

Amendment No. 719

Assembly Amendment to Senate Bill No. 57 First Reprint (BDR 57-272)

Proposed by: Assembly Committee on Commerce and Labor

Amendment Box: Replaces Amendment No. 685.

Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will ADD a 2/3s majority vote requirement for final passage of S.B. 57 R1 (§ 39.4).

| 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 39.2, 39.3, 39.4, 39.5, 39.6, 39.7, 39.8, 41.3, 41.6 and 42.5 of this act are the only sections affected by this amendment.

SJQ/BAW



Date: 5/24/2023

S.B. No. 57—Revises provisions relating to insurance. (BDR 57-272)





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

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**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 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~~ 40, 41, and 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 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 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. **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 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 to the commencement of a delinquency 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 person to obtain and renew a license as a bail agent, including, without limitation, the requirement that the person be a resident of this State and have resided in this State for not less than 1 year immediately preceding the date of the application for licensure. (NRS 697.150) Sections 39.4 and 39.6 of this bill provide for the issuance of a nonresident license as a bail agent to a nonresident person who is licensed as a bail agent in his or her home state and set forth certain requirements to obtain such a license. Section 39.3 of this bill defines the term "home state." Section 39.5 of this bill makes a conforming change to indicate the proper placement of section 39.3 in the Nevada Revised Statutes. Sections 39.6, 39.7, 39.8, 41.3 and 41.6 of this bill exempt an applicant for the issuance or renewal of a nonresident license as a bail agent from certain requirements otherwise applicable to the issuance or renewal of a license as a bail agent.

Existing law requires a bail agent to maintain a place of business in this State accessible to the public. (NRS 697.280) Existing law requires a bail agent, before acting as an attorney-in-fact for an insurer on an undertaking, to register in the office of the sheriff and with the clerk of the district court in which the agent resides. (NRS 697.270) Section 42.5 of this bill requires a person who holds a nonresident license as a bail agent to instead register with the office of the sheriff and with the clerk of the district court in which the place of business of the bail agent is located.

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, 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.

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NEW section 39.2 of Senate Bill No. 57 First Reprint is hereby added as follows:

1        *Sec. 39.2. Chapter 697 of NRS is hereby amended by adding thereto the*  
2        *provisions set forth as sections 39.3 and 39.4 of this act.*

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NEW section 39.3 of Senate Bill No. 57 First Reprint is hereby added as follows:

3        *Sec. 39.3. "Home state" means the District of Columbia or any state or*  
4        *territory of the United States in which a bail agent maintains his or her principal*  
5        *place of residence or principal place of business and is licensed to act as a bail*  
6        *agent.*

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NEW section 39.4 of Senate Bill No. 57 First Reprint is hereby added as follows:

7        *Sec. 39.4. 1. The Commissioner shall issue a nonresident license as a bail*  
8        *agent to a nonresident person if:*

9        *(a) The person is currently licensed and in good standing as a bail agent in*  
10       *the resident or home state of the person;*

11       *(b) The person has submitted the proper request for licensure and has paid*  
12       *all fees required pursuant to NRS 680B.010 and, in addition to any other fee or*  
13       *charge, all applicable fees required pursuant to NRS 680C.110;*

14       *(c) The person has submitted or transmitted to the Commissioner the*  
15       *appropriate completed application for licensure;*

16       *(d) The person satisfies the requirements specified in subsection 2 of NRS*  
17       *697.150; and*

18       *(e) The home state of the person awards nonresident licenses as a bail agent*  
19       *to persons of this State on the same basis.*

20       *2. The Commissioner may verify the licensing status of the nonresident*  
21       *person:*

22       *(a) Through any appropriate database, including, without limitation, the*  
23       *Producer Database maintained by the National Insurance Producer Registry or*  
24       *its affiliates or subsidiaries;*

25       *(b) By requesting that the nonresident person submit proof that the*  
26       *nonresident person is licensed and in good standing in the person's home state as*  
27       *a bail agent; or*

28       *(c) Through any other means the Commissioner determines to be*  
29       *appropriate.*

30       *3. As a condition to the continuation of a nonresident license as a bail*  
31       *agent, the nonresident bail agent shall maintain a resident license as a bail agent*  
32       *in the home state of the bail agent. A nonresident license as a bail agent issued*  
33       *under this section must be terminated and surrendered immediately to the*  
34       *Commissioner if the resident license as a bail agent in the home state is*  
35       *terminated for any reason, unless:*

36       *(a) The termination is due to the nonresident bail agent being issued a new*  
37       *resident license as a bail agent in a new home state; and*

(b) The new resident license as a bail agent is from a state that has reciprocity with this State.

