

CHAPTER.....

AN ACT relating to insurance; creating the Fund for Insurance Administration and Enforcement and new fees to provide money for the Fund; eliminating certain restrictions on out-of-state insurers; requiring certain insurers to comply with newly enacted federal acts; revising provisions relating to viatical settlements; revising provisions related to the Federal Deposit Insurance Corporation; requiring certain health insurers to provide notice regarding a change in its formulary concerning prescription drugs related to transplanted organs in certain circumstances; requiring certain health care plans and policies of insurance to provide continued coverage for certain prescription drugs related to transplanted organs; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Sections 1-3 of this bill create: (1) the Fund for Insurance Administration and Enforcement as an enterprise fund to carry out the provisions of the Nevada Insurance Code; and (2) new fees to provide money for the Fund.

Sections 7 and 85 of this bill eliminate certain restrictions on out-of-state insurers due to a court decision by the United States Ninth Circuit Court of Appeals (*Council of Insurance Agents & Brokers v. Molasky-Arman*, 522 F.3d 925 (9th Cir. 2008)). (NRS 680A.300, 695E.130) This case holds that Nevada law violates the Privileges and Immunities Clause of the United States Constitution regarding nonresident insurance agents and resident agents.

Sections 35-38 and 55-58 of this bill require certain insurers to comply with newly enacted federal acts.

Section 38.5 of this bill requires an insurer that issues policies of health insurance to provide notice before changing its formulary within the plan year if the change will affect a prescription drug used by an insured to prevent the rejection of a transplanted organ. **Section 98** of this bill makes this provision applicable to self-funded plans of a local governmental agency. (NRS 287.010)

Sections 38.105, 38.12-40.58 and 97.72-97.77 of this bill revise provisions relating to viatical settlements.

Sections 102 and 103 of this bill revise provisions related to the Federal Deposit Insurance Corporation.

Existing law requires certain public and private health care plans and policies of insurance to provide coverage for certain procedures, including colorectal cancer screenings, cytological screening tests and mammograms, in certain circumstances. (NRS 287.027, 287.04335, 689A.04042, 689A.0405, 689B.0367, 689B.0374, 695B.1907, 695B.1912, 695C.1731, 695C.1735, 695G.168) Existing law also requires employers to provide certain benefits to employees, including coverage for the procedures required to be covered by insurers, if the employer provides health benefits for its employees. (NRS 608.1555)



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

Section 1. Title 57 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. *The Fund for Insurance Administration and Enforcement is hereby created in the State Treasury as an enterprise fund.*

2. The Fund must be used solely for the administration and enforcement of the Code and other laws and regulations enforced by the Division.

3. The State Treasurer shall invest the money in the Fund in the same manner and in the same securities in which he is authorized to invest state general funds that are in his custody. Income realized from the investment of the assets of the Fund must be credited to the Fund.

Sec. 3. 1. *In addition to any other fee or charge, the Commissioner shall collect in advance and receipt for, and persons so served must pay to the Commissioner, the fees required by this section.*

2. A fee required by this section must be:

(a) If an initial fee, paid at the time of an initial application or issuance of a license, as applicable;

(b) If an annual fee, paid on or before March 1 of every year;

(c) If a triennial fee, paid on or before the time of continuation, renewal or other similar action in regard to a certificate, license, permit or other type of authorization, as applicable; and

(d) Deposited in the Fund for Insurance Administration and Enforcement created by section 2 of this act.

3. The fees required pursuant to this section are not refundable.

4. The following fees must be paid by the following persons to the Commissioner:

(a) Associations of self-insured private employers, as defined in NRS 616A.050:

(1) Initial fee \$1,300

(2) Annual fee \$1,300

(b) Associations of self-insured public employers, as defined in NRS 616A.055:

(1) Initial fee \$1,300

(2) Annual fee \$1,300



- (c) *External review organizations, as provided for in NRS 616A.469 or 683A.371, or both:*
 - (1) *Initial fee* \$60
 - (2) *Annual fee*..... \$60
- (d) *Insurers not otherwise provided for in this subsection:*
 - (1) *Initial fee* \$1,300
 - (2) *Annual fee*..... \$1,300
- (e) *Producers of insurance, as defined in NRS 679A.117:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (f) *Accredited reinsurers, as provided for in NRS 681A.160:*
 - (1) *Initial fee* \$1,300
 - (2) *Annual fee*..... \$1,300
- (g) *Intermediaries, as defined in NRS 681A.330:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (h) *Reinsurers, as defined in NRS 681A.370:*
 - (1) *Initial fee* \$1,300
 - (2) *Annual fee*..... \$1,300
- (i) *Administrators, as defined in NRS 683A.025:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (j) *Managing general agents, as defined in NRS 683A.060:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (k) *Agents who perform utilization reviews, as defined in NRS 683A.376:*
 - (1) *Initial fee* \$60
 - (2) *Annual fee*..... \$60
- (l) *Insurance consultants, as defined in NRS 683C.010:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (m) *Independent adjusters, as defined in NRS 684A.030:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (n) *Public adjusters, as defined in NRS 684A.030:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (o) *Associate adjusters, as defined in NRS 684A.030:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (p) *Motor vehicle physical damage appraisers, as defined in NRS 684B.010:*



(1) Initial fee	\$60
(2) Triennial fee.....	\$60
(q) Brokers, as defined in NRS 685A.030:	
(1) Initial fee	\$60
(2) Triennial fee.....	\$60
(r) Eligible surplus line insurers, as provided for in NRS 685A.070:	
(1) Initial fee	\$1,300
(2) Annual fee.....	\$1,300
(s) Companies, as defined in NRS 686A.330:	
(1) Initial fee	\$1,300
(2) Annual fee.....	\$1,300
(t) Rate service organizations, as defined in NRS 686B.020:	
(1) Initial fee	\$1,300
(2) Annual fee.....	\$1,300
(u) Brokers of viatical settlements, as defined in NRS 688C.030:	
(1) Initial fee	\$60
(2) Annual fee.....	\$60
(v) Providers of viatical settlements, as defined in NRS 688C.080:	
(1) Initial fee	\$60
(2) Annual fee.....	\$60
(w) Agents for prepaid burial contracts subject to the provisions of chapter 689 of NRS:	
(1) Initial fee	\$60
(2) Triennial fee.....	\$60
(x) Agents for prepaid funeral contracts subject to the provisions of chapter 689 of NRS:	
(1) Initial fee	\$60
(2) Triennial fee.....	\$60
(y) Sellers of prepaid burial contracts subject to the provisions of chapter 689 of NRS:	
(1) Initial fee	\$60
(2) Triennial fee.....	\$60
(z) Sellers of prepaid funeral contracts subject to the provisions of chapter 689 of NRS:	
(1) Initial fee	\$60
(2) Triennial fee.....	\$60
(aa) Providers, as defined in NRS 690C.070:	
(1) Initial fee	\$1,300
(2) Annual fee.....	\$1,300
(bb) Escrow officers, as defined in NRS 692A.028:	



- (1) *Initial fee* \$60
- (2) *Triennial fee*..... \$60
- (cc) *Title agents, as defined in NRS 692A.060:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (dd) *Captive insurers, as defined in NRS 694C.060:*
 - (1) *Initial fee* \$250
 - (2) *Annual fee*..... \$250
- (ee) *Fraternal benefit societies, as defined in NRS 695A.010:*
 - (1) *Initial fee* \$1,300
 - (2) *Annual fee*..... \$1,300
- (ff) *Insurance agents for societies, as provided for in NRS 695A.330:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (gg) *Corporations subject to the provisions of chapter 695B of NRS:*
 - (1) *Initial fee* \$1,300
 - (2) *Annual fee*..... \$1,300
- (hh) *Health maintenance organizations, as defined in NRS 695C.030:*
 - (1) *Initial fee* \$1,300
 - (2) *Annual fee*..... \$1,300
- (ii) *Organizations for dental care, as defined in NRS 695D.060:*
 - (1) *Initial fee* \$1,300
 - (2) *Annual fee*..... \$1,300
- (jj) *Purchasing groups, as defined in NRS 695E.100:*
 - (1) *Initial fee* \$250
 - (2) *Annual fee*..... \$250
- (kk) *Risk retention groups, as defined in NRS 695E.110:*
 - (1) *Initial fee* \$250
 - (2) *Annual fee*..... \$250
- (ll) *Prepaid limited health service organizations, as defined in NRS 695F.050:*
 - (1) *Initial fee* \$1,300
 - (2) *Annual fee*..... \$1,300
- (mm) *Medical discount plans, as defined in NRS 695H.050:*
 - (1) *Initial fee* \$1,300
 - (2) *Annual fee*..... \$1,300
- (nn) *Club agents, as defined in NRS 696A.040:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60



- (oo) *Motor clubs, as defined in NRS 696A.050:*
 - (1) *Initial fee* \$1,300
 - (2) *Annual fee*..... \$1,300
- (pp) *Bail agents, as defined in NRS 697.040:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (qq) *Bail enforcement agents, as defined in NRS 697.055:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (rr) *Bail solicitors, as defined in NRS 697.060:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60
- (ss) *General agents, as defined in NRS 697.070:*
 - (1) *Initial fee* \$60
 - (2) *Triennial fee*..... \$60

Sec. 4. NRS 679B.380 is hereby amended to read as follows:

679B.380 1. Except as otherwise expressly provided in this Code, funds with which to carry out the administration and enforcement by the Commissioner of this Code shall be provided by ~~[legislative appropriation from the General Fund]~~ *the Fund for Insurance Administration and Enforcement created by section 2 of this act* and shall be paid out on claims as other claims against the State are paid.

2. No such claim shall be paid unless approved by the commissioner.

Sec. 5. NRS 680A.150 is hereby amended to read as follows:

680A.150 To apply for an original certificate of authority an insurer shall file with the Commissioner its written application therefor on forms as prescribed and furnished by the Commissioner, accompanied by the applicable fees specified in NRS 680B.010 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act*, stating under the oath of the president or vice president or other chief officer and the secretary of the insurer, or of the attorney-in-fact if a reciprocal insurer, the insurer’s name, location of its home office, or principal office in the United States if an alien insurer, the kinds of insurance to be transacted, date of organization or incorporation, form of organization, state or country of domicile, and such additional information as the Commissioner may reasonably require, together with the following documents, as applicable:

1. If a corporation, a copy of its charter or certificate or articles of incorporation, together with all amendments thereto, or as restated and amended under the laws of its state or country of



domicile, currently certified by the public officer with whom the originals are on file in that state or country.

2. If a domestic incorporated insurer or a mutual insurer, a copy of its bylaws, certified by the insurer's corporate secretary.

3. If a reciprocal insurer, a copy of the power of attorney of its attorney-in-fact, certified by the attorney-in-fact; and if a domestic reciprocal insurer, the declaration provided for in NRS 694B.060.

4. A complete copy of its financial statement as of not earlier than the December 31 next preceding in form as customarily used in the United States by like insurers, sworn to by at least two executive officers of the insurer or certified by the public insurance supervisory officer of the insurer's state of domicile, or of entry into the United States if an alien insurer.

5. A copy of the report of last examination made of the insurer within not more than 5 years next preceding, certified by the public insurance supervisory officer of the insurer's state of domicile, or of entry into the United States if an alien insurer.

6. The appointment of the Commissioner pursuant to NRS 680A.250 as its attorney to receive service of legal process.

7. If a foreign or alien insurer, a certificate of the public insurance supervisory officer of its state or country of domicile showing that it is authorized or qualified for authority to transact in such state or country the kinds of insurance proposed to be transacted in this state.

8. If a foreign insurer, a certificate as to a deposit if it is to be tendered pursuant to NRS 680A.140.

9. A copy of the insurer's rate book and of each form of policy currently proposed to be issued in this state, and of the form of application therefor.

10. If an alien insurer, a copy of the appointment and authority of its United States manager, certified by its officer having custody of its records.

11. Designation by the insurer of its officer or representative authorized to appoint and remove its agents in this state.

Sec. 6. NRS 680A.180 is hereby amended to read as follows:

680A.180 1. A certificate of authority continues in force as long as the insurer is entitled thereto under this Code, and until suspended or revoked by the Commissioner or terminated at the insurer's request, if, each year, the insurer:

(a) Pays on or before March 1 the continuation fee provided in NRS 680B.010 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act;*



(b) Files its annual statement for the next preceding calendar year as required by NRS 680A.270; and

(c) Pays, if required, the premium taxes for the preceding calendar year.

2. If not so continued by the insurer, its certificate of authority expires at midnight on the May 31 next following such failure of the insurer to continue it in force, unless earlier revoked for failure to pay taxes as provided in NRS 680A.190. The Commissioner shall promptly notify the insurer of the occurrence of any failure resulting in the impending expiration of its certificate of authority.

3. The Commissioner may, upon the insurer's request made within 3 months after expiration, reinstate a certificate of authority which the insurer has inadvertently permitted to expire, after the insurer has fully cured all its failures which resulted in the expiration, and upon payment by the insurer of the fee for reinstatement specified in subsection 1 of NRS 680B.010. Otherwise, the insurer may be granted another certificate of authority only after filing an application therefor and meeting all other requirements for an original certificate of authority in this state.

Sec. 7. NRS 680A.300 is hereby amended to read as follows:

680A.300 1. Except as provided in NRS 680A.310, no authorized insurer may make, write, place, renew or cause to be made, placed or renewed, any policy or duplicate policy , *endorsement or contract* of insurance of any kind upon persons, property or risks resident, located or to be performed in this State, except through its duly appointed and licensed agents , ~~resident in this State,~~ any one of whom shall countersign the policy ~~[-]~~ , *endorsement or contract*.

2. Where two or more insurers jointly issue a single policy, the policy may be countersigned, on behalf of all insurers appearing thereon, by a *duly appointed and* licensed agent ~~resident in this State~~ of any one insurer.

3. In any case where it is necessary to execute an emergency bond and a commissioned agent authorized to execute the bond is not present, a manager or other employee of the insurer having authority under a power of attorney may execute the bond in order to produce a valid contract between the insurer and the obligee. The bond must subsequently be countersigned by a ~~resident~~ commissioned agent ~~[-]~~ who *is authorized to execute the bond. The commissioned agent who executes the bond* shall make and retain an adequate office record of the transaction.



4. ~~[Nothing contained in this section prevents exercise of the free and unlimited right to negotiate contracts by licensed nonresident agents or brokers outside this State, if the policies, endorsements or evidence of those contracts covering properties or insurable interests in this State are countersigned by a registered agent of this State. Every such policy or contract must be countersigned by a registered agent.~~

~~—5. On business produced by a licensed nonresident agent or broker, which is countersigned by a resident commissioned agent of this State, there must be a division of the usual commission between the licensed nonresident producing agent or broker and the resident countersigning commissioned agent which must produce for the latter a commission of at least 5 percent of the premium. No commission or fee is required as to policies with an annual premium of \$250 or less. The insurer issuing any policy or bond is responsible for payment to the countersigning agent of the fee or commission for the countersignature. Where the licensed nonresident agent or broker or the insurer assuming the risk desires the resident commissioned agent to render additional services during the life of a policy, the compensation to the countersigning commissioned registered agent is a matter of contract between the parties in interest.~~

—6.] An insurer may use an endorsement to the policy for the sole purpose of countersigning the policy, as required in this section, only if:

- (a) The endorsement is attached to the policy to which it applies; and
- (b) The policy insures persons or property in this State and one or more other states.

Sec. 8. 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

(f) Annual renewal of the registration of additional title pursuant to NRS 680A.240 25

2. Charter documents, other than those filed with an application for a certificate of authority. Filing amendments to articles of incorporation, charter, bylaws, power of attorney and other constituent documents of the insurer, each document \$10

3. Annual statement or report. For filing annual statement or report \$25

4. Service of process:

(a) Filing of power of attorney \$5

(b) Acceptance of service of process..... 30

5. Licenses, appointments and renewals for producers of insurance:

(a) Application and license..... \$125

(b) Appointment fee for each insurer 15

(c) Triennial renewal of each license 125

(d) Temporary license 10

(e) Modification of an existing license..... 50

6. Surplus lines brokers:

(a) Application and license..... \$125

(b) Triennial renewal of each license 125

7. Managing general agents' licenses, appointments and renewals:

(a) Application and license..... \$125

(b) Appointment fee for each insurer 15

(c) Triennial renewal of each license 125

8. Adjusters' licenses and renewals:

(a) Independent and public adjusters:

(1) Application and license \$125

(2) Triennial renewal of each license 125

(b) Associate adjusters:

(1) Application and license 125

(2) Triennial renewal of each license 125

9. Licenses and renewals for appraisers of physical damage to motor vehicles:

(a) Application and license..... \$125

(b) Triennial renewal of each license 125



- 10. Additional title and property insurers pursuant to NRS 680A.240:
 - (a) Original registration \$50
 - (b) Annual renewal 25
- 11. Insurance vending machines:
 - (a) Application and license, for each machine \$125
 - (b) Triennial renewal of each license 125
- 12. Permit for solicitation for securities:
 - (a) Application for permit..... \$100
 - (b) Extension of permit..... \$50
- 13. Securities salesmen for domestic insurers:
 - (a) Application and license..... \$25
 - (b) Annual renewal of license 15
- 14. Rating organizations:
 - (a) Application and license..... \$500
 - (b) Annual renewal..... 500
- 15. Certificates and renewals for administrators licensed pursuant to chapter 683A of NRS:
 - (a) Application and certificate of registration \$125
 - (b) Triennial renewal 125
- 16. For copies of the insurance laws of Nevada, a fee which is not less than the cost of producing the copies.
- 17. Certified copies of certificates of authority and licenses issued pursuant to the Code \$10
- 18. For copies and amendments of documents on file in the Division, a reasonable charge fixed by the Commissioner, including charges for duplicating or amending the forms and for certifying the copies and affixing the official seal.
- 19. Letter of clearance for a producer of insurance or other licensee if requested by someone other than the licensee \$10
- 20. Certificate of status as a producer of insurance or other licensee if requested by someone other than the licensee \$10
- 21. Licenses, appointments and renewals for bail agents:
 - (a) Application and license..... \$125
 - (b) Appointment for each surety insurer 15
 - (c) Triennial renewal of each license 125
- 22. Licenses and renewals for bail enforcement agents:



(a) Application and license.....	\$125
(b) Triennial renewal of each license	125
23. Licenses, appointments and renewals for general agents for bail:	
(a) Application and license.....	\$125
(b) Initial appointment by each insurer	15
(c) Triennial renewal of each license	125
24. Licenses and renewals for bail solicitors:	
(a) Application and license.....	\$125
(b) Triennial renewal of each license	125
25. Licenses and renewals for title agents and escrow officers:	
(a) Application and license.....	\$125
(b) Triennial renewal of each license	125
(c) Appointment fee for each title insurer	15
(d) Change in name or location of business or in association	10
26. Certificate of authority and renewal for a seller of prepaid funeral contracts	\$125
27. Licenses and renewals for agents for prepaid funeral contracts:	
(a) Application and license.....	\$125
(b) Triennial renewal of each license	\$125
28. Licenses, appointments and renewals for agents for fraternal benefit societies:	
(a) Application and license.....	\$125
(b) Appointment for each insurer	15
(c) Triennial renewal of each license	125
29. Reinsurance intermediary broker or manager:	
(a) Application and license.....	\$125
(b) Triennial renewal of each license	125
30. Agents for and sellers of prepaid burial contracts:	
(a) Application and certificate or license	\$125
(b) Triennial renewal	125
31. Risk retention groups:	
(a) Initial registration.....	\$250
(b) Each annual continuation of a certificate of registration	250
32. Required filing of forms:	
(a) For rates and policies	\$25
(b) For riders and endorsements	10
33. Viatical settlements:	



- (a) Provider of viatical settlements:
 - (1) Application and license \$1,000
 - (2) Annual renewal..... 1,000
- (b) Broker of viatical settlements:
 - (1) Application and license 500
 - (2) Annual renewal..... 500
- (c) Registration of producer of insurance acting as a viatical settlement broker..... \$250
- 34. Insurance consultants:
 - (a) Application and license..... \$125
 - (b) Triennial renewal..... 125
- 35. Licensee's association with or appointment or sponsorship by an organization:
 - (a) Initial appointment, association or sponsorship, for each organization \$50
 - (b) Renewal of each association or sponsorship 50
 - (c) Annual renewal of appointment..... 15
- 36. Purchasing groups:
 - (a) Initial registration and review of an application \$100
 - (b) Each annual continuation of registration 100
- 37. *In addition to any other fee or charge, all applicable fees required of any person, including, without limitation, persons listed in this section, pursuant to section 3 of this act.***

Sec. 9. NRS 680B.060 is hereby amended to read as follows:

680B.060 1. The taxes imposed under NRS 680B.027 must be collected by the Department of Taxation and promptly deposited with the State Treasurer for credit to the State General Fund.

