

Amendment No. 239

Senate Amendment to Senate Bill No. 57	(BDR 57-272)
Proposed by: Senate Committee on Commerce and Labor	
Amends: Summary: No 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 newly added language; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) ~~fuchsia double strikethrough~~ is new language in the bill proposed to be deleted in this amendment; (6) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment.

SHORT FORM AMENDMENT

Sections 2, 4, 4.2, 4.4, 4.6, 4.8, 7, 10.5, 11, 13, 21, 37 and 43 of this act are the only sections affected by this amendment.



The Title of Senate Bill No. 57 is hereby amended as follows:

AN ACT relating to insurance; revising requirements relating to the submission of certain information to the Commissioner of Insurance by certain persons regulated by the Commissioner; revising provisions concerning the confidentiality of certain records and information; revising requirements for the delivery of certain notices and other documents by electronic means; revising requirements for the conduct of certain hearings before the Commissioner; revising provisions relating to the imposition of certain fees; revising requirements for the issuance and renewal of certain licenses and certificates; revising provisions relating to administrators; ~~revising requirements for the cancellation of certain policies of insurance;~~ prohibiting certain insurers from taking certain actions concerning prescription drugs; revising provisions relating to annuities; imposing certain requirements on persons involved in the sale of prepaid contracts for funeral or burial services; revising certain requirements relating to captive insurers; revising procedures for delinquency proceedings against an insurer; revising provisions relating to bail agents, bail enforcement agents, bail solicitors and general agents; making various other changes relating to insurance; and providing other matters properly relating thereto.

If this amendment is adopted, the Legislative Counsel's Digest will be changed as follows:

Legislative Counsel's Digest:

Existing law requires a health carrier to submit to the Commissioner of Insurance copies of certain form letters used by the health carrier. (NRS 679B.124) **Section 1** of this bill requires a health carrier to instead: (1) submit to the Commissioner a report summarizing such form letters; and (2) maintain a copy of each form letter and make each copy available to the Commissioner upon request.

~~Existing law makes confidential certain records and information in possession of the Division of Insurance of the Department of Business and Industry. (NRS 679B.190) Section 2 of this bill makes confidential certain information and documents relating to a case or matter which was investigated by the Commissioner but which resulted in no action or in a warning or other informal action being taken. Section 2 additionally authorizes the Commissioner to classify as confidential certain records and information relating to certain deliberations of the Commissioner or any employees of the Division.]~~

Existing law sets forth circumstances under which the Commissioner is authorized or required to hold a hearing on certain matters and establishes procedures governing such hearings. (NRS 679B.310) **Section 3** of this bill revises requirements concerning such hearings. **Section 47** of this bill makes a conforming change that is necessary as the result of the changes in **section 3**.

Existing law requires the Attorney General to establish a Fraud Control Unit for Insurance for the purposes of investigating and prosecuting acts of insurance fraud. (NRS 228.412) Existing law authorizes a district attorney of a county to prosecute certain cases involving insurance fraud with the permission of or at the request of the Attorney General. (NRS 686A.283) Existing law makes confidential certain records and information relating to an investigation conducted by the Attorney General and the Fraud Control Unit for the prosecution of insurance fraud and sets forth the circumstances under which the Attorney

General is authorized to disclose such information. (NRS 679B.690) **Section 4** of this bill: (1) makes confidential certain additional records and information relating to an investigation for the prosecution of insurance fraud; (2) requires, with certain exceptions, such records and information to remain confidential **for the duration of the investigation and** after the conclusion of the investigation; and (3) sets forth circumstances in which a district attorney prosecuting a case of insurance fraud is also authorized to disclose such information.

Existing law sets forth certain requirements for an insurer to deliver certain notices or other documents by electronic means. Among other requirements, existing law requires the party to whom the notice or document will be delivered to have consented to delivery by electronic means. (NRS 680A.550) Sections 4.2 and 4.8 of this bill authorize the plan sponsor of a health plan to provide such consent on behalf of a party covered by the plan under certain circumstances. Section 4.2 requires a plan sponsor to take certain actions before providing such consent and an insurer to take certain actions before delivering any notice or other document to a party on whose behalf a plan sponsor has provided such consent. Finally, section 4.2 requires a notice of cancellation, nonrenewal or termination of a health plan to be sent to a party covered by the health plan by mail unless the notice is delivered by electronic means in a manner that provides for the verification of the receipt of the notice. Sections 4.4 and 4.6 of this bill make conforming changes to indicate the proper placement of section 4.2 in the Nevada Revised Statutes.

