

SENATE BILL NO. 33—COMMITTEE ON
HEALTH AND HUMAN SERVICES

(ON BEHALF OF THE DIVISION OF WELFARE AND
SUPPORTIVE SERVICES OF THE DEPARTMENT
OF HEALTH AND HUMAN SERVICES)

PREFILED NOVEMBER 16, 2018

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing enforcement of child support obligations. (BDR 38-199)

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 the support of children; imposing certain requirements on insurers and self-insurers relating to certain claimants owing past-due child support; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes a duty on the parent of a child to support his or her child. (NRS 125B.020, 425.350) Under existing law, if a parent or other person with custody of a child receives public assistance in his or her own behalf or in behalf of the child: (1) the parent or other person is deemed to have assigned his or her right to child support from any other person to the Division of Welfare and Supportive Services of the Department of Health and Human Services to the extent of the public assistance received; and (2) the Division is entitled to any child support to which the parent or other person is entitled to the extent of the public assistance provided by the Division. (NRS 425.350, 425.360) Existing law also establishes a Program to locate absent parents, establish paternity and obtain child support, and enforce child support. (42 U.S.C. §§ 651 et seq.; NRS 425.318)

Section 1 of this bill requires certain insurers and self-insurers to exchange information, either directly or through Insurance Services Office, Inc., with the Program not less than 5 days before making any payment of \$500 or more on certain bodily injury, wrongful death, workers' compensation or life insurance claims for the purpose of verifying whether the claimant owes a debt for child support to the Division or to a person receiving services from the Program. If periodic payments will be made to the claimant, the insurer or self-insurer is required to make this exchange of information only before the initial payment. If an



insurer or self-insurer is notified that the claimant owes any such debt for support, the insurer or self-insurer is required, upon receipt of a notice identifying the amount of debt owed, to: (1) withhold from payment on the claim the amount specified in the notice; and (2) remit the amount withheld from payment to the Division, its designated representative or the prosecuting attorney within 30 days. However, any item or claim for attorney's fees, medical expenses or property damage must be paid before any amount is withheld and remitted to the Division, its representative or the prosecuting attorney. If an insurer or self-insurer withholds and remits any such money to the Division, its representative or the prosecuting attorney, the insurer or self-insurer is required to notify the claimant of that fact.

Section 2 of this bill provides that this bill becomes effective on January 1, 2020.

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

Section 1. Chapter 425 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsections 7 and 8, each insurer and self-insurer shall, not less than 5 days before making any payment of \$500 or more to a claimant, exchange information with the Program in the manner prescribed by the Division to verify whether the claimant owes debt for the support of one or more children to the Division or to a person receiving services from the Program. To the extent feasible, the Division shall facilitate a secure electronic process to exchange information with insurers and self-insurers pursuant to this subsection.

2. Except as otherwise provided in subsections 4 and 6, if an insurer or self-insurer is notified by the Program that a claimant owes debt for the support of one or more children to the Division or to a person receiving services from the Program, the insurer or self-insurer shall, upon receipt of a notice issued by the enforcing authority identifying the amount of debt owed:

(a) Withhold from payment on the claim the amount specified in the notice; and

(b) Remit the amount withheld from payment to the enforcing authority within 30 days.

3. If an insurer or self-insurer withholds any money from payment on a claim and remits the money to the enforcing authority pursuant to subsection 2, the insurer or self-insurer shall notify the claimant of that fact.

4. Any lien or claim for attorney's fees, medical expenses or property damage has priority over any withholding of payment pursuant to subsection 2.

5. Any information obtained pursuant to this section must be used only for the purpose of carrying out the provisions of this



1 *section. Notwithstanding the provisions of this subsection, an*
2 *insurer or self-insurer may not be held liable in any civil or*
3 *criminal action for any act made in good faith pursuant to this*
4 *section, including, without limitation:*

5 *(a) Any disclosure of information to the Division or to the*
6 *Program; or*

7 *(b) The withholding of any money from payment on a claim or*
8 *the remittance of such money to the enforcing authority.*

9 *6. An insurer or self-insurer shall not delay the disbursement*
10 *of a payment on a claim to comply with the requirements of this*
11 *section. An insurer or self-insurer is not required to comply with*
12 *subsection 2 if the notice issued by the enforcing authority is*
13 *received by the insurer or self-insurer after the insurer or self-*
14 *insurer has disbursed the payment on the claim or, in the case of a*
15 *claim that will be paid through periodic payments, the initial*
16 *payment on the claim to a claimant.*

17 *7. If periodic payments will be made to a claimant, an insurer*
18 *or self-insurer is only required to engage in the exchange of*
19 *information pursuant to subsection 1 before issuing the initial*
20 *payment.*

21 *8. Except as otherwise provided in this subsection, if an*
22 *insurer or self-insurer reports information concerning claimants*
23 *to Insurance Services Office, Inc., the insurer or self-insurer may*
24 *comply with the requirements of this section by authorizing*
25 *Insurance Services Office, Inc., to provide claimant information to*
26 *the federal Office of Child Support Enforcement of the*
27 *Administration for Children and Families of the United States*
28 *Department of Health and Human Services, the Program or a*
29 *designee identified by the Program for the sole purpose of*
30 *complying with this section. If Insurance Services Office, Inc.*
31 *ceases to exist or ceases to receive information relating to*
32 *claimants reported by insurers or self-insurers, an insurer or self-*
33 *insurer may comply with the requirements of this section by*
34 *authorizing a person determined by the Division to perform the*
35 *same function as Insurance Services Office, Inc. to provide*
36 *claimant information to the federal Office of Child Support*
37 *Enforcement, the Program or a designee identified by the*
38 *Program for the sole purpose of complying with this section.*

39 *9. As used in this section:*

40 *(a) "Claimant" means any person who:*

41 *(1) Brings a tort liability claim for bodily injury or*
42 *wrongful death against an insured under a casualty insurance*
43 *policy, as defined in NRS 681A.020, or a property insurance*
44 *policy, as defined in NRS 681A.060;*



(2) *Brings a bodily injury or wrongful death tort liability claim against a self-insurer;*

(3) *Is a beneficiary under a life insurance policy; or*

(4) *Is receiving workers' compensation benefits.*

(b) *"Claim for bodily injury" does not include a claim for uninsured or underinsured vehicle coverage or medical payments coverage under a motor vehicle liability policy.*

(c) *"Insurer" means:*

(1) *A person who holds a certificate of authority to transact insurance in this State pursuant to NRS 680A.060.*

(2) *A nonadmitted insurer, as defined in NRS 685A.0375, with whom nonadmitted insurance, as defined in NRS 685A.037, is placed.*

(3) *The Nevada Insurance Guaranty Association created by NRS 687A.040.*

(d) *"Self-insurer" means:*

(1) *A person certified by the Commissioner of Insurance as a self-insured employer pursuant to NRS 616B.312;*

(2) *A person certified by the Commissioner of Insurance as an association of self-insured public or private employers pursuant to NRS 616B.359; or*

(3) *A person certified by the Department of Motor Vehicles as a self-insurer pursuant to NRS 485.380.*

Sec. 2. This act becomes effective on January 1, 2020.

