

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 the Division 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



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insurance filed by 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:**

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

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

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

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

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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 and 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 and the Division with copies of any proposed changes in rates and any other information used to calculate a rate or proposed rate increase or decrease. Information provided to the Consumer Advocate and the Division pursuant to this section must be submitted in an electronic format prescribed by the Commissioner.*

**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, 7 and 7.5 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, certificates of coverage, projected loss ratio for the current fiscal year and the*



1 next following fiscal year of each policy, contract or plan of health  
2 insurance offered by the insurer in this State, and actual loss ratio  
3 of each policy, contract or plan of health insurance offered by the  
4 insurer in this State for the immediately preceding fiscal year. An  
5 insurer shall update the information published pursuant to this  
6 subsection each time the insurer changes or modifies any  
7 provision, term, rate or premium of such a policy, contract or plan  
8 and shall ensure that the information published pursuant to this  
9 subsection does not include any personally identifying information  
10 or confidential medical information.

11 2. The Division shall publish on an Internet website  
12 maintained by the Division a link to the Internet website  
13 maintained by each insurer on which information is published as  
14 required by subsection 1.

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

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

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

32 (a) The insurer or rate service organization that files the rate  
33 or proposed rate increase or decrease or the Consumer Advocate  
34 may request that the Commissioner conduct a public hearing on  
35 the rate or proposed rate increase or decrease; and

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

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

41 (2) The policy, contract or plan of health insurance  
42 represents more than 5 percent of its market segment in the State,  
43 by submitting to the Commissioner a written request for a  
44 public hearing not later than 30 days after the date of first



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1 *publication of the notice of the rate or proposed rate increase or*  
2 *decrease pursuant to subsection 1.*

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

8 4. *If the Commissioner determines that a public hearing*  
9 *should be held pursuant to subsection 3, the Commissioner shall*  
10 *provide notice to the insurer or rate service organization of the*  
11 *public hearing not later than 15 days before the date of the public*  
12 *hearing and shall conduct the public hearing not later than 45*  
13 *days after a determination by the Commissioner that the filing of*  
14 *the rate or proposed rate increase or decrease is complete.*

15 5. *Upon receipt of the notice of a public hearing from the*  
16 *Commissioner, an insurer or rate service organization shall*  
17 *provide notice to its policyholders who would be affected by the*  
18 *proposed change not later than 10 days before the date of the*  
19 *public hearing.*

20 6. *To the extent practicable, a public hearing that is*  
21 *conducted pursuant to this section on a weekday must be*  
22 *conducted after 5 p.m.*

23 7. *If a public hearing is conducted pursuant to subsection 3,*  
24 *the Commissioner shall publish on an Internet website maintained*  
25 *by the Division:*

26 (a) *A transcript of the public hearing not later than 15 days*  
27 *after the date of the hearing; and*

28 (b) *Any finding, decision or order of the Commissioner not*  
29 *later than 15 days after the date of issuance of the finding,*  
30 *decision or order.*

31 8. *As used in this section, "Consumer Advocate" means the*  
32 *Consumer Advocate appointed by the Governor pursuant to*  
33 *section 2 of this act.*

34 **Sec. 7.5.** *The provisions of sections 6 and 7 of this act do not*  
35 *apply to a contract or policy of group or blanket health insurance.*

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

37 686B.010 1. The Legislature intends that NRS 686B.010 to  
38 686B.1799, inclusive, *and sections 6, 7 and 7.5 of this act* be  
39 liberally construed to achieve the purposes stated in subsection 2,  
40 which constitute an aid and guide to interpretation but not an  
41 independent source of power.

42 2. The purposes of NRS 686B.010 to 686B.1799, inclusive,  
43 *and sections 6, 7 and 7.5 of this act* are to:

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



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

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

(d) Authorize cooperative action among insurers in the rate-making process, and to regulate such cooperation in order to prevent practices that tend to bring about monopoly or to lessen or destroy 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, 7 and 7.5 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~~ *and sections 6, 7 and 7.5 of this act, the provisions of* NRS 686B.010 to 686B.1799, inclusive, *and sections 6, 7 and 7.5 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;
- (d) Variable and fixed annuities;
- (e) Group and blanket health insurance and credit health insurance;
- (f) Property insurance for business and commercial risks;
- (g) Casualty insurance for business and commercial risks other than insurance covering the liability of a practitioner licensed pursuant to chapters 630 to 640, inclusive, of NRS; and
- (h) Surety insurance.

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

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

686B.040 1. Except as otherwise provided in subsection 2, the Commissioner may by rule exempt any person or class of persons or any market segment from any or all of the provisions of NRS 686B.010 to 686B.1799, inclusive, *and sections 6, 7 and 7.5 of this act* if and to the extent that the Commissioner finds their application unnecessary to achieve the purposes of those sections.

2. The Commissioner may not, by rule or otherwise, exempt an insurer from the provisions of NRS 686B.010 to 686B.1799, inclusive, *and sections 6, 7 and 7.5 of this act* with regard 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.

