

ASSEMBLY BILL NO. 309—ASSEMBLYMEN OCEGUERA, SMITH, CONKLIN, OHRENSCHALL, BOBZIEN; AIZLEY, ANDERSON, ATKINSON, BUSTAMANTE ADAMS, CARLTON, CARRILLO, DALY, DIAZ, DONDERO LOOP, FLORES, FRIERSON, HOGAN, HORNE, KIRKPATRICK, MASTROLUCA, MUNFORD AND PIERCE

MARCH 17, 2011

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing insurance. (BDR 57-516)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
Effect on the State: Yes.

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

AN ACT relating to insurance; creating the Office of the Consumer Advocate within the Division of Insurance of the Department of Business and Industry; requiring the Governor to appoint a Consumer Advocate as the executive head of the office; requiring the Consumer Advocate to intervene in and represent the public interest in public hearings relating to rates for certain policies, contracts or plans of health insurance; requiring an insurer to provide certain information to the Consumer Advocate and publish on an Internet website maintained by the insurer certain information concerning each policy, contract or plan of health insurance offered by the insurer in this State; requiring the Commissioner of Insurance to publish on an Internet website maintained by the Division certain information relating to health insurance rates and public hearings relating to rates for certain policies, contracts or plans of health insurance; authorizing an insurer and the Consumer Advocate to request a public hearing on any rate or proposed rate increase or decrease of a policy, contract or plan of health insurance filed by



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the insurer with the Commissioner; authorizing a consumer of health insurance to request a public hearing on certain rates and proposed rate increases or decreases of a policy, contract or plan of health insurance filed by an insurer with the Commissioner; authorizing the Commissioner to hold a public hearing on a rate or proposed rate increase or decrease of a policy, contract or plan of health insurance filed by an insurer; removing certain provisions relating to trade secrets of insurers; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Commissioner of Insurance has exclusive authority to regulate insurers in this State and to approve or disapprove rates or proposed rate increases of insurers. (Chapters 679B, 680A and 686B of NRS) **Section 2** of this bill creates the Office of the Consumer Advocate within the Division of Insurance of the Department of Business and Industry and requires the Governor to appoint a Consumer Advocate to serve as executive head of the office and to intervene in and represent the public interest in certain public hearings relating to rates or proposed rate increases or decreases for certain policies, contracts or plans of health insurance. **Section 3** of this bill requires an insurer to provide certain information to the Consumer Advocate, and **section 6** of this bill requires an insurer to publish on an Internet website maintained by the insurer the provisions, terms, rates, premiums and actual and projected loss ratios of each policy, contract or plan of health insurance offered by the insurer to consumers in this State. **Section 6** also requires the Division to maintain a link to the Internet website of the insurer on an Internet website maintained by the Division.

Section 7 of this bill authorizes the Commissioner to hold a public hearing before approving or denying a rate or proposed rate increase or decrease of a policy, contract or plan of health insurance. **Section 7** also authorizes an insurer, the Consumer Advocate or a consumer of health insurance to request such a public hearing. **Section 7** further requires the insurer and Commissioner to publish on an Internet website maintained by the insurer or Division, respectively, certain information relating to a request for approval of a rate or proposed rate increase or decrease, including the date by which a person must request a public hearing concerning a rate or proposed rate increase. **Section 12** of this bill requires that certain information be filed with the Commissioner and provides that the information which is filed by certain insurers is available to the public upon a written request.

Existing law prohibits the Commissioner from disclosing to a third party certain proprietary information of an insurer. (NRS 689A.695, 689B.115, 689C.250) **Sections 18-20** of this bill delete those provisions.

An insurer that violates the provisions of **section 3, 6, 7 or 21** of this bill is guilty of a misdemeanor. (NRS 679A.180)



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

Section 1. Chapter 679B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 3 of this act.