2. If the tax is not paid by the insurer on or before the date required for payment, the tax then becomes delinquent, and payment thereof may be enforced by court action instituted on behalf of the State by the Attorney General. The Attorney General may employ additional counsel in the city where the home office of the insurer is located, subject to the approval of compensation for such services by the State Board of Examiners. The administrative and substantive enforcement provisions of chapters 360 and 372 of NRS apply to the enforcement of the taxes imposed under NRS 680B.027.

3. Upon the tax becoming delinquent, the Executive Director of the Department of Taxation shall notify the Commissioner, who shall suspend or revoke the insurer's certificate of authority pursuant to NRS 680A.190.

4. If a dispute arises between an insurer and the State as to the amount of tax, if any, payable, the insurer is entitled to pay under protest the tax in the amount assessed by the Department of



Taxation, without waiving or otherwise affecting any right of the insurer to recover any amount determined, through appropriate legal action taken by the insurer against the Department of Taxation, to have been in excess of the amount of tax lawfully payable.

5. ~~[A]~~ *Except as otherwise provided in section 3 of this act, all* taxes, fees, licenses, fines and charges collected under this Code, including the general premium tax provided for under NRS 680B.027 and as increased in any instances pursuant to NRS 680A.330, must be promptly deposited with the State Treasurer for credit to the State General Fund.

Sec. 10. NRS 681A.160 is hereby amended to read as follows:

681A.160 1. Except as otherwise provided in subsection 2, credit must be allowed if reinsurance is ceded to an assuming insurer which is accredited as a reinsurer in this state. An accredited reinsurer is one which:

(a) Files with the Commissioner an executed form approved by the Commissioner as evidence of its submission to this state's jurisdiction;

(b) Submits to this state's authority to examine its books and records;

(c) Files with the Commissioner a certified copy of a certificate of authority or other evidence approved by the Commissioner indicating that it is licensed to transact insurance or reinsurance in at least one state, or in the case of a branch in the United States of an alien assuming insurer is entered through and licensed to transact insurance or reinsurance in at least one state;

(d) Files annually with the Commissioner a copy of its annual statement filed with the Division of its state of domicile or entry and a copy of its most recent audited financial statement; ~~and~~

(e) Maintains a surplus as regards policyholders in an amount which is not less than \$20,000,000 and whose accreditation:

(1) Has not been denied by the Commissioner within 90 days after its submission; or

(2) Has been approved by the Commissioner ~~[]~~; *and*

(f) Pays all applicable fees, including, without limitation, all applicable fees required pursuant to section 3 of this act.

2. No credit may be allowed for a domestic ceding insurer if the assuming insurer's accreditation has been revoked by the Commissioner after notice and a hearing.

Sec. 11. NRS 681A.430 is hereby amended to read as follows:

681A.430 1. The Commissioner may issue a license to act as an intermediary to any person who has complied with the requirements of NRS 681A.250 to 681A.580, inclusive, and who



submits a written application for a license to act as an intermediary , ~~and~~ the appropriate fee set forth in NRS 680B.010 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.* A license issued to a firm or association authorizes all the members of the firm or association and any designated employees to act as intermediaries. All those persons must be named in the application and any supplements thereto. A license issued to a corporation authorizes all of the officers and any designated employees and directors of the corporation to act as intermediaries on behalf of the corporation. All those persons must be named in the application and in any supplements thereto.

2. If an applicant for a license to act as an intermediary is a nonresident, he shall:

(a) Designate the Commissioner as agent for service of process;

(b) Furnish the Commissioner with the name and address of a resident of Nevada upon whom notices or orders of the Commissioner or process affecting the nonresident reinsurance intermediary may be served; and

(c) Promptly notify the Commissioner in writing of every change in his designated agent for service of process. The change is not effective until acknowledged by the Commissioner.

Sec. 12. NRS 683A.08524 is hereby amended to read as follows:

683A.08524 1. Except as otherwise provided in subsection 2, the Commissioner shall issue a certificate of registration as an administrator to an applicant who:

(a) Submits an application on a form prescribed by the Commissioner;

(b) Has complied with the provisions of NRS 683A.08522; and

(c) Pays the fee for the issuance of a certificate of registration prescribed in NRS 680B.010 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

2. The Commissioner may refuse to issue a certificate of registration as an administrator to an applicant if the Commissioner determines that the applicant or any person who has completed an affidavit pursuant to subsection 6 of NRS 683A.08522:

(a) Is not competent to act as an administrator;

(b) Is not trustworthy or financially responsible;

(c) Does not have a good personal or business reputation;

(d) Has had a license or certificate to transact insurance denied for cause, suspended or revoked in this state or any other state;

(e) Has failed to comply with any provision of this chapter; or



(f) Is financially unsound.

Sec. 13. 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.

2. An administrator may renew a certificate of registration if he submits to the Commissioner:

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

(b) The fee for the renewal of the certificate of registration prescribed in NRS 680B.010 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

3. A certificate of registration that is suspended or revoked must be surrendered immediately to the Commissioner.

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

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

1. A complete set of his fingerprints which the Commissioner may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

2. The appointment of the applicant as a managing general agent by each insurer or underwriter department to be so represented; and

3. The application and license fee specified in NRS 680B.010 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

Sec. 15. NRS 683A.251 is hereby amended to read as follows:

683A.251 1. The Commissioner shall prescribe the form of application by a natural person for a license as a resident producer of insurance. The applicant must declare, under penalty of refusal to issue, or suspension or revocation of, the license, that the statements made in the application are true, correct and complete to the best of his knowledge and belief. Before approving the application, the Commissioner must find that the applicant has:

(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;

(c) Completed a course of study for the lines of authority for which the application is made, unless the applicant is exempt from this requirement;



(d) Paid ~~the fee~~ *all applicable fees* prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, neither of which may be refunded; and

(e) Successfully passed the examinations for the lines of authority for which application is made, unless the applicant is exempt from this requirement.

2. A business organization must be licensed as a producer of insurance 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 ~~the fee~~ *all applicable fees* prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, neither of which may be refunded;

(b) Designated a natural person who is licensed as a producer of insurance and who is 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; and

(c) If the business organization has authorized a producer of insurance not designated pursuant to paragraph (b) to transact business on behalf of the business organization, submitted to the Commissioner on a form prescribed by the Commissioner the name of each producer of insurance authorized to transact business on behalf of the business organization.

3. A natural person who is a resident of this State applying for a license must furnish a complete set of his fingerprints which the Commissioner may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report. The Commissioner shall adopt regulations concerning the procedures for obtaining this information.

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

Sec. 16. NRS 683A.261 is hereby amended to read as follows:

683A.261 1. Unless the Commissioner refuses to issue the license under NRS 683A.451, he shall issue a license as a producer of insurance to a person who has satisfied the requirements of NRS 683A.241 and 683A.251. A producer of insurance may qualify for a license in one or more of the lines of authority permitted by statute or regulation, including:



(a) Life insurance on human lives, which includes benefits from endowments and annuities and may include additional benefits from death by accident and benefits for dismemberment by accident and for disability.

(b) Health insurance for sickness, bodily injury or accidental death, which may include benefits for disability.

(c) Property insurance for direct or consequential loss or damage to property of every kind.

(d) Casualty insurance against legal liability, including liability for death, injury or disability and damage to real or personal property.

(e) Surety indemnifying financial institutions or providing bonds for fidelity, performance of contracts or financial guaranty.

(f) Variable annuities and variable life insurance, including coverage reflecting the results of a separate investment account.

(g) Credit insurance, including life, disability, property, unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed protection of assets, and any other form of insurance offered in connection with an extension of credit that is limited to wholly or partially extinguishing the obligation which the Commissioner determines should be considered as limited-line credit insurance.

(h) Personal lines, consisting of automobile and motorcycle insurance and residential property insurance, including coverage for flood, of personal watercraft and of excess liability, written over one or more underlying policies of automobile or residential property insurance.

(i) Fixed annuities as a limited line.

(j) Travel and baggage as a limited line.

(k) Rental car agency as a limited line.

2. A license as a producer of insurance remains in effect unless revoked, suspended or otherwise terminated if a request for a renewal is submitted on or before the date for the renewal specified on the license, ~~the fee~~ *all applicable fees* for renewal and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account are paid for each license and each authorization to transact business on behalf of a business organization licensed pursuant to subsection 2 of NRS 683A.251, and any requirement for education or any other requirement to renew the license is satisfied by the date specified on the license for the renewal. A producer of insurance may submit a request for a renewal of his license within 30 days after the date specified on the license for the renewal if the producer of insurance otherwise



complies with the provisions of this subsection and pays, in addition to any fee paid pursuant to this subsection, a penalty of 50 percent of ~~the~~ *all applicable* renewal ~~fee~~ *fees, except for any fee required pursuant to section 3 of this act.* A license as a producer of insurance expires if the Commissioner receives a request for a renewal of the license more than 30 days after the date specified on the license for the renewal. A fee paid pursuant to this subsection is nonrefundable.

3. A natural person who allows his license as a producer of insurance to expire may reapply for the same license within 12 months after the date specified on the license for a renewal without passing a written examination or completing a course of study required by paragraph (c) of subsection 1 of NRS 683A.251, but a penalty of twice ~~the~~ *all applicable* renewal ~~fee~~ *fees, except for any fee required pursuant to section 3 of this act,* is required for any request for a renewal of the license that is received after the date specified on the license for the renewal.

4. A licensed producer of insurance who is unable to renew his 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.

5. 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. A resident producer of insurance shall maintain a place of business in this State which is accessible to the public and where he principally conducts transactions under his license. The place of business may be in his residence. The license must be conspicuously displayed in an area of the place of business which is open to the public.

6. A licensee shall inform the Commissioner of each change of location from which he conducts business as a producer of insurance and each change of business or residence address, in writing or by other means acceptable to the Commissioner, within 30 days after the change. If a licensee changes the location from which he conducts business as a producer of insurance or his business or residence address without giving written notice and the Commissioner is unable to locate the licensee after diligent effort, he may revoke the license without a hearing. The mailing of a letter by certified mail, return receipt requested, addressed to the licensee at his last mailing address appearing on the records of the Division,



and the return of the letter undelivered, constitutes a diligent effort by the Commissioner.

Sec. 17. NRS 683A.271 is hereby amended to read as follows:

683A.271 1. Unless the Commissioner refuses to issue the license under NRS 683A.451, the Commissioner shall issue a license as a producer of insurance to a nonresident person if:

(a) He is currently licensed as a resident and in good standing in his home state;

(b) He has made the proper request for licensure and paid ~~the fee~~ *all applicable fees* prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account;

(c) He has sent to the Commissioner the application for licensure that he made in his home state, or a completed uniform application; and

(d) His home state issues nonresident licenses as producers of insurance to residents of this State pursuant to substantially the same procedure.

2. The Commissioner may participate with the National Association of Insurance Commissioners or a subsidiary in a centralized registry in which licensing and appointment of producers of insurance may be effected for all states that require licensing and participate in the registry. If he finds that participation is in the public interest, he may adopt by regulation any uniform standards and procedures necessary for participation, including central collection of fees for licensing and appointment that are handled through the registry.

3. A nonresident producer who moves from one state to another state shall file a change of address and certification from his new state of residence within 30 days after his change of legal residence. No fee or application for license is required.

4. A nonresident licensed as a producer for surplus lines in his home state must be issued a nonresident license of that kind in this State pursuant to subsection 1, subject in all other respects to chapter 685A of NRS. A nonresident licensed as a producer for limited lines in his home state is entitled to a nonresident license of that kind in this State pursuant to subsection 1, granting the same scope of authority as the license issued in the home state. As used in this subsection, insurance for limited lines is authority granted by the home state which is restricted to less than the total authority prescribed for the associated major lines pursuant to NRS 683A.261.



Sec. 18. NRS 683A.371 is hereby amended to read as follows:

683A.371 1. An external review organization shall not conduct an external review of a final adverse determination pursuant to NRS 695G.241 to 695G.310, inclusive, unless the external review organization is certified in accordance with regulations adopted by the Commissioner. The regulations must include, without limitation, provisions setting forth:

(a) The manner in which an external review organization may apply for a certificate and the requirements for the issuance and renewal of the certificate pursuant to this section;

(b) The grounds for which the Commissioner may refuse to issue, suspend, revoke or refuse to renew a certificate issued pursuant to this section; and

(c) The manner and circumstances under which an external review organization is required to conduct its business.

2. A certificate issued pursuant to this section expires 1 year after it is issued and may be renewed in accordance with regulations adopted by the Commissioner.

3. Except as otherwise provided in subsection 6, before the Commissioner may certify an external review organization, the external review organization must:

(a) Demonstrate to the satisfaction of the Commissioner that it is able to carry out, in a timely manner, the duties of an external review organization set forth in this section and NRS 695G.241 to 695G.310, inclusive. The demonstration must include, without limitation, proof that the external review organization employs, contracts with or otherwise retains only persons who are qualified because of their education, training, professional licensing and experience to perform the duties assigned to those persons; and

(b) Provide assurances satisfactory to the Commissioner that the external review organization will:

(1) Conduct its external review activities in accordance with the provisions of this section and NRS 695G.241 to 695G.310, inclusive;

(2) Provide its determinations in a clear, consistent, thorough and timely manner; and

(3) Avoid conflicts of interest.

4. For the purposes of this section, an external review organization has a conflict of interest if the external review organization or any employee, agent or contractor of the external review organization who conducts an external review has a material professional, familial or financial interest in any person who has a



substantial interest in the outcome of the external review, including, without limitation:

- (a) The insured;
- (b) The insurer or any officer, director or management employee of the insurer;
- (c) The provider of health care services that are provided or proposed to be provided, his partner or any other member of his medical group or practice;
- (d) The hospital or other licensed health care facility where the health care service or treatment that is subject to external review has been or will be provided; or
- (e) A developer, manufacturer or other person who has a substantial interest in the principal procedure, equipment, drug, device or other instrumentality that is the subject of the external review.

5. The Commissioner shall not certify an external review organization that is affiliated with:

- (a) A health care plan; or
- (b) A national, state or local trade association.

6. An external review organization that is certified or accredited by an accrediting body that is nationally recognized shall be deemed to have satisfied all the conditions and qualifications required for certification pursuant to this section.

7. The Commissioner may charge and collect ~~{a fee}~~ *all applicable fees* for issuing or renewing a certificate of an external review organization pursuant to this section. ~~{The fee must not exceed the cost of issuing or renewing the certificate.}~~

8. The Commissioner shall annually prepare and make available to the general public a list that includes the name of each external review organization which is issued a certificate or whose certificate is renewed pursuant to this section during the year immediately preceding the year in which the Commissioner prepares the list.

9. As used in this section:

(a) "Adverse determination" has the meaning ascribed to it in NRS 695G.012.

(b) "External review organization" has the meaning ascribed to it in NRS 695G.018.

(c) "Provider of health care" means any physician or other person who is licensed in this State or is licensed, certified or otherwise authorized by any other state to provide any health care service.



Sec. 19. NRS 683A.378 is hereby amended to read as follows:
683A.378 1. A person shall not conduct utilization review

unless he is:

(a) Registered 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; or

(b) Employed by a registered agent who performs utilization review.

2. A person may apply for registration by filing with the Commissioner a \$250 fee *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act* and the following information on a form provided by the Commissioner:

(a) The applicant'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 applicant;

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

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

3. An agent who performs utilization review shall file with the Commissioner any material changes in the information provided pursuant to subsection 1 within 30 days after the change occurs.

4. The Commissioner shall not evaluate the plan submitted pursuant to paragraph (d) of subsection 2. The Commissioner shall make the plan available upon request and shall charge a reasonable fee 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 and paying a renewal fee of \$250 ~~+~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

Sec. 20. NRS 683C.030 is hereby amended to read as follows:

683C.030 1. An application for a license to act as an insurance consultant must be submitted to the Commissioner on forms prescribed by the Commissioner and must be accompanied by the applicable license fee set forth in NRS 680B.010 , ~~and~~ an additional fee established by the Commissioner of not more than \$15 which must be deposited in the Insurance Recovery Account



created pursuant to NRS 679B.305 ~~[]~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.* The license fee *set forth in NRS 680B.010* and the additional fee *established by the Commissioner of not more than \$15* are not refundable. If the applicant is a natural person, the application must include the social security number of the applicant.

2. An applicant for an insurance consultant's license must successfully complete an examination and a course of instruction which the Commissioner shall establish by regulation.

3. Each license issued pursuant to this chapter is valid for 3 years from the date of issuance or until it is suspended, revoked or otherwise terminated ~~[]~~, *and each insurance consultant must pay, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

Sec. 21. NRS 683C.035 is hereby amended to read as follows:

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

(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 ~~[the fee]~~ *all applicable fees* prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, ~~[neither]~~ *none* of which may be refunded.

(d) Passed each examination required for the license and successfully completed each course of instruction which the Commissioner requires by regulation, unless he 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 ~~[the fee]~~ *all applicable fees* prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, ~~[neither]~~ *none* of which may be refunded; and

(b) Designated a natural person who is licensed as an insurance consultant in this State and who is affiliated with 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. 22. NRS 683C.040 is hereby amended to read as follows:

683C.040 1. A license may be renewed for additional 3-year periods by submitting to the Commissioner an application for renewal and:

(a) If the application is made:

(1) On or before the expiration date of the license, ~~the~~ all applicable renewal ~~fee~~ fees and an additional fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account; or

(2) Not more than 30 days after the expiration date of the license, ~~the~~ all applicable renewal ~~fee~~ fees plus any late fee required and an additional fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account;

(b) If the applicant is a natural person, the statement required pursuant to NRS 683C.043; and

(c) If the applicant is a resident, proof of the successful completion of appropriate courses of study required for renewal, as established by the Commissioner by regulation.

2. The fees specified in this section are not refundable.

Sec. 23. 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 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 firm or corporation, the application must also include the names of all firm members, all corporate officers and directors, and shall designate each individual who is to exercise



the license powers. 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, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

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.

Sec. 24. NRS 684A.130 is hereby amended to read as follows:

684A.130 1. Each license issued under this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon payment of ~~{the}~~ *all* applicable ~~{fee}~~ *fees* for renewal to the Commissioner and submission of the statement required pursuant to NRS 684A.143 if the licensee is a natural person. The statement, if required, must be submitted and ~~{the fee}~~ *all applicable fees* must be paid on or before the last day of the month in which the license is renewable.

2. Any license not so renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by:

(a) A fee for renewal of 150 percent of ~~{the fee}~~ *all applicable fees* otherwise required ~~{}~~, *except for any fee required pursuant to section 3 of this act;* and

(b) If the person requesting renewal is a natural person, the statement required pursuant to NRS 684A.143.

3. This section does not apply to temporary licenses issued under NRS 684A.150.

Sec. 25. NRS 684A.140 is hereby amended to read as follows:

684A.140 1. Concurrently with an application for a license or for renewal of a license as an adjuster, the applicant or licensee must provide an appointment for each associate adjuster employed by him or to be employed by him contingent upon issuance of the license. Each person who desires to become licensed as an associate adjuster must submit an application to the Commissioner for such a license. The application must include the social security number of the applicant.



2. Upon payment of ~~the appropriate fee,~~ *all applicable fees*, the Commissioner shall issue and deliver to a licensed adjuster a license for each associate authorized by the State to act on behalf of the licensee. The Commissioner shall not issue a license as an associate adjuster to a person who is licensed as a producer of insurance for property, casualty or surety or a surplus lines broker.

3. The license of an associate adjuster may be renewed upon payment of ~~the~~ *all* applicable ~~fee,~~ *fees*. His license terminates at the same time as the license of the employing adjuster unless, within 30 days after the termination of the license, the associate adjuster submits to the Commissioner ~~the~~ *all* applicable ~~fee~~ *fees* and a request to be employed by another employing adjuster. The Commissioner shall promptly terminate an associate adjuster's license upon written request therefor by the employing adjuster.

4. A person shall not act as or hold himself out in this State to be an associate adjuster unless he holds a current license as such issued to him by the Commissioner. A violation of this provision is a gross misdemeanor.

