and any other sources of funding and any plan for contingencies.

12. A schedule of the rates and charges for the limited health service.

13. A description of the proposed method of marketing.

14. A statement acknowledging that any process in any legal action or proceeding against the applicant on a cause of action arising in this state is valid if lawfully served.

15. A description of the procedure for the resolution of complaints submitted by enrollees concerning the limited health service provided by the prepaid limited health service organization.

16. A description of the procedures to be established for quality assessment and utilization review.

17. A description of the applicant's plan to comply with the provisions of NRS 695F.200.

18. ~~[(The fee)]~~ *All applicable fees* for filing an application for a certificate of authority.

19. Such other information as the Commissioner may require to make the determination required by this chapter.

**Sec. 88.** ~~[NRS 695F.156 is hereby amended to read as follows:]~~

~~695F.156 1. Except as otherwise provided in this section, evidence of coverage which provides coverage for prescription drugs must not limit or exclude coverage for a drug if the drug:~~

~~(a) Had previously been approved for coverage by the prepaid limited health service organization for a medical condition of an enrollee and the enrollee's provider of health care determines, after conducting a reasonable investigation, that none of the drugs which are otherwise currently approved for coverage are medically appropriate for the enrollee; and~~

~~(b) Is appropriately prescribed and considered safe and effective for treating the medical condition of the enrollee;~~

~~2. The provisions of subsection 1 do not:~~

~~(a) Apply to coverage for any drug that is prescribed for a use that is different from the use for which that drug has been approved for marketing by the Food and Drug Administration;~~

~~(b) Prohibit:~~

~~(1) The organization from charging a deductible, copayment or coinsurance for the provision of benefits for prescription drugs to the enrollee or~~



~~from establishing, by contract, limitations on the maximum coverage for prescription drugs;~~

~~(2) A provider of health care from prescribing another drug covered by the evidence of coverage that is medically appropriate for the enrollee; or~~

~~(3) The substitution of another drug pursuant to NRS 639.23286 or 639.2583 to 639.2597, inclusive; or~~

~~(c) Require any coverage for a drug after the term of the evidence of coverage [.] ; or~~

~~(d) Apply if the prescription drug is covered under the provisions of section 86 of this act.~~

~~2. Any provision of an evidence of coverage subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2001, which is in conflict with this section is void.] (Deleted by amendment.)~~

**Sec. 89.** NRS 695F.340 is hereby amended to read as follows:

695F.340 Each prepaid limited health service organization shall pay to the Commissioner the following fees:

For filing an application for a certificate of authority.....	\$2,450
For issuance of a certificate of authority .....	283
For the renewal of a certificate of authority .....	2,450
For filing a material change or addition of a limited health service .....	100
For filing an annual report.....	25
For filing periodic reports required by the Commissioner [.] .....	\$25

*In addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

**Sec. 90.** ~~[Chapter 695G of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. Except as otherwise provided in subsection 2, if a health care plan includes coverage for prescription drugs and the coverage is revised, including, without limitation, a revision in coverage from changing the formulary, the managed care organization must not limit or exclude coverage for any prescription drug with respect to an insured for whom the prescription drug is necessary to prevent the rejection of a transplanted organ if:~~

~~(a) The insured had been taking the prescription drug before the revision of the formulary;~~

~~(b) The drug was covered by the health care plan before the revision of the formulary; and~~

~~(c) The provider of health care of the insured continues to prescribe the drug for the insured.~~

~~2. If the coverage for prescription drugs in a health care plan is revised, the managed care organization must not increase the amount that an insured is required to pay with respect to a prescription drug described in subsection 1 until at least 1 year after the managed care organization has notified the insured of any increase.~~

~~3. A health care plan subject to the provisions of this chapter that is, or has been, delivered, issued for delivery or renewed before, on or after June 15, 2009, has the legal effect of including the coverage required by this section, and any provision of the health care plan or the renewal which is in conflict with this section is void.] (Deleted by amendment.)~~

**Sec. 91.** ~~[NRS 695G.166 is hereby amended to read as follows:~~

~~695G.166 1. Except as otherwise provided in this section, a health care plan which provides coverage for prescription drugs must not limit or exclude coverage for a drug if the drug:~~



