

Amendment No. 296

Assembly Amendment to Assembly Bill No. 439	(BDR 57-1044)
Proposed by: Assembly Committee on Commerce and Labor	
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

SLD/HAC



Date: 4/21/2023

A.B. No. 439—Revises provisions governing contracts of insurance.
(BDR 57-1044)



ASSEMBLY BILL No. 439—COMMITTEE
ON COMMERCE AND LABOR

MARCH 27, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing certain contracts of insurance.
(BDR 57-1044)FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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; providing that no provision for arbitration in a contract for health insurance is binding upon the named insured or any other person who makes a claim under the contract; repealing certain provisions related to provisions for arbitration in a contract for health insurance; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Nevada Insurance Code, which governs certain contracts of insurance. (Title 57 of NRS) Existing law provides that no provision for arbitration contained in an automobile liability or motor vehicle liability insurance policy delivered, issued for delivery or renewed in this State is binding upon the named insured or any other person who makes a claim under the policy. (NRS 690B.017) ~~{Section 10 of this bill provides instead that no provision for arbitration contained in any casualty insurance policy, including, without limitation, an automobile liability or motor vehicle liability insurance policy is binding.} Sections ~~1-4,~~ 4, 6, 7, 9, 11-15, 15, 16.5, 17, 18.5, 19 and 20 of this bill similarly provide that no provision for arbitration is binding that is contained in any: (1) ~~insurance contract;~~ (2) ~~contract of life insurance, endowment or annuity;~~ (3) ~~group life insurance or wholesale life insurance policy;~~ (4) ~~policy of health insurance;~~ (5) **by an insurer;** (2) ~~policy of group or blanket health insurance;~~ (3) **health benefit plan;** ~~(7) **policy or certificate of credit insurance;**~~ (8) ~~service contract or contractual liability insurance policy;~~ (9) ~~guaranteed asset protection waiver;~~ (10) ~~policy of credit personal property insurance;~~ (11) ~~policy of title insurance;~~ (12) **(4) benefit contract;** ~~(13) **(5) contract for hospital, medical or dental services;**~~ (6) ~~evidence of coverage by a health maintenance organization;~~ (14) **(7) plan for dental care;** (8) ~~evidence of coverage by a prepaid limited health service organization; or~~ (15) **(9) evidence of coverage by a managed care organization.** Sections 4, 6, 7, 15, 16.5, 17, 18.5, 19 and 20 further provide that a provision for arbitration included in any such contract of insurance must contain a statement that the provision for arbitration is not binding. Sections ~~5, 7 and 8~~ 5, 7 and 8 of this bill make conforming changes to indicate the proper placement of sections ~~1-4~~ 4 and 7 of this bill, respectively, in the Nevada Revised Statutes.~~

Section 22 of this bill repeals certain provisions of the Nevada Insurance Code to eliminate requirements related to provisions for arbitration in certain contracts for insurance. **Section 18** of this bill makes a conforming change to eliminate a reference to a repealed section.

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

Section 1. ~~[Chapter 687B of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~*No provision for arbitration contained in any insurance contract or annuity contract subject to this chapter that is delivered, issued for delivery or renewed in this State is binding upon the named insured or any other person who makes a claim under the contract.] (Deleted by amendment.)*~~

Sec. 2. ~~[Chapter 688A of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~*No provision for arbitration contained in any contract of life insurance, endowment or annuity delivered, issued for delivery or renewed in this State is binding upon the named insured or any other person who makes a claim under the contract.] (Deleted by amendment.)*~~

Sec. 3. ~~[Chapter 688B of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~*No provision for arbitration contained in any group life insurance or wholesale life insurance policy delivered, issued for delivery or renewed in this State is binding upon the named insured or any other person who makes a claim under the policy.] (Deleted by amendment.)*~~

Sec. 4. Chapter 689A of NRS is hereby amended by adding thereto a new section to read as follows:

1. No provision for arbitration contained in any policy of health insurance delivered, issued for delivery or renewed in this State is binding upon the named insured or any other person who makes a claim under the policy.

