

SENATE BILL NO. 57—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF THE DIVISION OF INSURANCE OF THE
DEPARTMENT OF BUSINESS AND INDUSTRY)

PREFILED NOVEMBER 16, 2022

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to insurance.
(BDR 57-272)

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; 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 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.



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 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 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 a



managing general agent to file and maintain with the Commissioner a surety bond in the sum of \$50,000.

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. **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) **Section 37** of this bill provides that the Nevada Rules of Civil Procedure do not apply at such delinquency proceedings. **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; 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.

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

Section 1. NRS 679B.124 is hereby amended to read as follows:

679B.124 1. The Commissioner shall:

(a) Develop, prescribe and make available on an Internet website maintained by the Division a form letter that a health carrier must use to notify a provider of health care of the denial of his or her application to be included in the network of providers of the



1 health carrier. The form letter must include, without limitation, a
2 place for the health carrier to explain the reason for the denial of the
3 application.

4 (b) Hold hearings to solicit public input when developing the
5 form letter described in paragraph (a) and consider such input when
6 developing the form letter.

7 2. A health carrier shall ~~submit to the Commissioner~~ :

8 (a) *Maintain* a copy of each form letter sent to a provider of
9 health care pursuant to subsection 1 ~~[-The]~~ *and make each copy*
10 *available to the Commissioner upon request; and*

11 (b) *As frequently as required by the Commissioner pursuant to*
12 *subsection 3, submit to the Commissioner a report summarizing*
13 *the form letters sent to a provider of health care pursuant to*
14 *subsection 1.*

15 3. *The Commissioner* shall determine the *information that is*
16 *required to be included in a report submitted pursuant to*
17 *subsection 2 and the* frequency with which ~~such form letters~~ *the*
18 *report* must be submitted by the health carrier to the Commissioner.

19 4. Except as otherwise provided in subsection ~~3-] 5,~~ the
20 ~~forms~~ *report* submitted to the Commissioner pursuant to ~~this~~
21 *subsection 2, any form letter requested by the Commissioner*
22 *pursuant to that subsection* and the information contained therein
23 are confidential.

24 ~~3-] 5.~~ The Commissioner shall:

25 (a) Annually compile a report using aggregated data from the
26 ~~forms~~ *reports and form letters* collected pursuant to subsection 2
27 concerning trends in the denial of applications of providers of health
28 care to be included in the network of providers of a health carrier.
29 The report must include, without limitation, the number of total
30 denials, the number of denials for different types of providers of
31 health care, the number of denials by different carriers and the
32 reasons for such denials.

33 (b) Post the report on an Internet website maintained by the
34 Division.

35 (c) Submit the report to the Governor and the Director of the
36 Legislative Counsel Bureau for transmittal to the Legislature.

37 ~~4-] 6.~~ As used in this section, "health carrier" means an entity
38 subject to the insurance laws and regulations of this State, or subject
39 to the jurisdiction of the Commissioner, that contracts or offers to
40 contract to provide, deliver, arrange for, pay for or reimburse any of
41 the costs of health care services, including, without limitation, a
42 sickness and accident health insurance company, a health
43 maintenance organization, a nonprofit hospital and health service
44 corporation or any other entity providing a plan of health insurance,
45 health benefits or health care services.



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.

Sec. 3. NRS 679B.310 is hereby amended to read as follows:

679B.310 1. The Commissioner may hold a hearing, without request by others, to determine whether an insurer or an employee of an insurer has engaged in unsuitable conduct and for any other purpose within the scope of this Code.

2. The Commissioner shall hold a hearing:

(a) If required by any other provision of this Code; or

(b) Upon written application for a hearing by a person aggrieved by any act, ~~[threatened act,]~~ or failure of the Commissioner to act, *that is related to the business of insurance*, or by any report, rule, regulation or order of the Commissioner, other than an order for the holding of a hearing, or an order issued on a hearing of which the



1 person had notice. The application must be filed in the Division
2 within 60 days after the person knew or reasonably should have
3 known of the act, ~~[threatened act,]~~ failure, report, rule, regulation or
4 order, unless a different period is provided for by any other law
5 applicable to the particular matter, in which case the other law
6 governs.

7 3. Any such application for a hearing must briefly state the
8 respects in which the applicant is so aggrieved, together with the
9 grounds to be relied upon as a basis for the relief to be sought at
10 the hearing.

11 4. If the Commissioner finds that the application is made in
12 good faith, that the applicant would be so aggrieved if his or her
13 grounds are established and that the grounds otherwise justify the
14 hearing, the Commissioner shall hold the hearing within ~~[30]~~ 60
15 days after the filing of the application, unless postponed by mutual
16 consent. Failure to hold the hearing upon application therefor of a
17 person entitled thereto as provided in this section constitutes a
18 denial of the relief sought, and is the equivalent of a final order of
19 the Commissioner on hearing for the purpose of an appeal pursuant
20 to NRS 679B.370.

21 5. Pending the hearing and decision thereon, the Commissioner
22 may suspend or postpone the effective date of the previous action of
23 the Commissioner.

24 6. *Except as otherwise provided by specific statute, the*
25 *Commissioner shall issue a final order in a contested case within*
26 *45 days after the close of the hearing on the contested case. As*
27 *used in this subsection, "contested case" has the meaning ascribed*
28 *to it in NRS 233B.032.*

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

30 679B.690 1. Except as otherwise provided in NRS 239.0115,
31 all records and other information related to an investigation
32 ~~[conducted by the Attorney General and the Fraud Control Unit]~~ for
33 the prosecution of insurance fraud *conducted pursuant to NRS*
34 *679B.600 to 679B.700, inclusive, or 686A.281 to 686A.295,*
35 *inclusive,* are confidential unless:

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

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

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

44 (b) A court orders the release of the records or information after
45 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* confidential ~~[for the duration]~~ *after the completion* of the investigation and 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.*

Sec. 5. NRS 680B.010 is hereby amended to read as follows:

680B.010 The Commissioner shall collect in advance and receipt for, and persons so served must pay to the Commissioner, fees and miscellaneous charges as follows:

1. Insurer’s certificate of authority:

(a) Filing initial application \$2,450

(b) Issuance of certificate:

(1) For any one kind of insurance as defined in NRS 681A.010 to 681A.080, inclusive 283

(2) For two or more kinds of insurance as so defined 578

(3) For a reinsurer 2,450

(c) Each annual continuation of a certificate 2,450

(d) Reinstatement pursuant to NRS 680A.180, 50 percent of the annual continuation fee otherwise required.

(e) Registration of additional title pursuant to NRS 680A.240..... 50



1	(f) Annual renewal of the registration of additional	
2	title pursuant to NRS 680A.240.....	\$25
3	2. Charter documents, other than those filed with an	
4	application for a certificate of authority. Filing	
5	amendments to articles of incorporation, charter, bylaws,	
6	power of attorney and other constituent documents of the	
7	insurer, each document	\$10
8	3. Annual statement or report. For filing annual	
9	statement or report	\$25
10	4. Service of process:	
11	(a) Filing of power of attorney.....	\$5
12	(b) Acceptance of service of process	30
13	5. Licenses, appointments and renewals for	
14	producers of insurance:	
15	(a) Application and license	\$125
16	(b) Appointment fee for each insurer.....	15
17	(c) Triennial renewal of each license.....	125
18	(d) Temporary license.....	10
19	(e) Modification of an existing license	50
20	6. Surplus lines brokers:	
21	(a) Application and license	\$125
22	(b) Triennial renewal of each license.....	125
23	7. Managing general agents' licenses, appointments	
24	and renewals:	
25	(a) Application and license	\$125
26	(b) Appointment fee for each insurer.....	15
27	(c) Triennial renewal of each license.....	125
28	8. Adjusters', as defined in NRS 684A.030, licenses	
29	and renewals:	
30	(a) Application and license	\$125
31	(b) Triennial renewal of each license.....	125
32	9. Licenses and renewals for appraisers of physical	
33	damage to motor vehicles:	
34	(a) Application and license	\$125
35	(b) Triennial renewal of each license.....	125
36	10. [Additional title and property insurers pursuant	
37	to NRS 680A.240:	
38	—(a) Original registration	\$50
39	—(b) Annual renewal	25
40	—11.] Insurance vending machines:	
41	(a) Application and license, for each machine.....	\$125
42	(b) Triennial renewal of each license.....	125
43	[12.] 11. Permit for solicitation for securities:	
44	(a) Application for permit.....	\$100
45	(b) Extension of permit.....	50