Existing law sets forth various fees applicable to persons regulated by the Commissioner. Among these fees is a fee for a licensee's association with or appointment or sponsorship by an organization. (NRS 680B.010) A fee for a licensee's "appointment" by an organization refers to the fee associated with the appointment by an insurer of a person to offer policies on behalf of the insurer. (NRS 697.185, 697.250) A fee for a licensee's "association with" or "sponsorship by" an organization refers to the fee associated with the designation by an agent of an insurer of a natural person who is a licensee to represent the agent or to be responsible for the compliance of the agent with laws and regulations governing insurance. (NRS 683C.035, 684A.080, 684A.090, 684B.040, 697.184, 697.185, 697.250) **Sections 16-18, 20 and 40-42** of this bill revise provisions concerning the licensure of certain persons regulated by the Commissioner to clarify and standardize the circumstances in which an agent of an insurer is required to designate a natural person to represent the agent or to be responsible for the agent's compliance with the laws and regulations governing insurance and is therefore required to pay the applicable fee. **Section 5** of this bill revises the terminology used to describe such a fee to refer to that fee as one for a licensee's association with or designation or sponsorship by an organization. The amount of such fees remains unchanged. **Section 5** removes certain duplicative fees, and **sections 33-35** make conforming changes necessitated by the renumbering of **section 5**.

Section 14 of this bill revises the requirements for an application for the issuance of a license as a managing general agent. **Section 7** of this bill ~~requires~~ **authorizes the Commissioner to require an applicant for the issuance of a license as a managing general agent to file and maintain with the Commissioner a surety bond in [the sum of \$50,000.] an amount determined by the Commissioner.**

Existing law prohibits a person from acting as an administrator unless the person holds a certificate of registration issued by the Commissioner. (NRS 683A.085) Existing law also imposes certain requirements and restrictions on a pharmacy benefit manager. (NRS 683A.171-683A.179) **Section 9** of this bill revises the definition of "administrator" to include specifically any person who administers a program of pharmacy benefits for an employer, insurer, internal service fund or trust. **Sections 11 and 12** of this bill revise requirements for the issuance and renewal of a certificate of registration as an administrator. ~~[Section 13 of this bill prohibits: (1) the rights and obligations of an administrator, as set forth in a written agreement between an insurer and an administrator, from being delegated to any third party; (2) any liability under such an agreement from being assumed by any third party; and (3) an insurer from allowing any duty of an administrator set forth in such an agreement to be performed by any person other than the administrator.]~~ **Sections 10.5 and 13 of this bill authorize an administrator who has obtained a certificate of registration issued by the Commissioner to delegate any of the duties of the administrator to an administrator who has not obtained a certificate of registration only if the delegating administrator has first obtained the written approval of the Commissioner. Section 8** of this bill requires an administrator to notify the Commissioner of certain changes to the administrator. **Section 10**

of this bill makes a conforming change to indicate the proper placement of **section 8** in the Nevada Revised Statutes.

Existing law authorizes the Commissioner to issue to a person a temporary license as a producer of insurance and independent adjuster and a temporary certificate as an exchange enrollment facilitator, which, in general, are valid for not more than 180 days. (NRS 683A.311, 684A.150, 695J.190) **Sections 15, 19 and 36** of this bill authorize the Commissioner to renew such a license or certificate for one additional period of 180 days under certain circumstances.

~~[Existing law, in general, prohibits an insurer from cancelling an insurance policy before the expiration of the agreed term except for certain specified reasons, including, among other reasons, failure to pay a premium when due. If an insurer cancels an insurance policy for such a reason, the cancellation is prohibited from becoming effective until: (1) if the reason for the cancellation is the failure to pay a premium, at least 10 days after notice is provided to the policyholder; or (2) if the reason for the cancellation is due to another specified reason, at least 30 days after notice is provided to the policyholder. (NRS 687B.320) Existing law prohibits an insurer from cancelling, failing to renew or renew with altered terms certain life and health insurance policies, unless notice is provided to the policyholder at least 60 days before the proposed action becomes effective. (NRS 687B.420) Section 21 of this bill provides that a cancellation of certain life and health insurance policies for the failure to pay a premium or for certain other specified reasons is prohibited from becoming effective until at least 60 days after the policyholder is provided with notice of the cancellation.]~~

Existing law prohibits certain insurers from moving a prescription drug in a formulary from a lower cost tier to a higher cost tier under certain policies of health insurance issued to an individual or a small employer, except at certain times and under certain circumstances. However, existing law does not prohibit an insurer from, at any time, removing a prescription drug from a formulary and adding a prescription drug to a formulary. (NRS 687B.4095) **Section 22** of this bill prohibits certain insurers who have removed a prescription drug from a formulary from adding that prescription drug back into the formulary in a higher cost tier in the same plan year in which it was removed, except at the times and under the circumstances provided for under existing law.