Sec. 2. 1. *The Office of the Consumer Advocate is hereby created within the Division. The Governor shall appoint the Consumer Advocate as the executive head of the office. The Consumer Advocate is not subject to the supervision or control of the Division or the Commissioner in carrying out his or her duties.*

2. *The Governor shall appoint the Consumer Advocate for a term of 4 years. The Consumer Advocate is in the unclassified service of the State.*

3. *The Consumer Advocate shall intervene in and represent the public interest in all public hearings conducted by the Commissioner pursuant to section 7 of this act.*

4. *The Commissioner may apply for any available grants and may accept any gifts, grants and donations from any source to defray the costs of the Consumer Advocate in carrying out his or her duties.*

5. *To the extent money is available for this purpose, the Commissioner may employ in the unclassified service of the State any personnel necessary to assist with the duties and responsibilities of the Consumer Advocate.*

6. *The Governor may remove the Consumer Advocate from office for inefficiency, neglect of duty or malfeasance in office.*

Sec. 3. *An insurer that offers any policy, contract or plan of health insurance in this State shall provide the Consumer Advocate with copies of any proposed changes in rates and any other information used to calculate a rate or proposed rate increase or decrease.*

Sec. 4. NRS 679B.510 is hereby amended to read as follows:

679B.510 As used in NRS 679B.510 to 679B.560, inclusive, *and sections 2 and 3 of this act*, unless the context otherwise requires, the words and terms defined in NRS 679B.520, 679B.530 and 679B.540 have the meanings ascribed to them in those sections.

Sec. 5. Chapter 686B of NRS is hereby amended by adding thereto the provisions set forth as sections 6 and 7 of this act.

Sec. 6. 1. *An insurer shall, on or before a date established by the Commissioner, publish on an Internet website maintained by the insurer the provisions, terms, rates, premiums, projected loss ratio for the current fiscal year and the next following fiscal year of each policy, contract or plan of health insurance offered by the insurer in this State, and actual loss ratio of each policy, contract or plan of health insurance offered by the insurer in this*



1 *State for the immediately preceding fiscal year. An insurer shall*
2 *update the information published pursuant to this subsection each*
3 *time the insurer changes or modifies any provision, term, rate or*
4 *premium of such a policy, contract or plan.*

5 *2. The Division shall publish on an Internet website*
6 *maintained by the Division a link to the Internet website*
7 *maintained by each insurer on which information is published as*
8 *required by subsection 1.*

9 *3. As used in this section, "loss ratio" has the meaning*
10 *ascribed to it in section 2718(b)(1)(A) of the Public Health Service*
11 *Act, as amended by Public Law 111-148.*

12 **Sec. 7.** *1. Upon the filing of a rate or proposed rate*
13 *increase or decrease pursuant to NRS 686B.070 for a policy,*
14 *contract or plan of health insurance, and upon a determination by*
15 *the Commissioner that the proposal is complete, the insurer and*
16 *Commissioner shall publish on an Internet website maintained by*
17 *the insurer and Division, respectively, notice of the filing, any*
18 *information relating to the rate or proposed rate increase or*
19 *decrease, other than confidential medical information, and the*
20 *date by which a request for a public hearing on the rate or*
21 *proposed rate increase or decrease must be submitted pursuant to*
22 *subsection 2.*

23 *2. Upon the filing of a rate or proposed rate increase or*
24 *decrease pursuant to NRS 686B.070 for a policy, contract or plan*
25 *of health insurance:*

26 *(a) The insurer or rate service organization that files the rate*
27 *or proposed rate increase or decrease or the Consumer Advocate*
28 *may request that the Commissioner conduct a public hearing on*
29 *the rate or proposed rate increase or decrease; and*

30 *(b) A consumer of health insurance may request that the*
31 *Commissioner conduct a public hearing on the rate or proposed*
32 *rate increase or decrease if:*

33 *(1) The proposed rate increase or decrease is more than 10*
34 *percent of the current rate; or*

35 *(2) The policy, contract or plan of health insurance*
36 *represents more than 5 percent of its market segment in the State,*
37 *↳ by submitting to the Commissioner a written request for a*
38 *public hearing not later than 30 days after the date of first*
39 *publication of the notice of the rate or proposed rate increase or*
40 *decrease pursuant to subsection 1.*