1	{13-} 12. Securities salespersons for domestic	
2	insurers:	
3	(a) Application and license	\$25
4	(b) Annual renewal of license.....	15
5	{14-} 13. Rating organizations:	
6	(a) Application and license	\$500
7	(b) Annual renewal	500
8	{15-} 14. Certificates and renewals for	
9	administrators licensed pursuant to chapter 683A of	
10	NRS:	
11	(a) Application and certificate of registration.....	\$125
12	(b) Triennial renewal	125
13	{16-} 15. For copies of the insurance laws of	
14	Nevada, a fee which is not less than the cost of	
15	producing the copies.	
16	{17-} 16. Certified copies of certificates of	
17	authority and licenses issued pursuant to the Code.....	\$10
18	{18-} 17. For copies and amendments of documents	
19	on file in the Division, a reasonable charge fixed by the	
20	Commissioner, including charges for duplicating or	
21	amending the forms and for certifying the copies and	
22	affixing the official seal.	
23	{19-} 18. Letter of clearance for a producer of	
24	insurance or other licensee if requested by someone	
25	other than the licensee.....	\$10
26	{20-} 19. Certificate of status as a producer of	
27	insurance or other licensee if requested by someone	
28	other than the licensee.....	\$10
29	{21-} 20. Licenses, appointments and renewals for	
30	bail agents:	
31	(a) Application and license	\$125
32	(b) Appointment for each surety insurer.....	15
33	(c) Triennial renewal of each license.....	125
34	{22-} 21. Licenses and renewals for bail	
35	enforcement agents:	
36	(a) Application and license	\$125
37	(b) Triennial renewal of each license.....	125
38	{23-} 22. Licenses, appointments and renewals for	
39	general agents for bail:	
40	(a) Application and license	\$125
41	(b) Initial appointment by each insurer.....	15
42	(c) Triennial renewal of each license.....	125
43	{24-} 23. Licenses and renewals for bail solicitors:	
44	(a) Application and license	\$125
45	(b) Triennial renewal of each license.....	125



1	{25-} 24. Licenses and renewals for title agents and	
2	escrow officers:	
3	(a) Application and license	\$125
4	(b) Triennial renewal of each license.....	125
5	(c) Appointment fee for each title insurer.....	15
6	{26-} 25. Certificate of authority and renewal for a	
7	seller of prepaid funeral contracts.....	\$125
8	{27-} 26. Licenses and renewals for agents for	
9	prepaid funeral contracts:	
10	(a) Application and license	\$125
11	(b) Triennial renewal of each license.....	125
12	{28-} 27. Reinsurance intermediary broker or	
13	manager:	
14	(a) Application and license	\$125
15	(b) Triennial renewal of each license.....	125
16	{29-} 28. Agents for and sellers of prepaid burial	
17	contracts:	
18	(a) Application and certificate or license.....	\$125
19	(b) Triennial renewal	125
20	{30-} 29. Risk retention groups:	
21	(a) Initial registration	\$250
22	(b) Each annual continuation of a certificate of	
23	registration	250
24	{31-} 30. Required filing of forms:	
25	(a) For rates and policies.....	\$25
26	(b) For riders and endorsements	10
27	{32-} 31. Viatical settlements:	
28	(a) Provider of viatical settlements:	
29	(1) Application and license.....	\$1,000
30	(2) Annual renewal.....	1,000
31	(b) Broker of viatical settlements:	
32	(1) Application and license.....	500
33	(2) Annual renewal.....	500
34	(c) Registration of producer of insurance acting as a	
35	viatical settlement broker.....	250
36	{33-} 32. Insurance consultants:	
37	(a) Application and license	\$125
38	(b) Triennial renewal	125
39	{34-} 33. Licensee's association with or	
40	<i>designation</i> , appointment or sponsorship by an	
41	organization:	
42	(a) Initial {appointment,} association , <i>designation</i> or	
43	sponsorship {} <i>and renewal of association, designation</i>	
44	<i>or sponsorship</i> , for each organization	\$50
45	(b) {Renewal of each association or sponsorship.....}	50



1	—(e) Annual <i>Initial appointment and annual</i> renewal	
2	of appointment	\$15
3	{35-} <i>34. Purchasing groups:</i>	
4	(a) Initial registration and review of an application.....	\$100
5	(b) Each annual continuation of registration.....	100
6	{36-} <i>35. Exchange enrollment facilitators:</i>	
7	(a) Application and certificate	\$125
8	(b) Triennial renewal of each certificate.....	125
9	(c) Temporary certificate	10
10	{37-} <i>36. Agent who performs utilization reviews:</i>	
11	(a) Application and registration	\$250
12	(b) Renewal of registration	250
13	{38-} <i>37. Motor club:</i>	
14	(a) Filing of application	\$500
15	(b) Issuance of certificate.....	283
16	{39-} <i>38. Motor club agent:</i>	
17	(a) Application and license	\$78
18	(b) Appointment by each motor club.....	5
19	(c) Triennial renewal of each license.....	78
20	{40-} <i>39. Title plant company:</i>	
21	(a) Application and license	\$10
22	(b) Renewal of license	10
23	{41-} <i>40. Service contract provider:</i>	
24	(a) Application and registration	\$2,000
25	(b) Renewal of registration	2,000
26	{42-} <i>41. In addition to any other fee or charge, all applicable</i>	
27	<i>fees required of any person, including, without limitation, persons</i>	
28	<i>listed in this section, pursuant to NRS 680C.110.</i>	
29	Sec. 6. Chapter 683A of NRS is hereby amended by adding	
30	thereto the provisions set forth as sections 7 and 8 of this act.	
31	Sec. 7. <i>Before the issuance of a license as a managing</i>	
32	<i>general agent the applicant shall file with the Commissioner, and</i>	
33	<i>thereafter maintain in force while so licensed, a surety bond which</i>	
34	<i>complies with NRS 679B.175 in the sum of \$50,000.</i>	
35	Sec. 8. 1. <i>An administrator shall notify the Commissioner</i>	
36	<i>of any change in:</i>	
37	<i>(a) The members, owners, directors or officers of the</i>	
38	<i>administrator within 30 days after the change.</i>	
39	<i>(b) The physical location, mailing address or electronic mail</i>	
40	<i>address of an office of the administrator within 30 days after the</i>	
41	<i>change.</i>	
42	<i>(c) The legal or fictitious name of the administrator within 30</i>	
43	<i>days after the change.</i>	
44	2. <i>If there is a change in the members, owners, directors or</i>	
45	<i>officers of an administrator, the administrator shall submit to the</i>	



Commissioner a notarized affidavit, as described in subsection 6 of NRS 683A.08522, for each new member, owner, director or officer within 30 days after the change.

Sec. 9. NRS 683A.025 is hereby amended to read as follows:

683A.025 1. Except as limited by this section, “administrator” means a person who:

(a) Directly or indirectly underwrites or collects charges or premiums from or adjusts or settles claims of residents of this State or any other state from within this State in connection with workers’ compensation insurance, life or health insurance coverage or annuities, including coverage or annuities provided by an employer for his or her employees;

(b) Administers an internal service fund pursuant to NRS 287.010;

(c) Administers a trust established pursuant to NRS 287.015, under a contract with the trust;

(d) Administers a program of self-insurance for an employer;

(e) Administers a program which is funded by an employer and which provides pensions, annuities, health benefits, death benefits or other similar benefits for his or her employees; ~~(e)~~

(f) *Administers a program of pharmacy benefits for an employer, insurer, internal service fund or trust; or*

(g) Is an insurance company that is licensed to do business in this State or is acting as an insurer with respect to a policy lawfully issued and delivered in a state where the insurer is authorized to do business, if the insurance company performs any act described in paragraphs (a) to ~~(e)~~ (f), inclusive, for or on behalf of another insurer unless the insurers are affiliated and each insurer is licensed to do business in this State.

2. “Administrator” does not include:

(a) An employee authorized to act on behalf of an administrator who holds a certificate of registration from the Commissioner.

(b) An employer acting on behalf of his or her employees or the employees of a subsidiary or affiliated concern.

(c) A labor union acting on behalf of its members.

(d) Except as otherwise provided in paragraph ~~(f)~~ (g) of subsection 1, an insurance company licensed to do business in this State or acting as an insurer with respect to a policy lawfully issued and delivered in a state in which the insurer was authorized to do business.

(e) A producer of life or health insurance licensed in this State, when his or her activities are limited to the sale of insurance.

(f) A creditor acting on behalf of his or her debtors with respect to insurance covering a debt between the creditor and debtor.



(g) A trust and its trustees, agents and employees acting for it, if the trust was established under the provisions of 29 U.S.C. § 186.

(h) Except as otherwise provided in paragraph (c) of subsection 1, a trust and its trustees, agents and employees acting for it, if the trust was established pursuant to NRS 287.015.