~~(a) Had previously been approved for coverage by the managed care organization for a medical condition of an insured and the insured's provider of health care determines, after conducting a reasonable investigation, that none of the drugs which are otherwise currently approved for coverage are medically appropriate for the insured; and~~

~~(b) Is appropriately prescribed and considered safe and effective for treating the medical condition of the insured.~~

~~2. The provisions of subsection 1 do not:~~

~~(a) Apply to coverage for any drug that is prescribed for a use that is different from the use for which that drug has been approved for marketing by the Food and Drug Administration;~~

~~(b) Prohibit:~~

~~(1) The organization from charging a deductible, copayment or coinsurance for the provision of benefits for prescription drugs to the insured or from establishing, by contract, limitations on the maximum coverage for prescription drugs;~~

~~(2) A provider of health care from prescribing another drug covered by the plan that is medically appropriate for the insured; or~~

~~(3) The substitution of another drug pursuant to NRS 639.23286 or 639.2583 to 639.2597, inclusive; for;~~

~~(c) Require any coverage for a drug after the term of the plan [ ]; or~~

~~(d) Apply if the prescription drug is covered under the provisions of section 90 of this act.~~

~~3. Any provision of a health care plan subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2001, which is in conflict with this section is void.] (Deleted by amendment.)~~

**Sec. 92.** NRS 695H.090 is hereby amended to read as follows:

695H.090 1. An application for registration to engage in business as a medical discount plan must be submitted on a form prescribed by the Commissioner. The form must be signed by an officer or an authorized representative of the applicant. Except as otherwise provided in this section, the application must be accompanied by:

(a) A registration fee of \$500 ~~+~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

(b) A copy of the organizational documents of the applicant, if any.

(c) A list of names, addresses, positions of employment and biographical information of each person who is responsible for conducting the business activities of the medical discount plan of the applicant, including, but not limited to, all members of the board of directors, board of trustees, officers and managers. The list must set forth the extent and nature of any contracts or other agreements between any person who is responsible for conducting the business activities of the applicant and the medical discount plan, including disclosure of any possible conflicts of interest.

(d) A complete biographical statement, on a form prescribed by the Commissioner, describing the facilities, employees and services that will be offered by the applicant.

(e) A copy of all forms used for contracts between the applicant and networks of providers of health care regarding the provision of health care or medical services to members.

(f) A copy of the most recent financial statements of the applicant, audited by an independent certified public accountant.

(g) A description of the method of marketing proposed by the applicant.

(h) A description of the procedures for making a complaint to be established and maintained by the applicant.

(i) Any other information required by the Commissioner.

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~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act;* 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.

**Sec. 93.** NRS 696A.140 is hereby amended to read as follows:

696A.140 The Commissioner shall not issue a certificate of authority to any motor club until:

1. It files with him the following:

(a) A formal application for the certificate in such form and detail as the Commissioner requires, executed under oath by its president or other principal officer.

(b) A certified copy of its charter or articles of incorporation and its bylaws.

2. It pays to him the following:

(a) A fee of \$500 for the filing of an application for the certificate; ~~and~~

(b) A fee of \$283 for the issuance of the certificate ~~and~~ *and*

*(c) In addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

3. It deposits the required cash, securities, bond or evidence of such a deposit in another state as provided in NRS 696A.080 with the Commissioner.

4. Its name is approved by the Commissioner pursuant to NRS 696A.120.

**Sec. 94.** NRS 696A.150 is hereby amended to read as follows:

696A.150 Every certificate of authority issued to a motor club expires annually on March 1 unless it is revoked or suspended. The certificate may be renewed by paying to the Commissioner an annual fee for renewal of \$500 before the expiration of the certificate ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

**Sec. 95.** NRS 696A.185 is hereby amended to read as follows:

696A.185 1. Every motor club shall file with the Commissioner on or before March 1 of each year a report which summarizes its activities for the preceding calendar year. The report must be verified by at least two officers of the motor club.

