

**ADOPTED REGULATION OF  
THE COMMISSIONER OF INSURANCE**

**LCB File No. R152-99**

Effective January 28, 2000

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY:§1, 12-15, 17-19, 21-28 and 31-35, NRS 679B.130; §§2-11, NRS 679B.305; §16, NRS 683A.086; §20, NRS 683A.0857; §§29 and 30, NRS 683A.270.

**Section 1.** Chapter 679A of NAC is hereby amended by adding thereto a new section to read as follows:

*For the purposes of NRS 86.141 and 88.342, an entity is organized for the purpose of or engaged in the business of insurance if the entity acts as:*

- 1. An insurer pursuant to NRS 679A.100;*
- 2. A fraternal benefit society pursuant to chapter 695A of NRS;*
- 3. A nonprofit corporation for hospital, medical and dental service pursuant to chapter 695B of NRS;*
- 4. A health maintenance organization pursuant to chapter 695C of NRS;*
- 5. An organization for dental care pursuant to chapter 695D of NRS;*
- 6. A risk retention group pursuant to chapter 695E of NRS; or*
- 7. A prepaid limited health service organization pursuant to chapter 695F of NRS.*

**Sec. 2.** Chapter 679B of NAC is hereby amended by adding thereto a new section to read as follows:

*“Account” means the insurance recovery account created pursuant to NRS 679B.305.*

**Sec. 3.** NAC 679B.041 is hereby amended to read as follows:

679B.041 As used in NAC 679B.050 to 679B.151, inclusive, unless the context otherwise requires, the words and terms defined in NAC 679B.050 to 679B.070, inclusive, *and section 2 of this regulation*, have the meanings ascribed to them in those sections.

**Sec. 4.** NAC 679B.050 is hereby amended to read as follows:

679B.050 “Final judgment” means a judgment of a court of competent jurisdiction based upon the merits of the case:

1. Which finds fraud, intentional misrepresentation, *embezzlement* or deceit on the part of a licensee in connection with a transaction for which the licensee was licensed; and
2. Upon which the time for appeal has elapsed without the filing of an appeal or upon which a decision has been rendered on appeal and no further recourse is available.

**Sec. 5.** NAC 679B.080 is hereby amended to read as follows:

679B.080 1. ~~{When}~~ *If* a person obtains a final judgment, he may file a verified petition with the commissioner for an order directing payment out of the ~~{fund}~~ *account* in an amount equal to the unpaid compensatory damages awarded in the judgment.

2. The amount claimed in the petition may not include court costs or interest on the compensatory damages.

**Sec. 6.** NAC 679B.090 is hereby amended to read as follows:

679B.090 1. A petition for payment must contain copies of the documents of the court which show, to the satisfaction of the commissioner, the grounds for the final judgment. The petition must also ~~{show that:~~

~~—(a) A]:~~

*(a) Show that a* special verdict or a general verdict with written interrogatories was rendered in accordance with Rule 49 of Nevada Rules of Civil Procedure; ~~{or}~~

(b) ~~[Findings]~~ *Show that findings* of fact and conclusions of law were made pursuant to Rule 52 of Nevada Rules of Civil Procedure ~~F~~

~~—2.—The]; or~~

*(c) If the court does not make findings of fact and conclusions of law, provide proof that the final judgment or evidence included in the petition demonstrates that the ground for the final judgment was the commission by the licensee of any of the acts described in subsection 2.*

2. *Except as otherwise provided in this subsection, the* decision of the court must include a specific finding by the court that the licensee perpetrated fraud, intentional misrepresentation, *embezzlement* or deceit on the petitioner in connection with a transaction for which the licensee was licensed. *If the decision of the court does not include a specific finding, sufficient evidence that the licensee committed any of the acts set forth in this subsection must be presented to the commissioner.* The commissioner will accept copies of verdicts and findings from federal and state courts including findings made pursuant to Title 11 of the United States Code relating to the discharge of the bankrupt, if he determines that there is a final judgment which includes a specific finding of fraud, intentional misrepresentation, *embezzlement* or deceit on the part of the licensee.