(i) A trust which is exempt from taxation under section 501(a) of the Internal Revenue Code, 26 U.S.C. § 501(a), its trustees and employees, and a custodian, his or her agents and employees acting under a custodial account which meets the requirements of section 401(f) of the Internal Revenue Code, 26 U.S.C. § 401(f).

(j) A bank, credit union or other financial institution which is subject to supervision by federal or state banking authorities.

(k) A company which issues credit cards, and which advances for and collects premiums or charges from credit card holders who have authorized it to do so, if the company does not adjust or settle claims.

(l) An attorney at law who adjusts or settles claims in the normal course of his or her practice or employment, but who does not collect charges or premiums in connection with life or health insurance coverage or with annuities.

3. As used in this section, “affiliated” means any insurer or other person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another insurer or other person.

Sec. 10. NRS 683A.0805 is hereby amended to read as follows:

683A.0805 As used in NRS 683A.0805 to 683A.0893, inclusive, *and section 8 of this act*, unless the context otherwise requires, the words and terms defined in NRS 683A.081 to 683A.084, inclusive, have the meanings ascribed to them in those sections.

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

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

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

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

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

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



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

(2) Reviewed by an independent certified public accountant.

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

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

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

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

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

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

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

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

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

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

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.

Sec. 12. NRS 683A.08526 is hereby amended to read as follows:

683A.08526 1. A certificate of registration as an administrator is valid for 3 years after the date the Commissioner issues the certificate to the administrator or the administrator renews the certificate, as applicable. A certificate expires on the renewal date for the certificate if the administrator does not renew the certificate pursuant to subsection 2 on or before the renewal date.

2. An administrator may renew a certificate of registration if the administrator ~~submits~~:

(a) Submits to the Commissioner:

~~(a)~~ (1) An application on a form prescribed by the Commissioner; and

~~(b)~~ (2) The fee for the renewal of the certificate of registration prescribed in NRS 680B.010 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110 ~~;~~ *and*

(b) Is in compliance with all applicable provisions of this title and the regulations adopted pursuant thereto.

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

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

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



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 administrator.*

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

~~[6.]~~ 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.

Sec. 14. NRS 683A.160 is hereby amended to read as follows:

683A.160 1. Each applicant for a license as a managing general agent must submit with his or her application:

(a) The appointment of the applicant as a managing general agent by each insurer or underwriter department to be so represented; ~~[and]~~



(b) The application and license fee specified in NRS 680B.010 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110 ~~§~~;

(c) A copy of any contract entered into between the applicant and each insurer that the applicant will represent as a managing general agent, if required by the Commissioner; and

(d) Evidence of compliance with section 7 of this act.

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

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

(b) Submit to the Commissioner:

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

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

3. The Commissioner may:

(a) Unless the applicant's fingerprints are directly forwarded pursuant to subparagraph (2) of paragraph (b) of subsection 2, submit those fingerprints to the Central Repository for submission to the Federal Bureau of Investigation and to 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.

4. A license as a managing general agent remains in effect unless revoked, suspended or otherwise terminated if, on or before the renewal date for the license:

(a) A request for renewal is submitted;

(b) All applicable fees for renewal are paid for the license and, if applicable, for each *natural* person who is ~~authorized to act for the~~



~~firm or corporation~~ *designated* pursuant to subsection ~~[3]~~ 5 of NRS 683A.140; ~~[and]~~

(c) *A copy of any contract entered into between the managing general agent and each insurer whom the managing general agent represents, if required by the Commissioner, is submitted;*

(d) *Evidence of compliance with section 7 of this act is submitted; and*

(e) Any requirement for education and any other requirement to renew the license is satisfied.

5. A managing general agent may submit a request for renewal of his or her license within 30 days after the renewal date if the managing general agent otherwise complies with the provisions of subsection 4 and pays, in addition to any fee paid pursuant to subsection 4, a penalty of 50 percent of all applicable fees for renewal, except for any fee required pursuant to NRS 680C.110.

6. Except as otherwise provided in subsection 8, a license as a managing general agent expires if the Commissioner does not receive from the managing general agent a request for renewal of the license pursuant to subsection 4 or 5, as applicable, on or before the date which is 30 days after the renewal date.

7. A fee paid pursuant to subsection 4 or 5 is nonrefundable.

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

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

10. A licensee shall inform the Commissioner of each change of business, residence or electronic mail address, in writing or by other means acceptable to the Commissioner, within 30 days after the change.

11. 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.

Sec. 15. NRS 683A.311 is hereby amended to read as follows:

683A.311 1. The Commissioner may issue a temporary license as a producer of insurance to any of the following for 180



1 days or less without requiring an examination if the Commissioner
2 believes that the temporary license is necessary to carry on the
3 business of insurance:

4 (a) The surviving spouse, personal representative or guardian of
5 a licensed producer who dies or becomes incompetent or
6 incapacitated, to allow adequate time for the sale of the business, the
7 recovery or return of the producer, or the training and licensing of
8 new personnel to operate the business;

9 (b) A member or employee of a business organization licensed
10 as a producer, upon the death or disability of the natural person
11 designated in its application or license;

12 (c) The designee of a licensed producer entering active service
13 in the Armed Forces of the United States; or

14 (d) A person in any other circumstance where the Commissioner
15 believes that the public interest will be best served by issuing the
16 license.

17 2. The Commissioner may limit by order the authority of a
18 temporary licensee as the Commissioner believes necessary to
19 protect persons insured and the public. The Commissioner may
20 require the temporary licensee to have a suitable sponsor who is
21 licensed as a producer of insurance or authorized as an insurer and
22 who assumes responsibility for all acts of the temporary licensee,
23 and may impose similar requirements to protect persons insured and
24 the public. The Commissioner may revoke a temporary license by
25 order if the interests of persons insured or the public are endangered.
26 A temporary license expires when the owner or the personal
27 representative or guardian of the owner disposes of the business.

28 **3. A temporary license issued pursuant to this section may be**
29 **renewed for one additional period of 180 days if:**

30 (a) *The temporary licensee, on or before a date specified by the*
31 *Commissioner as the last day on which the temporary license is*
32 *renewable, submits to the Commissioner a written request which*
33 *includes, without limitation, sufficient justification for the*
34 *renewal; and*

35 (b) *The Commissioner approves the request.*

36 **Sec. 16.** NRS 683C.035 is hereby amended to read as follows:

37 683C.035 1. The Commissioner shall prescribe the form of
38 application by a natural person for a license as an insurance
39 consultant. The applicant must declare, under penalty of refusal to
40 issue, or suspension or revocation of, the license, that the statements
41 made in the application are true, correct and complete to the best of
42 his or her knowledge and belief. Before approving the application,
43 the Commissioner must find that the applicant has:

44 (a) Attained the age of 18 years.



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

(c) Paid all applicable fees prescribed for the license, which may not be refunded.

(d) Passed each examination required for the license unless the applicant is a resident of another state and holds a similar license in that state.

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

(a) Paid all applicable fees prescribed for the license, which may not be refunded; and

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

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

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

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

Sec. 17. NRS 684A.080 is hereby amended to read as follows:

684A.080 1. Any business entity to whom a license is issued or renewed must:

(a) Be eligible to declare this State as its home state;

(b) Designate a *natural person who is a* licensed adjuster *and who is authorized to transact business on behalf of the business entity* to be responsible for the compliance of the business entity with the insurance laws, rules and regulations of this State; and

(c) Never have committed any act that is a ground for refusal to issue, suspension or revocation of a license pursuant to NRS 683A.451.

2. If the business entity is a firm or a corporation, transaction of business under the license must be within the purposes stated in the firm's partnership agreement or the corporation's charter, as applicable.

3. The licensee shall promptly notify the Commissioner in writing of all changes among its members, directors, officers and other natural persons designated pursuant to subsection 1 . ~~for~~ *NRS 684A.090.*



Sec. 18. NRS 684A.090 is hereby amended to read as follows:

684A.090 1. The applicant for a license as an adjuster shall file a written application therefor with the Commissioner on forms prescribed and furnished by the Commissioner. As part of, or in connection with, the application, the applicant shall furnish information as to his or her identity, personal history, experience, financial responsibility, business record and other pertinent matters as reasonably required by the Commissioner to determine the applicant's eligibility and qualifications for the license.

2. If the applicant is a natural person, the application must include the social security number of the applicant and include a completed copy of the Uniform Individual Application.

