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ASSEMBLY BILL NO. 486—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 23, 2015

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Referred to Committee on Ways and Means

**SUMMARY**—Revises provisions governing the budget accounts of the Division of Insurance of the Department of Business and Industry and certain fees collected by the Division. (BDR 57-1169)

**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.

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AN ACT relating to insurance; abolishing the Insurance Examination Account; requiring fees currently paid into the Account to be paid into the Fund for Insurance Administration and Enforcement; abolishing certain fees paid into the Insurance Recovery Account; authorizing the Commissioner of Insurance to impose a fee on certain licensees if the balance of the Account is less than a certain amount at the end of a fiscal year; revising initial and annual fees paid by certain insurers; abolishing the Stabilization of Insurance Costs Account and the National Association of Insurance Commissioners Account and certain fees paid into them; repealing certain other fees; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law requires the Commissioner of Insurance to examine, at least once
- 2 every 5 years, the affairs, transactions, accounts, records and assets of each
- 3 authorized insurer, and of any person as to any matter relevant to the financial
- 4 affairs of the insurer or to the examination. (NRS 679B.230) An insurer that is
- 5 examined is required to pay the cost of the examination. (NRS 679B.290) The
- 6 money paid by insurers for such examinations is deposited in the Insurance
- 7 Examination Account, and the money in the Account is used to pay for the
- 8 expenses incurred by examiners and other representatives of the Division of
- 9 Insurance of the Department of Business and Industry when examining insurers.



\* A B 4 8 6 \*

(NRS 679B.300) **Section 1** of this bill abolishes the Account and instead requires money paid by insurers for such examinations to be deposited in the Fund for Insurance Administration and Enforcement. **Section 1** also requires the expenses for such examinations to be paid from the Fund.

Existing law requires eligible surplus line insurers, fraternal benefit societies, corporations that operate a hospital, medical or dental service plan, health maintenance organizations, organizations for dental care, prepaid limited health service organizations and certain other insurers to pay to the Commissioner an initial fee of \$1,300 and an annual fee of \$1,300. (NRS 680C.110) **Section 4** of this bill instead requires: (1) each insurer authorized to transact casualty insurance, health insurance, life insurance or property insurance and each title insurer, fraternal benefit society, corporation that operates a hospital, medical or dental service plan, health maintenance organization, organization for dental care and prepaid limited health service organization to pay to the Commissioner an initial fee of \$1,000 and an annual fee determined by the Commissioner; and (2) certain other insurers to pay to the Commissioner an initial fee of \$1,300 and an annual fee of \$1,300.

Existing law creates the Insurance Recovery Account in the Fund for Insurance Administration and Enforcement and requires an applicant for the issuance or renewal of certain licenses and certificates to practice certain professions relating to insurance to pay a fee of not more than \$15 for deposit in the Insurance Recovery Account. (NRS 679B.305, 683A.251, 683A.261, 683A.271, 683C.030, 683C.035, 683C.040, 685A.120, 695J.110, 695J.140, 696A.300) **Sections 5-17** of this bill abolish the licensing fees paid into the Account. Instead, **section 2** of this bill authorizes the Commissioner to impose a fee of not more than \$10 on each producer of insurance, insurance adjuster, surplus lines broker, title agent, title insurer and escrow officer in this State if the balance of the Account is below \$40,000 at the end of any fiscal year.

Existing law requires an insurer authorized to transact casualty or property insurance to pay a fee of not more than \$500 to the Division. The fee is deposited in the Stabilization of Insurance Costs Account and used to pay the expenses of the Commissioner in carrying out certain requirements relating to the stabilization of insurance costs. (NRS 679B.450) **Section 17** repeals this fee and the Account.

Existing law requires each authorized insurer, fraternal benefit society, health maintenance organization, organization for dental care, prepaid limited health service organization and motor club to pay to the Commissioner an annual amount of not more than \$30 to cover an assessment levied upon this State by the National Association of Insurance Commissioners. The money is deposited in the National Association of Insurance Commissioners Account. (NRS 680B.070) **Section 17** repeals this annual amount and the Account.