3. The petitioner must verify under oath or affirm in his petition that:

(a) He is not the spouse of the licensee or the personal representative of that spouse;

(b) He has complied with all of the requirements of NRS 679B.305 and NAC 679B.041 to 679B.151, inclusive;

(c) He has obtained a final judgment, stating the amount of the judgment and the amount owing on it at the time of the petition;

(d) A writ of execution has been issued upon the final judgment and no assets of the licensee liable to execution could be found, or the amount realized on the sale of assets was insufficient to satisfy the final judgment, stating the amount realized and the balance due;

(e) Searches and inquiries have been made to ascertain whether the licensee possesses real or personal property or other assets which may be sold or applied in satisfaction of the judgment and must include a specific description of those searches and inquiries; and

(f) The petition has been filed ~~[no]~~ *not* more than ~~[6]~~ *12* months after the termination of all proceedings, including reviews and appeals, in connection with the final judgment.

**Sec. 7.** NAC 679B.100 is hereby amended to read as follows:

679B.100 1. ~~[The petitioner must serve a copy of the petition upon the licensee against whom the final judgment was obtained when he files the petition with the commissioner.~~

~~—2.]~~ Within 30 days after the filing of the petition, the commissioner may make investigations to verify the truthfulness of the matters asserted in the petition and ~~[may]~~ determine whether the searches and inquiries for real and personal property have been reasonable. The investigation will include making contact with the licensee, if possible.

~~[3.]~~ 2. Any licensee whose actions have resulted in the filing of a petition against the ~~[fund]~~ *account* may request a hearing to contest the allegations of the petition within 15 days after he has been served. The request must be accompanied by a statement specifying the reasons that recovery should not be allowed against the ~~[fund]~~ *account*.

3. Upon the completion of the investigations, determinations and the hearing, if held, the commissioner will enter an order which ~~[either]~~ directs payment in a specific amount or denies a

recovery. The order will set forth the reasons for the allowance or denial of a recovery against the ~~{fund.}~~ *account*.

**Sec. 8.** NAC 679B.111 is hereby amended to read as follows:

679B.111 1. The commissioner may treat any payment from the ~~{fund}~~ *account* in settlement of a claim or toward satisfaction of a final judgment against a licensee as sufficient ground for the revocation or suspension of his license or for any other appropriate discipline. No license may be reinstated until the licensee has repaid the amount paid from the ~~{fund}~~ *account* on his ~~{account,}~~ *behalf*, plus interest at the prevailing rate for a judgment rendered in any court of this state. The interest must be calculated from the date the payment was made from the ~~{fund.}~~ *account*.

2. A discharge in bankruptcy of the debt created by the final judgment does not relieve a person from the penalties ~~{and disabilities}~~ provided in NAC 679B.041 to 679B.151, inclusive.

**Sec. 9.** NAC 679B.121 is hereby amended to read as follows:

679B.121 1. Whenever claims are approved in any fiscal year against the ~~{fund}~~ *account* which total more than the maximum liability of \$5,000 for the acts of one licensee, the \$5,000 must be distributed among the claimants in the proportion that their respective claims bear to the total of all claims approved.

2. All petitions for payment out of the ~~{fund}~~ *account* must be filed on or before May 15 of the fiscal year for which the petitioner is seeking relief. Except as provided in subsection 3, all money will be distributed on June 30 of each fiscal year.

3. If, on June 30, the money deposited in the ~~{fund}~~ *account* and allotted for the satisfaction of claims is insufficient to satisfy any approved claim or portion thereof, the commissioner will

pay the claims or portions of the claims in the order in which they were filed. The commissioner will satisfy the unpaid claims when sufficient money has been deposited in the ~~fund~~ *account*.

4. The commissioner will not pay interest on any approved claim or portion of a claim.

**Sec. 10.** NAC 679B.131 is hereby amended to read as follows:

679B.131 If the commissioner pays any sum from the ~~fund~~ *account* to a petitioner, the petitioner must assign his interest in the final judgment to the commissioner to the extent of the payment made to the petitioner. The commissioner will deposit any amount recovered on the judgment in the ~~fund~~ *account*. The assignment must be in a form acceptable to the commissioner.