3. If the applicant is a business entity, the application must ~~designate each individual who is to exercise the license powers~~ *identify the natural person designated pursuant to paragraph (b) of subsection 1 of NRS 684A.080* and must include:

(a) A completed copy of the Uniform Business Entity Application;

(b) The name of each member, officer and director of the business entity, as applicable;

(c) The name of each executive officer and director who owns more than 10 percent of the outstanding voting securities of the applicant; and

(d) The name of any other individual who owns more than 10 percent of the outstanding voting securities of the applicant.

↪ Each such member, officer, director and individual shall furnish information to the Commissioner as though applying for an individual license.

4. If the applicant is a nonresident of this state, the application must be accompanied by an appointment of the Commissioner as process agent and agreement to appear pursuant to NRS 684A.200.

5. The application must be accompanied by the applicable license fee as specified in NRS 680B.010 and subsection 2 of NRS 684A.050 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110 and subsection 2 of NRS 684A.050.

6. No applicant for such a license may willfully misrepresent or withhold any fact or information called for in the application form or in connection therewith. A violation of this subsection is a gross misdemeanor.

7. If the Commissioner determines that the information contained in a Uniform Individual Application or Uniform Business Entity Application submitted with an application pursuant to this section is not true, correct and complete to the best of the applicant's



knowledge and belief, the Commissioner may refuse to issue a license to the applicant or suspend or revoke the applicant's license.

Sec. 19. NRS 684A.150 is hereby amended to read as follows:

684A.150 1. In the event of death or inability to act as a licensed independent adjuster, the Commissioner may issue a temporary license as an independent adjuster to another individual qualified therefor except as to the taking and passing of the required examination, to enable such individual to continue the business of the deceased licensee or the licensee who has a disability.

2. The temporary license shall be valid for 6 months, or until the temporary licensee earlier qualifies for a regular license as an independent adjuster . ~~[, but the Commissioner may, in his or her discretion, extend the]~~

3. A temporary license *issued pursuant to this section may be renewed for one additional* period ~~[as reasonably necessary while the temporary licensee is acting as an administrator or executor or is otherwise using the license in endeavoring to settle the estate of a deceased independent adjuster.]~~ of 180 days if:

(a) *The temporary licensee, on or before a date specified by the Commissioner as the last day on which the temporary license is renewable, submits to the Commissioner a written request which includes, without limitation, sufficient justification for the renewal; and*

(b) *The Commissioner approves the request.*

Sec. 20. NRS 684B.040 is hereby amended to read as follows:

684B.040 1. An applicant for a license as a motor vehicle physical damage appraiser must file a written application therefor with the Commissioner on forms prescribed and furnished by the Commissioner. The applicant must furnish information as to his or her identity, personal history, experience, financial responsibility, business record and other pertinent matters as reasonably required by the Commissioner to determine the applicant's eligibility and qualifications for the license.

2. If the applicant is a natural person, the application must include the social security number of the applicant.

3. If the applicant is a business organization ~~[, the]~~ :

(a) *The business organization must designate a natural person who is a licensed motor vehicle physical damage appraiser or a licensed insurance adjuster and who is authorized to transact business on behalf of the business organization to be responsible for the compliance of the business organization with the insurance laws, rules and regulations of this State; and*

(b) *The application must include the names of all members, officers and directors, and must* ~~[designate each]~~ *identify the* natural person ~~[who is to exercise the licensee's powers. A natural person~~



~~who is authorized to act for a business organization and who also wishes to be licensed in an individual capacity must obtain a separate license in his or her own name.]~~ *designated pursuant to paragraph (a).*

4. The application must be accompanied by all applicable license fees. ~~[The Commissioner shall charge separate fees for each person authorized to act for a business organization.]~~

5. An applicant for a license who desires to use a name other than his or her true name must comply with the provisions of NRS 683A.301. The Commissioner shall not issue a license in a trade name unless the name has been registered pursuant to NRS 600.240 to 600.450, inclusive.

6. An applicant for a license shall not willfully misrepresent or withhold any fact or information called for in the application form or in connection with the application. A violation of this subsection is a gross misdemeanor.

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, 689A, 689B, 689C, 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.

Sec. 22. NRS 687B.4095 is hereby amended to read as follows:

687B.4095 1. If a policy of health insurance issued to an individual pursuant to chapter 689A, 695B or 695C of NRS includes coverage for a prescription drug pursuant to a formulary with more than one cost tier, the insurer may move the prescription drug from a lower cost tier to a higher cost tier only:

(a) On January 1; and

(b) On any date on which the insurer adds to the formulary a generic prescription drug that:

(1) Has been approved by the Food and Drug Administration for use as an alternative to the original prescription drug; and

(2) Is being added to the formulary at:

(I) The same cost tier from which the original prescription drug is being moved; or

(II) A cost tier which has a smaller deductible, copayment or coinsurance than the cost tier from which the original prescription drug is being moved.

2. If a policy of health insurance issued to a small employer pursuant to chapter 689C, 695B or 695C of NRS includes coverage for a prescription drug pursuant to a formulary with more than one cost tier, the insurer may move the prescription drug from a lower cost tier to a higher cost tier only:

(a) On January 1;

(b) On July 1; and

(c) On any date on which the insurer adds to the formulary a generic prescription drug that:

(1) Has been approved by the Food and Drug Administration for use as an alternative to the original prescription drug; and

(2) Is being added to the formulary at:



(I) The same cost tier from which the original prescription drug is being moved; or

(II) A cost tier which has a smaller deductible, copayment or coinsurance than the cost tier from which the original prescription drug is being moved.

3. ~~[The]~~ *An insurer who issues a policy of health insurance described in subsection 1 or 2 and who removes a prescription drug from a formulary shall not, in the same plan year in which the prescription drug was removed, add the prescription drug back to the formulary in a higher cost tier except in accordance with the provisions of subsection 1 or 2, as applicable.*

4. *Except as otherwise provided in subsection 3, the provisions of this section do not prevent an insurer, at any time, from:*

(a) Moving a prescription drug from a higher cost tier of a formulary to a lower cost tier of the formulary;

(b) Removing a prescription drug from a formulary; or

(c) Adding a prescription drug to a formulary.

~~[4.]~~ 5. This section does not apply to a grandfathered plan.

~~[5.]~~ 6. The provisions of this section must not be construed to limit the conditions under which a pharmacist is otherwise authorized or required by law to substitute:

(a) A generic drug for a drug prescribed by brand name; or

(b) An interchangeable biological product for a biological product prescribed by brand name.

~~[6.]~~ 7. As used in this section:

(a) "Biological product" has the meaning ascribed to it in NRS 639.0017.

(b) "Individual carrier" has the meaning ascribed to it in NRS 689A.550.

(c) "Insurer" includes, without limitation:

(1) An individual carrier; and

(2) A governmental entity which offers, administers or otherwise provides a policy of health insurance.

(d) "Interchangeable biological product" has the meaning ascribed to it in NRS 639.00855.

(e) "Small employer" has the meaning ascribed to it in NRS 689C.095.

Sec. 23. NRS 688A.363 is hereby amended to read as follows:

688A.363 1. The minimum values, specified in NRS 688A.3631 to 688A.3637, inclusive, and 688A.366, of any paid-up annuity, cash surrender or death benefits available under an annuity contract must be based upon minimum nonforfeiture amounts as defined in this section.



2. The minimum nonforfeiture amount for any time at or before the commencement of any annuity payments is equal to an accumulation of 87.5 percent of the gross considerations up to such time at a rate of interest calculated pursuant to subsection 3, which must be decreased by the sum of:

(a) Any prior withdrawals from or partial surrenders of the contract, accumulated at a rate of interest calculated pursuant to subsection 3;

(b) An annual charge in the amount of \$50, accumulated at rates of interest calculated pursuant to subsection 3;

(c) Any premium tax paid by the company for the contract, accumulated at rates of interest calculated pursuant to subsection 3; and

(d) The amount of any indebtedness to the company on the contract, including interest due and accrued.

3. For the purpose of this section, the rate of interest used to determine the minimum nonforfeiture amounts must be an annual rate of interest determined as the lesser of 3 percent per annum or a rate specified in the contract if the rate is calculated in accordance with regulations adopted by the Commissioner, except that at no time may the resulting rate be less than ~~HH~~ **0.15** percent per annum.

4. The Commissioner may provide by regulation for further adjustments to the calculation of minimum nonforfeiture amounts for contracts that provide substantive participation in an equity index benefit or for other contracts that the Commissioner determines require adjustment. An adjustment to the calculation of the interest rate used to determine the minimum nonforfeiture amounts authorized under this subsection may not result in an interest rate of less than ~~HH~~ **0.15** percent per annum.