Sec. 26. NRS 684B.020 is hereby amended to read as follows:

684B.020 1. No person may act as a motor vehicle physical damage appraiser for motor vehicle physical damage claims on behalf of any insurance company or business organization engaged in the adjustment or appraisal of motor vehicle claims unless he has:

- (a) Secured a license from the Commissioner.
- (b) Paid ~~the~~ *all* applicable license ~~fee,~~ *fees*.

2. Any person who has been engaged in the business as a motor vehicle physical damage appraiser for a period of 2 consecutive years immediately before January 1, 1972, is entitled to a license upon application to the Commissioner without further qualification.

3. The provisions of this section do not apply to:

- (a) A licensed insurance adjuster.
- (b) An employee of any authorized insurer, motor club, motor vehicle dealer or automobile body repair shop.

4. A person who acts as a motor vehicle physical damage appraiser in this state without a license, unless exempt under subsection 3, is subject to an administrative fine of not more than \$1,000 for each violation.

Sec. 27. 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



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 application must include the names of all members, officers and directors, and must designate each 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 own name.

4. The application must be accompanied by ~~the~~ *all* applicable license ~~fee~~ *fees*. The Commissioner shall charge ~~a~~ separate ~~fee~~ *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 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 his application. A violation of this subsection is a gross misdemeanor.

Sec. 28. NRS 684B.060 is hereby amended to read as follows:

684B.060 1. If the Commissioner finds that the application is complete and the applicant is otherwise eligible and qualified for the license as a motor vehicle physical damage appraiser, the Commissioner shall promptly issue the license. If the Commissioner refuses to issue the license he shall promptly notify the applicant in writing of the refusal, stating the grounds for the refusal.

2. If the license is refused, the Commissioner shall promptly refund to the applicant ~~the~~ *any refundable* license ~~fee~~ *fees* tendered with the application.

Sec. 29. NRS 684B.080 is hereby amended to read as follows:

684B.080 1. Each license issued under this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon payment of ~~the~~ *all* applicable ~~fee~~ *fees* for renewal to the Commissioner and submission of the statement required pursuant to NRS 684B.083 if the licensee is a natural person. The statement, if required, must be submitted and ~~the fee~~ *all applicable fees* must be paid on or before the last day of the month in which the license is renewable.



2. Any license not so renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by a fee for renewal of 150 percent of ~~{the fee}~~ *all applicable fees* otherwise required, *except for any fee required pursuant to section 3 of this act*, and the statement required pursuant to NRS 684B.083 if the person requesting renewal is a natural person.

Sec. 30. NRS 685A.070 is hereby amended to read as follows:

685A.070 1. A broker shall not knowingly place surplus lines insurance with an insurer which is unsound financially or ineligible pursuant to this section.

2. Except as otherwise provided in this section, an insurer is not eligible to accept surplus lines risks pursuant to this chapter unless it has surplus as to policyholders in an amount of not less than \$15,000,000 and, if an alien insurer, unless it has and maintains in a bank or trust company which is a member of the United States Federal Reserve System a trust fund established pursuant to terms that are reasonably adequate to protect all of its policyholders in the United States. Such a trust fund must not have an expiration date which is at any time less than 5 years in the future, on a continuing basis. In the case of:

(a) A single alien insurer, such a trust fund must not be less than the greater of \$5,400,000 or 30 percent of the gross liabilities of the alien insurer for surplus lines in the United States, excluding any liabilities for aviation, wet marine and transportation insurance, not to exceed \$60,000,000, to be determined annually on the basis of accounting practices and procedures that are substantially equivalent to the accounting practices and procedures applicable in this State as of December 31 of the year immediately preceding the date of the determination where:

(1) The liabilities are maintained in an irrevocable trust account in a qualified financial institution in the United States, on behalf of policyholders in the United States, consisting of cash, securities, letters of credit or any other investments of substantially the same character and quality as investments that are eligible investments pursuant to chapter 682A of NRS for the capital and statutory reserves of admitted insurers to write like kinds of insurance in this State. The trust fund, which must be included in any calculation of capital and surplus or its equivalent, must comply with the requirements set forth in the Standard Trust Agreement required for listing with the International Insurers Department of the National Association of Insurance Commissioners;



(2) The alien insurer may request approval by the Commissioner to use the trust fund to pay any valid claim against a surplus line if the balance of the trust fund is not, during any period, less than \$5,400,000 or 30 percent of the alien insurer's current gross liabilities for surplus lines in the United States, excluding any liabilities for aviation, wet marine and transportation insurance; and

(3) In calculating the amount of the trust fund required by this subsection, credit must be given for any deposits for any surplus lines that are separately required and maintained within a state or territory of the United States, not to exceed the amount of the alien insurer's loss and loss adjustment reserves maintained in that state or territory.

(b) A group of insurers which includes individual unincorporated insurers, such a trust fund must not be less than \$100,000,000.

(c) A group of incorporated insurers under common administration, such a trust fund must not be less than \$100,000,000. Each insurer within the group must individually maintain capital and surplus of not less than \$25,000,000. The group of incorporated insurers must:

(1) Operate under the supervision of the Department of Trade and Industry of the United Kingdom;

(2) Possess aggregate policyholders surplus of \$10,000,000,000, which must consist of money in trust in an amount not less than the assuming insurers' liabilities attributable to insurance written in the United States; and

(3) Maintain a joint trustee surplus of which \$100,000,000 must be held jointly for the benefit of United States ceding insurers of any member of the group.

(d) An insurance exchange created by the laws of a state, the insurance exchange shall have and maintain a trust fund in an amount of not less than \$75,000,000 or have a surplus as to policyholders in an amount of not less than \$75,000,000. If an insurance exchange maintains money for the protection of all policyholders, each syndicate shall maintain minimum capital and surplus of not less than \$15,000,000 and must qualify separately to be eligible for the acceptance of surplus lines risks pursuant to this chapter.

↳ The Commissioner may require larger trust funds or surplus as to policyholders than those set forth in this section if, in his judgment, the volume of business being transacted or proposed to be transacted warrants larger amounts.



3. An insurer is not eligible to write surplus lines of insurance unless it has established a reputation for financial integrity and satisfactory practices in underwriting and handling claims. In addition, a foreign insurer must be authorized in the state of its domicile to write the kinds of insurance which it intends to write in Nevada.

4. The Commissioner may from time to time compile or approve a list of all surplus lines insurers deemed by him to be eligible currently, and may mail a copy of the list to each broker at his office last of record with the Commissioner. To be placed on the list, a surplus lines insurer must file an application with the Commissioner. The application must be accompanied by a nonrefundable fee of \$2,450 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act. To remain on the list, a surplus line insurer must pay, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.* This subsection does not require the Commissioner to determine the actual financial condition or claims practices of any unauthorized insurer. The status of eligibility, if granted by the Commissioner, indicates only that the insurer appears to be sound financially and to have satisfactory claims practices, and that the Commissioner has no credible evidence to the contrary. While any such list is in effect, the broker shall restrict to the insurers so listed all surplus lines business placed by him.

Sec. 31. NRS 685A.120 is hereby amended to read as follows:

685A.120 1. No person may act as, hold himself out as or be a surplus lines broker with respect to subjects of insurance resident, located or to be performed in this State or elsewhere unless he is licensed as such by the Commissioner pursuant to this chapter.

2. Any person who has been licensed by this State as a producer of insurance for general lines for at least 6 months, or has been licensed in another state as a surplus lines broker and continues to be licensed in that state, and who is deemed by the Commissioner to be competent and trustworthy with respect to the handling of surplus lines may be licensed as a surplus lines broker upon:

(a) Application for a license and payment of ~~the~~ *all* applicable ~~fee~~ *fees* for a license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created by NRS 679B.305;

(b) Submitting the statement required pursuant to NRS 685A.127; and



(c) Passing any examination prescribed by the Commissioner on the subject of surplus lines.

3. An application for a license must be submitted to the Commissioner on a form designated and furnished by him. The application must include the social security number of the applicant.

4. A license issued pursuant to this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. The license may be renewed upon submission of the statement required pursuant to NRS 685A.127 and payment of ~~the~~ *all* applicable ~~fee~~ *fees* for renewal and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created by NRS 679B.305 to the Commissioner on or before the last day of the month in which the license is renewable.

5. A license which is not renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by:

(a) The statement required pursuant to NRS 685A.127;

(b) ~~The~~ *All* applicable ~~fee~~ *fees* for renewal;

(c) A penalty in an amount that is equal to 50 percent of ~~the~~ *all* applicable ~~fee~~ *fees* for renewal ~~;~~ *, except for any fee required pursuant to section 3 of this act;* and

(d) A fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created by NRS 679B.305.

Sec. 32. NRS 686A.360 is hereby amended to read as follows:

686A.360 1. An application for a license to engage in the business of a company must be filed with the Commissioner on a form prescribed by him and must include:

(a) A nonrefundable fee for application and for investigation of the applicant of \$500 ~~;~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act;*

(b) A surety bond payable to the State of Nevada in the amount of \$50,000, executed by a surety company which is authorized to do business in Nevada;

(c) A current certified financial statement or another financial statement if individually approved by the Commissioner;

(d) An appointment of the Commissioner and his successors in office as the applicant's attorney to receive service of process; and

(e) If the applicant is a corporation, a copy of its articles of incorporation.



2. The applicant shall provide the Commissioner with any material change concerning information contained in the application within 10 days after the change occurs.

Sec. 33. NRS 686A.380 is hereby amended to read as follows:

686A.380 1. A company must renew its license on or before March 1 of each year. An application for renewal must be submitted on a form prescribed by the Commissioner and must be accompanied by:

(a) A financial statement for the preceding year; and

(b) A fee of \$500 , ~~and~~ any penalty imposed pursuant to subsection 2 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

2. The Commissioner may grant an extension allowing a company to file an application for renewal after March 1 if the company shows that for reasons beyond its control it cannot apply before that date. If a company which has not been granted an extension files its application for renewal after March 1, the company shall pay a penalty of \$25 for each day the application is late.

Sec. 34. NRS 686B.140 is hereby amended to read as follows:

686B.140 1. A rate service organization or an advisory organization applying for a license as required by NRS 686B.130 must include with its application:

(a) A copy of its constitution, charter, articles of organization, agreement, association or incorporation, and a copy of its bylaws, plan of operation and any other rules or regulations governing the conduct of its business;

(b) A list of its membership and subscribers;

(c) The name and address of one or more residents of this State upon whom notices, process affecting it or orders of the Commissioner may be served;

(d) A statement showing its technical qualifications for acting in the capacity for which it seeks a license;

(e) If the applicant is a natural person who wishes to obtain a license as a rate service organization, the statement required pursuant to NRS 686B.143;

(f) Any other relevant information and documents that the Commissioner may require; and

(g) ~~The~~ *All* applicable ~~fee~~ *fees*.

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

3. Every organization which has applied for a license pursuant to subsection 1 shall thereafter promptly notify the Commissioner of



every material change in the facts or in the documents on which its application was based.

4. If the Commissioner finds that the applicant and the natural persons through whom it acts are competent, trustworthy and technically qualified to provide the services proposed, and that all requirements of law are met, he shall issue a license specifying the authorized activity of the applicant. He shall not issue a license if the proposed activity would tend to create a monopoly or to lessen or destroy competition in prices.

5. A license issued pursuant to this section continues in effect until the licensee leaves the State or until the license is suspended, revoked or otherwise terminated. A license may be renewed upon:

(a) If the licensee is a natural person who has been issued a license as a rate service organization, submission of the statement required pursuant to NRS 686B.143 and payment of ~~the~~ *all* applicable ~~fee~~ *fees* for renewal to the Commissioner on or before the last day on which the license is renewable; or

(b) If the licensee is an advisory organization or a rate service organization that is not a natural person, payment of ~~the~~ *all* applicable ~~fee~~ *fees* for renewal to the Commissioner on or before the last day on which the license is renewable.

6. A license which is not renewed annually expires on March 1. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by:

(a) If the licensee is a natural person who has been issued a license as a rate service organization, the statement required pursuant to NRS 686B.143 and a fee for renewal of 150 percent of ~~the fee~~ *all applicable fees* otherwise required ~~;~~ *, except for any fee required pursuant to section 3 of this act;* or

(b) If the licensee is a rate service organization that is not a natural person or is an advisory organization, a fee for renewal of 150 percent of ~~the fee~~ *all applicable fees* otherwise required ~~;~~ *, except for any fee required pursuant to section 3 of this act.*

7. Any amendment to a document filed pursuant to paragraph (a) of subsection 1 must be filed at least 30 days before it becomes effective. Failure to comply with this subsection is a ground for revocation of the license granted pursuant to subsection 4.

Sec. 35. Chapter 687B of NRS is hereby amended by adding thereto the provisions set forth as sections 36 to 38.5, inclusive, of this act.

Sec. 36. *An insurer or other organization providing health coverage pursuant to chapter 689A, 689B, 689C, 695A, 695B,*



695C, 695D or 695F of NRS shall comply with the provisions of the Genetic Information Nondiscrimination Act of 2008, Public Law 110-233, and any federal regulations issued pursuant thereto.

Sec. 37. *An insurer or other organization providing health coverage pursuant to chapter 689B, 695A, 695B, 695C or 695F of NRS shall comply with the provisions of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, Public Law 110-343, Division C, Title V, Subtitle B, and any federal regulations issued pursuant thereto.*

Sec. 38. *An insurer or other organization providing health coverage pursuant to chapter 689B, 689C, 695A, 695B, 695C or 695F of NRS shall comply with the provisions of Michelle's Law, Public Law 110-381, and any federal regulations issued pursuant thereto.*

Sec. 38.5. *If a policy of health insurance issued pursuant to chapter 689A, 689B, 689C, 695A, 695B, 695C or 695G includes coverage for a prescription drug that is necessary for an insured to prevent the rejection of a transplanted organ, the insurer must notify the insured and, if known, the physician of the insured who prescribed the drug at least 30 days before a change in the formulary of the insurer within the plan year which affects that prescription becomes effective.*

Sec. 38.105. NRS 687B.040 is hereby amended to read as follows:

687B.040 1. Any natural person of competent legal capacity may procure or effect an insurance contract upon his own life or body for the benefit of any person. But a person shall not procure or cause to be procured any insurance contract upon the life or body of another individual unless the benefits under the contract are payable to the person insured or his personal representatives, or to a person having, at the time when the contract was made, an insurable interest in the person insured.

2. *A trust shall not procure, cause to be procured or hold an insurance contract upon the life of a person unless each beneficiary of the trust:*

(a) Has an insurable interest in the person insured; or

(b) Is a charitable, benevolent, educational or religious institution, or an agency thereof, and is designated irrevocably as a beneficiary of the trust.

3. If the beneficiary, assignee or other payee under any contract made in violation of this section receives from the insurer any benefits thereunder accruing upon the death, disablement or injury of the person insured, the person insured or his executor or



administrator, as the case may be, may maintain an action to recover such benefits from the person so receiving them.

~~[3-]~~ 4. As used in this section, “insurable interest” as to such personal insurance means that every person has an insurable interest in the life, body and health of himself, and of other persons as follows:

(a) In the case of persons related closely by blood or by law, a substantial interest engendered by love and affection; and

(b) In the case of other persons, a lawful and substantial economic interest in having the life, health or bodily safety of the person insured continue, as distinguished from an interest which would arise only by, or would be enhanced in value by, the death, disablement or injury of the person insured.

~~[4-]~~ 5. Before, on or after January 1, 1972, an individual party to a contract or option for the purchase or sale of an interest in a business partnership or firm, or of shares of stock of a corporation or of an interest in such shares, has an insurable interest in the life, body and health of each individual party to the contract and for the purposes of the contract only, in addition to any insurable interest which may otherwise exist as to the person.

~~[5-]~~ 6. An insurer is entitled to rely upon all statements, declarations and representations made by an applicant for insurance relative to the insurable interest of the applicant in the insured. An insurer does not incur legal liability except as otherwise set forth in the policy, by virtue of any untrue statements, declarations or representations so relied upon in good faith by the insurer.

Sec. 38.12. Chapter 688C of NRS is hereby amended by adding thereto the provisions set forth as sections 38.13 to 38.28, inclusive, of this act.

Sec. 38.13. *“Rescission period” means the shorter period of 60 days after the date on which a viatical settlement is signed by all parties thereto or 30 days after the viator receives the proceeds from that viatical settlement.*

Sec. 38.14. *“Viatical settlement investment” has the meaning ascribed to it in section 97.74 of this act.*

Sec. 38.15. *“Viatical settlement investment agent” or “investment agent of viatical settlements” means a person who is appointed by or contracts with a licensed provider of viatical settlements to solicit or arrange for the funding for the purchase of a viatical settlement by a purchaser of viatical settlements on behalf of the provider of viatical settlements.*

Sec. 38.16. *“Viatical settlement purchase agreement” means a contract or agreement to which the viator is not a party, and*



which is entered into by a purchaser of viatical settlements to purchase a life insurance policy or an interest in a life insurance policy for the purpose of deriving an economic benefit.

Sec. 38.17. *A financial planner, as defined in subsection 3 of NRS 628A.010, who, on behalf of a viator and for a fee, commission or other valuable consideration not paid by a provider or purchaser of viatical settlements, offers or attempts to negotiate a viatical settlement between the viator and one or more providers or brokers of viatical settlements must be licensed as an insurance consultant pursuant to NRS 683C.020.*

Sec. 38.18. 1. *Persons engaged in the business of viatical settlements are subject to the provisions of this chapter and to the following provisions, to the extent reasonably applicable:*

(a) NRS 679B.230 to 679B.300, inclusive, concerning examinations of insurers.

(b) NRS 679B.310 to 679B.370, inclusive, concerning hearings regarding insurers and employees of insurers.

(c) Chapter 680A of NRS.

(d) Chapter 683A of NRS.

(e) NRS 686A.010 to 686A.310, inclusive, concerning trade practices and frauds.

2. Nothing in this chapter or elsewhere in this title preempts or otherwise limits the provisions of chapter 90 of NRS, or of any rules, regulations or orders issued by or through the Administrator of the Securities Division of the Office of the Secretary of State or the Administrator's designee acting pursuant to the authority granted by chapter 90 of NRS.

3. Compliance with the provisions of this chapter does not constitute compliance with any applicable provisions of chapter 90 of NRS or with any rule, regulation or order adopted or issued thereunder.

Sec. 38.19. *A viatical settlement investment agent is deemed to represent the provider of viatical settlements who appointed or contracted with the viatical settlement investment agent.*

Sec. 38.20. *A viatical settlement investment agent shall not:*

1. Have knowledge of the identity of; or

2. Communicate either directly or indirectly with,

↳ a viator or an insured whose policy of insurance is the object of a viatical settlement for which the viatical settlement investment agent solicits or arranges for the funding for the purchase.

Sec. 38.21. 1. *Before the date on which an agreement to purchase a viatical settlement is signed by all parties thereto, the provider of viatical settlements or a viatical settlement investment*



agent who contracted with or was appointed by the provider of viatical settlements shall provide the purchaser of viatical settlements with the following disclosures:

(a) A statement that the purchaser will receive no return on the viatical settlement investment, including dividends and interest, until the insured has died and a claim for a death benefit is made pursuant to the viaticated policy.

(b) A statement that the actual annual rate of return on a viatical settlement is dependent upon an accurate projection of the life expectancy of the insured and that a guaranteed annual rate of return is not determinable.

(c) A statement that a viaticated policy is not a liquid asset.

(d) A statement that the purchaser may lose all, or a substantial portion, of the benefits of the viaticated policy if the insurer who issued the policy goes out of business during the term of the viatical settlement investment.

(e) A statement that the purchaser is responsible for the payment of premiums and other costs related to the viaticated policy, including, without limitation, premiums and costs if the insured returns to health, and that those payments may reduce the purchaser's return on the viatical settlement investment.

(f) A statement as to whether the purchaser is entitled to a refund of all or a part of his payment pursuant to the viatical settlement investment if the viaticated policy is later determined to be void.

(g) A statement that a group insurance policy may contain provisions:

(1) Limiting or negating rights of conversion if the policy is terminated and replaced by another policy; and

(2) Requiring the payment of additional premiums if the policy is converted. If the group insurance policy requires a payment of additional premiums if the policy is converted, a disclosure statement pursuant to this subparagraph must also identify the name of the party responsible for the payment of the additional premiums.

(h) The cost of the premium to be paid by the purchaser.

(i) The costs of any fees or other expenses to be paid by the purchaser.

(j) The name, business address and telephone number of the designated independent escrow agent.