**Sec. 11.** NAC 679B.151 is hereby amended to read as follows:

679B.151 ~~Nothing contained in~~ *The provisions of* NAC 679B.041 to 679B.151, inclusive, ~~limits~~ *do not limit* the authority of the commissioner to take disciplinary action against a licensee for a violation of any of the provisions of chapters 683A, 684A and 685A of NRS, NAC 679B.041 to 679B.151, inclusive, or other regulations of the division, nor does the repayment in full of any obligations to the ~~fund~~ *account* by a licensee nullify or modify the effect of any disciplinary proceeding brought pursuant to the provisions of NAC 679B.041 to 679B.151, inclusive, or the statutory provisions of Title 57 of NRS.

**Sec. 12.** Chapter 683A of NAC is hereby amended by adding thereto the provisions set forth as sections 13 and 14 of this regulation.

**Sec. 13.** *1. A person licensed as a short-term lessor of passenger vehicles pursuant to NRS 482.363 must be licensed as a limited agent pursuant to NRS 683A.260 before engaging in the sale or solicitation of policies of insurance requested by short-term lessees of passenger vehicles.*

*2. Each short-term lessor of passenger vehicles licensed pursuant to NRS 683A.260 shall provide training for each employee who will solicit or sell policies of insurance to short-term lessees. The training must include instruction relating to:*

- (a) The policies of insurance that will be offered for sale to short-term lessees;*
- (b) Ethical practices concerning the sale of policies of insurance; and*
- (c) The sales materials and disclosures provided to short-term lessees.*

*3. The manager of each location of a short-term lessor of passenger vehicles is responsible for the supervision of each employee who solicits or sells policies of insurance at that location.*

*4. A short-term lessor of passenger vehicles shall maintain the following records for at least 5 years:*

- (a) A copy of the instructional materials used to train employees pursuant to subsection 2;*
- (b) A list that includes the name of each manager who is responsible for the supervision of employees pursuant to subsection 3;*
- (c) A list that includes the name of each employee who is authorized by the short-term lessor to solicit or sell policies of insurance to short-term lessees; and*
- (d) Proof that each such employee has completed the training required by subsection 2.*

*5. A short-term lessor of passenger vehicles shall make the records required by subsection 4 available for examination by the commissioner or his designee upon request.*

**Sec. 14.** *A person who requests approval of the course of instruction for bail bonds required by NRS 697.150, 697.170 or 697.184 must comply with the provisions of NAC 683A.190, 683A.201, 683A.211 and 683A.231 to 683A.261, inclusive.*

**Sec. 15.** NAC 683A.005 is hereby amended to read as follows:

683A.005 As used in this chapter, unless the context otherwise requires ~~[, “commissioner”]~~

:

1. *“Commissioner”* means the commissioner of insurance of the division.
2. *“Division”* means *the division of insurance of the department of business and industry.*
3. *“Unsuitable person”* has the meaning ascribed to it in NAC 679B.039.

**Sec. 16.** NAC 683A.103 is hereby amended to read as follows:

683A.103 1. For the purposes of subsection 1 of NRS 683A.025, the “adjustment or settlement of claims” includes, but is not limited to:

- (a) Investigating or examining claims; or
- (b) Receiving, disbursing, handling or otherwise being responsible for the claim funds,

FLUSH of an insurance company, ~~[trust]~~ *internal service* fund, program of self-insurance, or other entity which is an administrator pursuant to NRS 683A.025.

2. The exemption from the definition of “administrator” provided by paragraph (d) of subsection 2 of NRS 683A.025 does not apply to any separate subsidiary or affiliated corporation of an insurance company.

**Sec. 17.** NAC 683A.105 is hereby amended to read as follows:

683A.105 Each applicant for a certificate of registration as an administrator shall submit:

1. ~~[A current financial statement, including a balance sheet and an income statement in a form which complies with generally accepted accounting principles, which shows the net worth of the business and that the business is operated profitably according to generally accepted principles of accounting.]~~ If the applicant is a newly formed business, ~~[the applicant shall submit]~~ a pro forma balance sheet and a statement listing estimated income and expenses for the first year, compiled in a form which complies with generally accepted accounting principles.