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

**Section 1.** NRS 679B.300 is hereby amended to read as follows:

679B.300 1. ~~[The Insurance Examination Account is hereby created as an account in the Fund for Insurance Administration and Enforcement created by NRS 680C.100.]~~ All money received by the Commissioner pursuant to NRS 679B.290 must be deposited in the



~~[State Treasury for credit to the Account.]~~ *Fund for Insurance Administration and Enforcement created by NRS 680C.100.*

2. Money for travel, per diem, compensation and other necessary and authorized expenses incurred by an examiner or other representative of the Division in the examination of any person required to pay, and making payment of, the expense of examination pursuant to NRS 679B.290 must be paid out of the *Fund for Insurance Examination Account* *Administration and Enforcement* as other claims against the State are paid.

~~[3. Money in the Insurance Examination Account may be expended for any other purpose authorized by the Legislature.]~~

**Sec. 2.** NRS 679B.305 is hereby amended to read as follows:

679B.305 1. There is hereby created the Insurance Recovery Account in the Fund for Insurance Administration and Enforcement created by NRS 680C.100. ~~[The Commissioner shall promptly deposit with the State Treasurer for credit to the Account all recovery fees received from licensees pursuant to the provisions of this title.]~~

2. A balance of not ~~[more]~~ *less* than \$40,000 must be maintained in the Account to be used for satisfying claims against persons licensed pursuant to chapters 683A, 684A, 685A and 692A of NRS. ~~[Any balance over \$40,000 in the Account at the end of any fiscal year must be set aside and used by the Commissioner for insurance education and research or for any other purpose authorized by the Legislature.]~~ *Except as otherwise provided in this subsection, if the balance in the Account is less than \$40,000 at the end of a fiscal year, the Commissioner may, during the next fiscal year, assess a fee of not more than \$10 on each person licensed pursuant to chapter 683A, 684A, 685A or 692A of NRS. The Commissioner shall deposit such fees into the Insurance Recovery Account. The Commissioner shall not assess a fee pursuant to this subsection in consecutive fiscal years.*

3. The Commissioner shall adopt reasonable regulations for ~~[the]~~ :

(a) *The* administration of the Account, including the manner, time, procedure and grounds for recovery against the Account ~~[ ]~~ ;  
*and*

(b) *The assessment of a fee pursuant to subsection 2.*

4. The limit of liability of the insurance recovery account is \$5,000 per fiscal year for any one licensee.

**Sec. 3.** NRS 679B.460 is hereby amended to read as follows:

679B.460 1. An insurer who willfully or repeatedly violates or fails to comply with a provision of NRS 679B.400 to ~~[679B.450,]~~ *679B.440*, inclusive, or 690B.260 or a regulation adopted pursuant to NRS 679B.430 is subject, after notice and a hearing held pursuant



1 to NRS 679B.310 to 679B.370, inclusive, to payment of an  
2 administrative fine of not more than \$1,000 for each day of the  
3 violation or failure to comply, up to a maximum fine of \$50,000.

4 2. An insurer who fails or refuses to comply with an order  
5 issued by the Commissioner pursuant to NRS 679B.430 is subject,  
6 after notice and a hearing held pursuant to NRS 679B.310 to  
7 679B.370, inclusive, to suspension or revocation of the insurer's  
8 certificate of authority to transact insurance in this state.

9 3. The imposition of an administrative fine pursuant to this  
10 section must not be considered by the Commissioner in any other  
11 administrative proceeding unless the fine has been paid or a court  
12 order for payment of the fine has become final.

13 **Sec. 4.** NRS 680C.110 is hereby amended to read as follows:

14 680C.110 1. In addition to any other fee or charge, the  
15 Commissioner shall collect in advance and receipt for, and persons  
16 so served must pay to the Commissioner, the fees required by this  
17 section.