41 *3. Upon the filing of a rate or proposed rate increase or*
42 *decrease pursuant to NRS 686B.070 for a policy, contract or plan*
43 *of health insurance or upon a request for a public hearing*
44 *pursuant to subsection 2, the Commissioner may conduct a public*
45 *hearing on the rate or proposed rate increase or decrease.*



1 4. If the Commissioner determines that a public hearing
2 should be held pursuant to subsection 3, the Commissioner shall
3 provide notice to the insurer or rate service organization of the
4 public hearing not later than 15 days before the date of the public
5 hearing and shall conduct the public hearing not later than 60
6 days after a determination by the Commissioner that the filing of
7 the rate or proposed rate increase or decrease is complete.

8 5. Upon receipt of the notice of a public hearing from the
9 Commissioner, an insurer or rate service organization shall
10 provide notice to its policyholders who would be affected by the
11 proposed change not later than 10 days before the date of the
12 public hearing.

13 6. To the extent practicable, a public hearing that is
14 conducted pursuant to this section on a weekday must be
15 conducted after 5 p.m.

16 7. If a public hearing is conducted pursuant to subsection 3,
17 the Commissioner shall publish on an Internet website maintained
18 by the Division:

19 (a) A transcript of the public hearing not later than 30 days
20 after the date of the hearing; and

21 (b) Any finding, decision or order of the Commissioner not
22 later than 30 days after the date of issuance of the finding,
23 decision or order.

24 8. As used in this section, "Consumer Advocate" means the
25 Consumer Advocate appointed by the Governor pursuant to
26 section 2 of this act.

27 **Sec. 8.** NRS 686B.010 is hereby amended to read as follows:

28 686B.010 1. The Legislature intends that NRS 686B.010 to
29 686B.1799, inclusive, *and sections 6 and 7 of this act* be liberally
30 construed to achieve the purposes stated in subsection 2, which
31 constitute an aid and guide to interpretation but not an independent
32 source of power.

33 2. The purposes of NRS 686B.010 to 686B.1799, inclusive,
34 *and sections 6 and 7 of this act* are to:

35 (a) Protect policyholders and the public against the adverse
36 effects of excessive, inadequate or unfairly discriminatory rates;

37 (b) Encourage, as the most effective way to produce rates that
38 conform to the standards of paragraph (a), independent action by
39 and reasonable price competition among insurers;

40 (c) Provide formal regulatory controls for use if independent
41 action and price competition fail;

42 (d) Authorize cooperative action among insurers in the rate-
43 making process, and to regulate such cooperation in order to prevent
44 practices that tend to bring about monopoly or to lessen or destroy
45 competition;



(e) Encourage the most efficient and economic marketing practices; and

(f) Regulate the business of insurance in a manner that will preclude application of federal antitrust laws.

Sec. 9. NRS 686B.020 is hereby amended to read as follows:

686B.020 As used in NRS 686B.010 to 686B.1799, inclusive, *and sections 6 and 7 of this act*, unless the context otherwise requires:

1. "Advisory organization," except as limited by NRS 686B.1752, means any person or organization which is controlled by or composed of two or more insurers and which engages in activities related to rate making. For the purposes of this subsection, two or more insurers with common ownership or operating in this State under common ownership constitute a single insurer. An advisory organization does not include:

- (a) A joint underwriting association;
- (b) An actuarial or legal consultant; or
- (c) An employee or manager of an insurer.

2. "Market segment" means any line or kind of insurance or, if it is described in general terms, any subdivision thereof or any class of risks or combination of classes.

3. "Rate service organization" means any person, other than an employee of an insurer, who assists insurers in rate making or filing by:

- (a) Collecting, compiling and furnishing loss or expense statistics;
- (b) Recommending, making or filing rates or supplementary rate information; or
- (c) Advising about rate questions, except as an attorney giving legal advice.

4. "Supplementary rate information" includes any manual or plan of rates, statistical plan, classification, rating schedule, minimum premium, policy fee, rating rule, rule of underwriting relating to rates and any other information prescribed by regulation of the Commissioner.