2. Evidence of the ability of the applicant to pay its obligations when they are due. The division, in determining an applicant's ability to pay its obligations when due, will consider the capitalization and current financial condition of the applicant and may request credit reports of the applicant and the owners.

**Sec. 18.** NAC 683A.115 is hereby amended to read as follows:

683A.115 1. ~~[(If an applicant has been previously licensed in Nevada or another state as an administrator, the)]~~ *The* division will, to evaluate the competency and personal and business reputations of ~~[the]~~ *an* applicant, review the applicant's past performance in handling, settling and adjudicating claims. ~~[(If an applicant has no record of administering claims in Nevada, he shall include in)]~~ *The applicant must include with* his application information *in his business plan* concerning:

(a) The *names*, experience and qualifications of the members of his staff;

(b) ~~[(His)]~~ *A description of the* facilities for handling ~~[a claim,]~~ *claims*, including a description of any computer *software* used in the process; and

(c) The method used for handling inquiries from claimants.

2. To determine:

(a) An applicant's or licensee's ability to administer; and

(b) Whether an applicant is administering claims properly,

FLUSH the division will review reports from *clients*, other agencies of this state and any agency of another state.

3. An applicant who is ~~[currently]~~ licensed, certified or otherwise authorized by another state to act as an administrator shall submit to the division a letter or certificate of good standing from the appropriate agency of that state.

**Sec. 19.** NAC 683A.125 is hereby amended to read as follows:

683A.125 ~~{1.—A corporation which is an applicant for a certificate of registration as an administrator shall include in the application:~~

~~—(a) A copy of its articles of incorporation and bylaws;~~

~~—(b) The names and addresses of its officers and directors; and~~

~~—(c) The address of the principal place of business for the administrator and the location of each branch office.~~

~~—2.—A partnership which is an applicant for a certificate of registration as an administrator shall include in the application:~~

~~—(a) A copy of its partnership agreement;~~

~~—(b) The names and addresses of the partners; and~~

~~—(c) The address of the principal place of business for the administrator and the location of each branch office.~~

~~—3.—A sole proprietor who is an applicant for a certificate of registration as an administrator shall include in the application the address of the principal place of business for the administrator and the location of each branch office.~~

~~—4.—Any applicant governed by this section shall:~~

~~—(a) If the applicant is a partnership or corporation, present with its application, in such form as the commissioner requires, evidence that its transaction of business as an administrator is specifically authorized by its partnership agreement or articles of incorporation.~~

~~—(b)] *An administrator shall:*~~

*1.* Notify the commissioner of any change in its members, owners, directors or officers within 90 days after the change.

*2. Provide to the commissioner a copy of each written agreement that the administrator enters into with an insurer or other entity within 90 days after he enters into the agreement.*

**Sec. 20.** NAC 683A.155 is hereby amended to read as follows:

683A.155 1. Except as otherwise provided in subsection 3, and in addition to the amount prescribed by statute, the amount of the bond for each administrator must be increased as follows for each \$1,000,000 received and distributed by the administrator within this state during an average month:

Amount received and distributed	Total Amount of Bond
\$1,000,000 or less .....	<del>[\$50,000]</del> <b>\$100,000</b>
More than \$1,000,000, but less than \$2,000,000 .....	<del>[\$100,000]</del> <b>200,000</b>
\$2,000,000 or more, but less than \$3,000,000 .....	<del>[\$200,000]</del> <b>300,000</b>
\$3,000,000 or more, but less than \$4,000,000 .....	<del>[\$300,000]</del> <b>400,000</b>
\$4,000,000 or more, <i>but less than \$5,000,000</i> .....	<del>[\$400,000]</del> <b>500,000</b>
<b><i>\$5,000,000 or more.....</i></b>	<b><i>10 percent of the amount received and distributed, but not more than \$1,000,000</i></b>

2. If the commissioner finds that the increased bonds are unavailable, the division will accept proof of coverage over ~~[\$50,000]~~ **\$100,000** in the additional amounts specified in

subsection 1 under a fidelity policy and a policy which covers the errors and omissions of the administrator or his employees. ~~These~~ *The* policies must be reviewed and approved by the division and provide for notice to the division 90 days before their cancellation or nonrenewal. Proof of the increases in the bond or the policies of insurance must be furnished to the division within 30 days after the increase.