2. If a policy of health insurance contains a provision for arbitration, the policy of health insurance must include a statement that the arbitration provision is not binding upon the named insured or any other person who makes a claim under the policy of health insurance.

Sec. 5. NRS 689A.330 is hereby amended to read as follows:

689A.330 If any policy is issued by a domestic insurer for delivery to a person residing in another state, and if the insurance commissioner or corresponding public officer of that other state has informed the Commissioner that the policy is not subject to approval or disapproval by that officer, the Commissioner may by ruling require that the policy meet the standards set forth in NRS 689A.030 to 689A.320, inclusive ~~(H)~~, and section 4 of this act.

Sec. 6. Chapter 689B of NRS is hereby amended by adding thereto a new section to read as follows:

1. No provision for arbitration contained in any policy of group or blanket health insurance delivered, issued for delivery or renewed in this State is binding upon the named insured or any other person who makes a claim under the policy.

2. If a policy of group or blanket health insurance contains a provision for arbitration, the policy of group or blanket health insurance must include a statement that the arbitration provision is not binding upon the named insured or any other person who makes a claim under the policy of group or blanket health insurance.

1 **Sec. 7.** Chapter 689C of NRS is hereby amended by adding thereto a new
2 section to read as follows:

3 1. No provision for arbitration contained in any health benefit plan
4 delivered, issued for delivery or renewed in this State is binding upon the named
5 insured or any other person who makes a claim under the health benefit plan.

6 2. If a health benefit plan contains a provision for arbitration, the health
7 benefit plan must include a statement that the arbitration provision is not binding
8 upon the named insured or any other person who makes a claim under the health
9 benefit plan.

10 **Sec. 8.** NRS 689C.425 is hereby amended to read as follows:

11 689C.425 A voluntary purchasing group and any contract issued to such a
12 group pursuant to NRS 689C.360 to 689C.600, inclusive, are subject to the
13 provisions of NRS 689C.015 to 689C.355, inclusive, *and section 7 of this act*, to
14 the extent applicable and not in conflict with the express provisions of NRS
15 687B.408 and 689C.360 to 689C.600, inclusive.

16 **Sec. 9.** ~~[Chapter 690A of NRS is hereby amended by adding thereto a new~~
17 ~~section to read as follows:~~

18 ~~— No provision for arbitration contained in any policy or certificate of credit~~
19 ~~insurance delivered, issued for delivery or renewed in this State is binding upon~~
20 ~~the named debtor or any other person who makes a claim under the policy.]~~
21 ~~(Deleted by amendment.)~~

22 **Sec. 10.** ~~[NRS 690B.010 is hereby amended to read as follows:~~

23 ~~— 690B.010 1. All contracts of casualty insurance covering subjects resident,~~
24 ~~located or to be performed in this State are subject to the applicable provisions of~~
25 ~~chapter 687B of NRS (the insurance contract), and to other applicable provisions of~~
26 ~~this Code.~~

27 ~~— 2. No provision for arbitration contained in any casualty insurance policy,~~
28 ~~including, without limitation, an automobile liability or motor vehicle liability~~
29 ~~insurance policy, delivered, issued for delivery or renewed in this State is binding~~
30 ~~upon the named insured or any other person who makes a claim under the~~
31 ~~policy.] (Deleted by amendment.)~~

32 **Sec. 11.** ~~[Chapter 690C of NRS is hereby amended by adding thereto a new~~
33 ~~section to read as follows:~~

34 ~~— No provision for arbitration contained in any service contract or contractual~~
35 ~~liability insurance policy delivered, issued for delivery or renewed in this State is~~
36 ~~binding upon the named holder or any other person who makes a claim under the~~
37 ~~contract or policy.] (Deleted by amendment.)~~

38 **Sec. 12.** ~~[Chapter 690D of NRS is hereby amended by adding thereto a new~~
39 ~~section to read as follows:~~