2. The report must be on a form prescribed by the Commissioner and must include:

(a) A financial statement for the motor club, including its balance sheet and receipts and disbursements for the preceding calendar year;

(b) Any material changes in the information given in the previous report;

(c) The number of members enrolled in the year;

(d) The costs of all services provided for that year; and

(e) Any other information relating to the motor club requested by the Commissioner.

3. The motor club must pay to the Commissioner ~~{an annual fee of \$500.}~~ *all applicable fees.*

4. Every motor club shall file with the Commissioner on or before June 1 of each year a financial statement of the motor club certified by an independent public accountant.

5. Any motor club failing, without just cause beyond its reasonable control, to file timely the report or financial statement or to pay timely the annual fee required by this section shall pay an administrative penalty of \$100 per day until the report or statement is filed, except that the total penalty must not exceed \$3,000. The Attorney General shall recover the penalty in the name of the State of Nevada.

6. A motor club is not exempt from the provisions of NRS 679B.700.

**Sec. 96.** NRS 696A.300 is hereby amended to read as follows:

696A.300 1. Each license for a club agent issued under this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon submission of the statement required pursuant to NRS 696A.303 and payment to the Commissioner of ~~{the}~~ *all applicable fees* for renewal and a fee established by the Commissioner of not more than \$15 for deposit in the insurance recovery account created by NRS 679B.305. The statement must be submitted and the fees must be paid on or before the last day of the month in which the license is renewable.

2. Any license not so renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by the statement required pursuant to NRS 696A.303, a fee for renewal of 150 percent of ~~{the fee}~~ *all applicable fees* otherwise required, *except for any fee required pursuant to section 3 of this act*, and the fee established by the Commissioner of not more than \$15 for deposit in the insurance recovery account created by NRS 679B.305.

3. The Commissioner shall collect in advance and deposit with the State Treasurer for credit to the State General Fund the following fees for licensure as a club agent:

- (a) Application and license .....\$78
- (b) Appointment by each motor club .....5
- (c) Triennial renewal of each license .....78
- (d) In addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

**Sec. 97.** NRS 697.230 is hereby amended to read as follows:

697.230 1. Except as otherwise provided in NRS 697.177, each license issued to a general agent, bail agent, bail enforcement agent or bail solicitor under this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon payment of ~~{the}~~ *all applicable fees* for renewal to the Commissioner on or before the last day of the month in which the license is renewable. ~~{The fee}~~ *All applicable fees* must be accompanied by:

(a) Proof that the licensee has completed a 3-hour program of continuing education that is:

(1) Offered by the authorized surety insurer from whom he received his written appointment, if any, a state or national organization of bail agents or another organization that administers training programs for general agents, bail agents, bail enforcement agents or bail solicitors; and

(2) Approved by the Commissioner;

(b) If the licensee is a natural person, the statement required pursuant to NRS 697.181; and

(c) A written request for renewal of the license. The request must be made and signed:

(1) By the licensee in the case of the renewal of a license as a general agent, bail enforcement agent or bail agent.

(2) By the bail solicitor and the bail agent who employs the solicitor in the case of the renewal of a license as a bail solicitor.

2. Any license that is not renewed on or before the last day specified for its renewal expires at midnight on that day. The Commissioner may accept a request for renewal received by him within 30 days after the date of expiration if the request is accompanied by a fee for renewal of 150 percent of ~~the fee~~ *all applicable fees* otherwise required, *except for any fee required pursuant to section 3 of this act*, and, if the person requesting renewal is a natural person, the statement required pursuant to NRS 697.181.

3. A bail agent's license continues in force while there is in effect an appointment of him as a bail agent of one or more authorized insurers. Upon termination of all the bail agent's appointments and his failure to replace any appointment within 30 days thereafter, his license expires and he shall promptly deliver his license to the Commissioner.

4. The Commissioner shall terminate the license of a general agent for a particular insurer upon a written request by the insurer.

5. This section does not apply to temporary licenses issued under NRS 683A.311 or 697.177.

**Sec. 98.** NRS 287.010 is hereby amended to read as follows:

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

(a) Adopt and carry into effect a system of group life, accident or health insurance, or any combination thereof, for the benefit of its officers and employees, and the dependents of officers and employees who elect to accept the insurance and who, where necessary, have authorized the governing body to make deductions from their compensation for the payment of premiums on the insurance.