3. If an administrator is not authorized to issue a check or draft and only handles claims for the person employing him, he is only required to maintain the bond for ~~[\$50,000.]~~ *\$100,000.*

4. For the purposes of this section, the amount of money received and distributed by the administrator during an average month is the total amount of money received and distributed by him in this state during a fiscal year, divided by 12. Within 90 days after the end of his fiscal year, each administrator shall file with the commissioner a report stating the total amount of money so received and distributed during the preceding fiscal year. The report:

(a) Must be certified by an officer or partner of the administrator, if it is a corporation or partnership; and

(b) If there is any change in the required amount of the bond because of an increase or decrease in the amount of money received and distributed by the administrator, must be accompanied by a replacement bond in the appropriate amount.

5. An administrator may submit a certificate of deposit from a financial institution in this state that is insured federally, made payable to the commissioner of insurance and the administrator, in lieu of the bond required by NRS 683A.0857. The certificate of deposit must:

(a) State that the amount of the deposit is unavailable for withdrawal except upon the signed authorization of the division; and

(b) Be accompanied by a statement or letter from the issuing financial institution which verifies that:

(1) The requisite amount of money is being held to satisfy the requirement for a deposit; and

(2) The amount of the deposit is unavailable for withdrawal except upon the signed authorization of the division.

**Sec. 21.** NAC 683A.180 is hereby amended to read as follows:

683A.180 In addition to the requirements of chapter 683A of NRS, an applicant for a license to act as an insurance agent , *broker* or solicitor for:

1. Life insurance, including annuities;
2. Accident and health insurance;
3. Property insurance;
4. Casualty insurance; or
5. Any combination of those types of insurance,

FLUSH must complete, with a final grade of at least 70 percent, a course of instruction approved by the commissioner for the line of insurance for which he is applying for a license. The course must have been completed within the 2 years immediately preceding the date of his application for the license.

**Sec. 22.** NAC 683A.231 is hereby amended to read as follows:

683A.231 1. Each sponsor of a course shall maintain a complete record of each person attending the course. The record must:

- (a) Indicate each person's attendance;
- (b) Indicate his final grade in the course; and

(c) Be available for review by the division upon request during normal business hours.

2. Each ~~[instructor]~~ *sponsor* shall submit ~~[a certificate]~~ *quarterly* to the division ~~[at the completion of every course which lists]~~ *for each course offered*, the sponsor of the course, the ~~[location and times]~~ *date* the course was ~~[offered,]~~ *completed*, and the name ~~[, attendance]~~ and grade of each person attending the course. *If the course is a self-study course, the sponsor shall also submit the name and description of the course.*

3. Each sponsor of a course must give to each person who successfully completes the course ~~[a]~~ *an original* certificate of completion. The certificate must list the sponsor and instructor of the course, the line of insurance included in the course, the grade obtained by the student in the course, and the location and times the course was offered. An applicant for a license must submit the certificate with his application for a license.

**Sec. 23.** NAC 683A.241 is hereby amended to read as follows:

683A.241 1. If the sponsor, instructor or outline of a course changes after approval has been granted, the new sponsor, instructor or outline of the course must be approved by the division.

2. ~~[The division,]~~ *A person designated by the division* may audit any approved course to ensure that the course, instructor or sponsor continues to meet the requirements of this regulation.

3. If the sponsor, instructor or outline of the course has changed and has not been reapproved, or if the sponsor or instructor is not following the approved outline of the course, the division may suspend its approval of that course.

4. If the sponsor or instructor has not taken appropriate action to correct the conditions that were the basis of the suspension within 30 days, the division may revoke its approval of the course.

5. If the sponsor or instructor of an approved course solicits from any person information on the content of the questions on the division's licensing examination, the division may revoke its approval of that instructor or sponsor for at least 1 year.

**Sec. 24.** NAC 683A.251 is hereby amended to read as follows:

683A.251 1. The commissioner will refuse to license, or will suspend or revoke the license of any person who knowingly submits to the division a false or fraudulent certificate of completion of education.