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

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

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

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

25 (d) Deposited in the Fund for Insurance Administration and  
26 Enforcement created by NRS 680C.100.

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

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

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

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

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

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

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

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

38 (c) Independent review organizations, as provided for  
39 in NRS 616A.469 or 683A.3715, or both:

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

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

42 (d) ~~Insurers not otherwise provided for in this~~  
43 ~~subsection:~~

44 ~~(1) Initial fee..... \$1,300~~

45 ~~(2) Annual fee..... \$1,300~~



1	<del>—(e)</del> Producers of insurance, as defined in	
2	NRS 679A.117:	
3	(1) Initial fee.....	\$60
4	(2) Triennial fee.....	\$60
5	<del>[(+)]</del> (e) Accredited reinsurers, as provided for in	
6	NRS 681A.160:	
7	(1) Initial fee.....	\$1,300
8	(2) Annual fee.....	\$1,300
9	<del>[(+)]</del> (f) Intermediaries, as defined in NRS 681A.330:	
10	(1) Initial fee.....	\$60
11	(2) Triennial fee.....	\$60
12	<del>[(+)]</del> (g) Reinsurers, as defined in NRS 681A.370:	
13	(1) Initial fee.....	\$1,300
14	(2) Annual fee.....	\$1,300
15	<del>[(+)]</del> (h) Administrators, as defined in NRS 683A.025:	
16	(1) Initial fee.....	\$60
17	(2) Triennial fee.....	\$60
18	<del>[(+)]</del> (i) Managing general agents, as defined in	
19	NRS 683A.060:	
20	(1) Initial fee.....	\$60
21	(2) Triennial fee.....	\$60
22	<del>[(+)]</del> (j) Agents who perform utilization reviews, as	
23	defined in NRS 683A.376:	
24	(1) Initial fee.....	\$60
25	(2) Annual fee.....	\$60
26	<del>[(+)]</del> (k) Insurance consultants, as defined in	
27	NRS 683C.010:	
28	(1) Initial fee.....	\$60
29	(2) Triennial fee.....	\$60
30	<del>[(+)]</del> (l) Independent adjusters, as defined in	
31	NRS 684A.030:	
32	(1) Initial fee.....	\$60
33	(2) Triennial fee.....	\$60
34	<del>[(+)]</del> (m) Public adjusters, as defined in	
35	NRS 684A.030:	
36	(1) Initial fee.....	\$60
37	(2) Triennial fee.....	\$60
38	<del>[(+)]</del> (n) Associate adjusters, as defined in	
39	NRS 684A.030:	
40	(1) Initial fee.....	\$60
41	(2) Triennial fee.....	\$60
42	<del>[(+)]</del> (o) Motor vehicle physical damage appraisers, as	
43	defined in NRS 684B.010:	
44	(1) Initial fee.....	\$60
45	(2) Triennial fee.....	\$60