40 ~~— No provision for arbitration contained in any guaranteed asset protection~~
41 ~~waver delivered, issued for delivery or renewed in this State is binding upon the~~
42 ~~named borrower or any other person who makes a claim under the waver.]~~
43 ~~(Deleted by amendment.)~~

44 **Sec. 13.** ~~[Chapter 691C of NRS is hereby amended by adding thereto a new~~
45 ~~section to read as follows:~~

46 ~~— No provision for arbitration contained in any policy of credit personal~~
47 ~~property insurance delivered, issued for delivery or renewed in this State is~~
48 ~~binding upon the named debtor or any other person who makes a claim under the~~
49 ~~policy.] (Deleted by amendment.)~~

50 **Sec. 14.** ~~[Chapter 692A of NRS is hereby amended by adding thereto a new~~
51 ~~section to read as follows:~~

52 ~~— No provision for arbitration contained in any policy of title insurance~~
53 ~~delivered, issued for delivery or renewed in this State is binding upon the named~~

~~insured or any other person who makes a claim under the policy.] (Deleted by amendment.)~~

Sec. 15. Chapter 695A of NRS is hereby amended by adding thereto a new section to read as follows:

1. No provision for arbitration contained in any benefit contract delivered, issued for delivery or renewed in this State is binding upon the named insured or any other person who makes a claim under the contract.

2. If a benefit contract contains a provision for arbitration, the benefit contract must include a statement that the arbitration provision is not binding upon the named insured or any other person who makes a claim under the benefit contract.

Sec. 16. ~~[NRS 695B.220 is hereby amended to read as follows:~~

~~695B.220 1. Nonprofit hospital and medical or dental service corporations are subject to the provisions of this chapter, and to the provisions of chapters 679A and 679B of NRS, subsections 2, 4, 18, 19 and 31 of NRS 680B.010, NRS 680B.025 to 680B.060, inclusive, chapter 681B of NRS, NRS 686A.010 to 686A.315, inclusive, 686B.010 to 686B.175, inclusive, 687B.010 to 687B.040, inclusive, 687B.070 to 687B.140, inclusive, section 1 of this act, 687B.150, 687B.160, 687B.180, 687B.200 to 687B.255, inclusive, 687B.270, 687B.310 to 687B.380, inclusive, 687B.410, 687B.420, 687B.430, 687B.500 and chapters 692B, 692C, 693A and 696B of NRS, to the extent applicable and not in conflict with the express provisions of this chapter.~~

~~2. For the purposes of this section and the provisions set forth in subsection 1, a nonprofit hospital and medical or dental service corporation is included in the meaning of the term "insurer." (Deleted by amendment.)~~

Sec. 16.5. Chapter 695B of NRS is hereby amended by adding thereto a new section to read as follows:

1. No provision for arbitration contained in any contract for hospital, medical or dental services delivered, issued for delivery or renewed in this State is binding upon the named insured or any other person who makes a claim under the contract for hospital, medical or dental services.

2. If a contract for hospital, medical or dental services contains a provision for arbitration, the contract must include a statement that the arbitration provision is not binding upon the named insured or any other person who makes a claim under the contract for hospital, medical or dental services.

Sec. 17. Chapter 695C of NRS is hereby amended by adding thereto a new section to read as follows:

1. No provision for arbitration contained in any evidence of coverage delivered, issued for delivery or renewed in this State is binding upon the named enrollee or any other person who makes a claim under the evidence of coverage.

2. If an evidence of coverage contains a provision for arbitration, the evidence of coverage must include a statement that the arbitration provision is not binding upon the named enrollee or any other person who makes a claim under the evidence of coverage.

Sec. 18. NRS 695C.050 is hereby amended to read as follows:

695C.050 1. Except as otherwise provided in this chapter or in specific provisions of this title, the provisions of this title are not applicable to any health maintenance organization granted a certificate of authority under this chapter. This provision does not apply to an insurer licensed and regulated pursuant to this title except with respect to its activities as a health maintenance organization authorized and regulated pursuant to this chapter.