2. The division shall revoke its approval of any sponsor or instructor who knowingly submits or issues a false or fraudulent:

- (a) Certificate of completion;
- (b) Outline or schedule for a course; or
- (c) Application for approval as an instructor or sponsor.

3. The division shall not reapprove any sponsor or instructor who has had his approval revoked pursuant to this section for at least 1 year after the approval of the sponsor or instructor was revoked.

***4. The commissioner may suspend or revoke the approval of any sponsor or instructor who the commissioner has determined is an unsuitable person.***

**Sec. 25.** NAC 683A.285 is hereby amended to read as follows:

683A.285 1. An insurer shall not perform ~~its own~~ utilization review ***for another person*** unless it registers with the commissioner as an agent who performs utilization review and has a

medical director who is a physician or, in the case of an agent who reviews dental services, a dentist, licensed in any state.

2. An insurer may apply for registration by filing with the commissioner the following information on a form provided by the commissioner:

(a) The insurer's name, address, telephone number and normal business hours;

(b) The name and telephone number of a person the commissioner may contact for information concerning the insurer;

(c) The name of the medical director of the insurer and the state in which he is licensed to practice medicine or dentistry; and

(d) A summary of the insurer's plan for utilization review, including procedures for appealing determinations made through utilization review.

3. An insurer that registers as an agent who performs utilization review shall file with the commissioner any material changes in the information provided pursuant to subsection 2 within 30 days after the change occurs.

4. The commissioner will not evaluate the plan submitted pursuant to paragraph (d) of subsection 2. The commissioner will make the plan available upon request and ~~with~~ charge the fee set forth in NAC 683A.295 for providing a copy of the plan.

5. Registration pursuant to this section must be renewed on or before March 1 of each year by providing the information specified in subsection 2.

**Sec. 26.** NAC 683A.320 is hereby amended to read as follows:

683A.320 As used in NAC 683A.320 to 683A.370, inclusive, "course" includes, but is not limited to, a program of instruction, correspondence course, course of independent study, *self-study course* or seminar.

**Sec. 27.** NAC 683A.335 is hereby amended to read as follows:

683A.335 1. Any person who ~~provides~~ *requests approval for* a course for continuing education shall furnish to the commissioner at least 60 days before the beginning of the course:

- (a) An outline of the subject matter;
- (b) The method of presentation;
- (c) The qualifications of the instructor;
- (d) The number of classroom hours or, if for a correspondence *course or self-study* course,

the equivalent of classroom hours ~~is~~, *and a written procedure for conducting a supervised final examination*; and

- (e) Any other information required by the commissioner.

2. Submission of the information required by subsection 1 must be on an application approved by the commissioner.

3. The course must be designed to increase the knowledge and understanding of the licensee of:

- (a) Principles and coverage of insurance;
- (b) Applicable laws, rules and regulations concerning insurance;
- (c) Recent changes in coverages; and
- (d) The duties, ethics and responsibilities of the licensee.

4. The commissioner will not approve a course that ~~teaches~~:

*(a) Is provided by an insurance agent or an agency licensed to sell insurance in this state unless the insurance agent or agency is a trade association of the insurance industry; or*

*(b) Teaches:*

~~(a)~~ *(1)* Prelicensing training;

- ~~[(b)]~~ (2) Motivation or psychology;
- ~~[(e)]~~ (3) Marketing;
- ~~[(d)]~~ (4) Prospecting;
- ~~[(e)]~~ (5) Recruiting;
- ~~[(f)]~~ (6) Sales;
- ~~[(g)]~~ (7) Computer applications that are unrelated to insurance;
- ~~[(h)]~~ (8) Skills for communication; or
- ~~[(i)]~~ (9) The management of personnel or of an office.

FLUSH The provisions of this subsection do not limit the authority of the commissioner to refuse to approve a course for noncompliance with any other provision of NAC 683A.320 to 683A.370, inclusive.

5. The commissioner will not approve a course if the total number of classroom hours is less than 2 hours ~~[(j)]~~ *or more than 30 hours.*

6. The commissioner will grant or deny approval of each course in writing within 60 days after he receives the information required pursuant to subsection 1.

7. Any material change in the content of a course approved by the commissioner must be submitted for approval before presentation of the course.