1	<del>[(q)]</del> (p) Brokers, as defined in NRS 685A.031:	
2	(1) Initial fee .....	\$60
3	(2) Triennial fee .....	\$60
4	<del>[(r) Eligible surplus line insurers, as provided for in</del>	
5	<del>NRS 685A.070:</del>	
6	<del>(1) Initial fee .....</del>	<del>\$1,300</del>
7	<del>(2) Annual fee .....</del>	<del>\$1,300</del>
8	<del>[(s)]</del> (q) Companies, as defined in NRS 686A.330:	
9	(1) Initial fee .....	\$1,300
10	(2) Annual fee .....	\$1,300
11	<del>[(t)]</del> (r) Rate service organizations, as defined in	
12	NRS 686B.020:	
13	(1) Initial fee .....	\$1,300
14	(2) Annual fee .....	\$1,300
15	<del>[(u)]</del> (s) Brokers of viatical settlements, as defined in	
16	NRS 688C.030:	
17	(1) Initial fee .....	\$60
18	(2) Annual fee .....	\$60
19	<del>[(v)]</del> (t) Providers of viatical settlements, as defined in	
20	NRS 688C.080:	
21	(1) Initial fee .....	\$60
22	(2) Annual fee .....	\$60
23	<del>[(w)]</del> (u) Agents for prepaid burial contracts subject	
24	to the provisions of chapter 689 of NRS:	
25	(1) Initial fee .....	\$60
26	(2) Triennial fee .....	\$60
27	<del>[(x)]</del> (v) Agents for prepaid funeral contracts subject	
28	to the provisions of chapter 689 of NRS:	
29	(1) Initial fee .....	\$60
30	(2) Triennial fee .....	\$60
31	<del>[(y)]</del> (w) Sellers of prepaid burial contracts subject to	
32	the provisions of chapter 689 of NRS:	
33	(1) Initial fee .....	\$60
34	(2) Triennial fee .....	\$60
35	<del>[(z)]</del> (x) Sellers of prepaid funeral contracts subject to	
36	the provisions of chapter 689 of NRS:	
37	(1) Initial fee .....	\$60
38	(2) Triennial fee .....	\$60
39	<del>[(aa)]</del> (y) Providers, as defined in NRS 690C.070:	
40	(1) Initial fee .....	\$1,300
41	(2) Annual fee .....	\$1,300
42	<del>[(bb)]</del> (z) Escrow officers, as defined in	
43	NRS 692A.028:	
44	(1) Initial fee .....	\$60
45	(2) Triennial fee .....	\$60



1	<del>[(ee)]</del> <b>(aa)</b> Title agents, as defined in NRS 692A.060:	
2	(1) Initial fee.....	\$60
3	(2) Triennial fee.....	\$60
4	<del>[(dd)]</del> <b>(bb)</b> Captive insurers, as defined in	
5	NRS 694C.060:	
6	(1) Initial fee.....	\$250
7	(2) Annual fee.....	\$250
8	<del>[(ee)]</del> <del>Fraternal benefit societies, as defined in</del>	
9	<del>NRS 695A.010:</del>	
10	<del>(1) Initial fee.....</del>	<del>\$1,300</del>
11	<del>(2) Annual fee.....</del>	<del>\$1,300</del>
12	<del>[(ff)]</del> <b>(cc)</b> Insurance agents for societies, as provided	
13	for in NRS 695A.330:	
14	(1) Initial fee.....	\$60
15	(2) Triennial fee.....	\$60
16	<del>[(gg)]</del> <del>Corporations subject to the provisions of chapter</del>	
17	<del>695B of NRS:</del>	
18	<del>(1) Initial fee.....</del>	<del>\$1,300</del>
19	<del>(2) Annual fee.....</del>	<del>\$1,300</del>
20	<del>(hh)</del> <del>Health maintenance organizations, as defined in</del>	
21	<del>NRS 695C.030:</del>	
22	<del>(1) Initial fee.....</del>	<del>\$1,300</del>
23	<del>(2) Annual fee.....</del>	<del>\$1,300</del>
24	<del>(ii)</del> <del>Organizations for dental care, as defined in</del>	
25	<del>NRS 695D.060:</del>	
26	<del>(1) Initial fee.....</del>	<del>\$1,300</del>
27	<del>(2) Annual fee.....</del>	<del>\$1,300</del>
28	<del>[(jj)]</del> <b>(dd)</b> Purchasing groups, as defined in	
29	NRS 695E.100:	
30	(1) Initial fee.....	\$250
31	(2) Annual fee.....	\$250
32	<del>[(kk)]</del> <b>(ee)</b> Risk retention groups, as defined in	
33	NRS 695E.110:	
34	(1) Initial fee.....	\$250
35	(2) Annual fee.....	\$250
36	<del>[(ll)]</del> <del>Prepaid limited health service organizations, as</del>	
37	<del>defined in NRS 695F.050:</del>	
38	<del>(1) Initial fee.....</del>	<del>\$1,300</del>
39	<del>(2) Annual fee.....</del>	<del>\$1,300</del>
40	<del>[(mm)]</del> <b>(ff)</b> Medical discount plans, as defined in	
41	NRS 695H.050:	
42	(1) Initial fee.....	\$1,300
43	(2) Annual fee.....	\$1,300
44	<del>[(nn)]</del> <b>(gg)</b> Club agents, as defined in NRS 696A.040:	
45	(1) Initial fee.....	\$60