4. The Commissioner shall give notice of the termination of a resident license as a bail agent within 30 days after the date of the termination to any states that issued a nonresident license as a bail agent to the holder of the resident license. If the resident license as a bail agent was terminated because of a change in the home state of the bail agent, the notice must include both the previous and current address of the bail agent.

5. The Commissioner shall terminate a nonresident license as a bail agent issued pursuant to this section if the bail agent establishes legal residency in this State and fails to apply for a resident license as a bail agent within 90 days after establishing legal residency.

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**NEW section 39.5 of Senate Bill No. 57 First Reprint is hereby added as follows:**

**Sec. 39.5. NRS 697.020 is hereby amended to read as follows:**

697.020 As used in this Code, unless the context otherwise requires, the words and terms defined in NRS 697.030 to 697.070, inclusive, and section 39.3 of this act have the meanings ascribed to them in those sections.

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**NEW section 39.6 of Senate Bill No. 57 First Reprint is hereby added as follows:**

**Sec. 39.6. NRS 697.150 is hereby amended to read as follows:**

697.150 1. Except as otherwise provided in ~~subsection~~ subsections 2, 3, and 3. a person is entitled to receive, renew or hold a license as a bail agent if the person:

(a) Is a resident of this State and has resided in this State for not less than 1 year immediately preceding the date of the application for the license.

(b) Is a natural person not less than 18 years of age.

(c) Has been appointed as a bail agent by an authorized surety insurer, subject to the issuance of the license.

(d) Is competent, trustworthy and financially responsible.

(e) Has passed any written examination required under this chapter.

(f) Has filed the bond required by NRS 697.190.

(g) Has, on or after July 1, 1999, successfully completed a 6-hour course of instruction in bail bonds that is:

(1) Offered by a state or national organization of bail agents or another organization that administers training programs for bail agents; and

(2) Approved by the Commissioner.

2. A nonresident person is entitled to receive, renew or hold a nonresident license as a bail agent if, in addition to the applicable requirements set forth in section 39.4 of this act, the nonresident person satisfies the requirements set forth in paragraphs (b), (d) and (f) of subsection 1.

3. A person is not entitled to receive, renew or hold a license as a bail agent if the person has been convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or any crime involving moral

1 turpitude. A conviction of, or plea of guilty, guilty but mentally ill or nolo  
2 contendere by, an applicant or licensee for any crime listed in this subsection is a  
3 sufficient ground for the Commissioner to deny a license to the applicant or to  
4 suspend or revoke the license of the agent.

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**NEW section 39.7 of Senate Bill No. 57 First Reprint is hereby added as follows:**

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**Sec. 39.7. NRS 697.180 is hereby amended to read as follows:**

6 697.180 1. A written application for a license as a ~~(bail agent,~~ general  
7 agent, bail enforcement agent, ~~for~~ bail solicitor or bail agent, other than a  
8 nonresident license as a bail agent, must be filed with the Commissioner by the  
9 applicant, accompanied by the applicable fees. The application form must:

10 (a) Include the social security number of the applicant; and

11 (b) Require full answers to questions reasonably necessary to determine the  
12 applicant's:

13 (1) Identity and residence.

14 (2) Business record or occupations for not less than the 2 years  
15 immediately preceding the date of the application, with the name and address of  
16 each employer, if any.

17 (3) Prior criminal history, if any.

18 2. The Commissioner may require the submission of such other information  
19 as may be required to determine the applicant's qualifications for the license for  
20 which the applicant applied.

21 3. The applicant must verify his or her application. An applicant for a license  
22 under this chapter shall not knowingly misrepresent or withhold any fact or  
23 information called for in the application form or in connection therewith.

24 4. Each applicant must, as part of his or her application and at the applicant's  
25 own expense:

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

28 (b) Submit to the Commissioner:

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

34 (2) Written verification, on a form prescribed by the Commissioner, stating  
35 that the fingerprints of the applicant were taken and directly forwarded  
36 electronically or by another means to the Central Repository and that the applicant  
37 has given written permission to the law enforcement agency or other authorized  
38 entity taking the fingerprints to submit the fingerprints to the Central Repository for  
39 submission to the Federal Bureau of Investigation for a report on the applicant's  
40 background and to such other law enforcement agencies as the Commissioner  
41 deems necessary.

42 5. The Commissioner may:

43 (a) Unless the applicant's fingerprints are directly forwarded pursuant to  
44 subparagraph (2) of paragraph (b) of subsection 4, submit those fingerprints to the  
45 Central Repository for submission to the Federal Bureau of Investigation and to  
46 such other law enforcement agencies as the Commissioner deems necessary;



- (b) Request from each such agency any information regarding the applicant's background as the Commissioner deems necessary; and
- (c) Adopt regulations concerning the procedures for obtaining this information.