(b) Purchase group policies of life, accident or health insurance, or any combination thereof, for the benefit of such officers and employees, and the dependents of such officers and employees, as have authorized the purchase, from insurance companies authorized to transact the business of such insurance in the State of Nevada, and, where necessary, deduct from the compensation of officers and employees the premiums upon insurance and pay the deductions upon the premiums.

(c) Provide group life, accident or health coverage through a self-insurance reserve fund and, where necessary, deduct contributions to the maintenance of the fund from the compensation of officers and employees and pay the deductions into the fund. The money accumulated for this purpose through deductions from the compensation of officers and employees and contributions of the governing body must be maintained as an internal service fund as defined by NRS 354.543. The money must be deposited in a state or national bank or credit union authorized to transact business in the State of Nevada. Any independent administrator of a fund created under this section is subject to the licensing requirements of chapter 683A of NRS, and must be a resident of this State. Any contract with an independent administrator must be approved by the Commissioner of Insurance as to the reasonableness of administrative charges in relation to contributions collected and benefits provided. The provisions of *section 38.5 of this act and* NRS 689B.030 to 689B.050, inclusive, ~~and section 52 of this act,~~ 689B.287 and 689B.575 apply to

1 coverage provided pursuant to this paragraph . ~~[, except that the provisions of NRS~~  
2 ~~689B.0359 do not apply to such coverage.]~~

3 (d) Defray part or all of the cost of maintenance of a self-insurance fund or of  
4 the premiums upon insurance. The money for contributions must be budgeted for in  
5 accordance with the laws governing the county, school district, municipal  
6 corporation, political subdivision, public corporation or other local governmental  
7 agency of the State of Nevada.

8 2. If a school district offers group insurance to its officers and employees  
9 pursuant to this section, members of the board of trustees of the school district must  
10 not be excluded from participating in the group insurance. If the amount of the  
11 deductions from compensation required to pay for the group insurance exceeds the  
12 compensation to which a trustee is entitled, the difference must be paid by the  
13 trustee.

14 3. In any county in which a legal services organization exists, the governing  
15 body of the county, or of any school district, municipal corporation, political  
16 subdivision, public corporation or other local governmental agency of the State of  
17 Nevada in the county, may enter into a contract with the legal services organization  
18 pursuant to which the officers and employees of the legal services organization, and  
19 the dependents of those officers and employees, are eligible for any life, accident or  
20 health insurance provided pursuant to this section to the officers and employees,  
21 and the dependents of the officers and employees, of the county, school district,  
22 municipal corporation, political subdivision, public corporation or other local  
23 governmental agency.

24 4. If a contract is entered into pursuant to subsection 3, the officers and  
25 employees of the legal services organization:

26 (a) Shall be deemed, solely for the purposes of this section, to be officers and  
27 employees of the county, school district, municipal corporation, political  
28 subdivision, public corporation or other local governmental agency with which the  
29 legal services organization has contracted; and

30 (b) Must be required by the contract to pay the premiums or contributions for  
31 all insurance which they elect to accept or of which they authorize the purchase.

32 5. A contract that is entered into pursuant to subsection 3:

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

35 (b) Does not become effective unless approved by the Commissioner.

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

38 6. As used in this section, "legal services organization" means an organization  
39 that operates a program for legal aid and receives money pursuant to NRS 19.031.

40 **Sec. 99.** NRS 616A.469 is hereby amended to read as follows:

41 616A.469 1. The Commissioner may issue certificates authorizing qualified  
42 external review organizations to conduct external reviews for the purposes of  
43 chapters 616A to 617, inclusive, of NRS. If the Commissioner issues such  
44 certificates and the Commissioner determines that an external review organization  
45 is qualified to conduct external reviews for the purposes of chapters 616A to 617,  
46 inclusive, of NRS, the Commissioner shall issue a certificate to the external review  
47 organization that authorizes the organization to conduct such external reviews in  
48 accordance with the provisions of NRS 616C.363 and the regulations adopted by  
49 the Commissioner.