Sec. 10. NRS 686B.030 is hereby amended to read as follows:

686B.030 1. Except as otherwise provided in subsection 2 *and sections 6 and 7 of this act*, the provisions of NRS 686B.010 to 686B.1799, inclusive, *and sections 6 and 7 of this act* apply to all kinds and lines of direct insurance written on risks or operations in this State by any insurer authorized to do business in this State, except:

- (a) Ocean marine insurance;
- (b) Contracts issued by fraternal benefit societies;
- (c) Life insurance and credit life insurance;



- 1 (d) Variable and fixed annuities;
- 2 (e) Group and blanket health insurance and credit health
- 3 insurance;
- 4 (f) Property insurance for business and commercial risks;
- 5 (g) Casualty insurance for business and commercial risks other
- 6 than insurance covering the liability of a practitioner licensed
- 7 pursuant to chapters 630 to 640, inclusive, of NRS; and
- 8 (h) Surety insurance.

9 2. The exclusions set forth in paragraphs (f) and (g) of
10 subsection 1 extend only to issues related to the determination or
11 approval of premium rates.

12 **Sec. 11.** NRS 686B.040 is hereby amended to read as follows:

13 686B.040 1. Except as otherwise provided in subsection 2,
14 the Commissioner may by rule exempt any person or class of
15 persons or any market segment from any or all of the provisions of
16 NRS 686B.010 to 686B.1799, inclusive, *and sections 6 and 7 of*
17 *this act* if and to the extent that the Commissioner finds their
18 application unnecessary to achieve the purposes of those sections.

19 2. The Commissioner may not, by rule or otherwise, exempt an
20 insurer from the provisions of NRS 686B.010 to 686B.1799,
21 inclusive, *and sections 6 and 7 of this act* with regard to insurance
22 covering the liability of a practitioner licensed pursuant to chapter
23 630, 631, 632 or 633 of NRS for a breach of the practitioner's
24 professional duty toward a patient.

25 **Sec. 12.** NRS 686B.070 is hereby amended to read as follows:

26 686B.070 1. Every authorized insurer and every rate service
27 organization licensed under NRS 686B.140 which has been
28 designated by any insurer for the filing of rates under subsection 2
29 of NRS 686B.090 shall file with the Commissioner ~~{all:}~~ *for*
30 *approval:*

31 (a) ~~{Rates}~~ *All rates* and proposed *rate* increases ~~{thereto:}~~ *or*
32 *decreases;*

33 (b) ~~{Forms}~~ *All forms* of policies to which the rates apply;

34 (c) ~~{Supplementary}~~ *All supplementary* rate information; and

35 (d) ~~{Changes and amendments thereof;~~
36 ~~made by it for use in this state.}~~ *Any formula, supporting data or*
37 *other information used to calculate the rate or proposed rate*
38 *increase or decrease filed pursuant to paragraph (a).*

39 2. If an insurer makes a filing for a proposed increase in a rate
40 for insurance covering the liability of a practitioner licensed
41 pursuant to chapter 630, 631, 632 or 633 of NRS for a breach of the
42 practitioner's professional duty toward a patient, the insurer shall
43 not include in the filing any component that is directly or indirectly
44 related to the following:



(a) Capital losses, diminished cash flow from any dividends, interest or other investment returns, or any other financial loss that is materially outside of the claims experience of the professional liability insurance industry, as determined by the Commissioner.

(b) Losses that are the result of any criminal or fraudulent activities of a director, officer or employee of the insurer.

➤ If the Commissioner determines that a filing includes any such component, the Commissioner shall, pursuant to NRS 686B.110, disapprove the proposed increase, in whole or in part, to the extent that the proposed increase relies upon such a component.

3. A rate or proposed rate increase or decrease filed pursuant to subsection 1 must not go into effect until approved pursuant to NRS 686B.110.

4. Except for the filing of a rate or proposed rate increase or decrease of a policy, contract or plan of health insurance issued to a group pursuant to NRS 689B.026, the information submitted with the filing of a rate or proposed rate or rate increase pursuant to subsection 1, other than confidential medical information or any information relating to the amount, terms or conditions of reimbursement pursuant to a contract between the insurer and a third party, is public and must be provided to any person upon written request.