*8. A course that has been approved by the commissioner is not required to be approved for any subsequent presentation of the course, except that the provider of the course shall submit a notice to the commissioner, not later than 30 days before the course is offered, that includes the following information:*

- (a) The name and number of the course;*
- (b) The name of the instructor of the course;*

*(c) The place where the course will be offered; and*

*(d) The date and time when the course will be offered.*

**Sec. 28.** NAC 683A.340 is hereby amended to read as follows:

683A.340 The provider of a course approved by the commissioner shall:

1. Give a certificate of completion to each person who successfully completes the course.

The certificate must be on a form approved by the commissioner.

2. Maintain records of attendance and examination scores for 4 years.

3. Make these records and scores available to the division upon request.

**4. *Not employ an unsuitable person as an instructor for the course.***

**Sec. 29.** NAC 683A.350 is hereby amended to read as follows:

683A.350 1. The following courses are approved for continuing education for the hours set forth ~~[if the licensee receives a grade of at least 70 percent or, in a course which provides only passing or failing grades, a passing grade:]~~ ***below:***

(a) Any of the parts of the life insurance curriculum of the Life Underwriter Training Council, ~~[50]~~ **30** hours for each part.

(b) The health insurance curriculum of the Life Underwriter Training Council, 25 hours.

(c) Any part of the curriculum of the American College, Bryn Mawr, Pennsylvania, leading to the professional designation of Chartered Life Underwriter (CLU), 30 hours for each part.

(d) Any part of the curriculum of the American Institute for Property and Liability Underwriters leading to the professional designation of Chartered Property Casualty Underwriter (CPCU), 30 hours for each part.

(e) Any part of the curriculum of the Life Office Management Association, Atlanta, Georgia, leading to the professional designation of Fellow, Life Management Institute, 30 hours for each part.

(f) Any part of the curriculum of the Insurance Institute of America leading to the designation as an associate in a specialty such as underwriting, management, claims, loss control or auditing, 25 hours for each part.

(g) Any of the parts of the general insurance curriculum of the Insurance Institute of America, 25 hours for each part.

(h) Any part of the curriculum of the College ~~of~~ *for* Financial Planning, Denver, Colorado, leading to the professional designation of Certified Financial Planner, 25 hours for each part.

(i) Any part of the educational program of the Health Insurance Association of America, 15 hours for each part.

(j) Any part of the educational program of the Society of Certified Insurance Counselors, 25 hours for each part.

(k) Any part of the curriculum of the National Association of Health Underwriters, 25 hours for each part.

(l) Any course relating to insurance taught by an accredited college or university, 10 hours for each unit of credit awarded by the college or university.

**2. *To receive the credit set forth in subsection 1, a licensee must:***

***(a) Receive a passing grade on the final examination if the course is a self-study course; or***

***(b) Attend all classes of the course if attendance is required for the course.***

**3.** A licensee who teaches an approved course may receive credit for continuing education for the number of hours that would be granted to a licensee taking and successfully completing

the course. A licensee will receive credit in this manner only once during a renewal period for each course taught.

**Sec. 30.** NAC 683A.360 is hereby amended to read as follows:

683A.360 1. Each licensee shall furnish to the division ~~f:~~

~~—(a) An affidavit that certifies his successful completion of the required continuing education hours; and~~

~~—(b) The]~~ *upon the renewal of his license or upon the request of the division, the* original certificate of completion issued by the provider for each course.

2. The licensee shall keep a copy of each certificate of completion for 4 years after the completion of the course.

3. Failure to provide verification of continuing education credits upon request by the division is evidence that the licensee did not complete the required continuing education.

**Sec. 31.** NAC 683A.365 is hereby amended to read as follows:

683A.365 1. The commissioner may suspend or revoke his approval of a course if he determines that:

(a) The content of the course has been changed without notice to the commissioner and the change affects the number of hours of credit assigned to the course;

(b) A certificate of completion has been issued and hours credited to a person who has not completed the course;

(c) A certificate of completion has not been issued and hours have not been credited when requested to a person who has successfully completed the course;

(d) The quality of instruction is inadequate;

(e) The content of the course does not meet the objectives of subsection 3 of NAC 683A.335;

~~or~~

(f) The provider has not maintained the records required by subsection 2 of NAC 683A.340

~~or~~; *or*

*(g) The provider has employed an unsuitable person as an instructor for the course.*

2. The division or its designated representative may audit a course to ensure that the content or instructor meets the requirements of NAC 683A.335.