1	(2) Triennial fee.....	\$60
2	<del>[(ee)]</del> <i>(hh)</i> Motor clubs, as defined in NRS 696A.050:	
3	(1) Initial fee.....	\$1,300
4	(2) Annual fee.....	\$1,300
5	<del>[(pp)]</del> <i>(ii)</i> Bail agents, as defined in NRS 697.040:	
6	(1) Initial fee.....	\$60
7	(2) Triennial fee.....	\$60
8	<del>[(qq)]</del> <i>(jj)</i> Bail enforcement agents, as defined in	
9	NRS 697.055:	
10	(1) Initial fee.....	\$60
11	(2) Triennial fee.....	\$60
12	<del>[(rr)]</del> <i>(kk)</i> Bail solicitors, as defined in NRS 697.060:	
13	(1) Initial fee.....	\$60
14	(2) Triennial fee.....	\$60
15	<del>[(ss)]</del> <i>(ll)</i> General agents, as defined in NRS 697.070:	
16	(1) Initial fee.....	\$60
17	(2) Triennial fee.....	\$60
18	<del>[(tt)]</del> <i>(mm)</i> Exchange enrollment facilitators, as	
19	defined in NRS 695J.050:	
20	(1) Initial fee.....	\$60
21	(2) Triennial fee.....	\$60
22	<i>5. An initial fee of \$1,000 must be paid to the Commissioner</i>	
23	<i>by each:</i>	
24	<i>(a) Insurer who is authorized to transact casualty insurance,</i>	
25	<i>as defined in NRS 681A.020;</i>	
26	<i>(b) Insurer who is authorized to transact health insurance, as</i>	
27	<i>defined in NRS 681A.030;</i>	
28	<i>(c) Insurer who is authorized to transact life insurance, as</i>	
29	<i>defined in NRS 681A.040;</i>	
30	<i>(d) Insurer who is authorized to transact property insurance,</i>	
31	<i>as defined in NRS 681A.060;</i>	
32	<i>(e) Title insurer, as defined in NRS 692A.070;</i>	
33	<i>(f) Fraternal benefit society, as defined in NRS 695A.010;</i>	
34	<i>(g) Corporation subject to the provisions of chapter 695B of</i>	
35	<i>NRS;</i>	
36	<i>(h) Health maintenance organization, as defined in</i>	
37	<i>NRS 695C.030;</i>	
38	<i>(i) Organization for dental care, as defined in NRS 695D.060;</i>	
39	<i>and</i>	
40	<i>(j) Prepaid limited health service organization, as defined in</i>	
41	<i>NRS 695F.050.</i>	
42	<i>6. An insurer who is required to pay an initial fee of \$1,000</i>	
43	<i>pursuant to subsection 5 shall also pay to the Commissioner an</i>	
44	<i>annual fee in an amount determined by the Commissioner. When</i>	





*determining the amount of the annual fee, the Commissioner must consider:*

*(a) The direct written premiums reported to the Commissioner by the insurer during the previous year;*

*(b) The number of insurers who are required to pay an annual fee pursuant to this subsection;*

*(c) The direct written premiums reported during the previous year by all insurers paying such fees; and*

*(d) The budget of the Division.*

*7. An insurer who is not required to pay an initial or annual fee pursuant to subsection 4 or subsections 5 and 6 shall pay to the Commissioner an initial fee of \$1,300 and an annual fee of \$1,300.*

**Sec. 5.** NRS 683A.251 is hereby amended to read as follows:

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

(a) Attained the age of 18 years;

(b) Not committed any act that is a ground for refusal to issue, or suspension or revocation of, a license;

(c) Completed a course of study for the lines of authority for which the application is made, unless the applicant is exempt from this requirement;

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

(e) Successfully passed the examinations for the lines of authority for which application is made, unless the applicant is exempt from this requirement.