Sections 23 and 24 of this bill revise provisions relating to annuities for consistency with the Standard Nonforfeiture Law for Individual Deferred Annuities adopted by the National Association of Insurance Commissioners.

Existing law imposes certain requirements and restrictions on an applicant for a license as a producer of insurance or a licensee who wishes to use a name other than his or her true name to conduct business. (NRS 683A.301) **Sections 25 and 27** of this bill make these requirements and restrictions applicable to an applicant for or a holder of a certificate of authority to sell prepaid contracts for funeral services or a permit to sell prepaid contracts for burial services. **Section 26** of this bill requires a person to have a good business and personal reputation to qualify for an agent's license to sell prepaid contracts for burial services on behalf of a seller.

Section 28 of this bill revises the definition of "health benefit plan" that is applicable to provisions of existing law governing health insurance for small employers to standardize the definition of the term with other provisions of existing law governing health benefit plans.

Existing law sets forth certain requirements relating to the confidentiality and disclosure of certain records and information relating to an insurer. (NRS 679B.285) **Section 29** of this bill applies those requirements to certain records and information relating to a captive insurer. **Sections 30-32** of this bill revise the dates by which certain captive insurers are required to submit certain information to the Commissioner.

Existing law sets forth procedures and requirements for delinquency proceedings against an insurer. (Chapter 696B of NRS) Existing law sets forth the manner in which a delinquency proceeding must be commenced. (NRS 696B.250) Section 37 of this bill provides that the Nevada Rules of Civil Procedure do not apply [at such] to the commencement of a delinquency [proceedings.] proceeding. Section 38 of this bill eliminates certain duplicative statutory language with respect to the powers of the Commissioner as a receiver, rehabilitator or liquidator of an insurer.

Existing law sets forth certain requirements for a bail agent and bail enforcement agent with respect to the apprehension of a defendant and the surrender of a defendant to custody. (NRS 178.526, 697.325) **Sections 43 and 46** of this bill establish that only a bail enforcement agent is authorized to take certain actions with respect to the apprehension and surrender of a

defendant. **Section 45** of this bill prohibits a bail agent, general agent, bail enforcement agent or bail solicitor from allowing any person other than a licensed bail enforcement agent to participate in the functions of a bail enforcement agent.

Existing law requires a bail agent or bail enforcement agent, before forcibly entering an inhabited dwelling, to notify the local law enforcement agency of the jurisdiction where the dwelling is located. Existing law defines "inhabited dwelling" to mean, in general, certain structures, buildings or vehicles in which the owner or other lawful occupant resides. (NRS 697.325) **Section 43:** (1) eliminates the term "inhabited dwelling"; (2) imposes certain requirements and restrictions on a bail enforcement agent with respect to the entry and forcible entry of any structure ~~that~~ **as defined in section 43;** and (3) imposes certain requirements and restrictions with respect to the use of physical force by a bail enforcement agent. **Section 44** of this bill provides that a bail agent who improperly causes the surrender of a defendant to custody is not entitled to collect any fees related to the surrender.

Section 2 of Senate Bill No. 57 is hereby amended as follows:

Sec. 2. ~~NRS 679B.190 is hereby amended to read as follows:~~

~~679B.190. 1. The Commissioner shall carefully preserve in the Division and in permanent form all papers and records relating to the business and transactions of the Division and shall hand them over to the successor in office of the Commissioner.~~

~~2. Except as otherwise provided in subsections 3 and 5 to [9.] 10, inclusive, other provisions of this Code and NRS 616B.015, the papers and records must be open to public inspection.~~

~~3. Except as otherwise provided in NRS 239.0115, any records or information in the possession of the Division related to an investigation conducted by the Commissioner is confidential and not subject to subpoena unless:~~

~~(a) The Commissioner releases, in the manner that he or she deems appropriate, all or any part of the records or information for public inspection after determining that the release of the records or information:~~

~~(1) Will not harm the investigation or the person who is being investigated; or~~

~~(2) Serves the interests of a policyholder, the shareholders of the insurer or the public; or~~

~~(b) A court orders the release of the records or information after determining that the production of the records or information will not damage any investigation being conducted by the Commissioner.~~