(k) The relationship between the designated independent escrow agent and the broker of viatical settlements.



(l) The risks associated with contestability of the policy, including, without limitation, the risk that the purchaser will have no claim or a limited claim to death benefits if the insurer rescinds the policy during the period of contestability.

(m) A statement as to whether the purchaser will be the owner of the policy in addition to being the beneficiary and, if the purchaser is the beneficiary only and not also the owner, the additional risks associated with that status, including, without limitation, the risk that the beneficiary may be changed or the premium may not be paid.

(n) A description of the experience and qualifications of the person who projects the life expectancy of the insured, the information on which the projection is based and the relationship, if any, between the person who makes the projection and the provider of viatical settlements.

2. The provider of viatical settlements or the viatical settlement investment agent shall also provide to the purchaser of viatical settlements a brochure that describes the process of investment in viatical settlements. The form of the brochure created by the National Association of Insurance Commissioners must be used unless an alternate is developed by the Commissioner.

Sec. 38.22. *Not later than the date of assignment, transfer or sale of all or a portion of a viaticated policy, a provider of viatical settlements or a viatical settlement investment agent who contracted with or was appointed by the provider of viatical settlements shall provide a purchaser of a viatical settlement with the following disclosures:*

1. All certifications relating to the life expectancy of the viator that were obtained by the provider of viatical settlements in the process of determining the price that was paid to the viator.

2. A statement as to whether premium payments or money for the payment of other costs related to the policy has been deposited in an escrow account.

3. If payments or money has been deposited in an escrow account, a statement of the date that the escrow account will be depleted and as to whether the purchaser of viatical settlements will be responsible for payment of premiums thereafter and, if so, a statement of the amount of the premiums.

4. A statement as to whether premiums or other costs related to the policy have been waived.

5. If premiums or other costs have been waived, a statement as to whether the purchaser will be responsible for payment of



the premiums if the insurer that issued the policy terminates the waiver after the purchase, and a statement of the amount of the premiums.

6. The type of policy offered or sold, any additional benefits included with the policy and the status of the policy.

7. If the policy is term insurance, a statement of the additional risks associated with term insurance, including, without limitation, the purchaser's responsibility for additional premiums if the viator renews the policy at the end of the term which is effective at the time of the purchase.

8. The period of contestability, if any, remaining under the policy.

9. A statement of rights held by the insurer that could negatively affect or extinguish the rights of the purchaser of viatical settlements and the conditions under which the rights can be exercised.

Sec. 38.23. *Disclosures made pursuant to sections 38.21 and 38.22 of this act must be printed conspicuously in at least 12-point type in any contract or in a separate document signed by the purchaser of viatical settlements and:*

- 1. The provider of viatical settlements; or*
- 2. The viatical settlement investment agent who contracted with or was appointed by the provider of viatical settlements.*

Sec. 38.24. *If a broker or provider of viatical settlements is a party to a plan, a transaction or a series of transactions to originate, renew or continue a policy of life insurance for the purpose of engaging in the business of viatical settlements before or during the first 5 years after the issuance of the policy, the broker or provider shall fully disclose the plan, transaction or transactions to the issuer of the policy.*

Sec. 38.25. *With respect to a viatical settlement or a policy of insurance:*

1. A broker of viatical settlements shall not knowingly solicit an offer from, effectuate a viatical settlement with or make a sale to any provider, purchaser or investment agent of viatical settlements who:

- (a) Controls;*
- (b) Is controlled by; or*
- (c) Is under common control with,*

↳ the broker of viatical settlements.

2. A provider of viatical settlements shall not knowingly enter into a viatical settlement with a viator if, in connection with that viatical settlement, anything of value will be paid to a broker of



viatical settlements who controls, is controlled by or is under common control with a provider, purchaser or investment agent of viatical settlements who is involved in the viatical settlement.

Sec. 38.26. *An insurer shall not, as a condition of responding to a request for verification of coverage or of effecting the transfer of a policy pursuant to a viatical settlement, require that the viator, insured, provider or broker of viatical settlements sign a form or disclosure that has not been expressly approved by the Commissioner for use in connection with a viatical settlement in this State.*

Sec. 38.27. *The Commissioner may place a broker or investment agent of viatical settlements on probation if the Commissioner finds that the broker or investment agent of viatical settlements has acted in bad faith with regard to a viator.*

Sec. 38.28. *1. If the Commissioner finds that a producer of life insurance has violated a provision of this chapter or other applicable provisions or has acted in bad faith with regard to a viator, the Commissioner may:*

(a) Refuse to:

(1) Issue a license to the producer of life insurance; or

(2) Renew a license of the producer of life insurance;

(b) Suspend the producer of life insurance for a period not to exceed 12 months; or

(c) Place the producer of life insurance on probation.

2. If the Commissioner takes action as described in paragraphs (a), (b) or (c) of subsection 1, the producer of life insurance may apply in writing for a hearing before the Commissioner to determine the reasonableness of the action taken by the Commissioner, pursuant to the provisions of NRS 679B.310 to 679B.370, inclusive.

Sec. 38.29. NRS 688C.010 is hereby amended to read as follows:

688C.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 688C.020 to 688C.150, inclusive, *and sections 38.13 to 38.16, inclusive, of this act* have the meanings ascribed to them in those sections.

Sec. 38.30. NRS 688C.020 is hereby amended to read as follows:

688C.020 “Advertising” means a written, electronic or printed communication or a communication by recorded telephone message, radio, television, the Internet or a similar medium of communication, including a film strip, motion picture or videotape, published, communicated or otherwise placed before the public to



create an interest in, or induce a person to *purchase or* sell a policy of life insurance pursuant to, a viatical settlement.

Sec. 38.31. NRS 688C.030 is hereby amended to read as follows:

688C.030 “Broker of viatical settlements” means a person who on behalf of a viator and for a fee, commission or other valuable consideration offers or attempts to negotiate a viatical settlement between the viator and one or more providers *or brokers* of viatical settlements. The term does not include an attorney at law, certified public accountant or financial planner accredited by a nationally recognized accrediting agency who is retained by the viator and whose compensation is not paid by a provider or purchaser of viatical settlements.

Sec. 38.32. NRS 688C.080 is hereby amended to read as follows:

688C.080 “Provider of viatical settlements” means a person other than a viator who enters into or effectuates a viatical settlement. The term does not include:

1. A bank, savings and loan association, thrift company, credit union or other licensed lender that takes an assignment of a policy as security for a loan;

2. The issuer of a policy that provides accelerated benefits pursuant to the contract;

3. An authorized or eligible insurer that provides stop-loss coverage to a provider or purchaser of viatical settlements;

4. A natural person who enters into no more than one agreement in a calendar year for the transfer of policies for a value less than the expected death benefit;

5. A financing agent;

6. A special organization; *or*

7. ~~[A trust for a related provider; or~~

~~—8.]~~ A purchaser of viatical settlements.

Sec. 38.33. NRS 688C.090 is hereby amended to read as follows:

688C.090 *1.* “Purchaser of viatical settlements” means ~~[a]~~:

(a) A person who gives a sum of money as consideration for a policy or an interest in the death benefits of a policy ~~[, or a]~~;

(b) A person who owns or acquires or is entitled to a beneficial interest in a trust that owns a viatical settlement contract *as described in subsection 2 of NRS 687B.040*; or

(c) A *person who* is the beneficiary of a policy that has been or will be the subject of a viatical settlement contract, for the purpose of deriving an economic benefit.



2. The term does not include:

~~[1.]~~ (a) A person licensed pursuant to this chapter;

~~[2.]~~ (b) An accredited investor or qualified institutional buyer as defined respectively in Regulation D, Rule 501 or Rule 144A of the Federal Securities Act of 1933, as amended;

~~[3.]~~ (c) A financing agent; *or*

~~[4.]~~ (d) A special organization. ~~[-; or~~

~~5. A trust for a related provider.]~~

Sec. 38.34. NRS 688C.130 is hereby amended to read as follows:

688C.130 “Viatical settlement” means a written agreement *between a viator and a provider of viatical settlements or an affiliate thereof* for the payment of money, or anything else of value, which is less than the expected death benefit of a policy, in exchange for the viator’s assignment, sale, transfer or devise of the death benefit or ownership of any portion of the policy. The term includes ~~[-~~

~~1. An agreement for a loan or other financing secured primarily by a policy, other than a loan by an insurer pursuant to or secured by the cash value of a policy; and~~

~~2. An] an~~ agreement to transfer ownership or change the beneficiary, in the future, regardless of the date of payment to the viator.

Sec. 38.35. NRS 688C.150 is hereby amended to read as follows:

688C.150 **1.** “Viator” means the owner of a policy or the holder of a certificate of insurance under a policy of group insurance ~~[-] who resides in this State and who enters or seeks to enter into a viatical settlement.~~ The term is not limited to an owner who is terminally or chronically ill except where that limitation is expressly provided.

2. The term does not include:

(a) *A producer of life insurance acting as a broker of viatical settlements pursuant to this chapter;*

(b) *A qualified institutional buyer as defined in Rule 144A of the federal Securities Act of 1933, 15 U.S.C. §§ 77a et seq., as amended;*

(c) *A financing agent; or*

(d) *A special organization.*

Sec. 38.36. NRS 688C.160 is hereby amended to read as follows:

688C.160 If there is more than one viator *or purchaser of viatical settlements* with respect to a single policy and they are



residents of different states, *one of whom resides in this State and enters or seeks to enter into a viatical settlement or an agreement to purchase a viatical settlement*, the legal effect of ~~the~~ *the viatical settlement or agreement to purchase a viatical settlement, as applicable*, is governed by the law of the state in which the viator *or the purchaser* having the largest fractional ownership resides. If the viators *or purchasers of viatical settlements* own equal fractions, they may agree in writing to choose ~~the~~ *which* state, *among the states* in which ~~one resides.~~ *the viators or purchasers of viatical settlements reside, will be the state whose law will govern.*

Sec. 39. NRS 688C.190 is hereby amended to read as follows:

688C.190 1. Except as otherwise provided in NRS 688C.215, a person shall not, without first obtaining a license from the Commissioner, operate in or from this State as a provider or broker of viatical settlements.

2. Application for a license must be made to the Commissioner on a form prescribed by him, accompanied by ~~the prescribed fee.~~ *all applicable fees.* A license may be renewed from year to year on its anniversary by payment of ~~the prescribed fee.~~ *all applicable fees.* The license expires if ~~the fee is~~ *all applicable fees are* not paid by that date.

3. An applicant shall provide information on forms required by the Commissioner, who may at any time require the applicant to disclose the identity of all stockholders, partners, members, officers and employees. The Commissioner may refuse to issue a license to an organization if he is not satisfied that a stockholder, partner, member or officer who may materially influence the applicant's conduct satisfies the requirements of this chapter.

4. A license issued to an organization authorizes all partners, members, officers and designated employees to act as providers or brokers of viatical settlements. Those persons must be named in the application or a supplement to it.

Sec. 39.1. NRS 688C.190 is hereby amended to read as follows:

688C.190 1. Except as otherwise provided in NRS 688C.215, a person shall not, without first obtaining a license from the Commissioner, operate in or from this State as *an investment agent or* a provider or broker of viatical settlements.

2. Application for a license must be made to the Commissioner on a form prescribed by him, accompanied by the prescribed fee. A license may be renewed from year to year on its anniversary by payment of the prescribed fee. The license expires if the fee is not paid by that date.



3. An applicant shall provide information on forms required by the Commissioner, who may at any time require the applicant to disclose the identity of all stockholders, partners, members, officers and employees. The Commissioner may refuse to issue a license to an organization if he is not satisfied that a stockholder, partner, member or officer who may materially influence the applicant's conduct satisfies the requirements of this chapter.

4. A license issued to an organization authorizes all partners, members, officers and designated employees to act as *investment agents or* providers or brokers of viatical settlements. Those persons must be named in the application or a supplement to it.

Sec. 40. NRS 688C.200 is hereby amended to read as follows:

688C.200 1. Upon the filing of an application and payment of ~~[the fee.]~~ *all applicable fees*, the Commissioner shall investigate the applicant, and issue a license if he finds that the applicant:

(a) If a provider of viatical settlements, has set forth a detailed plan of operation;

(b) Is competent and trustworthy and intends to act in good faith in the capacity for which the license is sought;

(c) Has a good reputation in business and, if a natural person, has had experience, training or education which qualifies him in that capacity;

(d) If an organization, provides a certificate of good standing from the state of its domicile; and

(e) If a provider or broker of viatical settlements, has included a plan to prevent fraud which satisfies the requirements of NRS 688C.490.

2. The Commissioner shall not issue a license to a nonresident unless a written designation of an agent for service of process, or an irrevocable written consent to the commencement of an action against the applicant by service of process upon the Commissioner, accompanies the application.

3. A provider or broker of viatical settlements shall furnish to the Commissioner new or revised information concerning partners, members, officers, holders of more than 10 percent of its stock, and designated employees within 30 days after a change occurs.

Sec. 40.1. NRS 688C.200 is hereby amended to read as follows:

688C.200 1. Upon the filing of an application and payment of the fee, the Commissioner shall investigate the applicant, and issue a license if he finds that the applicant:

(a) If a provider of viatical settlements, has set forth a detailed plan of operation;



(b) Is competent and trustworthy and intends to act in good faith in the capacity for which the license is sought;

(c) Has a good reputation in business and, if a natural person, has had experience, training or education which qualifies him in that capacity;

(d) If an organization, provides a certificate of good standing from the state of its domicile; and

(e) If a provider or broker of viatical settlements ~~[-has]~~ :

(1) *Has* included a plan to prevent fraud which satisfies the requirements of NRS 688C.490 ~~[-]~~ ; and

(2) *Has demonstrated evidence of financial responsibility through either:*

(I) A surety bond executed and issued by an authorized surety in favor of the State of Nevada, continuous in form and in an amount as determined by the Commissioner, of not less than \$250,000; or

(II) A deposit of cash, certificates of deposit, securities or any combination thereof in the amount of \$250,000.

2. The Commissioner shall not issue a license to a nonresident unless a written designation of an agent for service of process, or an irrevocable written consent to the commencement of an action against the applicant by service of process upon the Commissioner, accompanies the application.

3. A provider or broker of viatical settlements shall furnish to the Commissioner new or revised information concerning partners, members, officers, holders of more than 10 percent of its stock, and designated employees within 30 days after a change occurs.

4. Notwithstanding any provision of this section to the contrary, the Commissioner shall accept as evidence of financial responsibility proof that financial instruments complying with the requirements of this section have been filed with a state where the applicant is licensed as a broker of viatical settlements.

5. A surety bond issued for the purposes of this section must specifically authorize recovery by the Commissioner on behalf of any person in this State who sustained damages as a result of:

(a) Erroneous acts;

(b) Failure to act; or

(c) Conviction of:

(1) Fraud; or

(2) Unfair practices,

↳ by the provider or broker of viatical settlements.



6. The Commissioner may request evidence of financial responsibility as described in subparagraph (2) of paragraph (e) of subsection 1 at any time he deems necessary.

Sec. 40.39. NRS 688C.210 is hereby amended to read as follows:

688C.210 **1.** After notice, and after a hearing if requested, the Commissioner may suspend, revoke, refuse to issue or refuse to renew a license under this chapter if he finds that:

~~1.]~~ **(a)** There was material misrepresentation in the application for the license;

~~2.]~~ **(b)** The licensee or an officer, partner, member or significant managerial employee has been convicted of fraudulent or dishonest practices, is subject to a final administrative action for disqualification, or is otherwise shown to be untrustworthy or incompetent;

~~3.]~~ **(c)** A provider of viatical settlements has engaged in a pattern of unreasonable payments to viators;

~~4.]~~ **(d)** The applicant or licensee has been found guilty or guilty but mentally ill of, or pleaded guilty, guilty but mentally ill or nolo contendere to, a felony or a misdemeanor involving fraud, forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or any crime involving moral turpitude, whether or not a judgment of conviction has been entered by the court;

~~5.]~~ **(e)** A provider of viatical settlements has entered into a viatical settlement in a form not approved pursuant to NRS 688C.220;

~~6.]~~ **(f)** A provider of viatical settlements has failed to honor obligations of a viatical settlement ~~;~~

~~7.]~~ ***or an agreement to purchase a viatical settlement;***

(g) The licensee no longer meets a requirement for initial licensure;

~~8.]~~ **(h)** A provider of viatical settlements has assigned, transferred or pledged a viaticated policy to a person other than another provider licensed under this chapter, a purchaser of the viatical settlement ~~;~~ **or** a special organization ~~for a trust for a related provider;~~

~~9.]~~ ;

(i) The applicant or licensee has provided materially untrue information to an insurer that issued a policy that is the subject of a viatical settlement;

~~10.]~~ **(j)** The applicant or licensee has failed to pay a tax as required pursuant to the provisions of chapter 363A of NRS; ~~or~~



~~11.1~~ (k) The applicant or licensee has violated a provision of this chapter ~~11.1~~ *or other applicable provisions; or*

(1) The applicant or licensee has acted in bad faith with regard to a viator.

2. A suspension imposed for grounds set forth in paragraph (k) or (l) of subsection 1 must not exceed a period of 12 months.

3. If the Commissioner takes action as described in subsection 1, the applicant or licensee may apply in writing for a hearing before the Commissioner to determine the reasonableness of the action taken by the Commissioner, pursuant to the provisions of NRS 679B.310 to 679B.370, inclusive.

Sec. 40.40. NRS 688C.215 is hereby amended to read as follows:

688C.215 1. A natural person who has been licensed for at least 1 year and who is in good standing as a resident or nonresident producer of insurance with a life insurance qualification is not required to be licensed as *an investment agent or* a broker of viatical settlements.

2. A licensed producer of insurance specified in subsection 1 must register with the Division not more than 30 days after first operating as *an investment agent or* a broker of viatical settlements, on a form prescribed by the Commissioner, and pay the fee for registration pursuant to NRS 680B.010. Failure to register within the required period or late payment of or failure to pay the fee may result in the imposition of an administrative fine of not more than \$500.

3. A producer of insurance who acts as *an investment agent or* a broker of viatical settlements pursuant to subsection 1 shall comply with the provisions of NRS 688C.220 to 688C.250, inclusive, and 688C.310.

Sec. 40.41. NRS 688C.230 is hereby amended to read as follows:

688C.230 1. Each licensee under this chapter shall file with the Commissioner on or before March 1 of each year an annual statement containing such information as the Commissioner prescribes by regulation. *Pursuant to subsection 7 of NRS 679B.190, the Commissioner shall classify as confidential any information received pursuant to this subsection that is:*

(a) Data of individual transactions in the business of viatical settlements; or

(b) Data that could compromise the privacy of personal, financial or health information of a viator or insured.



2. Except as allowed or required by a statute other than this chapter, a provider or broker of viatical settlements, *an investment agent*, an insurer, a producer of insurance, an information bureau, a rating agency or any other person knowing the identity of an insured shall not disclose that identity as an insured to any other person unless the disclosure is:

(a) Necessary to effect a viatical settlement between the viator and a provider of viatical settlements and the viator and the insured have given prior written consent to the disclosure;

(b) *Necessary to effect an agreement for the purchase of a viatical settlement between the purchaser and a provider of viatical settlements, and the viator and the insured have given prior written consent to the disclosure;*

(c) Furnished in response to an investigation or examination by the Commissioner or another governmental officer or agency;

~~[(e)]~~ (d) A term of or condition to the transfer of a policy by one provider of viatical settlements to another provider; or

~~[(d)]~~ (e) Necessary to permit a financing agent to finance the purchase of a policy by a provider of viatical settlements and the insured has given prior written consent to the disclosure.

Sec. 40.42. NRS 688C.250 is hereby amended to read as follows:

688C.250 1. With each application for a viatical settlement, a provider or broker of viatical settlements shall furnish to the viator at least the following disclosures, *in at least 12-point type*, no later than the time the application for the settlement is signed by all the parties, in a separate document signed by the viator and the provider or broker:

(a) *A broker of viatical settlements represents the viator exclusively, and not the insurer or the provider of viatical settlements, and owes a fiduciary duty to the viator, including a duty to act according to the instructions of the viator and in the best interest of the viator.*

(b) The possible alternatives to viatical settlement, including any accelerated death benefits or *policy* loans offered under the viator's *life insurance* policy.

~~[(b)]~~ (c) Some or all of the proceeds of the viatical settlement may be taxable under the federal income tax or a state franchise or income tax, and assistance should be sought from a professional tax adviser.