50 2. The Commissioner may adopt regulations setting forth the procedures that  
51 an external review organization must follow to be issued a certificate to conduct  
52 external reviews. Any regulations adopted pursuant to this section must include,  
53 without limitation, provisions setting forth:

(a) The manner in which an external review organization may apply for a certificate and the requirements for the issuance and renewal of the certificate pursuant to this section;

(b) The grounds for which the Commissioner may refuse to issue, suspend, revoke or refuse to renew a certificate issued pursuant to this section;

(c) The manner and circumstances under which an external review organization is required to conduct its business; and

(d) ~~Any fee~~ **Any applicable fees** for issuing or renewing a certificate of an external review organization pursuant to this section. ~~[The fee must not exceed the cost of issuing or renewing the certificate.]~~

3. A certificate issued pursuant to this section expires 1 year after it is issued and may be renewed in accordance with regulations adopted by the Commissioner.

4. Before the Commissioner may issue a certificate to an external review organization, the external review organization must:

(a) Demonstrate to the satisfaction of the Commissioner that it is able to carry out, in a timely manner, the duties of an external review organization as set forth in NRS 616C.363 and the regulations adopted by the Commissioner. The demonstration must include, without limitation, proof that the external review organization employs, contracts with or otherwise retains only persons who are qualified because of their education, training, professional licensing and experience to perform the duties assigned to those persons; and

(b) Provide assurances satisfactory to the Commissioner that the external review organization will:

(1) Conduct external reviews in accordance with the provisions of NRS 616C.363 and the regulations adopted by the Commissioner;

(2) Render its decisions in a clear, consistent, thorough and timely manner; and

(3) Avoid conflicts of interest.

5. For the purposes of this section, an external review organization has a conflict of interest if the external review organization or any employee, agent or contractor of the external review organization who conducts an external review has a professional, familial or financial interest of a material nature with respect to any person who has a substantial interest in the outcome of the external review, including, without limitation:

(a) The claimant;

(b) The employer; or

(c) The insurer or any officer, director or management employee of the insurer.

6. The Commissioner shall not issue a certificate to an external review organization that is affiliated with:

(a) An organization for managed care which provides comprehensive medical and health care services to employees for injuries or diseases pursuant to chapters 616A to 617, inclusive, of NRS;

(b) An insurer;

(c) A third-party administrator; or

(d) A national, state or local trade association.

7. An external review organization which is certified or accredited by an accrediting body that is nationally recognized shall be deemed to have satisfied all the conditions and qualifications required for the external review organization to be issued a certificate pursuant to this section.

**Sec. 100.** NRS 616B.350 is hereby amended to read as follows:

616B.350 1. A group of five or more employers may not act as an association of self-insured public employers unless the group:

1 (a) Is composed of employers engaged in the same or similar classifications of  
2 employment; and

3 (b) Has been issued a certificate to act as such an association by the  
4 Commissioner.

5 2. A group of five or more employers may not act as an association of self-  
6 insured private employers unless each member of the group:

7 (a) Is a member or associate member of a bona fide trade association, as  
8 determined by the Commissioner, which:

9 (1) Is incorporated in this State; and

10 (2) Has been in existence for at least 5 years; and

11 (b) Has been issued a certificate to act as such an association by the  
12 Commissioner.

13 3. An association of public or private employers that wishes to be issued a  
14 certificate must file with the Commissioner an application for certification.

15 4. The application must include:

16 (a) The name of the association.

17 (b) The address of:

18 (1) The principal office of the association.

19 (2) The location where the books and records of the association will be  
20 maintained.

21 (c) The date the association was organized.

22 (d) The name and address of each member of the association.

23 (e) The names of the initial members of the board of trustees and the name of  
24 the initial association's administrator.

25 (f) Such other information as the Commissioner may require.

26 5. The application must be accompanied by:

27 (a) A nonrefundable filing fee of \$1,000 ~~and~~ *and, in addition to any other fee*  
28 *or charge, all applicable fees required pursuant to section 3 of this act.*

29 (b) Proof of compliance with NRS 616B.353.