~~4. The Commissioner may destroy unneeded or obsolete records and filings in the Division in accordance with provisions and procedures applicable in general to administrative agencies of this State.~~

~~5. The Commissioner may classify as confidential:~~

~~(a) Specified records and information obtained from a governmental agency; and~~

~~(b) Documents obtained or received from other sources upon the express condition that they remain confidential.~~

~~6. All information and documents in the possession of the Division or any of its employees which are related to cases or matters [under investigation] which were investigated by the Commissioner or the staff of the Commissioner but which resulted in no action or in a warning or other informal action being taken against a person by the Commissioner are confidential [for the period of the investigation] and may not be made public unless the Commissioner finds the existence of an imminent threat of harm to the safety or welfare of the policyholder, shareholders~~

~~or the public and determines that the interests of the policyholder, shareholders or the public will be served by publication thereof, in which event the Commissioner may make a record public or publish all or any part of the record in any manner he or she deems appropriate.~~

~~7. The Commissioner may classify as confidential the records of a consumer or information relating to a consumer to protect the health, welfare or safety of the consumer.~~

~~8. In performing his or her duties, the Commissioner may:~~

~~(a) Share documents, materials or other information, including any documents, materials or information classified as confidential, with other state, federal and international regulatory or law enforcement agencies or with the National Association of Insurance Commissioners and its affiliates and subsidiaries if the recipient agrees to maintain the confidentiality and privileged status of the documents, materials or other information.~~

~~(b) May receive documents, materials or other information, including any documents, materials or information otherwise confidential and privileged, from other state, federal and international regulatory or law enforcement agencies or from the National Association of Insurance Commissioners and its affiliates and subsidiaries, and shall maintain as confidential or privileged any document, material or information received with notice or the understanding that it is confidential or privileged under the law of the jurisdiction from which it was received.~~

~~(c) Enter into agreements, consistent with this subsection, governing the sharing and use of information.~~

~~9. The Commissioner may classify as confidential any records or information relating to the deliberations of the Commissioner or any employees of the Division that the Commissioner determines are necessary for the proper regulation of the business of insurance.~~

~~10. No waiver of confidentiality or privilege with respect to any document, material or information occurs as a result of disclosure to the Commissioner under this section or of sharing as authorized under this chapter.) (Deleted by amendment.)~~

Section 4 of Senate Bill No. 57 is hereby amended as follows:

Sec. 4. NRS 679B.690 is hereby amended to read as follows:

679B.690 1. Except as otherwise provided in NRS 239.0115, all records and other information related to an investigation ~~[conducted by the Attorney General and the Fraud Control Unit]~~ *conducted pursuant to NRS 679B.600 to 679B.700, inclusive, or 686A.281 to 686A.295, inclusive,* are confidential unless:

(a) The ~~[Attorney General]~~ *prosecuting attorney* releases, in such manner as he or she deems appropriate, all or any part of the records or information for public inspection after determining that the release of the records or information:

(1) Will not harm the investigation or the person who is being investigated; or

(2) Serves the interests of a policyholder, the shareholders of the insurer or the public; or

(b) A court orders the release of the records or information after determining that the production of the records or information will not damage any investigation

being conducted ~~[by the Fraud Control Unit.]~~ pursuant to 679B.600 to 679B.700, inclusive, or 686A.281 to 686A.295, inclusive.

2. The ~~[Attorney General]~~ prosecuting attorney or Commissioner may classify as confidential specific records and other information if the records or other information was obtained from a governmental agency or other source upon the express condition that the contents would remain confidential.

3. ~~[All]~~ Except as otherwise provided in NRS 686A.287 and except as necessary for the prosecution of a crime, information and documents ~~[in the possession of the Attorney General and the Fraud Control Unit]~~ that are related to cases or matters ~~[under investigation are which were]~~ investigated for the prosecution of insurance fraud pursuant to NRS 679B.600 to 679B.700, inclusive, or 686A.281 to 686A.295, inclusive, ~~[remain]~~ are confidential for the duration of the investigation and remain confidential after the completion of the investigation. ~~[and]~~ Such information and documents may not be made public unless the ~~[Attorney General]~~ prosecuting attorney finds the existence of an imminent threat of harm to the safety or welfare of the policyholder, shareholders or the public and determines that the interests of the policyholder, shareholders or the public will be served by publication thereof, in which event the ~~[Attorney General]~~ prosecuting attorney may make a record public or publish all or any part of the record in any manner the ~~[Attorney General]~~ prosecuting attorney deems appropriate.

