

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 health benefit plans; 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 such health benefit plan 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 such health benefit plans; authorizing an insurer and the Consumer Advocate to request a public hearing on any rate or proposed rate increase or decrease of such a health benefit plan 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 such a health benefit plan 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 such a health benefit plan filed by an insurer; revising certain provisions relating to trade secrets of insurers; providing a penalty; and providing other matters properly relating thereto.



\* A B 3 0 9 R 2 \*

**Legislative Counsel's Digest:**

The Nevada Insurance Code is set forth in title 57 of NRS. **Section 1** of this bill provides that no provision of the Code applies to Medicaid or the Children's Health Insurance Program.

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 individual health benefit plans and group health plans for small employers. **Section 3** of this bill requires an insurer to provide certain information to the Consumer Advocate and the Division, and **section 6** of this bill requires an insurer to publish on an Internet website maintained by the insurer the base premiums, certificates of coverage and actual and projected loss ratios of such health benefit plans 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 such a health benefit plan. **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, with certain exceptions relating to confidentiality and trade secrets, 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)

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

**Section 1.** NRS 679A.160 is hereby amended to read as follows:

679A.160 Except as otherwise provided by specific statute, no provision of this Code applies to:

1. Fraternal benefit societies, as identified in chapter 695A of NRS, except as stated in chapter 695A of NRS.

2. Hospital, medical or dental service corporations, as identified in chapter 695B of NRS, except as stated in chapter 695B of NRS.

3. Motor clubs, as identified in chapter 696A of NRS, except as stated in chapter 696A of NRS.



4. Bail agents, as identified in chapter 697 of NRS, except as stated in NRS 680B.025 to 680B.039, inclusive, and chapter 697 of NRS.

5. Risk retention groups, as identified in chapter 695E of NRS, except as stated in chapter 695E of NRS.

6. Captive insurers, as identified in chapter 694C of NRS, with respect to their activities as captive insurers, except as stated in chapter 694C of NRS.

7. Health and welfare plans arising out of collective bargaining under chapter 288 of NRS, except that the Commissioner may review the plan to ensure that the benefits are reasonable in relation to the premiums and that the fund is financially sound.

*8. Medicaid or the Children's Health Insurance Program as described in chapter 422 of NRS.*

**Sec. 1.5.** 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 Consumer Advocate may apply to the Commissioner for the issuance of a subpoena pursuant to NRS 679B.340 for the appearance of witnesses or the production of books, papers and documents in any public hearing in which the Consumer Advocate intervenes and may make arrangements for and pay the fees or costs of any witnesses and consultants necessary to the public hearing.*

*5. 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.*

*6. 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.*

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



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1     **Sec. 3. 1.** *An insurer that offers any health benefit plan in*  
2 *this State shall provide the Consumer Advocate and the Division*  
3 *with copies of any proposed changes in rates and any other*  
4 *information used to calculate a rate or proposed rate increase or*  
5 *decrease. Information provided to the Consumer Advocate and the*  
6 *Division pursuant to this section must be submitted in an*  
7 *electronic format prescribed by the Commissioner.*

8     2. *The provisions of this section apply only to individual*  
9 *health benefit plans described in chapter 689A of NRS and group*  
10 *health plans for small employers described in chapter 689C of*  
11 *NRS.*

12     **Sec. 4.** NRS 679B.510 is hereby amended to read as follows:  
13     679B.510 As used in NRS 679B.510 to 679B.560, inclusive,  
14 *and sections 2 and 3 of this act*, unless the context otherwise  
15 requires, the words and terms defined in NRS 679B.520, 679B.530  
16 and 679B.540 have the meanings ascribed to them in those sections.

17     **Sec. 5.** Chapter 686B of NRS is hereby amended by adding  
18 thereto the provisions set forth as sections 6, 7 and 7.5 of this act.

19     **Sec. 6. 1.** *An insurer shall, on or before a date established*  
20 *by the Commissioner, publish on an Internet website maintained*  
21 *by the insurer the base premiums, certificates of coverage,*  
22 *projected loss ratio reported to the Department of Health and*  
23 *Human Services for the current fiscal year and the next following*  
24 *fiscal year for each health benefit plan offered by the insurer in*  
25 *this State, and actual loss ratio reported to the Department of*  
26 *Health and Human Services for the immediately preceding fiscal*  
27 *year for each health benefit plan offered by the insurer in this*  
28 *State. An insurer shall update the information published pursuant*  
29 *to this subsection each time the insurer changes or modifies the*  
30 *base premium or certificate of coverage of such a health benefit*  
31 *plan and shall ensure that the information published pursuant to*  
32 *this subsection does not include any personally identifying*  
33 *information or confidential medical information.*

34     2. *The Division shall publish on an Internet website*  
35 *maintained by the Division a link to the Internet website*  
36 *maintained by each insurer on which information is published as*  
37 *required by subsection 1.*