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

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

(b) Designated a natural person who is licensed as a producer of insurance and who is authorized to transact business on behalf of the business organization to be responsible for the organization's



1 compliance with the laws and regulations of this State relating to  
2 insurance; and

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

9 3. A natural person who is a resident of this State applying for  
10 a license must, as part of his or her application and at the applicant's  
11 own expense:

12 (a) Arrange to have a complete set of his or her fingerprints  
13 taken by a law enforcement agency or other authorized entity  
14 acceptable to the Commissioner; and

15 (b) Submit to the Commissioner:

16 (1) A completed fingerprint card and written permission  
17 authorizing the Commissioner to submit the applicant's fingerprints  
18 to the Central Repository for Nevada Records of Criminal History  
19 for submission to the Federal Bureau of Investigation for a report on  
20 the applicant's background and to such other law enforcement  
21 agencies as the Commissioner deems necessary; or

22 (2) Written verification, on a form prescribed by the  
23 Commissioner, stating that the fingerprints of the applicant were  
24 taken and directly forwarded electronically or by another means to  
25 the Central Repository and that the applicant has given written  
26 permission to the law enforcement agency or other authorized entity  
27 taking the fingerprints to submit the fingerprints to the Central  
28 Repository for submission to the Federal Bureau of Investigation for  
29 a report on the applicant's background and to such other law  
30 enforcement agencies as the Commissioner deems necessary.

31 4. The Commissioner may:

32 (a) Unless the applicant's fingerprints are directly forwarded  
33 pursuant to subparagraph (2) of paragraph (b) of subsection 3,  
34 submit those fingerprints to the Central Repository for submission  
35 to the Federal Bureau of Investigation and to such other law  
36 enforcement agencies as the Commissioner deems necessary;

37 (b) Request from each such agency any information regarding  
38 the applicant's background as the Commissioner deems necessary;  
39 and

40 (c) Adopt regulations concerning the procedures for obtaining  
41 this information.

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



**Sec. 6.** NRS 683A.261 is hereby amended to read as follows:

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

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

(b) Accident and health insurance for sickness, bodily injury or accidental death, which may include benefits for disability income.

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

(d) Casualty insurance against legal liability, including liability for death, injury or disability and damage to real or personal property. For the purposes of a producer of insurance, this line of insurance includes surety indemnifying financial institutions or providing bonds for fidelity, performance of contracts or financial guaranty.

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

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

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

(h) Fixed annuities, including, without limitation, indexed annuities, as a limited line.

(i) Travel and baggage as a limited line.

(j) Rental car agency as a limited line.

(k) Portable electronics as a limited line.

(l) Crop as a limited line.

2. A license as a producer of insurance remains in effect unless revoked, suspended or otherwise terminated if a request for a renewal is submitted on or before the date for the renewal specified on the license, all applicable fees for renewal ~~and a fee established by the Commissioner of not more than \$15 for deposit in the~~



~~Insurance Recovery Account~~ are paid for each license and each authorization to transact business on behalf of a business organization licensed pursuant to subsection 2 of NRS 683A.251, and any requirement for education or any other requirement to renew the license is satisfied by the date specified on the license for the renewal. A producer of insurance may submit a request for a renewal of his or her license within 30 days after the date specified on the license for the renewal if the producer of insurance otherwise complies with the provisions of this subsection and pays, in addition to any fee paid pursuant to this subsection, a penalty of 50 percent of all applicable renewal fees, except for any fee required pursuant to NRS 680C.110. A license as a producer of insurance expires if the Commissioner receives a request for a renewal of the license more than 30 days after the date specified on the license for the renewal. A fee paid pursuant to this subsection is nonrefundable.