4. As used in this section, "prosecuting attorney" means the Attorney General or the district attorney of a county when acting pursuant to subsection 4 of NRS 686A.283.

NEW section 4.2 of Senate Bill No. 57 is hereby added as follows:

Sec. 4.2. Chapter 680A of NRS is hereby amended by adding thereto a new section to read as follows:

1. The plan sponsor of a health plan may, on behalf of a party covered by the health plan, provide the consent for delivery of any notice or other document relating to the health plan required by paragraph (a) of subsection 1 of NRS 680A.550.

2. Before providing consent on behalf of a party covered by the health plan pursuant to subsection 1, the plan sponsor must confirm, using reasonable means, that the party routinely uses electronic communications during the normal course of employment.

3. Before delivering by electronic means any notice or other document to a party on whose behalf a plan sponsor has provided consent pursuant to subsection 1, the insurer for the health plan must:

(a) Provide the party an opportunity to opt out of delivery by electronic means; and

(b) Document that the conditions set forth in paragraphs (b) to (e), inclusive, of subsection 1 of NRS 680A.550 are satisfied.

4. A notice of cancellation, nonrenewal or termination of a health plan must be sent to a party covered by the health plan by mail unless the notice is delivered by electronic means in a manner that provides for the verification of the receipt of the notice.

5. As used in this section:

(a) "Health plan" means a policy, contract, certificate or agreement entered into, offered by or issued by an insurer to provide, deliver, arrange for, pay for or

reimburse any of the costs of health care services, including, without limitation, services relating to vision or dental care.

(b) "Plan sponsor" means a person, other than a person regulated by the Commissioner or Division, who establishes, adopts or maintains a health plan that covers residents of this State. The term includes, without limitation:

(1) An employer who establishes, adopts or maintains a such a health plan;

(2) An employer and one or more employee organizations that jointly establish, adopt or maintain such a health plan; and

(3) An association, committee, joint board or trustees or any similar group of representatives that establish, adopt or maintain such a health plan.

NEW section 4.4 of Senate Bill No. 57 is hereby added as follows:

Sec. 4.4. NRS 680A.500 is hereby amended to read as follows:

680A.500 As used in NRS 680A.500 to 680A.600, inclusive, and section 4.2 of this act, unless the context otherwise requires, the words and terms defined in NRS 680A.510 and 680A.520 have the meanings ascribed to them in those sections.

NEW section 4.6 of Senate Bill No. 57 is hereby added as follows:

Sec. 4.6. NRS 680A.530 is hereby amended to read as follows:

680A.530 The provisions of NRS 680A.500 to 680A.600, inclusive, and section 4.2 of this act:

1. Do not apply to a notice or other document delivered by an insurer in an electronic form before October 1, 2017, to a party who consented before that date to receive the notice or other document in an electronic form which was authorized by law at the time of delivery; and

2. Shall not be construed to affect any other provision of law relating to the content or timing of delivery of any notice or other document.

NEW section 4.8 of Senate Bill No. 57 is hereby added as follows:

Sec. 4.8. NRS 680A.550 is hereby amended to read as follows:

680A.550 1. Except as otherwise provided in subsection 2 and NRS 680A.560 and section 4.2 of this act, a notice or other document may be delivered by electronic means by an insurer to a party pursuant to subsection 1 of NRS 680A.540 if:

(a) The party has affirmatively consented to delivery by electronic means and has not withdrawn such consent;

(b) Before giving consent to delivery by electronic means, the party is provided with a clear and conspicuous statement informing the party of:

(1) The right of the party to withdraw consent to delivery by electronic means at any time and any conditions or consequences which may be imposed in the event consent is withdrawn;

(2) The types of notices and other documents to which the consent of the party to delivery by electronic means would apply;

(3) The right of the party to have a notice or other document delivered in paper form; and

(4) The procedures the party must follow to withdraw consent to delivery by electronic means and to update the electronic mail address of the party;

(c) The party, after being provided with a statement of the hardware and software requirements for access to and retention of a notice or other document delivered by electronic means, consents or confirms consent electronically in a manner that reasonably demonstrates that the party can access information in the electronic form that will be used for delivery by electronic means of notices or other documents to which the party has given consent;

(d) The insurer takes measures reasonably calculated to ensure that delivery by electronic means results in the receipt of a notice or other document by the party; and

(e) Upon a change in the hardware or software requirements for access to and retention of a notice or other document delivered by electronic means which occurs after the party has consented to delivery by electronic means which creates a material risk that the party will not be able to access or retain a subsequent notice or other document, the insurer provides the party with:

(1) A statement that describes the revised hardware or software requirements for access to and retention of a notice or other documents delivered by electronic means and the right of the party to withdraw consent without the imposition of any condition or consequence not described in the statement initially provided to the party pursuant to paragraph (b); and

(2) A revised statement containing the information described in paragraph (b) which applies to the revised hardware or software requirements.