38     3. *The provisions of this section apply only to individual*  
39 *health benefit plans described in chapter 689A of NRS and group*  
40 *health plans for small employers described in chapter 689C of*  
41 *NRS.*

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



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1     **Sec. 7. 1. Upon the filing of a rate or proposed rate**  
2 *increase or decrease pursuant to NRS 686B.070 for a health*  
3 *benefit plan and upon a determination by the Commissioner that*  
4 *the proposal is complete, the insurer and Commissioner shall*  
5 *publish on an Internet website maintained by the insurer and*  
6 *Division, respectively, notice of the filing, any information relating*  
7 *to the rate or proposed rate increase or decrease, other than*  
8 *confidential medical information, and the date by which a request*  
9 *for a public hearing on the rate or proposed rate increase or*  
10 *decrease must be submitted pursuant to subsection 2.*

11     **2. Upon the filing of a rate or proposed rate increase or**  
12 *decrease pursuant to NRS 686B.070 for a health benefit plan:*

13     **(a) The insurer or rate service organization that files the rate**  
14 *or proposed rate increase or decrease or the Consumer Advocate*  
15 *may request that the Commissioner conduct a public hearing on*  
16 *the rate or proposed rate increase or decrease; and*

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

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

22         **(2) The health benefit plan represents more than 5 percent**  
23 *of its market segment in the State,*

24         **↳ by submitting to the Commissioner a written request for a**  
25 *public hearing not later than 28 days after the date of first*  
26 *publication of the notice of the rate or proposed rate increase or*  
27 *decrease pursuant to subsection 1.*

28     **3. Upon the filing of a rate or proposed rate increase or**  
29 *decrease pursuant to NRS 686B.070 for a health benefit plan or*  
30 *upon a request for a public hearing pursuant to subsection 2, the*  
31 *Commissioner may conduct a public hearing on the rate or*  
32 *proposed rate increase or decrease. In determining whether a*  
33 *public hearing should be held upon a request submitted by a*  
34 *consumer of health insurance covered by a group health plan for*  
35 *small employers, the Commissioner may, without limitation,*  
36 *consider whether the consumer of health insurance is*  
37 *representative of a majority of the employees covered under the*  
38 *group health plan.*

39     **4. If the Commissioner determines that a public hearing**  
40 *should be held pursuant to subsection 3, the Commissioner shall*  
41 *provide notice to the insurer or rate service organization and to*  
42 *the general public of the public hearing not later than 15 days*  
43 *before the date of the public hearing and shall conduct the public*  
44 *hearing not later than 45 days after a determination by the*



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1 *Commissioner that the filing of the rate or proposed rate increase*  
2 *or decrease is complete.*

3 5. *Upon receipt of the notice of a public hearing from the*  
4 *Commissioner, an insurer or rate service organization shall*  
5 *provide notice of the public hearing on its website and to each of*  
6 *its policyholders who would be affected by the proposed change at*  
7 *his or her mailing address or electronic mailing address not later*  
8 *than 10 days before the date of the public hearing.*

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

12 7. *If a public hearing is conducted pursuant to subsection 3,*  
13 *the Commissioner, in addition to complying with the requirements*  
14 *of NRS 241.035, shall publish on an Internet website maintained*  
15 *by the Division:*

16 (a) *A transcript of the public hearing not later than 30 days*  
17 *after the date of the hearing; and*

18 (b) *Any finding, decision or order of the Commissioner not*  
19 *later than 15 days after the date of issuance of the finding,*  
20 *decision or order.*

21 8. *The provisions of this section apply only to individual*  
22 *health benefit plans described in chapter 689A of NRS and group*  
23 *health plans for small employers described in chapter 689C of*  
24 *NRS.*

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

28 **Sec. 7.5.** (Deleted by amendment.)

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

30 686B.010 1. The Legislature intends that NRS 686B.010 to  
31 686B.1799, inclusive, *and sections 6, 7 and 7.5 of this act* be  
32 liberally construed to achieve the purposes stated in subsection 2,  
33 which constitute an aid and guide to interpretation but not an  
34 independent source of power.

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

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

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

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

44 (d) Authorize cooperative action among insurers in the rate-  
45 making process, and to regulate such cooperation in order to prevent



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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, 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;



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- (c) Life insurance and credit life insurance;
- (d) Variable and fixed annuities;
- (e) ~~[Group and blanket health insurance and credit]~~ *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 ~~[ ]~~; *and*
- (i) *Contracts relating to Medicaid or the Children's Health Insurance Program as described in chapter 422 of NRS.*

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 ~~[all:]~~ *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





1 not include in the filing any component that is directly or indirectly  
2 related to the following:

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

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

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

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

16 *4. The information submitted with the filing of a rate or*  
17 *proposed rate or rate increase pursuant to subsection 1, other than*  
18 *confidential medical information, any information relating to the*  
19 *amount, terms or conditions of reimbursement pursuant to a*  
20 *contract between the insurer and a third party or any information*  
21 *the Commissioner determines is a trade secret, is public and must*  
22 *be provided to any person upon written request.*

23 *5. As used in this section, "trade secret" has the meaning*  
24 *ascribed to it in subsection 5 of NRS 600A.030.*

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

26 686B.090 1. An insurer shall establish rates and  
27 supplementary rate information for any market segment based on  
28 the factors in NRS 686B.060. If an insurer has insufficient  
29 creditable loss experience, it may use rates and supplementary rate  
30 information prepared by a rate service organization, with  
31 modification for its own expense and loss experience.