~~[(e)]~~ (d) Proceeds of the viatical settlement may be subject to the claims of creditors.



~~[(d)]~~ (e) Receipt of proceeds of a viatical settlement may adversely affect the viator's eligibility for Medicaid or other governmental benefits, and advice should be sought from the appropriate governmental agencies.

~~[(e)]~~ (f) The viator has a right to ~~terminate~~ *rescind* a viatical settlement within ~~[15 days after his receipt of the proceeds,]~~ *the rescission period*, as provided in NRS 688C.300, and if the insured dies during ~~[that]~~ *the rescission* period, the settlement is ~~terminated~~ *deemed rescinded* and all proceeds must be repaid to the provider ~~[-~~

~~-(f)]~~ *within 60 days after the death of the insured. Rescission, if exercised by the viator, is effective only if the viator:*

(1) Gives notice of the rescission to the provider or broker of viatical settlements; and

*(2) Repays to the provider of viatical settlements all proceeds and any premiums, loans and loan interest paid on account of the viatical settlement or on behalf of the provider of viatical settlements,
↳ within the rescission period.*

(g) Money will be sent to the viator within 3 business days after the provider has received the insurer's or group administrator's *written* acknowledgment that ownership of or interest in the policy has been transferred and the beneficiary has been designated.

~~[(g)]~~ (h) Entering into a viatical settlement may cause other rights, including conversion and waiver of premium, that may exist under the policy to be forfeited by the viator, and assistance should be sought from a financial adviser.

~~[(h)]~~ (i) A brochure is provided which describes the process of viatical settlement, in the form prescribed by the National Association of Insurance Commissioners unless the Commissioner prescribes a different form.

(j) The name and address of the person responsible for monitoring the condition of the insured, the frequency of monitoring, the means of determining date of death and the means and time by which the date of death will be transmitted to the purchaser.

2. The document in which the disclosures required by paragraphs (a) to ~~[(g)]~~ (j), inclusive, of subsection 1 are made must also contain the following:

All medical, financial and personal information solicited or obtained by a provider or broker of viatical settlements about an insured, including his identity and that of members of his



family, a spouse or other relationship, may be disclosed as necessary to effect the viatical settlement between the viator and the provider. If you are asked to provide this information, you will be asked to consent to the disclosure. Failure to consent may affect your ability to viaticate your policy. The information may be furnished to someone who buys the policy or provides money for the purchase.

Sec. 40.43. NRS 688C.260 is hereby amended to read as follows:

688C.260 A provider of viatical settlements shall furnish to the viator, no later than the date the viatical settlement is signed by all parties, at least the following disclosures, *in at least 12-point type*, conspicuously displayed in the viatical settlement or in a separate document signed by the viator and the provider or broker of viatical settlements:

1. The affiliation, if any, between the provider *of viatical settlements* and the issuer of the policy to be viaticated.
2. The name, *business* address and telephone number of the provider ~~[.]~~ *of viatical settlements.*
3. ~~[The amount and method of calculating the broker's commission, including anything of value paid or given to the broker for placing the policy.]~~ *The name, business address and telephone number of the broker of viatical settlements.*
4. *The existence of any affiliations or contractual agreements between the provider and purchaser of viatical settlements and:*
 - (a) *The identity of that purchaser of viatical settlements; and*
 - (b) *If any contractual agreements exist between the provider and purchaser of viatical settlements, the identity of every party to those agreements.*
5. *The existence of any affiliations or contractual agreements between the broker of viatical settlements and any person making an offer in connection with the proposed viatical settlement and:*
 - (a) *The identity of the person making the offer and who has an affiliation or agreement with the broker of viatical settlements; and*
 - (b) *If any contractual agreements exist between the broker of viatical settlements and a person making an offer, the identity of every party to those agreements.*
6. If the policy to be viaticated was issued as a joint policy, contains family riders or covers a life other than that of the insured under it, any possible loss of coverage on the other lives under the policy, and that the viator should consult the producer of the



insurance or the issuer of the policy for advice concerning the settlement.

~~[5.]~~ 7. The monetary amount of the current death benefit payable to the provider under the policy and, if known, the availability of any other guaranteed benefit, the monetary amount of any benefit for accidental death or dismemberment, and the ~~[provider's]~~ *extent to which the viator's* interest in those benefits ~~[~~ ~~—6.]~~ *will be transferred as a result of the viatical settlement.*

8. The name, business address and telephone number of the escrow agent, and the right of the viator or owner to inspect or receive copies of the relevant escrow or trust agreements or related documents.

9. A complete and accurate description of all offers, counteroffers, acceptances and rejections relating to the proposed viatical settlement.

10. The amount and method of calculation of compensation of the broker of viatical settlements, including, without limitation, anything of value paid or given to the broker of viatical settlements for the placement of the policy.

11. A statement indicating the source of any compensation of the broker of viatical settlements from a proposed offer for the viatical settlement, the total amount of the offer for the viatical settlement and the compensation of the broker of viatical settlements expressed as a percentage of the offer for the viatical settlement.

Sec. 40.44. NRS 688C.270 is hereby amended to read as follows:

688C.270 1. A viator may not enter into a viatical settlement within ~~[2]~~ 5 years after the issuance of the policy to which the settlement relates unless one or more of the following conditions is or has been satisfied:

(a) The policy was issued upon the owner's exercise of a right of conversion arising out of a group policy ~~;~~

~~—(b) The owner of the policy is a charitable organization exempt from taxation under 26 U.S.C. § 501(e)(3).~~

~~—(c) The owner of the policy is a business organization.~~

~~—(d)] if the total of the time covered under the policy plus the time covered under the group policy is at least 60 months. The time covered under the group policy must be calculated without regard to a change in insurance carriers if the coverage has been continuous.~~



(b) The viator or owner submits to the provider of viatical settlements independent evidence that within the ~~[2-year]~~ 5-year period:

(1) *The owner or insured has been diagnosed as terminally ill;*

(2) The owner or insured has been diagnosed ~~[to-have]~~ *as chronically ill or has* an illness or condition that is life-threatening or requires a course of treatment for at least 2 years, long-term care or health care at home, or any combination of these;

~~[(2)]~~ (3) The spouse of the owner or insured has died;

~~[(3)]~~ (4) The owner or insured has divorced his spouse;

~~[(4)]~~ (5) The owner or insured has retired from full-time employment;

~~[(5)]~~ (6) The owner or insured has become physically or mentally disabled and a physician determines that the disability precludes him from maintaining full-time employment;

~~[(6) The owner of the policy was the employer of the insured and that relationship has terminated;]~~

(7) A final judgment or order has been entered or issued by a court of competent jurisdiction, on the application of a creditor or owner of the insured, adjudging the owner or insured bankrupt or insolvent, or approving a petition for reorganization of the owner or insured or appointing a receiver, trustee or liquidator for all or a substantial part of the assets of the owner or insured; *or*

(8) The owner of the policy experiences a significant decrease in income which is unexpected by him and impairs his reasonable ability to pay the premium on the policy. ~~[-or~~

~~(9) The owner or insured disposes of his ownership in a closely held corporation.]~~

2. The independent evidence must be submitted to the insurer when the provider of viatical settlements submits a request to the insurer to effect transfer of the policy to him. The insurer shall respond timely to the request. This section does not prohibit an insurer from exercising its right to contest a policy on the ground of fraud.

3. If a provider of viatical settlements submits to an insurer a copy of the owner's or insured's certification that one of the events described in paragraph ~~[(d)]~~ (b) of subsection 1 has occurred, the certification conclusively establishes that the viatical settlement is valid, and the insurer shall timely respond to the provider's request to effect a transfer of the policy.



Sec. 40.45. NRS 688C.280 is hereby amended to read as follows:

688C.280 1. A provider of viatical settlements who enters into a settlement shall first obtain:

(a) If the viator is the insured, a written statement from a licensed attending physician that the viator is of sound mind and under no constraint or undue influence to enter into a settlement;

(b) A witnessed document in which the viator ~~represents~~ :

(1) Consents to the viatical settlement;

(2) Represents that he has a full and complete understanding of the settlement and of the benefits of the policy ~~acknowledges~~ ;

(3) Acknowledges that he has entered into the settlement freely and voluntarily ; and ~~if~~

(4) If applicable to determine a payment to a person terminally or chronically ill, acknowledges that he is terminally or chronically ill and that the illness was diagnosed after the policy was issued; and

(c) A document in which the insured consents to the release of his medical records to a provider or broker of viatical settlements and the insurer that issued the policy covering him.

2. Within 20 days after a viator executes documents necessary to transfer rights under a policy, or enters into an agreement in any form, express or implied, to viaticate the policy, the provider of viatical settlements shall give written notice to the issuer of the policy that the policy has or will become viaticated. The notice must be accompanied by: ~~a~~

(a) A copy of the release of medical records ~~and the~~ ;

(b) The application for the viatical settlement ~~;~~ ; and

(c) A request for verification of coverage.

3. Any of the acts described in subsections 1 and 2, if performed by a broker of viatical settlements, will be deemed to have been performed by the provider of viatical settlements for the purposes of fulfilling the requirements of subsections 1 and 2.

4. Within 30 days after receiving a request for verification of coverage from a provider or broker of viatical settlements, an insurer shall respond by:

(a) Verifying coverage; and

(b) Indicating whether, on the basis of the medical evidence and documents provided, the insurer intends to pursue an investigation regarding the validity of the insurance or possible fraud.



Sec. 40.46. NRS 688C.290 is hereby amended to read as follows:

688C.290 1. A provider of viatical settlements shall instruct the viator to send the executed documents required to effect the change in ownership or assignment or change of beneficiary of the affected policy to a designated independent escrow agent. Within 3 business days after the date the escrow agent receives the documents, or within 3 business days after the provider receives the documents if by mistake they are sent directly to him, the escrow agent shall deposit the proceeds of the settlement into an escrow or trust account maintained in a regulated financial institution whose deposits are insured by the Federal Deposit Insurance Corporation.

2. Upon deposit of the proceeds in that account, the escrow agent shall deliver to the provider the original documents executed by the viator. Upon the provider's receipt from the insurer of an acknowledgment of the change in ownership or assignment or change of beneficiary of the affected policy, he shall instruct the escrow agent to pay the proceeds of the settlement to the viator.

3. Payment to the viator must be made within 3 business days after the date the provider received the acknowledgment from the insurer. Failure to make the payment within that time makes the viatical settlement voidable by the viator for lack of consideration until payment is tendered to and accepted by the viator. *Payment to the viator shall be deemed to have been made as of the date that the escrow agent:*

(a) Releases money for a wire transfer to the viator; or

(b) Deposits a check for the amount of the proceeds with the United States Postal Service or with a commercially reasonable delivery service.

Sec. 40.47. NRS 688C.300 is hereby amended to read as follows:

688C.300 1. A viatical settlement entered into in this state must reserve to the viator an unconditional right to ~~terminate~~ *rescind* the settlement within ~~[15 days after he receives the proceeds of the settlement.]~~ *the rescission period. Rescission, if exercised by the viator, is effective only if the viator:*

(a) Gives notice of the rescission to the provider or broker of viatical settlements; and

(b) Repays to the provider of viatical settlements all proceeds and any premiums, loans and loan interest paid on account of the viatical settlement or on behalf of the provider of viatical settlements,

↳ within the rescission period.



2. If the insured dies during ~~[that]~~ *the rescission* period, the settlement is ~~[terminated, but the]~~ *deemed rescinded and all proceeds and any premiums, loans and loan interest paid on account of the viatical settlement or on behalf of the provider of viatical settlements* must be repaid to the provider of ~~[the]~~ viatical ~~[settlement.]~~ *settlements within 60 days after the death of the insured.*

3. *In the event of a rescission, if the provider of viatical settlements has paid commissions or other compensation to a broker of viatical settlements in connection with the rescinded transaction, the broker of viatical settlements shall refund all such commissions and compensation to the provider of viatical settlements within 5 business days following receipt of written demand from the provider of viatical settlements. The demand must be accompanied by:*

(a) *The viator's notice of rescission, if the rescission was exercised by the viator; or*

(b) *Notice of the death of the insured, if the rescission was due to the death of the insured within the rescission period.*

4. *A purchaser of viatical settlements has the right to rescind an agreement to purchase a viatical settlement within 3 business days after the purchaser of viatical settlements receives the disclosures set forth in sections 38.21 and 38.22 of this act.*

Sec. 40.48. NRS 688C.310 is hereby amended to read as follows:

688C.310 1. Contact with an insured to determine *his residential or business street address and telephone number or* the status of his health after a viatical settlement may be made only by a provider or broker of viatical settlements who is licensed in this state, or its authorized representative, and no oftener than once every 3 months if the insured has a life expectancy of 1 year or more, or once every month if the insured has a life expectancy of less than 1 year. The provider or broker shall explain the procedure for those contacts at the time the settlement is entered into.

2. The limitations of subsection 1 do not apply to contacts for purposes other than determining status of health.

3. A provider or broker is responsible for the acts of his authorized representative.

Sec. 40.49. NRS 688C.330 is hereby amended to read as follows:

688C.330 1. If a provider of viatical settlements transfers ownership or changes the beneficiary of a viaticated policy, he shall



inform the insured of the transfer or change within 20 days after it occurs.

2. If an insurer receives a request for change of ownership or beneficiary of a viaticated policy from a provider of viatical settlements, the insurer shall respond within 30 days after receipt thereof with written confirmation that the change has been effected or specifying the reasons why the requested change could not be effected.

3. An insurer shall not unreasonably delay in effecting a requested change of ownership or beneficiary requested for a viaticated policy by a provider of viatical settlements.

4. An insurer shall not seek to interfere with a viatical settlement lawfully entered into in this State.

Sec. 40.50. NRS 688C.350 is hereby amended to read as follows:

688C.350 NRS 688C.350 to 688C.430, inclusive, ***and sections 38.21, 38.22 and 38.23 of this act*** apply to advertising of viatical settlements, ***agreements to purchase viatical settlements*** or related ***products or*** services intended for dissemination in this state, including advertising on the Internet which is viewed by persons in this state. To the extent that federal regulation establishes requirements for disclosure, those sections must be so interpreted as to eliminate or minimize conflict with the federal requirements.

Sec. 40.51. NRS 688C.370 is hereby amended to read as follows:

688C.370 ***1.*** An advertisement must be truthful and not misleading in fact or by implication. The form and content of an advertisement for viatical settlements , ***agreements to purchase viatical settlements or related products or services*** must be sufficiently complete and clear to avoid deception. An advertisement may not have a capacity or tendency to mislead or deceive, as determined by the Commissioner from the overall impression it may reasonably be expected to create upon a person of average education or intelligence in the segment of the public to which it is directed.

2. A provider of viatical settlements shall not enter into a viatical settlement unless the promotional, advertising and marketing materials, in at least 12-point type, have been filed with the Commissioner pursuant to regulations adopted by the Commissioner. The Commissioner shall adopt such regulations as he deems necessary to carry out the provisions of this subsection.



Sec. 40.52. NRS 688C.380 is hereby amended to read as follows:

688C.380 1. The information required to be disclosed under NRS 688C.350 to 688C.430, inclusive, *and sections 38.21, 38.22 and 38.23 of this act* may not be minimized, obscured, presented ambiguously or so intermingled with other text of an advertisement as to be confusing or misleading.

2. An advertisement may not omit material information or use language or illustrations if the omission or use has a capacity or tendency to, or does, mislead viators, *purchasers of viatical settlements or prospective purchasers of viatical settlements* as to the nature or extent of any benefit, loss covered, premium payable or effect on federal or state taxes. Making a viatical settlement *or an agreement to purchase a viatical settlement* available for inspection before it is consummated, or offering to refund payment if the viator is not satisfied within the period prescribed in *subsection 4 of* NRS 688C.300, does not remedy misleading statements.

3. An advertisement may not use the name or title of an insurer or policy unless the advertisement has been approved by the insurer.

4. *An advertisement may not represent that premiums on a viaticated policy need not be paid in order to maintain that policy, unless that is the fact.*

5. An advertisement may not state or imply that interest charged on an accelerated death benefit or loan on a policy is unfair or in any way improper.

~~5.~~ 6. The words "free," "no additional cost" or words of similar import may not be used ~~[with]~~ :

(a) *With respect to insurance, unless the terms of the policy provide that the policy is provided without cost to the policyholder.*

(b) *With respect to any benefit or service other than insurance unless true.*

7. *Certain advertisements relating to viatical settlements are deemed to be false and misleading on their face and are prohibited. Those advertisements include, without limitation, the following words and phrases:*

(a) *"Guaranteed," "fully secured," "100 percent secured," "fully insured," "secure," "safe," "backed by rated insurance companies," "backed by federal law," "backed by state law" or "state guaranty funds";*

(b) *"No risk," "minimal risk," "low risk," "no speculation" or "no fluctuation";*

(c) *"Qualified or approved for individual retirement accounts (IRAs), Roth IRAs, 401(k) plans, simplified employee pensions*



(SEPs), 403(b) plans, Keogh plans, TSA, other retirement account rollovers” or “tax deferred”;

(d) Utilization of the word “guaranteed” to describe a fixed return, annual return, principal, earnings, profits or investment;

(e) “No sales charges or fees”;

(f) “High yield,” “superior return,” “excellent return,” “high return” or “quick profit”; and

(g) Favorable representations or testimonials about the benefits of viatical settlement contracts and agreements to purchase viatical settlements as an investment, out of context and purported to have been taken from newspapers, trade papers, journals, radio and television programs and all other forms of print and electronic media,

↳ or similar representations.

Sec. 40.53. NRS 688C.390 is hereby amended to read as follows:

688C.390 1. A testimonial, *endorsement*, appraisal or analysis used in an advertisement must be genuine, represent the present opinion of the author, apply to the viatical settlement *or agreement to purchase a viatical settlement* advertised, if any, and be reproduced with sufficient completeness to avoid misleading viators ~~[-]~~ *or purchasers of viatical settlements*. In using a testimonial, *endorsement*, appraisal or analysis, a licensee under this chapter makes the statements contained therein his own, and the statements must satisfy the requirements of NRS 688C.350 to 688C.430, inclusive ~~[-]~~, *and sections 38.21, 38.22 and 38.23 of this act.*

2. If the person making a testimonial, *endorsement*, appraisal, analysis or endorsement has a financial interest in the provider of viatical settlements or a related organization, or receives a benefit other than required wages, that fact must be prominently disclosed in the advertisement.

3. An advertisement may not state or imply that a *benefit or service related to a* viatical settlement ~~[-, benefit or service]~~ *or an agreement to purchase a viatical settlement* has been approved or endorsed by a group, society or other organization unless that is the fact and any relationship between the organization and the provider of viatical settlements is disclosed. If the organization is owned, controlled or managed by the provider, or receives any payment or other consideration from the provider for making the endorsement or testimonial, that fact must be disclosed in the advertisement.



4. An advertisement may not contain statistical information unless it accurately reflects recent and relevant facts. The source of all statistics used in an advertisement must be identified.

5. If an endorsement refers to benefits received under a viatical settlement or an agreement to purchase a viatical settlement, all information pertinent to that endorsement must be retained for a period of 5 years after the use of the endorsement.

Sec. 40.54. NRS 688C.410 is hereby amended to read as follows:

688C.410 1. The name of the provider of viatical settlements must be clearly identified in an advertisement about him , ~~or~~ his viatical settlements ~~or~~ *or his agreements to purchase viatical settlements*. If a viatical settlement *or an agreement to purchase a viatical settlement* is advertised, it must be identified by number or other appropriate description. If an application is part of an advertisement, the name of the provider must be shown on the application.

2. An advertisement may not use a trade name, designation of a group, name of a parent or particular division of a provider of viatical settlements, service mark, slogan or other device or reference without disclosing the identity of the provider of viatical settlements licensed under this chapter if the advertisement would have the capacity or tendency to mislead as to his true identity or create the impression that an organization other than the licensee would have a responsibility for the financial obligation under a viatical settlement. The name of the licensee must be stated in all advertisements.

Sec. 40.55. NRS 688C.420 is hereby amended to read as follows:

688C.420 1. An advertisement may not use a combination of words, symbols or physical materials that by their content, phraseology, shape, color or other characteristic are so similar to a combination of words, symbols or physical materials used by a governmental program or agency, or otherwise appear to be of such a nature, that they tend to mislead viators *or purchasers of viatical settlements* into believing that the solicitation is connected with a governmental program or agency. An advertisement may not create the impression that a provider of viatical settlements, his financial condition or business practices, the payment of his claims or the merit, desirability or advisability of his viatical settlements *or agreements to purchase viatical settlements* is recommended or endorsed by a governmental authority.