2. If a provision of this Code or any other law applicable to the delivery of a notice or other document, including, without limitation, a notice required pursuant to NRS 687B.320 to 687B.350, inclusive, requires verification or acknowledgment of receipt of the notice or other document, the notice or other document may be delivered by electronic means only if the electronic form used for delivery provides for verification or acknowledgment of receipt. If the insurer does not receive verification or acknowledgment of receipt within 3 days after delivery by electronic means of a notice or other document described by this subsection, the insurer shall deliver the notice or other document by any other delivery method authorized by law.

Section 7 of Senate Bill No. 57 is hereby amended as follows:

Sec. 7. Before the issuance of a license as a managing general agent the Commissioner may require the applicant ~~[shall]~~ to file with the Commissioner, and thereafter maintain in force while so licensed, a surety bond which complies with NRS 679B.175 in ~~[the sum of \$50,000.]~~ an amount determined by the Commissioner.

NEW section 10.5 of Senate Bill No. 57 is hereby added as follows:

Sec. 10.5. NRS 683A.085 is hereby amended to read as follows:

1 683A.085 ~~Not~~ Except as otherwise provided in NRS 683A.086, no person
2 may act as, offer to act as or hold himself or herself out to the public as an
3 administrator, unless:

4 1. The person has obtained a certificate of registration as an administrator
5 from the Commissioner pursuant to NRS 683A.08524;

6 2. If the person is an individual and adjusts workers' compensation claims in
7 this State, the person is licensed pursuant to chapter 684A of NRS; and

8 3. If any employee of the person adjusts workers' compensation claims in this
9 State, each such employee who adjusts workers' compensation claims in this State
10 is licensed pursuant to chapter 684A of NRS.

Section 11 of Senate Bill No. 57 is hereby amended as follows:

11 **Sec. 11.** NRS 683A.08522 is hereby amended to read as follows:

12 683A.08522 Each application for a certificate of registration as an
13 administrator must include or be accompanied by:

14 1. A financial statement of the applicant that has been reviewed by an
15 independent certified public accountant and which includes:

16 (a) A statement regarding the amount of money that the applicant expects to
17 collect from or disburse to residents of this state during the next calendar year.

18 (b) Financial information for the 90 days immediately preceding the date the
19 application was filed with the Commissioner.

20 (c) An income statement and balance sheet for the 2 years immediately
21 preceding the application that are:

22 (1) Prepared in accordance with generally accepted accounting principles;
23 and

24 (2) Reviewed by an independent certified public accountant.

25 (d) A certification of the financial statement by an officer of the applicant.

26 2. The documents used to create the business association of the administrator,
27 including articles of incorporation, articles of association, a partnership agreement,
28 a trust agreement and a shareholders' agreement.

29 3. The documents used to regulate the internal affairs of the administrator,
30 including the bylaws, rules or regulations of the administrator.

31 4. A certificate of registration issued pursuant to NRS 600.350 for a trade
32 name or trademark used by the administrator, if applicable.

33 5. An organizational chart that identifies each person who directly or
34 indirectly controls the administrator and each affiliate of the administrator.

35 6. A notarized affidavit from each person who manages or controls the
36 administrator, including each member of the board of directors or board of trustees,
37 each officer, partner and member of the business association of the administrator,
38 and each shareholder of the administrator who holds not less than 10 percent of the
39 voting stock of the administrator. The affidavit must include:

40 (a) The personal history, business record and insurance experience of the
41 affiant;

42 (b) Whether the affiant has been investigated by any regulatory authority or has
43 had any license or certificate denied, suspended or revoked in any state; and

44 (c) Any other information that the Commissioner may require.

45 7. The complete name and address of each office of the administrator,
46 including offices located outside this state.

47 8. A statement that sets forth whether the administrator has:

(a) Held a license or certificate to transact any kind of insurance in this state or any other state and whether that license or certificate has been refused, suspended or revoked;

(b) Been indebted to any person and, if so, the circumstances of that debt; and
(c) Had an administrative agreement cancelled and, if so, the circumstances of that cancellation.