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

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

- (a) ~~Rates~~ *All rates* and proposed *rate* increases ~~thereto;~~ *or decreases;*
- (b) ~~Forms~~ *All forms* of policies to which the rates apply;
- (c) ~~Supplementary~~ *All supplementary* rate information; and
- (d) ~~Changes and amendments thereof;~~



~~made by it for use in this state.]~~ *Any formula, supporting data or other information used to calculate the rate or proposed rate increase or decrease filed pursuant to paragraph (a).*

2. If an insurer makes a filing for a proposed increase in a rate for 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, the insurer shall not include in the filing any component that is directly or indirectly 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. ~~[An]~~ **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



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1 those filed from time to time by the rate service organization,  
2 including any amendments thereto as filed, subject to the  
3 modifications filed by the insurer.

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

5 686B.110 1. The Commissioner shall consider each *rate or*  
6 proposed increase or decrease in the rate of any kind or line of  
7 insurance or subdivision thereof filed with the Commissioner  
8 pursuant to subsection 1 of NRS 686B.070. If the Commissioner  
9 finds that a proposed increase will result in a rate which is not in  
10 compliance with NRS 686B.050 or subsection 2 of NRS 686B.070,  
11 the Commissioner shall disapprove the proposal. The Commissioner  
12 shall approve or disapprove each proposal ~~[no]~~:

13 *(a) If the Commissioner conducts a public hearing on the*  
14 *proposal pursuant to section 7 of this act, not later than ~~[60]~~ 30*  
15 *days after ~~[it is determined by]~~ the date of the public hearing; or*

16 *(b) If no public hearing is held on the proposal pursuant to*  
17 *section 7 of this act, not later than 30 days after the date on which*  
18 *the Commissioner determines the proposal to be complete pursuant*  
19 *to subsection ~~[4.]~~ 5.*

20 2. If the Commissioner fails to approve or disapprove the  
21 proposal within ~~[that]~~ the period ~~[ ]~~ *specified in subsection 1*, the  
22 proposal shall be deemed approved.

23 ~~[2.]~~ 3. Whenever an insurer has no legally effective rates as a  
24 result of the Commissioner's disapproval of rates or other act, the  
25 Commissioner shall on request specify interim rates for the insurer  
26 that are high enough to protect the interests of all parties and may  
27 order that a specified portion of the premiums be placed in an  
28 escrow account approved by the Commissioner. When new rates  
29 become legally effective, the Commissioner shall order the  
30 escrowed funds or any overcharge in the interim rates to be  
31 distributed appropriately, except that refunds to policyholders that  
32 are de minimis must not be required.

33 ~~[3.]~~ 4. If the Commissioner disapproves a *rate or* proposed  
34 rate *increase or decrease* and an insurer requests a hearing to  
35 determine the validity of the action of the Commissioner, the insurer  
36 has the burden of showing compliance with the applicable standards  
37 for rates established in NRS 686B.010 to 686B.1799, inclusive ~~[ ]~~,  
38 *and sections 6, 7 and 7.5 of this act.* Any such hearing must be  
39 held:

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

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

44 ➔ If the hearing is not held within the period specified in paragraph  
45 (a) or (b), or if the Commissioner fails to issue an order concerning



1 the *rate or* proposed rate *increase or decrease* for which the hearing  
2 is held within 45 days after the hearing, the proposed rate *or*  
3 *proposed rate increase or decrease* shall be deemed approved.

4 ~~[4.]~~ 5. The Commissioner shall by regulation specify the  
5 documents or any other information which must be included in a  
6 proposal for a rate or to increase or decrease a rate ~~[submitted to]~~  
7 *filed with* the Commissioner pursuant to subsection 1 ~~[.]~~ of NRS  
8 686B.070. Each such proposal shall be deemed complete upon its  
9 filing with the Commissioner, unless the Commissioner, within 15  
10 business days after the proposal is filed with the Commissioner,  
11 determines that the proposal is incomplete because the proposal  
12 does not comply with the regulations adopted by the Commissioner  
13 pursuant to this subsection.

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

15 686B.117 If a filing made with the Commissioner pursuant  
16 to ~~[paragraph (a) of]~~ subsection 1 of NRS 686B.070 pertains to  
17 insurance covering the liability of a practitioner licensed pursuant to  
18 chapter 630, 631, 632 or 633 of NRS for a breach of the  
19 practitioner's professional duty toward a patient, any interested  
20 person, and any association of persons or organization whose  
21 members may be affected, may intervene as a matter of right in any  
22 hearing or other proceeding conducted to determine whether the  
23 applicable rate or proposed increase thereto:

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

26 2. Should be approved or disapproved.