2. Solicitation of enrollees by a health maintenance organization granted a certificate of authority, or its representatives, must not be construed to violate any

provision of law relating to solicitation or advertising by practitioners of a healing art.

3. Any health maintenance organization authorized under this chapter shall not be deemed to be practicing medicine and is exempt from the provisions of chapter 630 of NRS.

4. The provisions of NRS 695C.110, 695C.125, 695C.1691, 695C.1693, 695C.170, 695C.1703, 695C.1705, 695C.1709 to 695C.173, inclusive, 695C.1733, 695C.17335, 695C.1734, 695C.1751, 695C.1755, 695C.1759 ~~and~~ and 695C.176 to 695C.200, inclusive, ~~and 695C.265~~ do not apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid under the State Plan for Medicaid or insurance pursuant to the Children's Health Insurance Program pursuant to a contract with the Division of Health Care Financing and Policy of the Department of Health and Human Services. This subsection does not exempt a health maintenance organization from any provision of this chapter for services provided pursuant to any other contract.

5. The provisions of NRS 695C.1694 to 695C.1698, inclusive, 695C.1701, 695C.1708, 695C.1728, 695C.1731, 695C.17333, 695C.17345, 695C.17347, 695C.1735, 695C.1737, 695C.1743, 695C.1745 and 695C.1757 apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid under the State Plan for Medicaid.

Sec. 18.5. Chapter 695D of NRS is hereby amended by adding thereto a new section to read as follows:

1. No provision for arbitration contained in any plan for dental care delivered, issued for delivery or renewed in this State is binding upon the member or any other person who makes a claim under the plan for dental care.

2. If a plan for dental care contains a provision for arbitration, the plan for dental care must include a statement that the arbitration provision is not binding upon the member or any other person who makes a claim under the plan for dental care.

Sec. 19. Chapter 695F of NRS is hereby amended by adding thereto a new section to read as follows:

1. No provision for arbitration contained in any evidence of coverage delivered, issued for delivery or renewed in this State is binding upon the named enrollee or any other person who makes a claim under the evidence of coverage.

2. If an evidence of coverage contains a provision for arbitration, the evidence of coverage must include a statement that the arbitration provision is not binding upon the named enrollee or any other person who makes a claim under the evidence of coverage.

Sec. 20. Chapter 695G of NRS is hereby amended by adding thereto a new section to read as follows:

1. No provision for arbitration contained in any evidence of coverage delivered, issued for delivery or renewed in this State is binding upon the named insured or any other person who makes a claim under the evidence of coverage.

2. If an evidence of coverage contains a provision for arbitration, the evidence of coverage must include a statement that the arbitration provision is not binding upon the named insured or any other person who makes a claim under the evidence of coverage.

Sec. 21. The provisions of this act do not apply to any contract for insurance existing on October 1, 2023, but apply to any renewal of such a contract.

Sec. 22. NRS 689A.0403, 689B.067, 689B.270, ~~690B.017, 690B.155,~~ 695B.181, 695B.182, 695C.265 and 695C.267 are hereby repealed.

LEADLINES OF REPEALED SECTIONS

689A.0403 Procedure for arbitration of disputes concerning independent medical, dental or chiropractic evaluations.

689B.067 Provision in policy requiring binding arbitration for disputes with insurer authorized; procedure for arbitration; declaratory relief.

689B.270 Required procedure for arbitration of disputes concerning independent medical, dental or chiropractic evaluations.

~~[690B.017 Provisions for arbitration not binding.~~

~~690B.155 Provision requiring binding arbitration authorized; procedures for arbitration.]~~

695B.181 Provision in contract requiring binding arbitration authorized; procedures for arbitration; declaratory relief.

695B.182 Required procedure for arbitration of disputes concerning independent medical, dental or chiropractic evaluations.

695C.265 Required procedure for arbitration of disputes concerning independent medical, dental or chiropractic evaluations.

695C.267 Provision requiring binding arbitration authorized; procedures for arbitration; declaratory relief.