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**NEW section 39.8 of Senate Bill No. 57 First Reprint is hereby added as follows:****Sec. 39.8. NRS 697.183 is hereby amended to read as follows:**

697.183 An application for a license as a bail agent, other than an application for a nonresident license as a bail agent, must be accompanied by:

1. Proof of the completion of a 6-hour course of instruction in bail bonds that is:

(a) Offered by a state or national organization of bail agents or another organization that administers training programs for bail agents; and

(b) Approved by the Commissioner.

2. A written appointment by an authorized insurer as agent for bail bonds, subject to the issuance of the license.

3. A letter from a local law enforcement agency in the applicant's county of residence which indicates that the applicant:

(a) Has not been convicted of a felony in this state or of any offense committed in another state which would be a felony if committed in this state; and

(b) Has not been convicted of an offense involving moral turpitude or the unlawful use, sale or possession of a controlled substance.

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**NEW section 41.3 of Senate Bill No. 57 First Reprint is hereby added as follows:****Sec. 41.3. NRS 697.200 is hereby amended to read as follows:**

697.200 1. Any natural person who intends to apply for a license as a bail ~~agent, bail~~ enforcement agent, ~~for~~ bail solicitor or bail agent, other than a nonresident license as a bail agent, must personally take and pass a written examination of his or her competence to act as such. After passing the examination, the person may apply to the Commissioner for such a license.

2. The scope of the examination must be as broad as the bail bond business.

3. The examination must be administered by the Commissioner or an entity approved by the Commissioner.

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**NEW section 41.6 of Senate Bill No. 57 First Reprint is hereby added as follows:****Sec. 41.6. NRS 697.230 is hereby amended to read as follows:**

697.230 1. Except as otherwise provided in NRS 697.177, each license issued to or renewed for a general agent, bail agent, bail enforcement agent or bail solicitor under this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon payment of all applicable fees for renewal to the Commissioner on or before the renewal date for the license. All applicable fees must be accompanied by:

(a) ~~Proof~~ Except as otherwise provided in subsection 6, proof that the licensee has completed a 3-hour program of continuing education that is:

(1) Offered by the authorized surety insurer from whom the licensee received written appointment, if any, a state or national organization of bail agents or another organization that administers training programs for general agents, bail agents, bail enforcement agents or bail solicitors; and

(2) Approved by the Commissioner;

(b) If the licensee is a natural person, the statement required pursuant to NRS 697.181; and

(c) A written request for renewal of the license. The request must be made and signed:

(1) By the licensee in the case of the renewal of a license as a general agent, bail enforcement agent or bail agent.

(2) By the bail solicitor and the bail agent who employs the solicitor in the case of the renewal of a license as a bail solicitor.

2. Any license that is not renewed on or before the renewal date for the license expires on the renewal date. The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the date of expiration if the request is accompanied by a fee for renewal of 150 percent of all applicable fees otherwise required, except for any fee required pursuant to NRS 680C.110, and, if the person requesting renewal is a natural person, the statement required pursuant to NRS 697.181.

3. A bail agent's license continues in force while there is in effect an appointment of him or her as a bail agent of one or more authorized insurers. Upon termination of all the bail agent's appointments and the bail agent's failure to replace any appointment within 30 days thereafter, the bail agent's license expires and the bail agent shall promptly deliver his or her license to the Commissioner.

4. The Commissioner shall terminate the license of a general agent for a particular insurer upon a written request by the insurer.

5. This section does not apply to temporary licenses issued under NRS 683A.311 or 697.177.

6. The provisions of paragraph (a) of subsection 1 do not apply to a person who:

(a) Holds a nonresident license as a bail agent; and

(b) Has met the continuing education requirements of his or her home state.

7. As used in this section, "renewal date" means:

(a) For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.

(b) For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.

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**NEW section 42.5 of Senate Bill No. 57 First Reprint is hereby added as follows:**

**Sec. 42.5. NRS 697.270 is hereby amended to read as follows:**

697.270 A bail agent shall not act as an attorney-in-fact for an insurer on an undertaking unless the bail agent has registered in the office of the sheriff and with the clerk of the district court in which the agent resides ~~[, and the]~~ or, for a bail agent who holds a nonresident license as a bail agent, in which his or her place of business required by NRS 697.280 is located. The bail agent may register in the

1 same manner in any other county. Any bail agent shall file a certified copy of the  
2 appointment of the bail agent by power of attorney from each insurer which the bail  
3 agent represents as agent with each of such officers. The bail agent shall register  
4 and file a certified copy of renewed power of attorney annually on July 1. The clerk  
5 of the district court and the sheriff shall not permit the registration of a bail agent  
6 unless the agent is licensed by the Commissioner.