3. A natural person who allows his or her license as a producer of insurance to expire may reapply for the same license within 12 months after the date specified on the license for a renewal without passing a written examination or completing a course of study required by paragraph (c) of subsection 1 of NRS 683A.251, but a penalty of twice all applicable renewal fees, except for any fee required pursuant to NRS 680C.110, is required for any request for a renewal of the license that is received after the date specified on the license for the renewal.

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

5. A license must state the licensee's name, address, personal identification number, the date of issuance, the lines of authority and the date of expiration and must contain any other information the Commissioner considers necessary. The license must be made available for public inspection upon request.

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



**Sec. 7.** NRS 683A.271 is hereby amended to read as follows:

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

(a) Is currently licensed as a resident and in good standing in his or her home state;

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

(c) Has sent to the Commissioner the application for licensure that the nonresident person made in his or her home state, or a completed uniform application; and

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

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

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

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

**Sec. 8.** NRS 683C.030 is hereby amended to read as follows:

683C.030 1. An application for a license to act as an insurance consultant must be submitted to the Commissioner on forms prescribed by the Commissioner and must be accompanied by



the applicable license fee set forth in NRS 680B.010 ~~[an additional fee established by the Commissioner of not more than \$15 which must be deposited in the Insurance Recovery Account created pursuant to NRS 679B.305]~~ and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110. The license fee set forth in NRS 680B.010 ~~[and the additional fee established by the Commissioner of not more than \$15 are]~~ is not refundable. If the applicant is a natural person, the application must include the social security number of the applicant.

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

3. Each license issued pursuant to this chapter is valid for 3 years from the date of issuance or until it is suspended, revoked or otherwise terminated, and each insurance consultant must pay, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110.

**Sec. 9.** NRS 683C.035 is hereby amended to read as follows:

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

(a) Attained the age of 18 years.

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

(c) Paid all applicable fees prescribed for the license, ~~[and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, none of]~~ which may *not* be refunded.

(d) Passed each examination required for the license and successfully completed each course of instruction which the Commissioner requires by regulation, unless the applicant is a resident of another state and holds a similar license in that state.

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

(a) Paid all applicable fees prescribed for the license, ~~[and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, none of]~~ which may *not* be refunded; and



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

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

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

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

**Sec. 10.** NRS 683C.040 is hereby amended to read as follows:

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

(a) If the application is made:

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

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

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

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

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

**Sec. 11.** NRS 685A.120 is hereby amended to read as follows:

685A.120 1. No person may act as, hold himself or herself out as or be a surplus lines broker with respect to subjects of insurance for which this State is the insured's home state unless the person is licensed as such by the Commissioner pursuant to this chapter.

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

(a) Application for a license and payment of all applicable fees for a license ; ~~and a fee established by the Commissioner of not~~



~~more than \$15 for deposit in the Insurance Recovery Account created by NRS 679B.305;~~

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

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

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

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

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

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

(b) All applicable fees for renewal; *and*

(c) A penalty in an amount that is equal to 50 percent of all applicable fees for renewal, except for any fee required pursuant to NRS 680C.110. ~~[-; and~~

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

**Sec. 12.** NRS 695J.110 is hereby amended to read as follows:

695J.110 ~~[(1)]~~ An applicant for an initial certificate as an exchange enrollment facilitator must:

~~[(a)]~~ 1. Be a natural person of not less than 18 years of age;

~~[(b)]~~ 2. Apply on a form prescribed by the Commissioner;

~~[(c)]~~ 3. Pass a written examination established by the Commissioner by regulation;

~~[(d)]~~ 4. Successfully complete a course of instruction established by the Commissioner by regulation;

~~[(e)]~~ 5. Submit fingerprints as required pursuant to NRS 695J.120; and

~~[(f)]~~ 6. Pay the nonrefundable:

