PROPOSED REGULATION OF THE

COMMISSIONER OF INSURANCE

LCB File No. R039-14

April 10, 2014

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

AUTHORITY: §§1-3, NRS 679B.130.

A REGULATION relating to insurance; revising provisions relating to advertising by certain insurers; repealing provisions relating to certain forms, change of status by an individual carrier, the content of the actuarial certification filed by an individual carrier, disclosure of variance in premium rates by an individual carrier and the filing of an annual report by an insurer; and providing other matters properly relating thereto.

Section 1. NAC 689A.020 is hereby amended to read as follows:

689A.020 "Advertisement" means:

1. Printed and published material and descriptive literature used in newspapers, magazines, radio and television scripts, billboards ***, Internet websites*** and similar displays;

2. Descriptive literature and sales aids of all kinds issued by an insurer for presentation to members of the public, including, but not limited to, circulars, leaflets, booklets, depictions, illustrations and form letters; and

3. Prepared sales talks, presentations and material for use by agents and brokers, and representations made by the agents and brokers in accordance with them.

Sec. 2. NAC 689A.270 is hereby amended to read as follows:

689A.270 ~~[1.]~~ Each accident and health insurer shall maintain at its home or principal office a complete file containing every printed, published or prepared advertisement of individual policies and typical printed, published or prepared advertisements of blanket,

franchise and group policies disseminated in this or any other state whether or not licensed in the other state, with a notation attached to each advertisement which indicates the manner and extent of distribution and the form number of any policy advertised. The file is subject to inspection by the Division. All advertisements must be retained for at least 3 years.

~~[2. Except as otherwise provided in subsection 3, each insurer which is required to file an annual statement with the Division or the National Association of Insurance Commissioners and which is subject to the provisions of this section must file with the Division a certificate executed by an authorized officer, certifying that, to his or her knowledge, information and belief, the advertisements which were disseminated by the insurer during the preceding statement year complied with the insurance laws of this State and NAC 689A.010 to 689A.270, inclusive.~~

~~3. Each insurer which is required to file an annual statement with the Division or the National Association of Insurance Commissioners and which did not disseminate or provide any advertisement in this State during the previous year must file with the Division a certificate, executed by an authorized officer, certifying that, to his or her knowledge, information and belief, the insurer did not disseminate or provide any advertisement in this State during the previous year.]~~

Sec. 3. NAC 689A.350, 689A.445, 689A.455, 689A.465, 689A.485 and 689A.615 are hereby repealed.

TEXT OF REPEALED SECTIONS

689A.350 Approved forms. (NRS 679B.130, 689A.105)

1. The Division hereby approves the Uniform American Medical Association Physicians Form and the form of the American Dental Association.

2. The American Hospital Billing and Claim form is required to be accepted by NRS 689A.105.

3. The following additional forms are hereby adopted and approved for use in this State:

(a) Nevada State Standard Health Insurance Form NSHF (76).

(b) Nevada State Standard Pharmacy Billing Form NSPF (76).

(c) Nevada State Standard Dental Billing Form NSDF (76).

(d) Nevada State Standard Authorization and Invoice for Dental Services - Title XIX NSDF (76).

(e) Nevada State Standard Authorizations and Invoice for Dental Services.

(f) EPSDT Screening Record and Invoice Title XIX EPSDT (76).

689A.445 Change of status: Application; approval; confidentiality; notice of approval or disapproval. (NRS 679B.130, 689A.670, 689A.740)

1. An individual carrier that elected to operate as an individual risk-assuming or reinsuring carrier pursuant to NRS 689A.670 may apply to the Commissioner to change its status.

2. The Commissioner will approve an application to change the status of an individual carrier if the individual carrier provides adequate evidence that a change in status is necessary for the individual carrier to meet its contractual and statutory obligations.

3. An individual carrier that applies for a change in its status pursuant to subsection 2 may request that the information on its application be kept confidential if disclosure of the information would adversely affect the financial solvency of the individual carrier or promote unfair competition among other individual carriers. The Commissioner will notify an individual carrier in writing of his or her decision to approve or disapprove a request for confidentiality within 30 days after receipt of the request.

4. The Commissioner will notify an individual carrier in writing of his or her decision to approve or disapprove an application to change the status of an individual carrier pursuant to subsection 2 within 60 days after receipt of the application.

689A.455 Change of status: Notification of Commissioner. (NRS 679B.130, 689A.670, 689A.740)

1. If an individual carrier wishes to change its election to operate as an individual risk-assuming or reinsuring carrier pursuant to NRS 689A.670 at the end of the current period of election, it shall notify the Commissioner not later than 30 days before the expiration of the current period of election.

2. If no such notice is provided, the individual carrier shall be deemed to have elected to operate with the same status for the next period of election.

689A.465 Actuarial certification. (NRS 679B.130, 689A.690, 689A.700, 689A.740) In addition to the information required to be included in the actuarial certification of an individual carrier pursuant to NRS 689A.690, the actuarial certification must include:

1. The number of blocks of business for individual health benefit plans established by the individual carrier;

2. After adjusting for rating characteristics and the design of benefits, the ratio of the highest written premium per natural person in a block of business for an individual health benefit plan to the lowest written premium per natural person in a block of business for an individual health benefit plan;

3. After adjusting for rating characteristics and the design of benefits, the ratio of the written premium per natural person in the block of business containing the basic and standard health benefit plan to the lowest written premium per natural person in a block of business for an individual health benefit plan; and

4. For each rating characteristic used in establishing premium rates, the ratio of the highest rating factor associated with any classification of that rating characteristic to the lowest rating factor associated with any classification of that rating characteristic.

5. As used in this section, "characteristic" has the meaning ascribed to it in subsection 5 of NRS 689A.680.

689A.485 Disclosure of variance in premium rate. (NRS 679B.130, 689A.710, 689A.740) If an individual carrier quotes a premium rate for an individual health benefit plan to a producer or a person who seeks health insurance coverage from the individual carrier, the individual carrier shall disclose how much the premium rate may vary from the quoted premium rate because of the health status of the person to be covered by the health insurance.

689A.615 Annual report. (NRS 679B.130, 689A.750)

1. An insurer shall submit its annual report regarding its system for resolving complaints as required pursuant to NRS 689A.750 on or before June 1 of each year. The insurer shall retain a

copy of the annual report for at least 3 years or until the next examination conducted by the Division, whichever is longer.

2. The insurer is not required to include in the annual report information concerning an oral inquiry by an insured relating to a misunderstanding or miscommunication if the misunderstanding or miscommunication was resolved within 1 working day after the inquiry was made. If the misunderstanding or miscommunication was not resolved within 1 working day, the insurer shall report it as a complaint in the annual report.