

SENATE BILL NO. 164—SENATOR SCHNEIDER

FEBRUARY 17, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to third-party administrators. (BDR 57-232)

FISCAL NOTE: Effect on Local Government: No.
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 persons involved in the administration of insurance; authorizing the Administrator of the Division of Industrial Relations of the Department of Business and Industry to conduct certain investigations and examinations of third-party administrators; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law requires a third-party administrator for an insurer to have a
- 2 certificate of registration issued by the Commissioner of Insurance. (NRS
- 3 616B.500, 616B.503, 683A.085)
- 4 **Section 16.5** of this bill authorizes the Administrator of the Division of
- 5 Industrial Relations of the Department of Business and Industry to determine
- 6 whether a third-party administrator has adequate facilities in this State to administer
- 7 claims and to conduct such investigations and examinations of third-party
- 8 administrators as the Administrator deems reasonable.

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

- 1 **Section 1.** (Deleted by amendment.)
- 2 **Sec. 2.** (Deleted by amendment.)
- 3 **Sec. 3.** (Deleted by amendment.)
- 4 **Sec. 4.** (Deleted by amendment.)
- 5 **Sec. 5.** (Deleted by amendment.)
- 6 **Sec. 6.** (Deleted by amendment.)
- 7 **Sec. 7.** (Deleted by amendment.)



1 **Sec. 8.** (Deleted by amendment.)

2 **Sec. 9.** (Deleted by amendment.)

3 **Sec. 10.** (Deleted by amendment.)

4 **Sec. 11.** (Deleted by amendment.)

5 **Sec. 12.** (Deleted by amendment.)

6 **Sec. 13.** (Deleted by amendment.)

7 **Sec. 14.** (Deleted by amendment.)

8 **Sec. 15.** (Deleted by amendment.)

9 **Sec. 16.** (Deleted by amendment.)

10 **Sec. 16.5.** NRS 616A.400 is hereby amended to read as
11 follows:

12 616A.400 The Administrator shall:

13 1. Prescribe by regulation the time within which adjudications
14 and awards must be made.

15 2. Regulate forms of notices, claims and other blank forms
16 deemed proper and advisable.

17 3. Prescribe by regulation the methods by which an insurer
18 may approve or reject claims, and may determine the amount and
19 nature of benefits payable in connection therewith.

20 4. Prescribe by regulation the method for reimbursing an
21 injured employee for expenses necessarily incurred for travel more
22 than 20 miles one way from the employee's residence or place of
23 employment to his or her destination as a result of an industrial
24 injury.

25 5. Determine whether an insurer *or third-party administrator*
26 has provided adequate facilities in this State to administer claims
27 and for the retention of a file on each claim.

28 6. Evaluate the services of private carriers provided to
29 employers in:

30 (a) Controlling losses; and

31 (b) Providing information on the prevention of industrial
32 accidents or occupational diseases.

33 7. Conduct such investigations and examinations of insurers *or*
34 *third-party administrators* as the Administrator deems reasonable to
35 determine whether any person has violated the provisions of
36 chapters 616A to 616D, inclusive, or chapter 617 of NRS or to
37 obtain information useful to enforce or administer these chapters.

38 8. Prescribe by regulation the qualifications for final approval
39 by the Division of an applicant for a certificate of registration as an
40 administrator pursuant to subsection 3 of NRS 683A.08524. The
41 regulations must set forth qualifications which provide for the final
42 approval of those applicants whose approval is in the best interests
43 of the people of this State.

44 9. Except with respect to any matter committed by specific
45 statute to the regulatory authority of another person or agency, adopt



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1 such other regulations as the Administrator deems necessary to carry
2 out the provisions of chapters 616A to 617, inclusive, of NRS.

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

4 **Sec. 18.** This act becomes effective upon passage and approval
5 for the purpose of adopting regulations and on January 1, 2012, for
6 all other purposes.