2. An advertisement may state that a provider of viatical settlements is licensed in the state in which the advertisement appears, if it does not imply that competing providers are not so licensed. The advertisement may suggest consulting the licensee's website or communicating with the Commissioner to ascertain whether the state requires licensing and, if so, whether a particular provider or broker of viatical settlements is licensed.

Sec. 40.56. NRS 688C.450 is hereby amended to read as follows:

688C.450 It is a category D felony, and the offender shall be punished as provided in NRS 193.130, for any person, knowingly or with intent to defraud, to do any of the following acts in order to deprive another of property or for his own pecuniary gain:

1. Present, cause to be presented or prepare with knowledge or belief that it will be presented, false information to or by *an investment agent or* a provider or broker of viatical settlements, a financing agent, an insurer, a provider of insurance or any other person, or to conceal information, as part of, in support of or concerning a fact material to:

(a) An application for the issuance of a policy or viatical settlement;

(b) The underwriting of a policy or viatical settlement;

(c) A claim for payment or other benefit under a policy, ~~or~~ viatical settlement ~~or~~ *or agreement to purchase a viatical settlement;*

(d) A premium paid on a policy ~~or~~ *or as a result of an agreement to purchase a viatical settlement;*

(e) A payment or change of beneficiary or ownership pursuant to a policy or viatical settlement;

(f) The reinstatement or conversion of a policy;

(g) The solicitation, offer or effectuation of a policy, ~~or~~ viatical settlement ~~or~~ *or agreement to purchase a viatical settlement;* or

(h) The issuance of written evidence of a policy, ~~or~~ viatical settlement ~~or~~ *or agreement to purchase a viatical settlement.*

2. In furtherance of a fraud or to prevent detection of a fraud:

(a) Remove, conceal, alter, destroy or sequester from the Commissioner assets or records of a licensee under this chapter or other person engaged in the business of viatical settlements;

(b) Misrepresent or conceal the financial condition of a licensee, a financing agent, an insurer or other person;

(c) Transact the business of viatical settlements in violation of this chapter; or



(d) File with the Commissioner or analogous officer of another jurisdiction a document containing false information or otherwise conceal information about a material fact from the Commissioner or other officer.

3. Present, cause to be presented or prepare with knowledge or belief that it will be presented to or by a provider or broker of viatical settlements, *an investment agent*, a financing agent, an insurer, a provider of insurance or any other person, in connection with a viatical settlement or transaction of insurance, a policy fraudulently by the insured or owner or an agent of either.

4. Embezzle, steal, misappropriate or convert money, premiums, credits or other property *in an amount or having a value of less than \$250* of a provider of viatical settlements, a viator, an insurer, an insured, an owner of a policy or other person engaged in the business of viatical settlements or insurance.

5. Attempt to commit, assist, aid, abet or conspire to commit an act or omission described in subsections 1 to 4, inclusive.

6. Under no circumstances is a violation of this section considered or intended to be a lesser included offense of a violation of the provisions of NRS 90.570.

Sec. 40.57. NRS 688C.470 is hereby amended to read as follows:

688C.470 1. Except as otherwise provided in subsection 2, a person furnishing information of the kind described in NRS 688C.460 is immune from liability and civil action if the information is furnished to or received from:

(a) The Commissioner or his employees, agents or representatives;

(b) Another federal, state or local law enforcement or regulatory officer or his employees, agents or representatives;

(c) Another person involved in the prevention or detection of violations of NRS 688C.450 or similar offenses or his employees, agents or representatives;

(d) The National Association of Insurance Commissioners or other regulatory body overseeing life insurance or viatical settlements, or its employees, agents or representatives; or

(e) The insurer that issued the policy concerned in the information.

2. The immunity provided in subsection 1 does not extend to a statement made with actual malice. In an action brought against a person for filing a report or furnishing other information concerning a violation of NRS 688C.450, the plaintiff must plead specifically that the defendant acted with actual malice.



3. This section does not supplant or modify any other privilege or immunity at common law or under another statute enjoyed by a person described in subsection 1.

4. Except as otherwise provided in subsection 5, a person furnishing information as described in subsection 1 is entitled to an award of attorney's fees and costs if:

(a) The person is a defendant in a civil case arising out of activities performed in carrying out the provisions of this section;

(b) The cause of action in the case is for libel, slander or any other relevant tort;

(c) The person is the prevailing party in the case; and

(d) The person bringing the action is not substantially justified in doing so.

5. A person furnishing information relating to his own fraudulent acts as they relate to a viatical settlement is not entitled to an award pursuant to subsection 4.

Sec. 40.58. NRS 688C.510 is hereby amended to read as follows:

688C.510 1. In addition to the penalties and other means of enforcement provided under this chapter:

(a) If a person violates a provision of this chapter or of a regulation adopted under this chapter, the Commissioner may seek an injunction and apply for temporary and permanent orders he determines to be necessary to restrain the violator.

(b) A person who violates a provision of this chapter is subject to an administrative fine of not more than \$1,000 for each violation.

(c) In addition to a criminal penalty imposed, the court shall order restitution to the person aggrieved by the violation.

2. A person aggrieved by a violation of this chapter may bring a civil action against the violator to recover the damages suffered.

3. A violation of this chapter attendant to the signing of an agreement to purchase a viatical settlement renders the agreement voidable and subject to rescission by the purchaser of viatical settlements, upon tender of the viaticated policy by the purchaser of viatical settlements to the provider of viatical settlements. Suit for rescission may be brought:

(a) In a court of competent jurisdiction;

(b) In the jurisdiction where the alleged violator resides;

(c) In the jurisdiction where the alleged violator has a principal place of business; or



(d) In the jurisdiction where the alleged violation occurred.

Sec. 41. NRS 689.175 is hereby amended to read as follows:

689.175 1. The proposed seller, or the appropriate corporate officer of the proposed seller, shall apply in writing to the Commissioner for a seller's certificate of authority, showing:

(a) The proposed seller's name and address, and his occupations during the preceding 5 years;

(b) The name and address of the proposed trustee;

(c) The names and addresses of the proposed performers, specifying what particular services, supplies and equipment each performer is to furnish under the proposed prepaid contract; and

(d) Such other pertinent information as the Commissioner may reasonably require.

2. The application must be accompanied by:

(a) A copy of the proposed trust agreement and a written statement signed by an authorized officer of the proposed trustee to the effect that the proposed trustee understands the nature of the proposed trust fund and accepts it;

(b) A copy of each contract or understanding, existing or proposed, between the seller and performers relating to the proposed prepaid contract or items to be supplied under it;

(c) A certified copy of the articles of incorporation and the bylaws of any corporate applicant;

(d) A copy of any other document relating to the proposed seller, trustee, trust, performer or prepaid contract, as required by the Commissioner;

(e) A complete set of his fingerprints and written permission authorizing the Commissioner to forward those fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(f) A fee representing the amount charged by the Federal Bureau of Investigation for processing the fingerprints of the applicant; and

(g) The applicable fee established in NRS 680B.010, which is not refundable ~~is~~, ***and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.***

Sec. 42. NRS 689.205 is hereby amended to read as follows:

689.205 1. Each seller's certificate of authority issued pursuant to NRS 689.150 to 689.375, inclusive, expires at midnight on April 30 of the third year following its date of issuance or renewal.

2. The Commissioner shall renew a certificate of authority upon receiving a written request for renewal from the seller, accompanied by ~~the~~ ***all*** applicable ~~fee~~ ***fees*** for renewal, which



~~is~~ **are** not refundable, if he finds that the seller is, at that time, in compliance with all applicable provisions of NRS 689.150 to 689.375, inclusive.

3. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the certificate if the request is accompanied by a fee for renewal of 150 percent of ~~the fee~~ **all applicable fees** otherwise required ~~is~~, **except for any fee required pursuant to section 3 of this act.**

Sec. 43. NRS 689.235 is hereby amended to read as follows:

689.235 1. To qualify for an agent's license, the applicant:

(a) Must file a written application with the Commissioner on forms prescribed by the Commissioner;

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

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

2. The application must:

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

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

(c) Be accompanied by a complete set of the fingerprints of the applicant and written permission authorizing the Commissioner to forward those fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

(d) Be accompanied by a fee representing the amount charged by the Federal Bureau of Investigation for processing the fingerprints of the applicant.

(e) Be accompanied by the statement required pursuant to NRS 689.258.

(f) Be accompanied by the applicable fee established in NRS 680B.010, which is not refundable ~~is~~, **and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.**

3. A conviction of, or plea of guilty, guilty but mentally ill or nolo contendere by, an applicant or licensee for any crime listed in paragraph (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 689.265.



Sec. 44. NRS 689.255 is hereby amended to read as follows:

689.255 1. Each agent's license issued pursuant to NRS 689.150 to 689.375, inclusive, continues in force for 3 years unless it is suspended, revoked or otherwise terminated.

2. An agent's license may be renewed at the request of the holder of a valid seller's certificate of authority, upon filing a written request for renewal accompanied by ~~the required fee~~ *all applicable fees* for renewal and the statement required pursuant to NRS 689.258. ~~The fee~~ *All applicable fees* for renewal ~~is~~ *are* nonrefundable.

3. Any license not so renewed expires at midnight on the last day of the month specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by a fee for renewal of 150 percent of ~~the fee~~ *all applicable fees* otherwise required, *except for any fee required pursuant to section 3 of this act*, and the statement required pursuant to NRS 689.258.

4. An agent's license is valid only while the agent is employed by a holder of a valid seller's certificate of authority.

Sec. 45. NRS 689.490 is hereby amended to read as follows:

689.490 1. The proposed seller, or the appropriate corporate officer of the seller, shall apply in writing to the Commissioner for a seller's permit, showing:

(a) The proposed seller's name and address and his occupations during the preceding 5 years;

(b) The name and address of the proposed trustee;

(c) The names and addresses of the proposed performers, specifying what particular services, supplies and equipment each performer is to furnish under the proposed prepaid contract; and

(d) Such other pertinent information as the Commissioner may reasonably require.

2. The application must be accompanied by:

(a) A copy of the proposed trust agreement and a written statement signed by an authorized officer of the proposed trustee to the effect that the proposed trustee understands the nature of the proposed trust fund and accepts it;

(b) A copy of each contract or understanding, existing or proposed, between the seller and performers relating to the proposed prepaid contract or items to be supplied under it;

(c) A certified copy of the articles of incorporation and the bylaws of any corporate applicant;



(d) A copy of any other document relating to the proposed seller, trustee, trust, performer or prepaid contract, as required by the Commissioner;

(e) A complete set of his fingerprints and written permission authorizing the Commissioner to forward those fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(f) A fee representing the amount charged by the Federal Bureau of Investigation for processing the fingerprints of the applicant; and

(g) The applicable fee established in NRS 680B.010, which is not refundable ~~[-]~~, *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

Sec. 46. NRS 689.505 is hereby amended to read as follows:

689.505 1. Each seller's permit issued pursuant to NRS 689.450 to 689.595, inclusive, continues in effect for 3 years unless it is suspended, revoked or otherwise terminated.

2. The Commissioner shall renew a seller's permit upon receiving a written request for renewal from the seller, accompanied by ~~the~~ all applicable ~~fee~~ fees for renewal, which ~~is~~ are not refundable, if he finds that the seller is, at that time, in compliance with all applicable provisions of NRS 689.450 to 689.595, inclusive.

3. A permit which is not renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the permit if the request is accompanied by a fee for renewal of 150 percent of ~~the fee~~ all applicable fees otherwise required ~~[-]~~, *except for any fee required pursuant to section 3 of this act.*

Sec. 47. NRS 689.520 is hereby amended to read as follows:

689.520 1. To qualify for an agent's license, the applicant:

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

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

2. The application must:

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

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



(c) Be accompanied by a complete set of fingerprints and written permission authorizing the Commissioner to forward those fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

(d) Be accompanied by a fee representing the amount charged by the Federal Bureau of Investigation for processing the fingerprints of the applicant.

(e) Be accompanied by the statement required pursuant to NRS 689.258.

(f) Be accompanied by the applicable fee established in NRS 680B.010, which is not refundable ~~[-]~~, *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

3. A conviction of, or plea of guilty, guilty but mentally ill or nolo contendere by, an applicant or licensee for any crime listed in paragraph (b) 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.

Sec. 48. NRS 689.530 is hereby amended to read as follows:

689.530 1. Each agent's license issued pursuant to NRS 689.450 to 689.595, inclusive, continues in effect for 3 years unless it is suspended, revoked or otherwise terminated.

2. An agent's license may be renewed, unless it has been suspended or revoked, at the request of the holder of a valid seller's permit upon filing a written request for renewal accompanied by ~~[the]~~ *all applicable [fee] fees* for renewal and the statement required pursuant to NRS 689.258. ~~[The fee]~~ *All applicable fees* for renewal ~~[is]~~ *are* not refundable.

3. The Commissioner may accept a request for renewal which is received by him within 30 days after the expiration of the license if the request is accompanied by a fee for renewal of 150 percent of ~~[the fee]~~ *all applicable fees* otherwise required, *except for any fee required pursuant to section 3 of this act*, and the statement required pursuant to NRS 689.258.

4. An agent's license is valid only while the agent is employed by a holder of a valid seller's permit.

Secs. 49-52. (Deleted by amendment.)

Sec. 53. NRS 689B.030 is hereby amended to read as follows:

689B.030 Each group health insurance policy must contain in substance the following provisions:

1. A provision that, in the absence of fraud, all statements made by applicants or the policyholders or by an insured person are



representations and not warranties, and that no statement made for the purpose of effecting insurance voids the insurance or reduces its benefits unless the statement is contained in a written instrument signed by the policyholder or the insured person, a copy of which has been furnished to him or his beneficiary.

2. A provision that the insurer will furnish to the policyholder for delivery to each employee or member of the insured group a statement in summary form of the essential features of the insurance coverage of that employee or member and to whom benefits thereunder are payable. If dependents are included in the coverage, only one statement need be issued for each family.

3. A provision that to the group originally insured may be added from time to time eligible new employees or members or dependents, as the case may be, in accordance with the terms of the policy.

4. A provision for benefits for expense arising from care at home or health supportive services if the care or service was prescribed by a physician and would have been covered by the policy if performed in a medical facility or facility for the dependent as defined in chapter 449 of NRS.

5. ~~[A provision for benefits payable for expenses incurred for the treatment of the abuse of alcohol or drugs, as provided in NRS 689B.036.~~

~~—6.]~~ A provision for benefits for expenses arising from hospice care.

Sec. 54. (Deleted by amendment.)

Sec. 55. Chapter 689C of NRS is hereby amended by adding thereto the provisions set forth as sections 56 to 59, inclusive, of this act.

Sec. 56. *Each group health insurance policy must contain in substance a provision for benefits payable for expenses incurred for the treatment of abuse of alcohol or drugs, as provided in section 58 of this act.*

Sec. 57. *1. Notwithstanding any provisions of this title to the contrary, a policy of group health insurance delivered or issued for delivery in this State pursuant to this chapter must provide coverage for the treatment of conditions relating to severe mental illness.*

2. The coverage required by this section:

(a) Must provide:

(1) Benefits for at least 40 days of hospitalization as an inpatient per policy year and 40 visits for treatment as an



outpatient per policy year, excluding visits for the management of medication; and

(2) That two visits for partial or respite care, or a combination thereof, may be substituted for each 1 day of hospitalization not used by the insured. In no event is the policy required to provide coverage for more than 40 days of hospitalization as an inpatient per policy year.

(b) Is not required to provide benefits for psychosocial rehabilitation or care received as a custodial inpatient.

3. Any deductibles and copayments required to be paid for the coverage required by this section must not be greater than 150 percent of the out-of-pocket expenses required to be paid for medical and surgical benefits provided pursuant to the policy of group health insurance.

4. The provisions of this section do not apply to a policy of group health insurance if, at the end of the policy year, the premiums charged for that policy, or a standard grouping of policies, increase by more than 2 percent as a result of providing the coverage required by this section and the insurer obtains an exemption from the Commissioner pursuant to subsection 5.

5. To obtain the exemption required by subsection 4, an insurer must submit to the Commissioner a written request therefor that is signed by an actuary and sets forth the reasons and actuarial assumptions upon which the request is based. To determine whether an exemption may be granted, the Commissioner shall subtract from the amount of premiums charged during the policy year the amount of premiums charged during the period immediately preceding the policy year and the amount of any increase in the premiums charged that is attributable to factors that are unrelated to providing the coverage required by this section. The Commissioner shall verify the information within 30 days after receiving the request. The request shall be deemed approved if the Commissioner does not deny the request within that time.

6. The provisions of this section do not:

(a) Limit the provision of specialized services covered by Medicaid for persons with conditions relating to mental health or substance abuse.

(b) Supersede any provision of federal law, any federal or state policy relating to Medicaid, or the terms and conditions imposed on any Medicaid waiver granted to this State with respect to the provisions of services to persons with conditions relating to mental health or substance abuse.



7. A policy of group health insurance subject to the provisions of this chapter which is delivered, issued for delivery or renewed on or after October 3, 2009, has the legal effect of including the coverage required by this section, and any provision of the policy or the renewal which is in conflict with this section is void, unless the policy is otherwise exempt from the provisions of this section pursuant to subsection 4.

8. As used in this section, "severe mental illness" means any of the following mental illnesses that are biologically based and for which diagnostic criteria are prescribed in the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition, published by the American Psychiatric Association:

- (a) Schizophrenia.
- (b) Schizoaffective disorder.
- (c) Bipolar disorder.
- (d) Major depressive disorders.
- (e) Panic disorder.
- (f) Obsessive-compulsive disorder.

Sec. 58. 1. The benefits provided by a group policy for health insurance, as required by section 56 of this act, for the treatment of abuse of alcohol or drugs must consist of:

(a) Treatment for withdrawal from the physiological effects of alcohol or drugs, with a minimum benefit of \$1,500 per calendar year.

(b) Treatment for a patient admitted to a facility, with a minimum benefit of \$9,000 per calendar year.

(c) Counseling for a person, group or family who is not admitted to a facility, with a minimum benefit of \$2,500 per calendar year.

2. These benefits must be paid in the same manner as benefits for any other illness covered by a similar policy are paid.

3. The insured person is entitled to these benefits if treatment is received in any:

(a) Facility for the treatment of abuse of alcohol or drugs which is certified by the Health Division of the Department of Health and Human Services.

(b) Hospital or other medical facility or facility for the dependent which is licensed by the Health Division of the Department of Health and Human Services, is accredited by the Joint Commission on Accreditation of Healthcare Organizations and provides a program for the treatment of abuse of alcohol or drugs as part of its accredited activities.

Secs. 59-61. (Deleted by amendment.)



Sec. 62. NRS 689C.425 is hereby amended to read as follows:

689C.425 A voluntary purchasing group and any contract issued to such a group pursuant to NRS 689C.360 to 689C.600, inclusive, are subject to the provisions of NRS 689C.015 to 689C.355, inclusive, to the extent applicable and not in conflict with the express provisions of *section 38.5 of this act and* NRS 689C.360 to 689C.600, inclusive.

Sec. 63. NRS 690C.160 is hereby amended to read as follows:

690C.160 1. A provider who wishes to issue, sell or offer for sale service contracts in this state must submit to the Commissioner:

(a) A registration application on a form prescribed by the Commissioner;

(b) Proof that he has complied with the requirements for security set forth in NRS 690C.170;

(c) A copy of each type of service contract he proposes to issue, sell or offer for sale;

(d) The name, address and telephone number of each administrator with whom the provider intends to contract; and

(e) A fee of \$1,000 ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

2. In addition to the fee required by subsection 1, a provider must pay a fee of \$25 for each type of service contract he files with the Commissioner.

3. A certificate of registration is valid for 1 year after the date the Commissioner issues the certificate to the provider. A provider may renew his certificate of registration if, before the certificate expires, he submits to the Commissioner an application on a form prescribed by the Commissioner, ~~and~~ *a fee of \$1,000 ~~and~~ and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

Sec. 64. NRS 692A.103 is hereby amended to read as follows:

692A.103 1. A person who wishes to obtain a license as an escrow officer must:

(a) File a written application in the Office of the Commissioner;

(b) Except as otherwise provided in subsection 3, demonstrate competency in matters relating to escrows by:

(1) Having at least 1 year of recent experience with respect to escrows of a sufficient nature to allow him to fulfill the responsibilities of an escrow officer; or

(2) Passing a written examination concerning escrows as prescribed by the Commissioner;



(c) Submit the name and business address of the title agent who will supervise the escrow officer;

(d) Submit the statement required pursuant to NRS 692A.1033; and

(e) Pay the fees required by NRS 680B.010 ~~[]~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

2. The Commissioner shall issue a license as an escrow officer to any person who satisfies the requirements of subsection 1.