Sec. 13. NRS 686B.090 is hereby amended to read as follows:

686B.090 1. An insurer shall establish rates and supplementary rate information for any market segment based on the factors in NRS 686B.060. If an insurer has insufficient creditable loss experience, it may use rates and supplementary rate information prepared by a rate service organization, with modification for its own expense and loss experience.

2. ~~[Aa]~~ *Except as otherwise provided in section 7 of this act,* an insurer may discharge its obligation under subsection 1 of NRS 686B.070 by giving notice to the Commissioner that it uses rates and supplementary rate information prepared by a designated rate service organization, with such information about modifications thereof as are necessary fully to inform the Commissioner. The insurer's rates and supplementary rate information shall be deemed those filed from time to time by the rate service organization, including any amendments thereto as filed, subject to the modifications filed by the insurer.

Sec. 14. NRS 686B.110 is hereby amended to read as follows:

686B.110 1. The Commissioner shall consider each *rate or* proposed increase or decrease in the rate of any kind or line of insurance or subdivision thereof filed with the Commissioner pursuant to subsection 1 of NRS 686B.070. If the Commissioner finds that a proposed increase will result in a rate which is not in



1 compliance with NRS 686B.050 or subsection 2 of NRS 686B.070,
2 the Commissioner shall disapprove the proposal. The Commissioner
3 shall approve or disapprove each proposal ~~{no}~~ :

4 *(a) If the Commissioner conducts a public hearing on the*
5 *proposal pursuant to section 7 of this act, not later than 60 days*
6 *after ~~{it is determined by}~~ the date of the public hearing; or*

7 *(b) If no public hearing is held on the proposal pursuant to*
8 *section 7 of this act, not later than 60 days after the date on which*
9 *the Commissioner determines the proposal to be complete pursuant*
10 *to subsection ~~{4.}~~ 5.*

11 2. If the Commissioner fails to approve or disapprove the
12 proposal within ~~{that}~~ the period ~~{ }~~ *specified in subsection 1*, the
13 proposal shall be deemed approved.

14 ~~{2.}~~ 3. Whenever an insurer has no legally effective rates as a
15 result of the Commissioner's disapproval of rates or other act, the
16 Commissioner shall on request specify interim rates for the insurer
17 that are high enough to protect the interests of all parties and may
18 order that a specified portion of the premiums be placed in an
19 escrow account approved by the Commissioner. When new rates
20 become legally effective, the Commissioner shall order the
21 escrowed funds or any overcharge in the interim rates to be
22 distributed appropriately, except that refunds to policyholders that
23 are de minimis must not be required.

24 ~~{3.}~~ 4. If the Commissioner disapproves a *rate or* proposed
25 *rate increase or decrease* and an insurer requests a hearing to
26 determine the validity of the action of the Commissioner, the insurer
27 has the burden of showing compliance with the applicable standards
28 for rates established in NRS 686B.010 to 686B.1799, inclusive ~~{ }~~ ,
29 *and sections 6 and 7 of this act*. Any such hearing must be held:

30 (a) Within 30 days after the request for a hearing has been
31 submitted to the Commissioner; or

32 (b) Within a period agreed upon by the insurer and the
33 Commissioner.

34 ➔ If the hearing is not held within the period specified in paragraph
35 (a) or (b), or if the Commissioner fails to issue an order concerning
36 the *rate or* proposed rate *increase or decrease* for which the hearing
37 is held within 45 days after the hearing, the proposed rate *or*
38 *proposed rate increase or decrease* shall be deemed approved.

39 ~~{4.}~~ 5. The Commissioner shall by regulation specify the
40 documents or any other information which must be included in a
41 proposal for a rate or to increase or decrease a rate ~~{submitted to}~~
42 *filed with* the Commissioner pursuant to subsection 1 ~~{ }~~ *of NRS*
43 *686B.070*. Each such proposal shall be deemed complete upon its
44 filing with the Commissioner, unless the Commissioner, within 15
45 business days after the proposal is filed with the Commissioner,



determines that the proposal is incomplete because the proposal does not comply with the regulations adopted by the Commissioner pursuant to this subsection.