Sec. 24. NRS 688A.369 is hereby amended to read as follows:

688A.369 NRS 688A.361 to 688A.369, inclusive, do not apply to any reinsurance, group annuity purchased under a retirement plan or plan of deferred compensation established or maintained by an employer (including a partnership or sole proprietorship), by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code, as amended, premium deposit fund, variable annuity, investment annuity, immediate annuity, deferred annuity contract after annuity payments have commenced, **contingent deferred annuity**, reversionary annuity or to any contract which will be delivered outside this state through an agent or other representative of the company issuing the contract.



1 **Sec. 25.** NRS 689.160 is hereby amended to read as follows:
2 689.160 1. The provisions of NRS 683A.341, 683A.451,
3 683A.461 and 686A.010 to 686A.310, inclusive, apply to agents and
4 sellers.

5 2. For the purposes of subsection 1, unless the context requires
6 that a section apply only to insurers, any reference in those sections
7 to "insurer" must be replaced by a reference to "agent" and "seller."

8 3. The provisions of NRS 679B.230 to 679B.300, inclusive,
9 apply to sellers. Unless the context requires that a provision apply
10 only to insurers, any reference in those sections to "insurer" must be
11 replaced by a reference to "seller."

12 4. *The provisions of NRS 683A.301 apply to applicants for*
13 *and holders of a seller's certificate of authority. Unless the context*
14 *requires that a provision apply only to an applicant for or holder*
15 *of a license as a producer of insurance, any reference in that*
16 *section to:*

17 (a) *"applicant for a license as a producer of insurance"*
18 *must be replaced by a reference to an "applicant for a seller's*
19 *certificate of authority"; and*

20 (b) *A "licensee" must be replaced by a reference to a "holder*
21 *of a seller's certificate of authority."*

22 **Sec. 26.** NRS 689.520 is hereby amended to read as follows:
23 689.520 1. To qualify for an agent's license, the applicant:

24 (a) Must file a written application with the Commissioner on
25 forms prescribed by the Commissioner; ~~and~~

26 (b) *Must have a good business and personal reputation; and*

27 (c) Must not have been convicted of, or entered a plea of guilty,
28 guilty but mentally ill or nolo contendere to, forgery, embezzlement,
29 obtaining money under false pretenses, larceny, extortion,
30 conspiracy to defraud or any crime involving moral turpitude.

31 2. The application must:

32 (a) Contain information concerning the applicant's identity,
33 address, social security number, personal background and business,
34 professional or work history.

35 (b) Contain such other pertinent information as the
36 Commissioner may require.

37 (c) Be accompanied by the statement required pursuant to
38 NRS 689.258.

39 (d) Be accompanied by the applicable fee established in NRS
40 680B.010, which is not refundable, and, in addition to any other fee
41 or charge, all applicable fees required pursuant to NRS 680C.110.

42 3. A conviction of, or plea of guilty, guilty but mentally ill or
43 nolo contendere by, an applicant or licensee for any crime listed in
44 paragraph ~~(b)~~ (c) of subsection 1 is a sufficient ground for the



Commissioner to deny a license to the applicant, or to suspend or revoke the agent's license pursuant to NRS 689.535.

4. A natural person who is a resident of this State must, as part of his or her application and at the applicant's own expense:

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

(b) Submit to the Commissioner:

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

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

5. The Commissioner may:

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

(b) Request from each such agency any information regarding the applicant's background as the Commissioner deems necessary.

Sec. 27. NRS 689.595 is hereby amended to read as follows:

689.595 1. The provisions of NRS 683A.341, 683A.451, 683A.461 and 686A.010 to 686A.310, inclusive, apply to agents and sellers.

2. For the purposes of subsection 1, unless the context requires that a section apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "agent" and "seller."

3. The provisions of NRS 679B.230 to 679B.300, inclusive, apply to sellers. Unless the context requires that a provision apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "seller."

4. The provisions of NRS 683A.301 apply to applicants for and holders of a seller's permit. Unless the context requires that a



provision apply only to an applicant for or a holder of a license as a producer of insurance, any reference in that section to:

(a) An "applicant for a license as a producer of insurance" must be replaced by a reference to an "applicant for a seller's permit"; and

(b) A "licensee" must be replaced by a reference to a "holder of a seller's permit."

Sec. 28. NRS 689C.075 is hereby amended to read as follows:

689C.075 ~~{1-}~~ "Health benefit plan" ~~{means—a policy, contract, certificate or agreement to provide for, deliver payment for, arrange for the payment of, pay for or reimburse any of the costs of health care services. Except as otherwise provided in this section, the term includes short term and catastrophic health insurance policies and a policy that pays on a cost-incurred basis.~~

~~—2. The term does not include:~~

~~—(a) Coverage that is only for accident or disability income insurance, or any combination thereof;~~

~~—(b) Coverage issued as a supplement to liability insurance;~~

~~—(c) Liability insurance, including general liability insurance and automobile liability insurance;~~

~~—(d) Workers' compensation or similar insurance;~~

~~—(e) Coverage for medical payments under a policy of automobile insurance;~~

~~—(f) Credit insurance;~~

~~—(g) Coverage for on-site medical clinics;~~

~~—(h) Coverage under a short-term health insurance policy;~~

~~—(i) Coverage under a blanket student accident and health insurance policy; and~~

~~—(j) Other similar insurance coverage specified in federal regulations issued pursuant to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, under which benefits for medical care are secondary or incidental to other insurance benefits.~~

~~—3. If the benefits are provided under a separate policy, certificate or contract of insurance or are otherwise not an integral part of a health benefit plan, the term does not include the following benefits:~~

~~—(a) Limited-scope dental or vision benefits;~~

~~—(b) Benefits for long-term care, nursing home care, home health care or community-based care, or any combination thereof; and~~

~~—(c) Such other similar benefits as are specified in any federal regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.~~

~~—4. If the benefits are provided under a separate policy, certificate or contract of insurance, there is no coordination between~~



~~the provision of the benefits and any exclusion of benefits under any group health plan maintained by the same plan sponsor, and the benefits are paid for a claim without regard to whether benefits are provided for such a claim under any group health plan maintained by the same plan sponsor, the term does not include:~~

~~—(a) Coverage that is only for a specified disease or illness; and~~

~~—(b) Hospital indemnity or other fixed indemnity insurance.~~

~~5. If offered as a separate policy, certificate or contract of insurance, the term does not include:~~

~~—(a) Medicare supplemental health insurance as defined in section 1882(g)(1) of the Social Security Act, 42 U.S.C. § 1395ss, as that section existed on July 16, 1997;~~

~~—(b) Coverage supplemental to the coverage provided pursuant to the Civilian Health and Medical Program of Uniformed Services, CHAMPUS, 10 U.S.C. §§ 1071 et seq.; and~~

~~—(c) Similar supplemental coverage provided under a group health plan.]~~ *has the meaning ascribed to it in NRS 687B.470.*

Sec. 29. NRS 694C.160 is hereby amended to read as follows:

694C.160 1. The terms and conditions set forth in chapter 696B of NRS pertaining to insurance reorganization, receiverships and injunctions apply to captive insurers incorporated pursuant to this chapter.

2. *The provisions of NRS 679B.285 pertaining to the confidentiality and disclosure of certain records and information relating to an insurer apply to such records and information relating to a captive insurer incorporated pursuant to this chapter.*

3. An agency captive insurer, a rental captive insurer and an association captive insurer are subject to those provisions of chapter 686A of NRS which are applicable to insurers.

~~[3.]~~ 4. A state-chartered risk retention group is subject to the following:

(a) The provisions of NRS 681A.250 to 681A.580, inclusive, regarding intermediaries;

(b) The provisions of NRS 681B.550 regarding risk-based capital;

(c) The provisions of chapter 683A of NRS regarding managing general agents;

(d) The provisions of chapter 686A of NRS which are applicable to insurers; and

(e) The provisions of NRS 693A.110 and any regulations adopted pursuant thereto regarding management and agency contracts of insurers.

Sec. 30. NRS 694C.195 is hereby amended to read as follows:

694C.195 1. One or more sponsors may form a sponsored captive insurer pursuant to this chapter.