3. The Commissioner may waive the requirements of paragraph (b) of subsection 1 if the applicant submits with his application satisfactory proof that he, in good standing, currently holds a license, or held a license within 1 year before the date he submits his application, which was issued pursuant to the provisions of NRS 645A.020.

4. A license issued pursuant to this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. The license may be renewed upon submission of the statement required pursuant to NRS 692A.1033 and payment of ~~[the]~~ *all applicable [fee] fees* for renewal to the Commissioner on or before the last day of the month in which the license is renewable.

5. A license which is not renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by the statement required pursuant to NRS 692A.1033 and a fee for renewal of 150 percent of ~~[the fee]~~ *all applicable fees* otherwise required ~~[]~~ *, except for any fee required pursuant to section 3 of this act.*

6. The Commissioner shall adopt regulations to carry out the provisions of this section.

Sec. 65. NRS 694C.230 is hereby amended to read as follows:

694C.230 1. If the Commissioner determines that the documents and statements filed by the captive insurer satisfy the requirements for licensure, the Commissioner shall issue a license to the captive insurer. The license may be renewed annually upon the satisfaction of all requirements imposed by the Commissioner and payment of ~~[the]~~ *all applicable* renewal ~~[fee.]~~ *fees.*

2. A captive insurer must pay a fee of \$300 for the issuance of a license and, on or before March 1 of each year, an annual fee of \$300 *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act* for the renewal of a license.



Sec. 66. NRS 694C.460 is hereby amended to read as follows:

694C.460 1. There is hereby created in the State General Fund an Account for the Regulation and Supervision of Captive Insurers. Money in the Account must be used only to carry out the provisions of this chapter. Except as otherwise provided in NRS 694C.450 ~~and~~ *and section 3 of this act*, all fees and assessments received by the Commissioner or Division pursuant to this chapter must be credited to the Account. Not more than 2 percent of the tax collected and deposited in the Account pursuant to NRS 694C.450, may, upon application by the Division or an agency for economic development to, and with the approval of, the Interim Finance Committee, be transferred to an agency for economic development to be used by that agency to promote the industry of captive insurance in this State.

2. Except as otherwise provided in this section, all payments from the Account for the maintenance of staff and associated expenses, including contractual services, as necessary, must be disbursed from the State Treasury only upon warrants issued by the State Controller, after receipt of proper documentation of the services rendered and expenses incurred.

3. At the end of each fiscal year, that portion of the balance in the Account which exceeds \$500,000 must be transferred to the State General Fund.

4. The State Controller may anticipate receipts to the Account and issue warrants based thereon.

Sec. 67. (Deleted by amendment.)

Sec. 68. NRS 695A.080 is hereby amended to read as follows:

695A.080 1. The Commissioner may make such examination and require such further information as he deems advisable. Upon presentation of satisfactory evidence that the society has complied with all applicable provisions of law, he shall issue to the society a certificate of authority indicating that the society may transact business pursuant to the provisions of this chapter.

2. The certificate of authority is prima facie evidence of the existence of the society on the date of the certificate.

3. The Commissioner shall cause a record of the certificate of authority to be made. A certified copy of the record may be given in evidence with like effect as the original certificate of authority.

4. For the issuance or renewal of a certificate of authority, a society must pay to the Commissioner:

(a) A fee of \$250 if the number of outstanding benefit contracts within Nevada of the society is 600 or less;



(b) A fee of \$500 if the number of outstanding benefit contracts within Nevada of the society is more than 600 but less than 1,200; ~~and~~

(c) A fee of \$2,450 if the number of outstanding benefit contracts within Nevada of the society is 1,200 or more ~~and~~; *and*

(d) In addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.

↳ Each such certificate or renewal expires on March 1 following its issuance.

5. If a society properly applies for the renewal of its certificate of authority but does not receive approval of its application by March 1, it may continue to transact business pursuant to this chapter unless it receives notice that the application for renewal is specifically denied.

6. A certified copy or duplicate of a certificate of authority is prima facie evidence that the society may lawfully transact business in this state pursuant to the provisions of this chapter during the period stated on the license.

Secs. 69 and 70. (Deleted by amendment.)

Sec. 71. NRS 695B.110 is hereby amended to read as follows:

695B.110 A corporation shall not establish, maintain or operate a nonprofit service plan as authorized by the provisions of this chapter unless it has:

1. Procured a certificate of authority from the Commissioner for the establishment, maintenance and operation of the plan.

2. Paid to the Commissioner the fees required of insurers by NRS 680B.010 for:

(a) The filing of the initial application;

(b) The issuance of the certificate of authority;

(c) Each annual continuation of the certificate of authority; and

(d) The filing of each annual report.

3. Paid, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.

Sec. 72. NRS 695B.130 is hereby amended to read as follows:

695B.130 1. An application for a certificate of authority must be filed with the Commissioner in writing by the corporation for medical service which is applying for the certificate on forms furnished or accepted by the Commissioner. The application must set forth such information concerning the applicant and its qualifications and in other respects as the Commissioner may reasonably require.

2. The application must be accompanied by:



(a) A copy of the applicant's charter or articles of incorporation, certified by the public officer with whom the original is required to be filed in its state of domicile;

(b) A copy of the applicant's bylaws, certified by the corporate secretary;

(c) A copy of each contract the applicant has made or proposed to make with hospitals, or physicians or dentists in this state;

(d) A copy of each service contract proposed to be issued to its subscribers in this state;

(e) The schedule of the rates, dues, fees or other periodical charges proposed to be charged for such service contracts; and

(f) ~~the~~ *All* applicable ~~fee~~ *fees* for an initial application and the issuance of a certificate of authority.

3. If upon completion of the application the Commissioner determines that the applicant is fully qualified and entitled to a certificate of authority under this chapter, he shall promptly issue a certificate of authority to the applicant. If the Commissioner refuses to issue the certificate of authority, he shall give the applicant written notice of the refusal setting forth the grounds therefor.

Sec. 73. NRS 695B.135 is hereby amended to read as follows:

695B.135 1. A certificate of authority issued pursuant to this chapter expires on March 1 of the year following its date of issuance or renewal.

2. To renew a certificate of authority a corporation for medical service must:

(a) File a written request for renewal with the Commissioner; and

(b) Pay ~~the~~ *all* applicable ~~fee~~ *fees* for renewal for a certificate of authority.

3. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the certificate if the request is accompanied by a fee for renewal of 150 percent of ~~the fee~~ *all applicable fees* otherwise required ~~to be paid~~, *except for any fee required pursuant to section 3 of this act.*

Sec. 74. NRS 695B.160 is hereby amended to read as follows:

695B.160 1. Every corporation subject to the provisions of this chapter shall annually:

(a) On or before March 1, file in the Office of the Commissioner a statement verified by at least two of the principal officers of the corporation, showing its condition and affairs as of December 31 of the preceding calendar year. The statement must be in the form required by the Commissioner and must contain statements relative to the matters required to be established as a condition precedent to



maintaining or operating a nonprofit hospital, medical or dental service plan and to other matters which the Commissioner may prescribe.

(b) Pay ~~the annual fee~~ *all applicable fees* for the renewal of a certificate of authority and the fee for the filing of an annual statement.

2. The Commissioner may examine, as often as he deems it desirable, the affairs of every corporation subject to the provisions of this chapter. He shall, if practicable, examine each such corporation at least once in every 3 years, and in any event, at least once in every 5 years, as to its condition, fulfillment of its contractual obligations and compliance with applicable laws. For examining the financial condition of every such corporation the Commissioner shall collect the actual expenses of the examination. Such expenses must be paid by the corporation. The Commissioner shall refuse to issue a certificate of authority or shall revoke his certificate of authority issued to any corporation which neglects or refuses to pay such expenses.

Sec. 75. NRS 695B.180 is hereby amended to read as follows:

695B.180 A contract for hospital, medical or dental services must not be entered into between a corporation proposing to furnish or provide any one or more of the services authorized under this chapter and a subscriber:

1. Unless the entire consideration therefor is expressed in the contract.

2. Unless the times at which the benefits or services to the subscriber take effect and terminate are stated in a portion of the contract above the evidence of its execution.

3. If the contract purports to entitle more than one person to benefits or services, except for family contracts issued under NRS 695B.190, group contracts issued under NRS 695B.200, and blanket contracts issued under NRS 695B.220.

4. Unless every printed portion and any endorsement or attached papers are plainly printed in type of which the face is not smaller than 10 points.

5. Except for group contracts and blanket contracts issued under NRS 695B.220, unless the exceptions of the contract are printed with greater prominence than the benefits to which they apply.

6. Except for group contracts and blanket contracts issued under NRS 695B.230, unless, if any portion of the contract purports, by reason of the circumstances under which an illness, injury or disablement is incurred to reduce any service to less than that



provided for the same illness, injury or disablement incurred under ordinary circumstances, that portion is printed in boldface type and with greater prominence than any other text of the contract.

7. If the contract contains any provisions purporting to make any portion of the charter, constitution or bylaws of a nonprofit corporation a part of the contract unless that portion is set forth in full in the contract.

8. ~~Unless the contract, if it is a group contract, contains a provision for benefits payable for expenses incurred for the treatment of the abuse of alcohol or drugs, as provided in NRS 695B.194.~~

~~9.]~~ Unless the contract provides benefits for expenses incurred for hospice care.

~~10.]~~ 9. Unless the contract for service in a hospital contains in blackface type, not less than 10 points, the following provisions:

This contract does not restrict or interfere with the right of any person entitled to service and care in a hospital to select the contracting hospital or to make a free choice of his attending physician, who must be the holder of a valid and unrevoked physician's license and a member of, or acceptable to, the attending staff and board of directors of the hospital in which the services are to be provided.

Sec. 76. (Deleted by amendment.)

Sec. 77. NRS 695B.290 is hereby amended to read as follows:

695B.290 Any agent of a nonprofit hospital or medical or dental service corporation who acts as such in the solicitation, negotiation, procurement or making of a hospital service or medical or dental care contract shall be qualified, examined and licensed in the same manner and pay the same fees as provided for health insurance agents in NRS 680B.010 (fee schedule) , ~~and~~ chapter 683A of NRS ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

Secs. 78 and 79. (Deleted by amendment.)

Sec. 80. NRS 695C.170 is hereby amended to read as follows:

695C.170 1. Every enrollee residing in this state is entitled to evidence of coverage under a health care plan. If the enrollee obtains coverage under a health care plan through an insurance policy, whether by option or otherwise, the insurer shall issue the evidence of coverage. Otherwise, the health maintenance organization shall issue the evidence of coverage.

2. Evidence of coverage or amendment thereto must not be issued or delivered to any person in this state until a copy of the



form of the evidence of coverage or amendment thereto has been filed with and approved by the Commissioner.

3. An evidence of coverage:

(a) Must not contain any provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, which encourage misrepresentation or which are untrue, misleading or deceptive as defined in subsection 1 of NRS 695C.300; and

(b) Must contain a clear and complete statement, if a contract, or a reasonably complete summary if a certificate, of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health care plan;

(2) Any limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature;

(3) Where and in what manner the services may be obtained;

and

(4) The total amount of payment for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay. ~~and~~

~~(5) A provision for benefits payable for expenses incurred for the treatment of the abuse of alcohol or drugs, as provided in NRS 695C.174.]~~

↳ Any subsequent change may be evidenced in a separate document issued to the enrollee.

4. A copy of the form of the evidence of coverage to be used in this state and any amendment thereto is subject to the requirements for filing and approval of subsection 2 unless it is subject to the jurisdiction of the Commissioner under the laws governing health insurance, in which event the provisions for filing and approval of those laws apply. To the extent that such provisions do not apply to the requirements in subsection 3, such provisions are amended to incorporate the requirements of subsection 3 in approving or disapproving an evidence of coverage required by subsection 2.

Sec. 81. (Deleted by amendment.)

Sec. 82. NRS 695C.230 is hereby amended to read as follows:

695C.230 1. Every health maintenance organization subject to this chapter shall pay to the Commissioner the following fees:

(a) For filing an application for a certificate of authority, \$2,450.

(b) For issuance of a certificate of authority, \$250.

(c) For an amendment to a certificate of authority, \$100.

(d) For the renewal of a certificate of authority, \$2,450.

(e) For filing each annual report, \$25.



(f) In addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.

2. At the time of filing the annual report the health maintenance organization shall forward to the department of taxation the tax and any penalty for nonpayment or delinquent payment of the tax in accordance with the provisions of chapter 680B of NRS.

3. All fees paid pursuant to this section shall be deemed earned when paid and may not be refunded.

Sec. 83. NRS 695D.130 is hereby amended to read as follows:

695D.130 The Commissioner shall issue a certificate of authority to an organization for dental care after the organization has paid an application fee of \$2,450 *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act*, and the Commissioner is satisfied that:

1. The persons responsible for operating the organization are competent, trustworthy, have not been convicted of a felony and have good reputations.

2. The plan for dental care includes care which is appropriate for the plan and the plan is appropriate for providing that care.

3. The organization is financially responsible and may reasonably be expected to meet its obligations to its members. To determine financial responsibility the Commissioner may consider:

(a) The organization's arrangements for dental care and the schedule of charges to be used;

(b) The agreements with an insurer, government or any other organizations for ensuring payment for the dental care;

(c) Any provisions for alternative coverage if the plan for dental care is discontinued; and

(d) The agreements with the dentists providing dental care to the organization's members.

4. The appropriate deposits or bonds have been filed with the Commissioner by the organization and its officers.

Sec. 84. NRS 695D.150 is hereby amended to read as follows:

695D.150 A certificate of authority expires at midnight on March 1 following the date it was issued or previously renewed. The Commissioner shall renew the certificate of any organization for dental care which:

1. Continues to comply with the provisions of this chapter; and

2. Pays the fee for renewal of \$2,450 ~~+~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*



Sec. 85. NRS 695E.130 is hereby amended to read as follows:

695E.130 1. Except as otherwise provided in chapter 685A of NRS, a purchasing group shall not purchase insurance from an unauthorized insurer or a risk retention group that is not chartered or registered in this state.

2. A purchasing group is exempt from any law of this state that relates to the formation or prohibition of groups for the purchase of insurance, and any law that would discriminate against a purchasing group or its members.

3. An insurer is exempt from any law of this state that prohibits providing, or offering to provide, to a purchasing group or its members advantages based on their loss and expense experiences not afforded to other persons with respect to rates, policy forms, coverages or other matters.

4. ~~[A purchasing group and its insurer are exempt from any law of this state which requires that an insurance policy issued to a purchasing group or any of its members be countersigned by an insurance agent residing in this state.~~

~~—5.]~~ A purchasing group that obtains liability insurance from a surplus lines insurer or a risk retention group shall inform each of the members of the purchasing group which have a risk resident or located in this state that the risk is not protected by an insurance insolvency guaranty fund in this state, and that the risk retention group or insurer may not be subject to all insurance laws and regulations of this state.

~~[6.]~~ 5. No purchasing group may purchase insurance providing for a deductible or self-insured retention applicable to the group as a whole, but the coverage may provide for a deductible or self-insured retention applicable to individual members of the group.

~~[7.]~~ 6. Purchases of insurance by purchasing groups are subject to the same standards regarding aggregate limits which are applicable to all purchases of group insurance.

Sec. 86. (Deleted by amendment.)

Sec. 87. NRS 695F.110 is hereby amended to read as follows:

695F.110 An application for a certificate of authority to operate a prepaid limited health service organization must be filed with the Commissioner on a form prescribed by him. The application must be verified by an officer or authorized representative of the applicant and include:

1. A copy of the applicant's basic organizational document, including any articles of incorporation, articles of association, partnership agreement, trust agreement or any other applicable document or amendment thereto.



2. A copy of the bylaws, rules and regulations or similar documents, if any, which regulate the conduct of the internal affairs of the applicant.

3. A list of the names, addresses, official positions and biographical information of the persons responsible for conducting the applicant's affairs, including, but not limited to:

- (a) The members of the board of directors;
- (b) The members of the board of trustees;
- (c) The members of the executive committee or other governing board or committee;
- (d) The principal officers;
- (e) Any person owning or having the right to acquire 10 percent or more of the voting securities of the applicant; and
- (f) If the applicant is a partnership or association, the partners or members of that partnership or association.

4. A statement generally describing the applicant, its facilities, employees and the limited health service or services to be offered.

5. A copy of any contract made or to be made between the applicant and any provider concerning the provision of a limited health service to enrollees.

6. A copy of any contract made, or to be made between the applicant and any person described in subsection 3 . ~~of this section.~~

7. A copy of any contract made or to be made between the applicant and any person for the performance on the applicant's behalf of any functions, including, but not limited to, marketing, administration, enrollment, management of investments and subcontracting for the provision of a limited health service to enrollees.

8. A copy of the form of any group contract which is to be issued to employers, unions, trustees or other organizations.

9. A copy of any form for evidence of coverage to be issued to subscribers.

10. A copy of the applicant's most recent financial statements which have been audited by an independent certified public accountant. If the financial affairs of the parent company of the applicant are audited by an independent certified public accountant and the financial affairs of the applicant are not audited, the applicant must submit a copy of the most recently audited financial statement of the parent company which was certified by an independent certified public accountant and the consolidating financial statements of the applicant, unless the Commissioner



determines that additional or more recent financial information is required.

11. A copy of the applicant’s financial plan, including a 3-year projection of the anticipated operating results, a statement of the sources of working capital and any other sources of funding and any plan for contingencies.

12. A schedule of the rates and charges for the limited health service.

13. A description of the proposed method of marketing.

14. A statement acknowledging that any process in any legal action or proceeding against the applicant on a cause of action arising in this state is valid if lawfully served.

15. A description of the procedure for the resolution of complaints submitted by enrollees concerning the limited health service provided by the prepaid limited health service organization.

16. A description of the procedures to be established for quality assessment and utilization review.

17. A description of the applicant’s plan to comply with the provisions of NRS 695F.200.

18. ~~[/The fee]~~ *All applicable fees* for filing an application for a certificate of authority.

19. Such other information as the Commissioner may require to make the determination required by this chapter.

Sec. 88. (Deleted by amendment.)

Sec. 89. NRS 695F.340 is hereby amended to read as follows:

695F.340 Each prepaid limited health service organization shall pay to the Commissioner the following fees:

For filing an application for a certificate of authority	\$2,450
For issuance of a certificate of authority	283
For the renewal of a certificate of authority	\$2,450
For filing a material change or addition of a limited health service	100
For filing an annual report.....	25
For filing periodic reports required by the Commissioner [-]	25

In addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.

Secs. 90 and 91. (Deleted by amendment.)

Sec. 92. NRS 695H.090 is hereby amended to read as follows:

695H.090 1. An application for registration to engage in business as a medical discount plan must be submitted on a form prescribed by the Commissioner. The form must be signed by an



officer or an authorized representative of the applicant. Except as otherwise provided in this section, the application must be accompanied by:

(a) A registration fee of \$500 **[§]** *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

(b) A copy of the organizational documents of the applicant, if any.

(c) A list of names, addresses, positions of employment and biographical information of each person who is responsible for conducting the business activities of the medical discount plan of the applicant, including, but not limited to, all members of the board of directors, board of trustees, officers and managers. The list must set forth the extent and nature of any contracts or other agreements between any person who is responsible for conducting the business activities of the applicant and the medical discount plan, including disclosure of any possible conflicts of interest.

(d) A complete biographical statement, on a form prescribed by the Commissioner, describing the facilities, employees and services that will be offered by the applicant.

(e) A copy of all forms used for contracts between the applicant and networks of providers of health care regarding the provision of health care or medical services to members.

(f) A copy of the most recent financial statements of the applicant, audited by an independent certified public accountant.

(g) A description of the method of marketing proposed by the applicant.

(h) A description of the procedures for making a complaint to be established and maintained by the applicant.

(i) Any other information required by the Commissioner.

2. Each person who registers a medical discount plan must renew the registration annually before the registration expires. Except as otherwise provided in this section, an application to renew the registration must include:

(a) An annual renewal fee of \$500 **[§]** *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act;* and

(b) Any information set forth in subsection 1 that the Commissioner requires to be included in the application.