32 2. ~~[An]~~ *Except as otherwise provided in section 7 of this act,*  
33 *an* insurer may discharge its obligation under subsection 1 of NRS  
34 686B.070 by giving notice to the Commissioner that it uses rates  
35 and supplementary rate information prepared by a designated rate  
36 service organization, with such information about modifications  
37 thereof as are necessary fully to inform the Commissioner. The  
38 insurer's rates and supplementary rate information shall be deemed  
39 those filed from time to time by the rate service organization,  
40 including any amendments thereto as filed, subject to the  
41 modifications filed by the insurer.

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

43 686B.110 1. The Commissioner shall consider each *rate or*  
44 proposed increase or decrease in the rate of any kind or line of  
45 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 ~~[no]~~:

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

(b) *If no public hearing is held on the proposal pursuant to section 7 of this act, not later than 45 days after the date on which the Commissioner determines the proposal to be complete pursuant to subsection ~~[4]~~ 5.*

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

~~[2]~~ 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.

~~[3]~~ 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 686B.1799, inclusive ~~[ ]~~, *and sections 6, 7 and 7.5 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.

~~[4]~~ 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 ~~[submitted to]~~ *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. 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 ~~[.]~~



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

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

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

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

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

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

33 689A.695 An individual carrier shall make the information and  
34 documents described in NRS 689A.680 to 689A.700, inclusive,  
35 available to the Commissioner upon request. ~~[Except in cases of~~  
36 ~~violations of the provisions of this chapter, the information, other~~  
37 ~~than the premium rates charged by the individual carrier, is~~  
38 ~~proprietary, constitutes a trade secret and is not subject to disclosure~~  
39 ~~by the Commissioner to persons outside of the Division except as~~  
40 ~~agreed to by the individual carrier or as ordered by a court of~~  
41 ~~competent jurisdiction.]~~

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

43 689B.115 An insurer providing blanket health insurance shall  
44 make all information concerning rates available to the  
45 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 health benefit plan 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 health benefit plan:

(a) The insurer or rate service organization that files the rate or proposed rate increase or decrease ~~[for 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 health benefit plan 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 28 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 health benefit plan



1 or upon a request for a public hearing pursuant to subsection  
2 2, the Commissioner may conduct a public hearing on the rate  
3 or proposed rate increase or decrease. In determining whether  
4 a public hearing should be held upon a request submitted by a  
5 consumer of health insurance covered by a group health plan  
6 for small employers, the Commissioner may, without  
7 limitation, consider whether the consumer of health insurance  
8 is representative of a majority of the employees covered  
9 under the group health plan.

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

18 5. Upon receipt of the notice of a public hearing from  
19 the Commissioner, an insurer or rate service organization  
20 shall provide notice of the public hearing on its website and  
21 to each of its policyholders who would be affected by the  
22 proposed change at his or her mailing address or electronic  
23 mailing address not later than 10 days before the date of the  
24 public hearing.

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

28 7. If a public hearing is conducted pursuant to subsection  
29 3, the Commissioner, in addition to complying with the  
30 requirements of NRS 241.035, shall publish on an Internet  
31 website maintained by the Division:

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

34 (b) Any finding, decision or order of the Commissioner  
35 not later than 15 days after the date of issuance of the finding,  
36 decision or order.

37 8. The provisions of this section apply only to individual  
38 health benefit plans described in chapter 689A of NRS and  
39 group health plans for small employers described in chapter  
40 689C of NRS.

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

44 **Sec. 22.** (Deleted by amendment.)



- 1     **Sec. 23.** 1. This section and sections 1 to 4, inclusive, 10, 12  
2 and 15 to 20, inclusive, and 22 of this act become effective on  
3 July 1, 2011.
- 4     2. Sections 5 to 9, inclusive, 11, 13 and 14 of this act become  
5 effective on October 1, 2011.
- 6     3. Sections 2, 3, 13 and 14 of this act expire by limitation on  
7 the date on which the Governor by proclamation declares that the  
8 money for funding the Office of the Consumer Advocate will no  
9 longer be available.
- 10    4. Section 21 of this act becomes effective on the date on  
11 which the Governor by proclamation declares that the money for  
12 funding the Office of the Consumer Advocate will no longer be  
13 available.