2. A sponsored captive insurer formed or licensed pursuant to this chapter may establish and maintain one or more protected cells to insure the risks of one or more participants, subject to the following conditions:

(a) The shareholders of a sponsored captive insurer must be limited to its participants and sponsors, provided that the sponsored captive insurer may issue nonvoting securities to other persons on terms approved by the Commissioner;

(b) Each protected cell must be accounted for separately on the books and records of the sponsored captive insurer to reflect the financial condition and results of operations of that protected cell, including, but not limited to, the net income or loss, dividends, or other distributions to participants, and such other factors as may be set forth in the participant contract or required by the Commissioner;

(c) The assets of a protected cell must not be chargeable with liabilities arising out of any other insurance business which the sponsored captive insurer may conduct;

(d) A sponsored captive insurer shall not make a sale, exchange, transfer of assets, dividend or distribution between or among any of its protected cells without the consent of any participant for which the protected cells are maintained;

(e) A sponsored captive insurer shall not make a sale, exchange, transfer of assets, dividend or distribution from a protected cell to a sponsor or participant without the prior written approval of the Commissioner, and the Commissioner shall not give written approval if the sale, exchange, transfer, dividend or distribution would result in the insolvency or impairment of the protected cell;

(f) On or before ~~March 1~~ **June 30** of each year, a sponsored captive insurer must file with the Commissioner a report of its financial condition, including, but not limited to, accounting statements detailing the financial experience of each protected cell and any other information required by the Commissioner;

(g) A sponsored captive insurer must notify the Commissioner not more than 10 business days after a protected cell becomes insolvent or otherwise unable to meet its claims or expense obligations;

(h) A participant contract must not become effective without the prior written approval of the Commissioner;

(i) The addition of each new protected cell, the withdrawal of any participant of a protected cell or the termination of any existing protected cell constitutes a change in the business plan and requires the prior written approval of the Commissioner; and

(j) The business written by a sponsored captive insurer with respect to each protected cell must be:



(1) Fronted by an insurer licensed pursuant to the laws of any state;

(2) Reinsured by a reinsurer authorized or approved by the Commissioner; or

(3) Secured by a trust fund in the United States for the benefit of policyholders and claimants or funded by an irrevocable letter of credit or other arrangement that is acceptable to the Commissioner. The amount of security provided must not be less than the reserves associated with those liabilities, which are not fronted or reinsured pursuant to subparagraph (1) or (2), including reserves for losses, allocated loss adjustment expenses, incurred but not reported losses and unearned premiums for business written through the protected cell maintained for the participant. The Commissioner may require the sponsored captive insurer to increase the funding of any security arrangement established under this subsection. If the form of security is a letter of credit, the letter of credit must be established, issued or confirmed by a bank chartered in this State, a member of the Federal Reserve System or a bank chartered in another state if the bank is deemed acceptable by the Commissioner. A trust maintained pursuant to this subparagraph must be established in a form and under such terms that are approved by the Commissioner.

3. A sponsor of a sponsored captive insurer must:

(a) Be an insurer licensed pursuant to the laws of any state, a reinsurer authorized or approved under the laws of any state, a captive insurer formed or licensed pursuant to this chapter or a person approved as a sponsor by the Commissioner; and

(b) Not be a risk retention group.

4. A participant in a sponsored captive insurer need not be a shareholder of the sponsored captive insurer or an affiliate of the sponsored captive insurer and:

(a) May be an association, corporation, limited-liability company, partnership, trust or other form of business organization;

(b) May be a sponsor of the sponsored captive insurer; and

(c) Must not be a risk retention group.

5. A participant in a sponsored captive insurer shall insure only its own risks through a sponsored captive insurer.

Sec. 31. NRS 694C.388 is hereby amended to read as follows:

694C.388 Before ~~March 1~~ **June 30** of each year or, if approved by the Commissioner, not more than 60 days after the expiration of the fiscal year of the branch captive insurer, the branch captive insurer shall file with the Commissioner a copy of all reports and statements required to be filed under the laws of the jurisdiction in which the alien captive insurer is domiciled. The reports and statements must be verified by oath of two of the executive officers



1 of the alien captive insurer. If the Commissioner is satisfied that the
2 annual report filed by the alien captive insurer in the jurisdiction in
3 which it is domiciled provides adequate information concerning the
4 financial condition of the alien captive insurer, the Commissioner
5 may waive the requirement for completion of the captive annual
6 statement for business written in the alien jurisdiction.

7 **Sec. 32.** NRS 694C.400 is hereby amended to read as follows:

8 694C.400 1. On or before ~~March 1~~ **June 30** of each year, a
9 captive insurer, ***other than a state-chartered risk retention group,***
10 shall submit to the Commissioner a report of its financial condition.
11 A captive insurer shall use generally accepted accounting principles
12 and include any useful or necessary modifications or adaptations
13 thereof that have been approved or accepted by the Commissioner
14 for the type of insurance and kinds of insurers to be reported upon,
15 and as supplemented by additional information required by the
16 Commissioner. Except as otherwise provided in this section, each
17 association captive insurer, agency captive insurer, rental captive
18 insurer or sponsored captive insurer shall file its report in the form
19 required by the Commissioner. Each state-chartered risk retention
20 group shall file its report in the ***time and*** form required by NRS
21 680A.270. The Commissioner shall adopt regulations designating
22 the form in which pure captive insurers must report.

23 2. Each captive insurer, other than a state-chartered risk
24 retention group, shall submit to the Commissioner, on or before
25 June 30 of each year, an annual audit as of December 31 of the
26 preceding calendar year that is certified by a certified public
27 accountant who is not an employee of the insurer. An annual audit
28 submitted pursuant to this subsection must comply with the
29 requirements set forth in regulations adopted by the Commissioner
30 which govern such an annual audit, including, without limitation,
31 criteria for extensions and exemptions.

32 3. Each state-chartered risk retention group shall file a financial
33 statement pursuant to NRS 680A.265.

34 4. A pure captive insurer may apply, in writing, for
35 authorization to file its annual report based on a fiscal year that is
36 consistent with the fiscal year of the parent company of the pure
37 captive insurer. If an alternative date is granted, the annual report is
38 due not later than 60 days after the end of each such fiscal year.

39 5. A pure captive insurer shall file on or before March 1 of
40 each year such forms as required by the Commissioner by regulation
41 to provide sufficient detail to support its premium tax return filed
42 pursuant to NRS 694C.450.

43 6. Any captive insurer failing, without just cause beyond the
44 reasonable control of the captive insurer, to file its annual report of
45 financial condition as required by subsection 1, its annual audit as



required by subsection 2 or its financial statement as required by subsection 3 shall pay a penalty of \$100 for each day the captive insurer fails to file the report of financial condition, the annual audit or the financial statement, but not to exceed an aggregate amount of \$3,000, to be recovered in the name of the State of Nevada by the Attorney General.

7. Any director, officer, agent or employee of a captive insurer who subscribes to, makes or concurs in making or publishing, any annual or other statement required by law, knowing the same to contain any material statement which is false, is guilty of a gross misdemeanor.

Sec. 33. NRS 695B.320 is hereby amended to read as follows:

695B.320 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, ~~17, 18 and 30~~ 17, 18 and 30 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, 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."

Sec. 34. NRS 695C.055 is hereby amended to read as follows:

695C.055 1. The provisions of NRS 449.465, 679A.200, 679B.700, subsections 7 and 8 of NRS 680A.270, subsections 2, 4, ~~17, 18 and 30~~ 17, 18 and 30 of NRS 680B.010, NRS 680B.020 to 680B.060, inclusive, chapters 681B and 686A of NRS, NRS 686B.010 to 686B.175, inclusive, 687B.122 to 687B.128, inclusive, 687B.310 to 687B.420, inclusive, and 687B.500 and chapters 692C and 695G of NRS apply to a health maintenance organization.

2. For the purposes of subsection 1, unless the context requires that a provision apply only to insurers, any reference in those sections to "insurer" must be replaced by "health maintenance organization."

Sec. 35. NRS 695D.095 is hereby amended to read as follows:

695D.095 1. An organization for dental care is subject to the provisions of this chapter and to the provisions set forth in this section, to the extent reasonably applicable. Organizations for dental care are subject to the provisions of NRS 449.465, 679B.700, subsections 7 and 8 of NRS 680A.270, subsections 2, 4, ~~17, 18 and 30~~



~~34~~ 17, 18 and 30 of NRS 680B.010, NRS 680B.020 to 680B.060, inclusive, chapters 681B and 686A of NRS, NRS 686B.010 to 686B.175, inclusive, and chapters 687B, 692C and 695G of NRS.

2. For the purposes of this section and the provisions set forth in subsection 1, an organization for dental care is included in the meaning of the term "insurer."

Sec. 36. NRS 695J.190 is hereby amended to read as follows:

695J.190 1. If the Commissioner believes that a temporary certificate is necessary to carry on the business of facilitating selection of a qualified health plan, the Commissioner may issue a temporary certificate as an exchange enrollment facilitator for 180 days or less without requiring an examination to:

(a) The surviving spouse, personal representative or guardian of an exchange enrollment facilitator who dies or becomes incompetent or incapacitated, to allow adequate time for the sale of the business, the recovery or return of the exchange enrollment facilitator, or the training and certification of new personnel to operate the business;

(b) A member or employee of a business organization appointed by the Exchange, upon the death or disability of the natural person designated in its application or certificate;

(c) The designee of an exchange enrollment facilitator entering active service in the Armed Forces of the United States; or

(d) A person in any other circumstance in which the Commissioner believes that the public interest will be best served by issuing the certificate.