30 (c) Proof that the association or its third-party administrator is licensed or  
31 otherwise authorized to conduct business in this State pursuant to title 57 of NRS.

32 (d) A copy of the agreements entered into with the association's administrator  
33 and a third-party administrator.

34 (e) A copy of the bylaws of the association.

35 (f) A copy of an agreement jointly and severally binding the association and  
36 each member of the association to secure the payment of all compensation due  
37 pursuant to chapters 616A to 617, inclusive, of NRS.

38 (g) A pro forma financial statement prepared by an independent certified  
39 public accountant in accordance with generally accepted accounting principles that  
40 shows the financial ability of the association to pay all compensation due pursuant  
41 to chapters 616A to 617, inclusive, of NRS.

42 (h) A reviewed financial statement prepared by an independent certified public  
43 accountant for each proposed member of the association or evidence of the ability  
44 of the association or its proposed members to provide a solvency bond pursuant to  
45 subsection 3 of NRS 616B.353.

46 (i) Proof that each member of the association will make the initial payment to  
47 the association required pursuant to NRS 616B.416 on a date specified by the  
48 Commissioner. The payment shall be deemed to be a part of the assessment  
49 required to be paid by each member for the first year of self-insurance if  
50 certification is issued to the association.

51 6. Except as otherwise provided in NRS 239.0115, any financial information  
52 relating to a member of an association received by the Commissioner pursuant to  
53 the provisions of this section is confidential and must not be disclosed.



7. For the purposes of this section, “associate member of a bona fide trade association” means a supplier whose business, as determined by the Commissioner:

(a) Is limited to a specific industry; and

(b) Primarily involves providing a product or service that is directly used or consumed by substantially all of the members of the trade association or bears a direct relationship to the business of the members of the association.

**Sec. 101.** NRS 616B.359 is hereby amended to read as follows:

616B.359 1. The Commissioner shall grant or deny an application for certification as an association of self-insured public or private employers within 60 days after receiving the application. If the application is materially incomplete or does not comply with the applicable provisions of the law, the Commissioner shall notify the applicant of the additional information or changes required. Under such circumstances, if the Commissioner is unable to act upon the application within this 60-day period, he may extend the period for granting or denying the application, but for not longer than an additional 90 days.

2. Upon determining that an association is qualified as an association of self-insured public or private employers, the Commissioner shall issue a certificate to that effect to the association and the association’s administrator. No certificate may be issued to an association that, within the 2 years immediately preceding its application, has had its certification as an association of self-insured public or private employers involuntarily withdrawn by the Commissioner.

3. A certificate issued pursuant to this section must include, without limitation:

(a) The name of the association;

(b) The name of each employer who the Commissioner determines is a member of the association at the time of the issuance of the certificate;

(c) An identification number assigned to the association by the Commissioner; and

(d) The date on which the certificate was issued.

4. A certificate issued pursuant to this section remains in effect until *the certificate is* withdrawn by the Commissioner ~~for~~, *the certificate is* cancelled at the request of the association ~~for~~ *or an association does not pay, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.* Coverage for an association granted a certificate becomes effective on the date of certification or the date specified in the certificate.

5. The Commissioner shall not grant a request to cancel a certificate unless the association has insured or reinsured all incurred obligations with an insurer authorized to do business in this State pursuant to an agreement filed with and approved by the Commissioner. The agreement must include coverage for actual claims and claims incurred but not reported, and the expenses associated with those claims.

**Sec. 102.** NRS 658.151 is hereby amended to read as follows:

658.151 1. The Commissioner may forthwith take possession of the business and property of any depository institution to which this title or title 56 of NRS applies when it appears that the depository institution:

(a) Has violated its charter or any laws applicable thereto.

(b) Is conducting its business in an unauthorized or unsafe manner.

(c) Is in an unsafe or unsound condition to transact its business.

(d) Has an impairment of its stockholders’ or members’ equity.

(e) Has refused to pay its depositors in accordance with the terms on which such deposits were received, or has refused to pay its holders of certificates of indebtedness or investment in accordance with the terms upon which those certificates of indebtedness or investment were sold.