Sec. 15. NRS 686B.117 is hereby amended to read as follows:

686B.117 If a filing made with the Commissioner pursuant to ~~[paragraph (a) of]~~ subsection 1 of NRS 686B.070 pertains to insurance covering the liability of a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS for a breach of the practitioner's professional duty toward a patient, any interested person, and any association of persons or organization whose members may be affected, may intervene as a matter of right in any hearing or other proceeding conducted to determine whether the applicable rate or proposed increase thereto:

1. Complies with the standards set forth in NRS 686B.050 and subsection 2 of NRS 686B.070.

2. Should be approved or disapproved.

Sec. 16. NRS 687B.120 is hereby amended to read as follows:

687B.120 1. No life or health insurance policy or contract, annuity contract form, policy form, health care plan or plan for dental care, whether individual, group or blanket, including those to be issued by a health maintenance organization, organization for dental care or prepaid limited health service organization, or application form where a written application is required and is to be made a part of the policy or contract, or printed rider or endorsement form or form of renewal certificate, or form of individual certificate or statement of coverage to be issued under group or blanket contracts, or by a health maintenance organization, organization for dental care or prepaid limited health service organization, may be delivered or issued for delivery in this state, unless the form has been filed with and approved by the Commissioner. ~~[This subsection does not apply to any special rider or endorsement which relates to the manner of distribution of benefits or to the reservation of rights and benefits under life or health insurance policies, which special riders or endorsements are used at the request of the individual policyholder, contract holder or certificate holder.]~~ As to group insurance policies effectuated and delivered outside this state but covering persons resident in this state, the group certificates to be delivered or issued for delivery in this state must be filed, for informational purposes only, with the Commissioner at the request of the Commissioner.

2. Every ~~[such]~~ filing *made pursuant to subsection 1* must be made not less than 45 days in advance of any ~~[such]~~ delivery ~~[.]~~ *pursuant to subsection 1*. At the expiration of 45 days the form so filed shall be deemed approved unless prior thereto it has been affirmatively approved or disapproved by order of the



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1 Commissioner. Approval of any such form by the Commissioner
2 constitutes a waiver of any unexpired portion of such waiting
3 period. The Commissioner may extend by not more than an
4 additional 30 days the period within which the Commissioner may
5 so affirmatively approve or disapprove any such form, by giving
6 notice to the insurer of the extension before expiration of the initial
7 45-day period. At the expiration of any such period as so extended,
8 and in the absence of prior affirmative approval or disapproval, any
9 such form shall be deemed approved. The Commissioner may at any
10 time, after notice and for cause shown, withdraw any such approval.

11 3. Any order of the Commissioner disapproving any such form
12 or withdrawing a previous approval must state the grounds therefor
13 and the particulars thereof in such detail as reasonably to inform the
14 insurer thereof. Any such withdrawal of a previously approved form
15 is effective at the expiration of such a period, not less than 30 days
16 after the giving of notice of withdrawal, as the Commissioner in
17 such notice prescribes.

18 4. The Commissioner may, by order, exempt from the
19 requirements of this section for so long as the Commissioner deems
20 proper any insurance document or form or type thereof specified in
21 the order, to which, in the opinion of the Commissioner, this section
22 may not practicably be applied, or the filing and approval of which
23 are, in the opinion of the Commissioner, not desirable or necessary
24 for the protection of the public.

25 5. Appeals from orders of the Commissioner disapproving any
26 such form or withdrawing a previous approval may be taken as
27 provided in NRS 679B.310 to 679B.370, inclusive.

28 **Sec. 17.** NRS 687B.350 is hereby amended to read as follows:

29 687B.350 1. Except as otherwise provided in subsection 2, an
30 insurer shall not renew a policy on different terms, including
31 different rates, unless the insurer notifies the insured in writing of
32 the different terms or rates at least ~~30~~ 60 days before the expiration
33 of the policy. If the insurer fails to provide adequate and timely
34 notice, the insurer shall renew the policy at the expiring terms and
35 rates:

36 (a) For a period that is equal to the expiring term if the agreed
37 term is 1 year or less; or

38 (b) For 1 year if the agreed term is more than 1 year.