2. The Commissioner may by order limit the authority of a person who holds a temporary certificate as the Commissioner believes necessary to protect persons insured and the public. The Commissioner may require the person who holds a temporary certificate to have a suitable sponsor who is an exchange enrollment facilitator and who assumes responsibility for all acts of the person who holds the temporary certificate, and may impose similar requirements to protect persons insured and the public. The Commissioner may order revocation of a temporary certificate if the interests of persons insured or the public are endangered. A temporary certificate expires when the owner or the personal representative or guardian of the owner disposes of the business.

3. A temporary certificate issued pursuant to this section may be renewed for one additional period of 180 days if:

(a) The person who holds the temporary certificate, on or before a date specified by the Commissioner as the last day in which the temporary certificate is renewable, submits to the Commissioner a written request which includes, without limitation, sufficient justification for the renewal; and



(b) The Commissioner approves the request.

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 delinquency proceedings under NRS 696B.010 to 696B.565, inclusive.*

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.

Sec. 38. NRS 696B.255 is hereby amended to read as follows:

696B.255 1. The Commissioner, as receiver, rehabilitator or liquidator, may , ~~appoint one or more special deputies who have all the powers and responsibilities of a receiver, rehabilitator or liquidator, and the Commissioner may employ such counsels, clerks and assistants as the Commissioner considers necessary. The compensation of such special deputies, counsels, clerks and assistants and all expenses of taking possession of the insurer and of conducting the proceedings must be fixed by the Commissioner with the approval of the court, and paid out of the money or other assets of the insurer. The persons appointed pursuant to this section serve at the pleasure of the Commissioner. The Commissioner, as~~



~~receiver, rehabilitator or liquidator, may,]~~ with the approval of the court, appoint an advisory committee of policyholders, claimants or other creditors, including guaranty associations, if the Commissioner considers such a committee necessary. The committee serves at the pleasure of the Commissioner and serves without compensation other than reimbursement for reasonable travel and other expenses. No other committee of any nature may be appointed by the Commissioner or the court in proceedings for receivership, rehabilitation or liquidation conducted pursuant to this chapter.

2. If the property of the insurer does not contain sufficient cash or liquid assets to defray the costs incurred, the Commissioner may advance the costs so incurred out of any appropriation for the maintenance of the Division. Any amounts so advanced for expenses of administration must be repaid to the Commissioner out of the first available money of the insurer.

Sec. 39. NRS 696B.290 is hereby amended to read as follows:

696B.290 1. Whenever under this chapter a receiver is to be appointed in delinquency proceedings for an insurer, the court shall appoint the Commissioner as such receiver. The court shall order the Commissioner forthwith to take possession of the assets of the insurer and to administer the assets under the orders of the court.

2. As a domiciliary receiver, the Commissioner shall be vested by operation of law with the title to all of the property, contracts and rights of action, and all of the books and records of the insurer, wherever located, as of the date of entry of the order directing the Commissioner to conserve, rehabilitate or liquidate a domestic insurer or to liquidate the United States branch of an alien insurer domiciled in this state, and the Commissioner shall have the right to recover the same and reduce the same to possession; but ancillary receivers in reciprocal states shall have, as to assets located in their respective states, the rights and powers which are prescribed in this chapter for ancillary receivers appointed in this state as to assets located in this state.

3. The filing or recording of the order directing possession to be taken, or a certified copy thereof, in any office where instruments affecting title to property are required to be filed or recorded shall impart the same notice as would be imparted by a deed, bill of sale or other evidence of title duly filed or recorded.

4. The Commissioner as domiciliary receiver shall be responsible for the proper administration of all assets coming into the possession or control of the Commissioner. The court may at any time require a bond from the Commissioner or the deputies of the Commissioner if deemed desirable for the protection of such assets.



5. Upon taking possession of the assets of an insurer, the domiciliary receiver shall immediately proceed to conduct the business of the insurer or to take such steps as are authorized by this chapter for the purpose of rehabilitating, liquidating or conserving the affairs or assets of the insurer.

6. In connection with delinquency proceedings, the Commissioner may appoint one or more special deputy commissioners to act for the Commissioner and the Commissioner may employ such counsel, clerks and assistants as the Commissioner deems necessary. The compensation of the special deputies, counsel, clerks or assistants and all expenses of taking possession of the insurer and of conducting the proceedings shall be fixed by the receiver and shall be paid out of the funds or assets of the insurer. Within the limits of duties imposed upon them, special deputies shall possess all the powers given to and, in the exercise of those powers, shall be subject to all of the duties imposed upon the receiver with respect to such proceedings. *The persons appointed pursuant to this subsection serve at the pleasure of the Commissioner.*

7. During such receivership the Commissioner shall file in the court, at regular intervals not less frequently than quarterly, the Commissioner's true reports in summary form of the insurer's affairs under the receivership, and of progress being made in accomplishing the objectives of the receivership. All such reports, together with such additional or special reports as the court may reasonably require, shall be subject to review by the court; and all actions of the receiver therein reported shall be subject to the court's approval, but the court shall not withhold approval or disapprove any such action unless found by the court after a hearing thereon in open court to be unlawful, arbitrary or capricious.

Sec. 40. NRS 697.184 is hereby amended to read as follows:

697.184 1. An application for a license as a general agent must be accompanied by:

(a) Proof of the completion of 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 general agents; and

(2) Approved by the Commissioner.

(b) A written appointment by an authorized insurer as general agent, subject to the issuance of the license.

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



(1) 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

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

(d) A copy of the contract or agreement that authorizes the general agent to act as general agent for the insurer.

(e) Any other information the Commissioner may require.

2. If the applicant for a license as a general agent is a firm or corporation ~~[, the]~~:

(a) The applicant must designate a natural person who is a licensed general agent and who is authorized to transact business on behalf of the firm or corporation to be responsible for the compliance of the firm or corporation with the insurance laws, rules and regulations of this State; and

(b) The application must include the names of the members, officers and directors and ~~[designate each]~~ identify the natural person ~~[who is to exercise the authority granted by the license. Each person so]~~ designated ~~[must furnish information about himself or herself as though the application were for an individual license.]~~ pursuant to paragraph (a).

Sec. 41. NRS 697.185 is hereby amended to read as follows:

697.185 An application for a license as a bail solicitor 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 solicitors; and

(b) Approved by the Commissioner.

2. ~~[An appointment]~~ A *sponsorship* by a licensed bail agent and a statement by the agent that the agent will exercise reasonable supervision over the conduct of the applicant and be responsible for the applicant's conduct in the bail bond business.

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.



Sec. 42. NRS 697.250 is hereby amended to read as follows:

697.250 1. An insurer may terminate ~~[an appointment]~~ *a sponsorship* at any time. The insurer shall promptly give written notice of termination and the effective date thereof to the Commissioner, on forms furnished by the Commissioner, and to the bail agent if reasonably possible. The Commissioner may require of the insurer reasonable proof that the insurer has also given such a notice to the agent if reasonably possible.

2. Accompanying each notice of termination given to the Commissioner, the insurer shall file with the Commissioner a statement of the cause, if any, for the termination. Any information or documents so disclosed to the Commissioner shall be deemed an absolutely privileged communication, and the information or documents are not admissible as evidence in any action or proceedings unless their use as evidence is permitted by the insurer in writing.

3. A bail agent terminating the ~~[appointment]~~ *sponsorship* and license as such of a bail solicitor shall give notice of termination in the manner prescribed by subsections 1 and 2. Any information or documents disclosed to the Commissioner shall be deemed an absolutely privileged communication, unless the privilege is waived in writing by the bail agent.

4. No agreement between an insurer and a bail agent or between an employing bail agent and a licensed bail solicitor affects the Commissioner's termination of the ~~[appointment]~~ *sponsorship* or license if the termination is requested by the insurer or the employing bail agent, as the case may be.

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. ~~[As used in this section, "inhabited dwelling" means 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.*

Sec. 44. NRS 697.330 is hereby amended to read as follows:

697.330 If a bail agent, ~~[or bail solicitor.]~~ without good cause, ~~[surrenders]~~ *causes the surrender of* a defendant to custody before the time specified in the undertaking of bail or the bail bond for the appearance of the defendant, or before any other occasion where the presence of the defendant in court is lawfully required ~~[the]~~:

1. *The premium is returnable in full []; and*

2. *The bail agent is not entitled to collect any fees related to the improper surrender.*

Sec. 45. NRS 697.340 is hereby amended to read as follows:

697.340 1. A bail agent, general agent, *bail enforcement agent* or bail solicitor shall not:

(a) Suggest or advise the employment of or name for employment any particular attorney to represent his or her principal.