9. A statement that describes the business plan of the administrator. The statement must include information:

(a) Concerning the number of persons on the staff of the administrator and the activities proposed in this state or in any other state.

(b) That demonstrates the capability of the administrator to provide a sufficient number of experienced and qualified persons for the processing of claims, the keeping of records and, if applicable, underwriting.

10. If the applicant intends to solicit new or renewal business, proof that the applicant employs or has contracted with a producer of insurance licensed in this state to solicit and take applications. An applicant who intends to solicit insurance contracts directly or to act as a producer must provide proof that the applicant is licensed as a producer in this state.

11. If the applicant is not an insurer and is not domiciled in this State, a copy of the license, certificate or other authorization issued by the state in which the applicant is domiciled which authorizes the applicant to act as an administrator in that state, if any.

~~12. [A copy of any proposed administrative agreement with an insurer that the applicant intends to enter into if issued a certificate of registration as an administrator.~~

~~13.] Any other information required by the Commissioner.~~

Section 13 of Senate Bill No. 57 is hereby amended as follows:

Sec. 13. NRS 683A.086 is hereby amended to read as follows:

683A.086 1. No person may act as an administrator unless the person has entered into a written agreement with an insurer, and the written agreement contains provisions to effectuate the requirements contained in NRS 683A.08522 to 683A.08528, inclusive, 683A.087 to 683A.0883, inclusive, and 683A.0892 which apply to the duties of the administrator.

2. The written agreement must set forth:

(a) The duties the administrator will be required to perform on behalf of the insurer; and

(b) The lines, classes or types of insurance that the administrator is authorized to administer on behalf of the insurer.

3. A copy of an agreement entered into under the provisions of this section must be retained in the records of the administrator and of the insurer for a period of 5 years after the termination of the agreement.

4. When a policy is issued to a trustee or trustees, a copy of the trust agreement and amendments must be obtained by the administrator and a copy forwarded to the insurer. Each agreement must be retained by the administrator and the insurer for a period of 5 years after the termination of the policy.

~~5. [The rights and obligations of an administrator, as set forth in a written agreement entered into pursuant to this section, may not be delegated or assigned to a third party by contract or any other means. Any liability under the written agreement may not be assumed by a third party. An insurer shall not allow any~~

~~duty of an administrator set forth in the written agreement to be performed by any person other than the~~ Except as otherwise provided in NRS 616B.500 and 616B.503, an administrator ~~is~~ who has obtained a certificate of registration as an administrator from the Commissioner pursuant to NRS 683A.08524 may delegate any of the duties of the administrator to an administrator who has not obtained such a certificate of registration only if the delegating administrator has first obtained the written approval of the Commissioner.

6. The Commissioner may adopt regulations which specify the functions an administrator may perform on behalf of an insurer.

~~6.1~~ 7. The insurer or administrator may, upon written notice to the other party to the agreement and to the Commissioner, terminate the written agreement for any cause specified in the agreement. The insurer may suspend the authority of the administrator while any dispute regarding the cause for termination is pending. The insurer shall perform any obligations with respect to the policies affected by the agreement regardless of any dispute with the administrator.

Section 21 of Senate Bill No. 57 is hereby amended as follows:

Sec. 21. ~~[NRS 687B.320 is hereby amended to read as follows:]~~

~~687B.320 1. Except as otherwise provided in subsection [3.] 4, no insurance policy that has been in effect for at least 70 days or that has been renewed may be cancelled by the insurer before the expiration of the agreed term or 1 year from the effective date of the policy or renewal, whichever occurs first, except on any one of the following grounds:~~

- ~~(a) Failure to pay a premium when due;~~
- ~~(b) Conviction of the insured of a crime arising out of acts increasing the hazard insured against;~~
- ~~(c) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;~~
- ~~(d) Discovery of:~~
 - ~~(1) An act or omission; or~~
 - ~~(2) A violation of any condition of the policy,~~
- ~~which occurred after the first effective date of the current policy and substantially and materially increases the hazard insured against;~~
- ~~(e) A material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;~~
- ~~(f) A determination by the Commissioner that continuation of the insurer's present volume of premiums would jeopardize the insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors or the public;~~
- ~~or~~

~~(g) A determination by the Commissioner that the continuation of the policy would violate, or place the insurer in violation of, any provision of the Code.~~

~~2. [No] Except as otherwise provided in subsection 3, a cancellation under subsection 1 is effective until, in the case of paragraph (a) of subsection 1, at least 10 days and, in the case of any other paragraph of subsection 1, at least 30 days after the notice is delivered or mailed to the policyholder.~~

~~3. For a policy or contract issued pursuant to chapter 688B, 680A, 680B, 680C, 695A, 695B, 695C, 695D or 695F of NRS, a cancellation under subsection~~

~~1 is not effective until at least 60 days after the notice required pursuant to NRS 687B.420 is delivered or mailed to the policyholder.~~
~~4. The provisions of this section do not apply to a policy of industrial insurance.~~ (Deleted by amendment.)