- (f) Has become *or is in imminent danger of becoming* otherwise insolvent.
- (g) Has neglected or refused to comply with the terms of a lawful order of the Commissioner.
- (h) Has refused, upon proper demand, to submit its records, affairs and concerns for inspection and examination of an appointed or authorized examiner of the Commissioner.
- (i) Has made a voluntary assignment of its assets to trustees.
- (j) Has failed to pay a tax as required pursuant to the provisions of chapter 363A of NRS.

2. The Commissioner also may forthwith take possession of the business and property of any depository institution to which this title or title 56 of NRS applies when it appears that the officers of the depository institution have refused to be examined upon oath regarding its affairs.

**Sec. 103.** NRS 667.035 is hereby amended to read as follows:

667.035 1. ~~After July 1, 1971, the~~ *The* Federal Deposit Insurance Corporation created by the Federal Deposit Insurance Act, 12 U.S.C. § 1811, may act without bond as receiver or liquidator of any state bank which ~~has~~:

(a) *Has* been closed because of inability to meet the demands of its depositors ~~is~~; *or*

(b) *Is insured by the Federal Deposit Insurance Corporation and has been taken possession of by the Commissioner pursuant to NRS 658.151.*

2. The appropriate state authority having the right to appoint a receiver or liquidator of a state bank may, upon such closing, tender to the Federal Deposit Insurance Corporation the appointment as receiver or liquidator of such bank. If the Federal Deposit Insurance Corporation accepts the appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to a receiver or liquidator, respectively, of a state bank, its depositors and other creditors, and shall be subject to all the duties of such receiver or liquidator, except insofar as such powers, privileges or duties are in conflict with the provisions of the Federal Deposit Insurance Act.

**Sec. 104.** NRS 689B.0359, 689B.036, 695B.1938, 695B.194, 695C.1738 and 695C.174 are hereby repealed.

**Sec. 105.** Notwithstanding any other provision of this act:

1. On or before October 1, 2009, a person who, on the effective date of this act, is subject to an annual fee pursuant to section 3 of this act shall pay to the Commissioner 50 percent of the annual fee listed for that person in section 3 of this act, except for:

(a) External review organizations, as provided for in NRS 616A.469 or 683A.371, or both;

(b) Agents who perform utilization reviews, as defined in NRS 683A.376;

(c) Brokers of viatical settlements, as defined in NRS 688C.030;

(d) Providers of viatical settlements, as defined in NRS 688C.080;

(e) Captive insurers, as defined in NRS 694C.060;

(f) Purchasing groups, as defined in NRS 695E.100; and

(g) Risk retention groups, as defined in NRS 695E.110.

2. A person who pays pursuant to subsection 1 shall next pay an annual fee on or before March 1, 2010.

**Sec. 106.** 1. This section and sections 1 to 36, inclusive, 39 to 48, inclusive, 63 to 66, inclusive, 68, 71 to 74, inclusive, 77, 82 to 85, inclusive, 87, 89, 92 to 103, inclusive, and 105 of this act become effective upon passage and approval.

2. Sections ~~38.5~~, 49 to 52, inclusive, 54, ~~55~~, 59 to 62, inclusive, 67, 69, 70, 76, 78, 79, 81, 86, 88, 90 ~~and~~, 91 ~~and~~ 98 of this act become effective on June 15, 2009.

- 1           3. Sections 53, 75, 80, ~~98~~ and 104 of this act become effective on October  
2 1, 2009.  
3           4. Sections 37, ~~55~~, 56, 57 and 58 of this act become effective on October 3,  
4 2009.  
5           5. Section 38 of this act becomes effective on October 9, 2009.

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#### LEADLINES OF REPEALED SECTIONS

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**689B.0359** Required provision concerning coverage for treatment of conditions relating to severe mental illness.

**689B.036** Required provision concerning benefits for treatment of abuse of alcohol or drugs.

**695B.1938** Required provision concerning coverage for treatment of conditions relating to severe mental illness.

**695B.194** Required provision concerning benefits for treatment of abuse of alcohol or drugs.

**695C.1738** Required provision concerning coverage for treatment of conditions relating to severe mental illness.

**695C.174** Required provision concerning benefits for treatment of abuse of alcohol or drugs.