(b) Solicit business in or about any place where prisoners are confined or in or about any court.

(c) Pay a fee or rebate or give or promise anything of value to any person in order to secure a settlement, compromise, remission or reduction of the amount of any undertaking or bail bond.

(d) Pay a fee or rebate or give anything of value to an attorney in bail bond matters, except for legal services actually rendered.

(e) Pay a fee or rebate or give or promise anything of value to the principal or anyone in his or her behalf.



(f) Participate in the capacity of an attorney at a trial or hearing of a person on whose bond the bail agent, general agent or bail solicitor is surety, except for the purposes of surrendering the defendant, making motions to set aside orders of bail forfeitures and motions to exonerate bails and protecting his or her financial interest in such a bond.

(g) Allow any person to participate in the functions of a bail enforcement agent unless the person is a licensed bail enforcement agent.

2. The following persons may not be bail agents, bail enforcement agents, *general agents* or bail solicitors and shall not, directly or indirectly, *engage in any act that would require licensing as a bail agent, bail enforcement agent, general agent or bail solicitor or* receive any benefits from the execution of any bail bond:

(a) Jailers;

(b) Police officers;

(c) Justices of the peace;

(d) Municipal judges;

(e) Sheriffs, deputy sheriffs, constables and deputy constables;

(f) Any person having the power to arrest or having anything to do with the control of federal, state, county or municipal prisoners; and

(g) Trustees or prisoners incarcerated in any jail, prison or any other place used for the incarceration of persons.

3. A bail agent shall not sign or countersign in blank any bond, or give the power of attorney to, or otherwise authorize, anyone to countersign the name of the bail agent to bonds unless the person so authorized is a licensed *bail* agent directly employed by the *bail* agent giving the power of attorney.

4. A bail agent, bail enforcement agent, bail solicitor or general agent shall not advertise or hold himself or herself out to be a surety insurance company.

Sec. 46. NRS 178.526 is hereby amended to read as follows:

178.526 1. For the purpose of surrendering a defendant, a surety ~~[]~~ *or the appointed bail agent of a surety*, at any time before the surety is finally discharged, and at any place within this State, may, by:

(a) Written authorization for the arrest of the defendant attached to a copy of the undertaking; or

(b) A written authority endorsed on a certified copy of the undertaking,

➔ cause the defendant to be arrested by a bail ~~[agent or bail]~~ enforcement agent who is licensed pursuant to chapter 697 of NRS.



2. A bail ~~agent or bail~~ enforcement agent who arrests a defendant in this State or any other jurisdiction is not acting for or on behalf of this State or any of its political subdivisions.

Sec. 47. NRS 315.725 is hereby amended to read as follows:

315.725 1. Except as otherwise provided in subsection 3, any two or more affordable housing entities may establish and participate in a program to jointly self-insure and jointly purchase insurance or reinsurance for coverage under a plan of:

(a) Casualty insurance, as that term is defined in NRS 681A.020, except for workers' compensation and employer's liability coverage;

(b) Marine and transportation insurance, as that term is defined in NRS 681A.050;

(c) Property insurance, as that term is defined in NRS 681A.060;

(d) Surety insurance, as that term is defined in NRS 681A.070; or

(e) Insurance for any combination of the kinds of insurance listed in paragraphs (a) to (d), inclusive.

2. A program established pursuant to subsection 1 must be administered by an entity which is organized as a nonprofit corporation, limited-liability company, partnership or trust, whether organized under the laws of this State or another state or operating in another state. A majority of the board of directors or other governing body of the entity administering the program must be affiliated with one or more of the affordable housing entities participating in the program.

3. This section does not apply to an affordable housing entity that individually self-insures or participates in a risk pooling arrangement, including a risk retention group or a risk purchasing group, with respect to the kinds of insurance set forth in subsection 1.

4. Except as otherwise provided in this section or by specific statute:

(a) A program established pursuant to subsection 1 and the entity administering the program:

(1) Shall be deemed not to be providing coverage which constitutes insurance; and

(2) Are not subject to the provisions of title 57 of NRS; and

(b) The entity administering a program established pursuant to subsection 1 shall be deemed not to be engaging in the transaction of insurance.

5. The entity administering a program established pursuant to subsection 1 shall provide any affordable housing entity that seeks to participate in the program with a written notice, in 10-point type or larger, before the affordable housing entity begins participating in



the program, that the program is not regulated by the Commissioner and that, if the program or the entity administering the program is found insolvent, a claim under the program is not covered by the Nevada Insurance Guaranty Association Act.

6. The entity administering a program established pursuant to subsection 1 shall submit to the Commissioner:

(a) Within 105 days after the end of the program's fiscal year:

(1) An annual financial statement for the program audited by a certified public accountant; and

(2) An annual actuarial analysis for the program prepared by an actuary who meets the qualification standards for issuing statements of actuarial opinion in the United States established by the American Academy of Actuaries or its successor organization; and

(b) Within 30 days after:

(1) Filing with any other regulatory body, a claims audit report relating to the entity or the program, a copy of the claims audit report filed with the other regulatory body;

(2) Issuance by any other regulatory body of a report of examination relating to the entity or the program, a copy of the report of examination issued by the other regulatory body;

(3) The effective date of a plan of financing, management and operation for the entity or the program or any material change in such a plan, a copy of the plan or material change; and

(4) The effective date of any material change in the scope of regulation of the entity or the program by any other state in which the entity operates, a statement of the material change.

7. The Commissioner may order an examination of a program established pursuant to subsection 1 or the entity administering the program based upon any credible evidence that the program or entity is in violation of this section or is operating or being operated while in an unsafe financial condition. Such an examination must be administered in accordance with NRS 679B.230 to 679B.300, inclusive, and any regulations adopted pursuant thereto.

8. If the Commissioner determines that a program established pursuant to subsection 1 or the entity administering the program is in violation of this section or is operating or being operated while in an unsafe financial condition, the Commissioner may issue and serve upon the entity administering the program an order to cease and desist from the violation or from administering or in any way operating the program.

9. The Commissioner may hold a hearing, without a request by any party, to determine whether a program established pursuant to subsection 1 or the entity administering the program is in violation of this section or is operating or being operated while in an unsafe



1 financial condition. A person aggrieved by any act ~~[, threatened act]~~
2 or failure of the Commissioner to act, or by any report, rule,
3 regulation or order of the Commissioner relating to this section, may
4 request a hearing. Any hearing held pursuant to this subsection must
5 be held in accordance with NRS 679B.310 to 679B.370, inclusive,
6 and any regulations adopted pursuant thereto.

7 10. The provisions of this section must be liberally construed
8 to grant affordable housing entities maximum flexibility to jointly
9 self-insure and jointly purchase insurance or reinsurance to the
10 extent that a program established pursuant to subsection 1 is being
11 administered and otherwise operated in a safe financial condition
12 and in a sound manner.

13 11. Each entity administering a program established pursuant
14 to subsection 1 shall, on or before January 15 of each odd-numbered
15 year, submit a report to the Director of the Legislative Counsel
16 Bureau for transmittal to the Legislature. The report must include,
17 without limitation, a list of the affordable housing entities
18 participating in the program and any other information the Director
19 deems relevant.

20 12. As used in this section:

21 (a) “Affordable housing” means housing projects in which some
22 of the dwelling units may be purchased or rented, with or without
23 government assistance, on a basis that is affordable to persons of
24 low income.

25 (b) “Affordable housing entity” means:

26 (1) A housing authority created under the laws of this State
27 or another jurisdiction and any agency or instrumentality of a
28 housing authority, including, but not limited to, a legal entity created
29 to enter into an agreement which complies with NRS 277.055;

30 (2) A nonprofit corporation organized under the laws of this
31 State or another state that is engaged in providing affordable
32 housing; or

33 (3) A general or limited partnership or limited-liability
34 company which is engaged in providing affordable housing and
35 which is affiliated with a housing authority described in
36 subparagraph (1) or a nonprofit corporation described in
37 subparagraph (2) if the housing authority or nonprofit corporation:

38 (I) Has, or has the right to acquire, a financial or
39 ownership interest in the partnership or limited-liability company;

40 (II) Has the power to direct the management or policies of
41 the partnership or limited-liability company; or

42 (III) Has entered into a contract to lease, manage or
43 operate the affordable housing owned by the partnership or limited-
44 liability company.



1 (c) “Commissioner” means the Commissioner of Insurance.

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