39 2. The provisions of this section do not apply to a change in the
40 rate for a policy of industrial insurance which is based on:

41 (a) A change to a prospective loss cost filed by the Advisory
42 Organization pursuant to NRS 686B.177 that is applicable to the
43 risk; or



(b) A correction based on the experience that is applicable to the risk in accordance with the Uniform Plan for Rating Experience filed with the Commissioner pursuant to NRS 686B.177.

Sec. 18. NRS 689A.695 is hereby amended to read as follows:

689A.695 An individual carrier shall make the information and documents described in NRS 689A.680 to 689A.700, inclusive, available to the Commissioner upon request. ~~[Except in cases of violations of the provisions of this chapter, the information, other than the premium rates charged by the individual carrier, is proprietary, constitutes a trade secret and is not subject to disclosure by the Commissioner to persons outside of the Division except as agreed to by the individual carrier or as ordered by a court of competent jurisdiction.]~~

Sec. 19. NRS 689B.115 is hereby amended to read as follows:

689B.115 An insurer providing blanket health insurance shall make all information concerning rates available to the Commissioner upon request. ~~[The information is proprietary, constitutes a trade secret, and may not be disclosed by the Commissioner to any person outside the Division except as agreed by the insurer or ordered by a court of competent jurisdiction.]~~

Sec. 20. NRS 689C.250 is hereby amended to read as follows:

689C.250 A carrier serving small employers shall make the information and documents described in NRS 689C.210 to 689C.240, inclusive, available to the Commissioner upon request. ~~[Except in cases of violations of NRS 689C.015 to 689C.355, inclusive, the information is proprietary, constitutes a trade secret, and is not subject to disclosure by the Commissioner to persons outside of the Division except as agreed to by the carrier or as ordered by a court of competent jurisdiction.]~~

Sec. 21. Section 7 of this act is hereby amended to read as follows:

1. Upon the filing of a rate or proposed rate increase or decrease pursuant to NRS 686B.070 for a policy, contract or plan of health insurance, and upon a determination by the Commissioner that the proposal is complete, the insurer and Commissioner shall publish on an Internet website maintained by the insurer and Division, respectively, notice of the filing, any information relating to the rate or proposed rate increase or decrease, other than confidential medical information, and the date by which a request for a public hearing on the rate or proposed rate increase or decrease must be submitted pursuant to subsection 2.

2. Upon the filing of a rate or proposed rate increase or decrease pursuant to NRS 686B.070 for a policy, contract or plan of health insurance:



1 (a) The insurer or rate service organization that files the
2 rate or proposed rate increase or decrease ~~for the Consumer~~
3 ~~Advocate~~ may request that the Commissioner conduct a
4 public hearing on the rate or proposed rate increase or
5 decrease; and

6 (b) A consumer of health insurance may request that the
7 Commissioner conduct a public hearing on the rate or
8 proposed rate increase or decrease if:

9 (1) The proposed rate increase or decrease is more
10 than 10 percent of the current rate; or

11 (2) The policy, contract or plan of health insurance
12 represents more than 5 percent of its market segment in the
13 State,

14 ➔ by submitting to the Commissioner a written request for a
15 public hearing not later than 30 days after the date of first
16 publication of the notice of the rate or proposed rate increase
17 or decrease pursuant to subsection 1.

18 3. Upon the filing of a rate or proposed rate increase or
19 decrease pursuant to NRS 686B.070 for a policy, contract or
20 plan of health insurance or upon a request for a public hearing
21 pursuant to subsection 2, the Commissioner may conduct a
22 public hearing on the rate or proposed rate increase or
23 decrease.

24 4. If the Commissioner determines that a public hearing
25 should be held pursuant to subsection 3, the Commissioner
26 shall provide notice to the insurer or rate service organization
27 of the public hearing not later than 15 days before the date of
28 the public hearing and shall conduct the public hearing not
29 later than 60 days after a determination by the Commissioner
30 that the filing of the rate or proposed rate increase or decrease
31 is complete.