~~[(1)]~~ (a) Application and certificate fee set forth in NRS 680B.010; *and*

~~[(2)]~~ (b) Initial fee set forth in NRS 680C.110. ~~[-; and~~





~~(3) Additional fee of not more than \$15 for the processing of the application established pursuant to NRS 695J.270.~~

~~2. The additional fee for the processing of applications pursuant to subparagraph (3) of paragraph (f) of subsection 1 must be deposited in the Insurance Recovery Account created pursuant to NRS 679B.305.]~~

**Sec. 13.** NRS 695J.140 is hereby amended to read as follows:

695J.140 1. A certificate may be renewed for an additional 3-year period by submitting to the Commissioner an application for renewal and:

(a) If the application is made:

(1) On or before the expiration date of the certificate, all applicable renewal fees ; ~~[and an additional fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created pursuant to NRS 679B.305;]~~ or

(2) Except as otherwise provided in subsection 3:

(I) Not more than 30 days after the expiration date of the certificate, all applicable renewal fees plus any late fee required ; ~~[and an additional fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created pursuant to NRS 679B.305;]~~ or

(II) More than 30 days but not more than 1 year after the expiration date of the certificate, all applicable renewal fees plus a penalty of twice all applicable renewal fees, except for any fee required pursuant to NRS 680C.110.

(b) Proof of the successful completion of appropriate courses of study required for renewal, as established by the Commissioner by regulation.

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

3. An exchange enrollment facilitator who is unable to renew his or her certificate because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.

**Sec. 14.** NRS 695J.270 is hereby amended to read as follows:

695J.270 1. The Commissioner shall adopt regulations:

(a) For establishing and conducting an examination required by this chapter for the initial issuance and renewal of a certificate;

(b) For the establishment of a course of instruction as required by this chapter for the initial issuance and renewal of a certificate;

(c) ~~[Establishing the fee required by NRS 695J.110 for the processing of an application;-~~

~~—(d)]~~ Establishing the fee required by NRS 695J.130 for the administration of the examination; and

~~[(e)]~~ (d) For carrying out the provisions of this chapter.



2. The Commissioner may contract with a person to perform functions required by this chapter, including, without limitation:

- (a) Administering examinations;
- (b) Providing courses of instruction;
- (c) Processing applications; and
- (d) Collecting fees.

**Sec. 15.** NRS 696A.300 is hereby amended to read as follows:

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

2. Any license not so renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the expiration of the license if the request is accompanied by the statement required pursuant to NRS 696A.303, a fee for renewal of 150 percent of all applicable fees otherwise required, except for any fee required pursuant to NRS 680C.110 ~~. [, and the fee established by the Commissioner of not more than \$15 for deposit in the insurance recovery account created by NRS 679B.305.]~~

3. In addition to all applicable fees required pursuant to NRS 680C.110 to be deposited in the Fund for Insurance Administration and Enforcement created by NRS 680C.100, the Commissioner shall collect in advance and deposit with the State Treasurer for credit to the State General Fund the following fees for licensure as a club agent:

- (a) Application and license ..... \$78
- (b) Appointment by each motor club..... 5
- (c) Triennial renewal of each license..... 78

**Sec. 16.** Any money remaining in the Stabilization of Insurance Costs Account created by 679B.450 or the National Association of Insurance Commissioners Account created by NRS 680B.070 on July 1, 2015, remains in the Fund for Insurance Administration and Enforcement created by NRS 680C.100 and may be used for any other purpose for which any money in the Fund may be used.

**Sec. 17.** NRS 679B.450, 680B.070, 684A.160 and 692A.104 are hereby repealed.

**Sec. 18.** This act becomes effective on July 1, 2015.



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LEADLINES OF REPEALED SECTIONS

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**679B.450** Fee for administration and enforcement; cost of report; schedule of fees; Stabilization of Insurance Costs Account.

**680B.070** Assessment for National Association of Insurance Commissioners.

**684A.160** Fee for adjuster's license.

**692A.104** Fee for issuance or renewal of license as title agent or escrow officer.

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