3. If approval of a course is suspended or revoked by the commissioner, approval may be reinstated at the discretion of the commissioner and after the commissioner receives proof that the conditions giving rise to the suspension or revocation have been corrected.

**Sec. 32.** NAC 683A.380 is hereby amended to read as follows:

683A.380 1. A person who ~~provides~~ *requests approval for* a course in industrial insurance shall furnish to the commissioner at least 60 days before the beginning of the course:

- (a) An outline of the subject matter;
- (b) The method of presentation;
- (c) The qualifications of the instructor;
- (d) The number of classroom hours; and
- (e) Any other information required by the commissioner.

2. The information required pursuant to subsection 1 must be submitted on an application approved by the commissioner.

3. The course must be designed to increase the knowledge and understanding of the student of:

- (a) Principles and coverage of industrial insurance;

- (b) Applicable laws, rules and regulations concerning industrial insurance;
- (c) Recent changes in coverages; and
- (d) The duties, ethics and responsibilities of the student concerning industrial insurance.

4. The commissioner will not approve a course unless:

(a) The total number of classroom hours consists of at least 6 hours ~~§~~, *or if the course is a self-study course, at least 6 hours of study is required;*

(b) The course meets the requirements of subsection 3; and

(c) The students enrolled in the course are required to pass a final examination with a score of not less than 70 percent.

FLUSH The provisions of this subsection do not limit the authority of the commissioner to refuse to approve a course for noncompliance with any other provision of NAC 683A.372 to 683A.388, inclusive.

5. The commissioner will grant or deny approval of each course in writing within 60 days after he receives the information required pursuant to subsection 1.

6. Any material change in the content of a course approved by the commissioner must be submitted for the approval of the commissioner before presentation of the course.

**Sec. 33.** NAC 683A.382 is hereby amended to read as follows:

683A.382 A person who provides a course in industrial insurance approved by the commissioner shall:

1. Issue an original certificate of completion to each person who successfully completes the course. The certificate must be on a form approved by the commissioner.

2. Maintain records of attendance *or, if the course is a self-study course, records of enrollment*, and examination scores for 4 years.

3. Make the records and scores available to the commissioner upon request.

**Sec. 34.** NAC 697.380 is hereby amended to read as follows:

697.380 1. For purposes of NAC 697.370 and this section, “final judgment of default” means a judgment entered against a bond after the ~~90-day~~ *180-day* notice of forfeiture period as provided in NRS 178.508.

2. If the final judgment of default has not been satisfied within 30 days after the clerk serves it by mail to the surety company, the commissioner may require an officer of the company to appear before him.

**Sec. 35.** NAC 679B.060, 683A.010, 683A.135, 683A.145 and 683A.160 are hereby repealed.

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### TEXT OF REPEALED SECTIONS

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**679B.060 “Fund” defined.** “Fund” means the insurance recovery fund created pursuant to NRS 679B.305.

**683A.010 “Division” defined.** As used in this chapter, unless the context otherwise requires, “division” means the division of insurance of the department of business and industry.

**683A.135 Disclosure of information concerning previous licensing or misconduct.**  
Each applicant for a certificate of registration as an administrator shall indicate on his application whether he has:

1. Ever been denied a license as an agent, broker or administrator;
2. Been previously licensed as an agent, broker or administrator;
3. Had a license as an agent, broker or administrator, suspended or revoked or has been denied the renewal of such a license; and
4. Had any contract as an agent for an insurer canceled for cause and if so, the facts concerning that action.

**683A.145 Financial statements of new administrators.** Any person who has been issued a certificate of registration as an administrator and who has not acted as an administrator before issuance of the certificate shall submit each year to the division a financial statement. The statement must show a positive net worth after 3 years.

**683A.160 Administration by insurer of program of self-insurance for employer.** If it holds a certificate of authority in this state, an insurer may administer a program of self-insurance for an employer, whether or not it has issued a policy of insurance to that employer.