Section 37 of Senate Bill No. 57 is hereby amended as follows:

Sec. 37. NRS 696B.190 is hereby amended to read as follows:

696B.190 1. The district court has original jurisdiction of delinquency proceedings under NRS 696B.010 to 696B.565, inclusive, and any court with jurisdiction may make all necessary or proper orders to carry out the purposes of those sections. The Nevada Rules of Civil Procedure do not govern the commencement of a delinquency proceeding pursuant to NRS 696B.010 to 696B.565, inclusive. 696B.250 and the filing of a petition by the Commissioner or the issuance by the court of an order to show cause pursuant to that section.

2. The venue of delinquency proceedings against a domestic insurer must be in the county in this state of the insurer's principal place of business or, if the principal place of business is located in another state, in any county in this state selected by the Commissioner for the purpose. The venue of proceedings against foreign insurers must be in any county in this state selected by the Commissioner for the purpose.

3. At any time after commencement of a proceeding, the Commissioner or any other party may apply to the court for an order changing the venue of, and removing, the proceeding to any other county of this state in which the proceeding may most conveniently, economically and efficiently be conducted.

4. No court has jurisdiction to entertain, hear or determine any petition or complaint praying for the dissolution, liquidation, rehabilitation, sequestration, conservation or receivership of any insurer, or for an injunction or restraining order or other relief preliminary, incidental or relating to such proceedings, other than in accordance with NRS 696B.010 to 696B.565, inclusive.

5. An appeal to the appellate court of competent jurisdiction pursuant to the rules fixed by the Supreme Court pursuant to Section 4 of Article 6 of the Nevada Constitution may be taken from any court granting or refusing rehabilitation, liquidation, conservation or receivership, and from every order in delinquency proceedings having the character of a final order as to the particular portion of the proceedings embraced therein.

Section 43 of Senate Bill No. 57 is hereby amended as follows:

Sec. 43. NRS 697.325 is hereby amended to read as follows:

697.325 1. After apprehending a defendant in this state, a bail ~~agent or bail~~ enforcement agent shall immediately or without undue delay notify in person or by telephone the local law enforcement agency of the jurisdiction in which the defendant was apprehended of:

(a) The identity of the defendant;

(b) The identity of the bail ~~agent or bail~~ enforcement agent; and

(c) Where the bail ~~agent or bail~~ enforcement agent is taking the defendant to surrender the defendant into custody.

2. ~~[Before forcibly entering an inhabited dwelling]~~ A bail enforcement agent may not enter a structure in this State ~~[, or]~~ to apprehend a defendant unless the bail ~~[agent or bail]~~ enforcement agent ~~[shall notify]~~ :

(a) Reasonably believes that the defendant is within the structure; and

(b) Has notified the local law enforcement agency of the jurisdiction in which the ~~[dwelling]~~ structure is located.

3. A bail ~~[agent or bail]~~ enforcement agent ~~[who violates the provisions of this section is guilty of a misdemeanor.]~~ may not forcibly enter any structure or other private property in this State to apprehend a defendant if:

(a) The bail enforcement agent has not obtained the permission of the owner of the structure or property; or

(b) Forcibly entering the structure or property creates a threat of harm to any person or property.

4. A bail enforcement agent may use physical force only when necessary to defend himself or herself in the process of locating, apprehending or surrendering a defendant. If it is necessary for a bail enforcement agent to use physical force under such circumstances, the bail enforcement agent may use only the amount of physical force that is reasonable under the circumstances.

5. As used in this section, ~~["inhabited dwelling" means]~~ "structure" includes, without limitation, any ~~[structure,]~~ building, house, room, apartment, tenement, tent, conveyance, vessel, boat, vehicle, house trailer, travel trailer, motor home or railroad car ~~[in which the owner or other lawful occupant resides. A bail enforcement agent may use physical force only when necessary to defend himself or herself in the process of locating, apprehending or surrendering a defendant. If it is necessary for a bail enforcement agent to use physical force under such circumstances, the bail enforcement agent may use only the amount of physical force that is reasonable under the circumstances.]~~, whether used as a residence, business or for any other purpose.