32 5. Upon receipt of the notice of a public hearing from
33 the Commissioner, an insurer or rate service organization
34 shall provide notice to its policyholders not later than 10 days
35 before the date of the public hearing.

36 6. To the extent practicable, a public hearing that is
37 conducted pursuant to this section on a weekday must be
38 conducted after 5 p.m.

39 7. If a public hearing is conducted pursuant to subsection
40 3, the Commissioner shall publish on an Internet website
41 maintained by the Division:

42 (a) A transcript of the public hearing not later than 30
43 days after the date of the hearing; and



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(b) Any finding, decision or order of the Commissioner not later than 30 days after the date of issuance of the finding, decision or order.

~~[8.—As used in this section, “Consumer Advocate” means the Consumer Advocate appointed by the Governor pursuant to section 2 of this act.]~~

Sec. 22. Section 14 of this act is hereby amended to read as follows:

Sec. 14. NRS 686B.110 is hereby amended to read as follows:

686B.110 1. The Commissioner shall consider each rate or proposed increase or decrease in the rate of any kind or line of insurance or subdivision thereof filed with the Commissioner pursuant to subsection 1 of NRS 686B.070. If the Commissioner finds that a proposed increase will result in a rate which is not in compliance with NRS 686B.050 or subsection 2 of NRS 686B.070, the Commissioner shall disapprove the proposal. The Commissioner shall approve or disapprove each proposal:

(a) If the Commissioner conducts a public hearing on the proposal pursuant to section ~~[7]~~ 21 of this act, not later than 60 days after the date of the public hearing; or

(b) If no public hearing is held on the proposal pursuant to section ~~[7]~~ 21 of this act, not later than 60 days after the date on which the Commissioner determines the proposal to be complete pursuant to subsection 5.

2. If the Commissioner fails to approve or disapprove the proposal within the period specified in subsection 1, the proposal shall be deemed approved.

3. Whenever an insurer has no legally effective rates as a result of the Commissioner’s disapproval of rates or other act, the Commissioner shall on request specify interim rates for the insurer that are high enough to protect the interests of all parties and may order that a specified portion of the premiums be placed in an escrow account approved by the Commissioner. When new rates become legally effective, the Commissioner shall order the escrowed funds or any overcharge in the interim rates to be distributed appropriately, except that refunds to policyholders that are de minimis must not be required.

4. If the Commissioner disapproves a rate or proposed rate increase or decrease and an insurer requests a hearing to determine the validity of the action of the Commissioner, the insurer has the burden of showing compliance with the applicable standards for rates established in NRS 686B.010 to



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686B.1799, inclusive, and sections 6 and ~~7~~ 21 of this act.
Any such hearing must be held:

(a) Within 30 days after the request for a hearing has been submitted to the Commissioner; or

(b) Within a period agreed upon by the insurer and the Commissioner.

➤ If the hearing is not held within the period specified in paragraph (a) or (b), or if the Commissioner fails to issue an order concerning the rate or proposed rate increase or decrease for which the hearing is held within 45 days after the hearing, the proposed rate or proposed rate increase or decrease shall be deemed approved.

5. The Commissioner shall by regulation specify the documents or any other information which must be included in a proposal for a rate or to increase or decrease a rate filed with the Commissioner pursuant to subsection 1 of NRS 686B.070. Each such proposal shall be deemed complete upon its filing with the Commissioner, unless the Commissioner, within 15 business days after the proposal is filed with the Commissioner, determines that the proposal is incomplete because the proposal does not comply with the regulations adopted by the Commissioner pursuant to this subsection.

Sec. 23. 1. This section and sections 1 to 20, inclusive, of this act become effective on July 1, 2011.

2. Sections 2, 3, 7, 13 and 14 of this act expire by limitation on the date on which the Governor by proclamation declares that the money for funding the Office of the Consumer Advocate will no longer be available.

3. Sections 21 and 22 of this act become effective on the date on which the Governor by proclamation declares that the money for funding the Office of the Consumer Advocate will no longer be available.