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

28 687B.120 1. No life or health insurance policy or contract,  
29 annuity contract form, policy form, health care plan or plan for  
30 dental care, whether individual, group or blanket, including those to  
31 be issued by a health maintenance organization, organization for  
32 dental care or prepaid limited health service organization, or  
33 application form where a written application is required and is to be  
34 made a part of the policy or contract, or printed rider or endorsement  
35 form or form of renewal certificate, or form of individual certificate  
36 or statement of coverage to be issued under group or blanket  
37 contracts, or by a health maintenance organization, organization for  
38 dental care or prepaid limited health service organization, may be  
39 delivered or issued for delivery in this state, unless the form has  
40 been filed with and approved by the Commissioner. ~~[This~~  
41 ~~subsection does not apply to any special rider or endorsement which~~  
42 ~~relates to the manner of distribution of benefits or to the reservation~~  
43 ~~of rights and benefits under life or health insurance policies, which~~  
44 ~~special riders or endorsements are used at the request of the~~  
45 ~~individual policyholder, contract holder or certificate holder.]~~ As to



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1 group insurance policies effectuated and delivered outside this state  
2 but covering persons resident in this state, the group certificates to  
3 be delivered or issued for delivery in this state must be filed, for  
4 informational purposes only, with the Commissioner at the request  
5 of the Commissioner.

6 2. Every ~~[such]~~ filing *made pursuant to subsection 1* must be  
7 made not less than 45 days in advance of any ~~[such]~~ delivery ~~[.]~~  
8 *pursuant to subsection 1*. At the expiration of 45 days the form so  
9 filed shall be deemed approved unless prior thereto it has been  
10 affirmatively approved or disapproved by order of the  
11 Commissioner. Approval of any such form by the Commissioner  
12 constitutes a waiver of any unexpired portion of such waiting  
13 period. The Commissioner may extend by not more than an  
14 additional 30 days the period within which the Commissioner may  
15 so affirmatively approve or disapprove any such form, by giving  
16 notice to the insurer of the extension before expiration of the initial  
17 45-day period. At the expiration of any such period as so extended,  
18 and in the absence of prior affirmative approval or disapproval, any  
19 such form shall be deemed approved. The Commissioner may at any  
20 time, after notice and for cause shown, withdraw any such approval.

21 3. Any order of the Commissioner disapproving any such form  
22 or withdrawing a previous approval must state the grounds therefor  
23 and the particulars thereof in such detail as reasonably to inform the  
24 insurer thereof. Any such withdrawal of a previously approved form  
25 is effective at the expiration of such a period, not less than 30 days  
26 after the giving of notice of withdrawal, as the Commissioner in  
27 such notice prescribes.

28 4. The Commissioner may, by order, exempt from the  
29 requirements of this section for so long as the Commissioner deems  
30 proper any insurance document or form or type thereof specified in  
31 the order, to which, in the opinion of the Commissioner, this section  
32 may not practicably be applied, or the filing and approval of which  
33 are, in the opinion of the Commissioner, not desirable or necessary  
34 for the protection of the public.

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

38 **Sec. 17.** (Deleted by amendment.)

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

40 689A.695 An individual carrier shall make the information and  
41 documents described in NRS 689A.680 to 689A.700, inclusive,  
42 available to the Commissioner upon request. ~~[Except in cases of~~  
43 ~~violations of the provisions of this chapter, the information, other~~  
44 ~~than the premium rates charged by the individual carrier, is~~  
45 ~~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:

Sec. 7. 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:

(a) The insurer or rate service organization that files the rate or proposed rate increase or decrease ~~[or the Consumer Advocate]~~ may request that the Commissioner conduct a public hearing on the rate or proposed rate increase or decrease; and

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

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



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

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

3. 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 or upon a request for a public hearing pursuant to subsection 2, the Commissioner may conduct a public hearing on the rate or proposed rate increase or decrease.

4. If the Commissioner determines that a public hearing should be held pursuant to subsection 3, the Commissioner shall provide notice to the insurer or rate service organization of the public hearing not later than 15 days before the date of the public hearing and shall conduct the public hearing not later than ~~[60]~~ 45 days after a determination by the Commissioner that the filing of the rate or proposed rate increase or decrease is complete.

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

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

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

(a) A transcript of the public hearing not later than ~~[30]~~ 15 days after the date of the hearing; and

(b) Any finding, decision or order of the Commissioner not later than ~~[30]~~ 15 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



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

8 (a) If the Commissioner conducts a public hearing on the  
9 proposal pursuant to section ~~7~~ 21 of this act, not later than  
10 ~~60~~ 30 days after the date of the public hearing; or

11 (b) If no public hearing is held on the proposal pursuant  
12 to section ~~7~~ 21 of this act, not later than ~~60~~ 30 days after  
13 the date on which the Commissioner determines the proposal  
14 to be complete pursuant to subsection 5.

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

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

29 4. If the Commissioner disapproves a rate or proposed  
30 rate increase or decrease and an insurer requests a hearing to  
31 determine the validity of the action of the Commissioner, the  
32 insurer has the burden of showing compliance with the  
33 applicable standards for rates established in NRS 686B.010 to  
34 686B.1799, inclusive, and sections 6 and ~~7~~ 21 of this act.  
35 Any such hearing must be held:

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

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

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



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

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

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

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