3. An administrator or insurer that registers a medical discount plan is not required to pay the fees for registering or renewing the registration of the medical discount plan pursuant to this section.



4. The Commissioner shall, by regulation, designate the provisions of subsection 1 that shall be deemed satisfied by an administrator, insurer or affiliate of an insurer that has complied with substantially similar requirements pursuant to other provisions of this title.

Sec. 93. NRS 696A.140 is hereby amended to read as follows:

696A.140 The Commissioner shall not issue a certificate of authority to any motor club until:

1. It files with him the following:

(a) A formal application for the certificate in such form and detail as the Commissioner requires, executed under oath by its president or other principal officer.

(b) A certified copy of its charter or articles of incorporation and its bylaws.

2. It pays to him the following:

(a) A fee of \$500 for the filing of an application for the certificate; ~~and~~

(b) A fee of \$283 for the issuance of the certificate ~~and~~; *and*

(c) In addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.

3. It deposits the required cash, securities, bond or evidence of such a deposit in another state as provided in NRS 696A.080 with the Commissioner.

4. Its name is approved by the Commissioner pursuant to NRS 696A.120.

Sec. 94. NRS 696A.150 is hereby amended to read as follows:

696A.150 Every certificate of authority issued to a motor club expires annually on March 1 unless it is revoked or suspended. The certificate may be renewed by paying to the Commissioner an annual fee for renewal of \$500 before the expiration of the certificate ~~and~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

Sec. 95. NRS 696A.185 is hereby amended to read as follows:

696A.185 1. Every motor club shall file with the Commissioner on or before March 1 of each year a report which summarizes its activities for the preceding calendar year. The report must be verified by at least two officers of the motor club.

2. The report must be on a form prescribed by the Commissioner and must include:

(a) A financial statement for the motor club, including its balance sheet and receipts and disbursements for the preceding calendar year;



(b) Any material changes in the information given in the previous report;

(c) The number of members enrolled in the year;

(d) The costs of all services provided for that year; and

(e) Any other information relating to the motor club requested by the Commissioner.

3. The motor club must pay to the Commissioner ~~[an annual fee of \$500.]~~ *all applicable fees.*

4. Every motor club shall file with the Commissioner on or before June 1 of each year a financial statement of the motor club certified by an independent public accountant.

5. Any motor club failing, without just cause beyond its reasonable control, to file timely the report or financial statement or to pay timely the annual fee required by this section shall pay an administrative penalty of \$100 per day until the report or statement is filed, except that the total penalty must not exceed \$3,000. The Attorney General shall recover the penalty in the name of the State of Nevada.

6. A motor club is not exempt from the provisions of NRS 679B.700.

Sec. 96. NRS 696A.300 is hereby amended to read as follows:

696A.300 1. Each license for a club agent issued under this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon submission of the statement required pursuant to NRS 696A.303 and payment to the Commissioner of ~~[the]~~ *all applicable [fee] fees* for renewal and a fee established by the Commissioner of not more than \$15 for deposit in the insurance recovery account created by NRS 679B.305. The statement must be submitted and the fees must be paid on or before the last day of the month in which the license is renewable.

2. Any license not so renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by him within 30 days after the expiration of the license if the request is accompanied by the statement required pursuant to NRS 696A.303, a fee for renewal of 150 percent of ~~[the fee]~~ *all applicable fees* otherwise required, *except for any fee required pursuant to section 3 of this act*, and the fee established by the Commissioner of not more than \$15 for deposit in the insurance recovery account created by NRS 679B.305.



3. The Commissioner shall collect in advance and deposit with the State Treasurer for credit to the State General Fund the following fees for licensure as a club agent:

- (a) Application and license..... \$78
- (b) Appointment by each motor club 5
- (c) Triennial renewal of each license 78

(d) In addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.

Sec. 97. NRS 697.230 is hereby amended to read as follows:

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

(a) Proof that the licensee has completed a 3-hour program of continuing education that is:

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

(2) Approved by the Commissioner;

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

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

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

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

2. Any license that is not renewed on or before the last day specified for its renewal expires at midnight on that day. The Commissioner may accept a request for renewal received by him within 30 days after the date of expiration if the request is accompanied by a fee for renewal of 150 percent of ~~the fee~~ all applicable fees otherwise required, *except for any fee required pursuant to section 3 of this act*, and, if the person requesting renewal is a natural person, the statement required pursuant to NRS 697.181.



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

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

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

Sec. 97.72. Chapter 90 of NRS is hereby amended by adding thereto the provisions set forth as sections 97.73, 97.74 and 97.75 of this act.

Sec. 97.73. *“Provider of viatical settlements” has the meaning ascribed to it in NRS 688C.080.*

Sec. 97.74. *“Viatical settlement investment” means the contractual right to receive a specified portion of the death benefit or ownership of a life insurance policy or certificate in exchange for consideration that is less than the dollar amount of the expected death benefit of the life insurance policy or certificate. The term does not include:*

1. A transaction between a viator and a provider of viatical settlements;

2. A transfer of ownership or beneficial interest in a life insurance policy from a provider of viatical settlements to another provider of viatical settlements, or to a legal entity formed solely for the purpose of holding ownership or beneficial interest in a life insurance policy or policies;

3. The bona fide assignment of a life insurance policy to a bank, savings bank, savings and loan association, credit union or other licensed lending institution as collateral for a loan; or

4. The exercise of accelerated benefits pursuant to the terms of a life insurance policy issued in accordance with title 57 of NRS.

Sec. 97.75. *“Viator” has the meaning ascribed to it in NRS 688C.150, except that for the purposes of this chapter, a viator need not be a resident of this State.*

Sec. 97.76. NRS 90.211 is hereby amended to read as follows:

90.211 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 90.215 to 90.307, inclusive, *and sections 97.73, 97.74 and 97.75 of this act* have the meanings ascribed to them in those sections.



Sec. 97.77. NRS 90.295 is hereby amended to read as follows:

90.295 “Security” means a note, stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in a profit-sharing agreement, a limited partnership interest, an interest in a limited-liability company, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, *viatical settlement investment*, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in an oil, gas or other mineral lease or in payments out of production of such a lease, right or royalty, a put, call, straddle or option on a security, certificate of deposit or group or index of securities including any interest therein or based on the value of any of the foregoing, or, in general, any interest or instrument commonly known as a security or any certificate of interest or participation in, temporary or interim certificate for, receipt for, whole or partial guarantee of or warrant or right to subscribe to or purchase any of the foregoing. The term does not include:

1. An insurance or endowment policy or annuity contract under which an insurance company promises to pay a fixed sum of money either in a lump sum or periodically for life or some other specified period; or

2. An interest in a contributory or noncontributory pension or welfare plan subject to the Employee Retirement Income Security Act of 1974.

Sec. 98. NRS 287.010 is hereby amended to read as follows:

287.010 1. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada may:

(a) Adopt and carry into effect a system of group life, accident or health insurance, or any combination thereof, for the benefit of its officers and employees, and the dependents of officers and employees who elect to accept the insurance and who, where necessary, have authorized the governing body to make deductions from their compensation for the payment of premiums on the insurance.

(b) Purchase group policies of life, accident or health insurance, or any combination thereof, for the benefit of such officers and employees, and the dependents of such officers and employees, as have authorized the purchase, from insurance companies authorized to transact the business of such insurance in the State of Nevada, and, where necessary, deduct from the compensation of officers and



employees the premiums upon insurance and pay the deductions upon the premiums.

(c) Provide group life, accident or health coverage through a self-insurance reserve fund and, where necessary, deduct contributions to the maintenance of the fund from the compensation of officers and employees and pay the deductions into the fund. The money accumulated for this purpose through deductions from the compensation of officers and employees and contributions of the governing body must be maintained as an internal service fund as defined by NRS 354.543. The money must be deposited in a state or national bank or credit union authorized to transact business in the State of Nevada. Any independent administrator of a fund created under this section is subject to the licensing requirements of chapter 683A of NRS, and must be a resident of this State. Any contract with an independent administrator must be approved by the Commissioner of Insurance as to the reasonableness of administrative charges in relation to contributions collected and benefits provided. The provisions of *section 38.5 of this act and* NRS 689B.030 to 689B.050, inclusive, 689B.287 and 689B.575 apply to coverage provided pursuant to this paragraph. ~~[, except that the provisions of NRS 689B.0359 do not apply to such coverage.]~~

(d) Defray part or all of the cost of maintenance of a self-insurance fund or of the premiums upon insurance. The money for contributions must be budgeted for in accordance with the laws governing the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada.

2. If a school district offers group insurance to its officers and employees pursuant to this section, members of the board of trustees of the school district must not be excluded from participating in the group insurance. If the amount of the deductions from compensation required to pay for the group insurance exceeds the compensation to which a trustee is entitled, the difference must be paid by the trustee.

3. In any county in which a legal services organization exists, the governing body of the county, or of any school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada in the county, may enter into a contract with the legal services organization pursuant to which the officers and employees of the legal services organization, and the dependents of those officers and employees, are eligible for any life, accident or health insurance provided pursuant to this section to the officers and employees, and the dependents of the officers and employees, of the county, school



district, municipal corporation, political subdivision, public corporation or other local governmental agency.

4. If a contract is entered into pursuant to subsection 3, the officers and employees of the legal services organization:

(a) Shall be deemed, solely for the purposes of this section, to be officers and employees of the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency with which the legal services organization has contracted; and

(b) Must be required by the contract to pay the premiums or contributions for all insurance which they elect to accept or of which they authorize the purchase.

5. A contract that is entered into pursuant to subsection 3:

(a) Must be submitted to the Commissioner of Insurance for approval not less than 30 days before the date on which the contract is to become effective.

(b) Does not become effective unless approved by the Commissioner.

(c) Shall be deemed to be approved if not disapproved by the Commissioner within 30 days after its submission.

6. As used in this section, "legal services organization" means an organization that operates a program for legal aid and receives money pursuant to NRS 19.031.

Sec. 99. NRS 616A.469 is hereby amended to read as follows:

616A.469 1. The Commissioner may issue certificates authorizing qualified external review organizations to conduct external reviews for the purposes of chapters 616A to 617, inclusive, of NRS. If the Commissioner issues such certificates and the Commissioner determines that an external review organization is qualified to conduct external reviews for the purposes of chapters 616A to 617, inclusive, of NRS, the Commissioner shall issue a certificate to the external review organization that authorizes the organization to conduct such external reviews in accordance with the provisions of NRS 616C.363 and the regulations adopted by the Commissioner.

2. The Commissioner may adopt regulations setting forth the procedures that an external review organization must follow to be issued a certificate to conduct external reviews. Any regulations adopted pursuant to this section must include, without limitation, provisions setting forth:

(a) The manner in which an external review organization may apply for a certificate and the requirements for the issuance and renewal of the certificate pursuant to this section;



(b) The grounds for which the Commissioner may refuse to issue, suspend, revoke or refuse to renew a certificate issued pursuant to this section;

(c) The manner and circumstances under which an external review organization is required to conduct its business; and

(d) ~~[A fee]~~ *Any applicable fees* for issuing or renewing a certificate of an external review organization pursuant to this section. ~~[The fee must not exceed the cost of issuing or renewing the certificate.]~~

3. A certificate issued pursuant to this section expires 1 year after it is issued and may be renewed in accordance with regulations adopted by the Commissioner.

4. Before the Commissioner may issue a certificate to an external review organization, the external review organization must:

(a) Demonstrate to the satisfaction of the Commissioner that it is able to carry out, in a timely manner, the duties of an external review organization as set forth in NRS 616C.363 and the regulations adopted by the Commissioner. The demonstration must include, without limitation, proof that the external review organization employs, contracts with or otherwise retains only persons who are qualified because of their education, training, professional licensing and experience to perform the duties assigned to those persons; and

(b) Provide assurances satisfactory to the Commissioner that the external review organization will:

(1) Conduct external reviews in accordance with the provisions of NRS 616C.363 and the regulations adopted by the Commissioner;

(2) Render its decisions in a clear, consistent, thorough and timely manner; and

(3) Avoid conflicts of interest.

5. For the purposes of this section, an external review organization has a conflict of interest if the external review organization or any employee, agent or contractor of the external review organization who conducts an external review has a professional, familial or financial interest of a material nature with respect to any person who has a substantial interest in the outcome of the external review, including, without limitation:

(a) The claimant;

(b) The employer; or

(c) The insurer or any officer, director or management employee of the insurer.



6. The Commissioner shall not issue a certificate to an external review organization that is affiliated with:

(a) An organization for managed care which provides comprehensive medical and health care services to employees for injuries or diseases pursuant to chapters 616A to 617, inclusive, of NRS;

(b) An insurer;

(c) A third-party administrator; or

(d) A national, state or local trade association.

7. An external review organization which is certified or accredited by an accrediting body that is nationally recognized shall be deemed to have satisfied all the conditions and qualifications required for the external review organization to be issued a certificate pursuant to this section.

Sec. 100. NRS 616B.350 is hereby amended to read as follows:

616B.350 1. A group of five or more employers may not act as an association of self-insured public employers unless the group:

(a) Is composed of employers engaged in the same or similar classifications of employment; and

(b) Has been issued a certificate to act as such an association by the Commissioner.

2. A group of five or more employers may not act as an association of self-insured private employers unless each member of the group:

(a) Is a member or associate member of a bona fide trade association, as determined by the Commissioner, which:

(1) Is incorporated in this State; and

(2) Has been in existence for at least 5 years; and

(b) Has been issued a certificate to act as such an association by the Commissioner.

3. An association of public or private employers that wishes to be issued a certificate must file with the Commissioner an application for certification.

4. The application must include:

(a) The name of the association.

(b) The address of:

(1) The principal office of the association.

(2) The location where the books and records of the association will be maintained.

(c) The date the association was organized.

(d) The name and address of each member of the association.



(e) The names of the initial members of the board of trustees and the name of the initial association's administrator.

(f) Such other information as the Commissioner may require.

5. The application must be accompanied by:

(a) A nonrefundable filing fee of \$1,000 ~~+~~ *and, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.*

(b) Proof of compliance with NRS 616B.353.

(c) Proof that the association or its third-party administrator is licensed or otherwise authorized to conduct business in this State pursuant to title 57 of NRS.

(d) A copy of the agreements entered into with the association's administrator and a third-party administrator.

(e) A copy of the bylaws of the association.

(f) A copy of an agreement jointly and severally binding the association and each member of the association to secure the payment of all compensation due pursuant to chapters 616A to 617, inclusive, of NRS.

(g) A pro forma financial statement prepared by an independent certified public accountant in accordance with generally accepted accounting principles that shows the financial ability of the association to pay all compensation due pursuant to chapters 616A to 617, inclusive, of NRS.

(h) A reviewed financial statement prepared by an independent certified public accountant for each proposed member of the association or evidence of the ability of the association or its proposed members to provide a solvency bond pursuant to subsection 3 of NRS 616B.353.

(i) Proof that each member of the association will make the initial payment to the association required pursuant to NRS 616B.416 on a date specified by the Commissioner. The payment shall be deemed to be a part of the assessment required to be paid by each member for the first year of self-insurance if certification is issued to the association.

6. Except as otherwise provided in NRS 239.0115, any financial information relating to a member of an association received by the Commissioner pursuant to the provisions of this section is confidential and must not be disclosed.

7. For the purposes of this section, "associate member of a bona fide trade association" means a supplier whose business, as determined by the Commissioner:

(a) Is limited to a specific industry; and



(b) Primarily involves providing a product or service that is directly used or consumed by substantially all of the members of the trade association or bears a direct relationship to the business of the members of the association.

Sec. 101. NRS 616B.359 is hereby amended to read as follows:

616B.359 1. The Commissioner shall grant or deny an application for certification as an association of self-insured public or private employers within 60 days after receiving the application. If the application is materially incomplete or does not comply with the applicable provisions of the law, the Commissioner shall notify the applicant of the additional information or changes required. Under such circumstances, if the Commissioner is unable to act upon the application within this 60-day period, he may extend the period for granting or denying the application, but for not longer than an additional 90 days.

2. Upon determining that an association is qualified as an association of self-insured public or private employers, the Commissioner shall issue a certificate to that effect to the association and the association's administrator. No certificate may be issued to an association that, within the 2 years immediately preceding its application, has had its certification as an association of self-insured public or private employers involuntarily withdrawn by the Commissioner.

3. A certificate issued pursuant to this section must include, without limitation:

(a) The name of the association;

(b) The name of each employer who the Commissioner determines is a member of the association at the time of the issuance of the certificate;

(c) An identification number assigned to the association by the Commissioner; and

(d) The date on which the certificate was issued.

4. A certificate issued pursuant to this section remains in effect until *the certificate is* withdrawn by the Commissioner ~~for~~, *the certificate is* cancelled at the request of the association ~~if~~ *or an association does not pay, in addition to any other fee or charge, all applicable fees required pursuant to section 3 of this act.* Coverage for an association granted a certificate becomes effective on the date of certification or the date specified in the certificate.

5. The Commissioner shall not grant a request to cancel a certificate unless the association has insured or reinsured all incurred obligations with an insurer authorized to do business in this



State pursuant to an agreement filed with and approved by the Commissioner. The agreement must include coverage for actual claims and claims incurred but not reported, and the expenses associated with those claims.

Sec. 102. NRS 658.151 is hereby amended to read as follows:

658.151 1. The Commissioner may forthwith take possession of the business and property of any depository institution to which this title or title 56 of NRS applies when it appears that the depository institution:

- (a) Has violated its charter or any laws applicable thereto.
- (b) Is conducting its business in an unauthorized or unsafe manner.
- (c) Is in an unsafe or unsound condition to transact its business.
- (d) Has an impairment of its stockholders' or members' equity.
- (e) Has refused to pay its depositors in accordance with the terms on which such deposits were received, or has refused to pay its holders of certificates of indebtedness or investment in accordance with the terms upon which those certificates of indebtedness or investment were sold.
- (f) Has become *or is in imminent danger of becoming* otherwise insolvent.
- (g) Has neglected or refused to comply with the terms of a lawful order of the Commissioner.
- (h) Has refused, upon proper demand, to submit its records, affairs and concerns for inspection and examination of an appointed or authorized examiner of the Commissioner.
- (i) Has made a voluntary assignment of its assets to trustees.
- (j) Has failed to pay a tax as required pursuant to the provisions of chapter 363A of NRS.

2. The Commissioner also may forthwith take possession of the business and property of any depository institution to which this title or title 56 of NRS applies when it appears that the officers of the depository institution have refused to be examined upon oath regarding its affairs.

Sec. 103. NRS 667.035 is hereby amended to read as follows:

667.035 1. ~~[After July 1, 1971, the]~~ *The* Federal Deposit Insurance Corporation created by the Federal Deposit Insurance Act, 12 U.S.C. § 1811, may act without bond as receiver or liquidator of any state bank which ~~has~~:

(a) Has been closed because of inability to meet the demands of its depositors ~~[-];~~ *or*



(b) Is insured by the Federal Deposit Insurance Corporation and has been taken possession of by the Commissioner pursuant to NRS 658.151.

2. The appropriate state authority having the right to appoint a receiver or liquidator of a state bank may, upon such closing, tender to the Federal Deposit Insurance Corporation the appointment as receiver or liquidator of such bank. If the Federal Deposit Insurance Corporation accepts the appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to a receiver or liquidator, respectively, of a state bank, its depositors and other creditors, and shall be subject to all the duties of such receiver or liquidator, except insofar as such powers, privileges or duties are in conflict with the provisions of the Federal Deposit Insurance Act.

Sec. 104. NRS 688C.120, 688C.340, 689B.0359, 689B.036, 695B.1938, 695B.194, 695C.1738 and 695C.174 are hereby repealed.

Sec. 105. Notwithstanding any other provision of this act:

1. On or before October 1, 2009, a person who, on the effective date of this act, is subject to an annual fee pursuant to section 3 of this act shall pay to the Commissioner 50 percent of the annual fee listed for that person in section 3 of this act, except for:

(a) External review organizations, as provided for in NRS 616A.469 or 683A.371, or both;

(b) Agents who perform utilization reviews, as defined in NRS 683A.376;

(c) Brokers of viatical settlements, as defined in NRS 688C.030;

(d) Providers of viatical settlements, as defined in NRS 688C.080;

(e) Captive insurers, as defined in NRS 694C.060;

(f) Purchasing groups, as defined in NRS 695E.100; and

(g) Risk retention groups, as defined in NRS 695E.110.

2. A person who pays pursuant to subsection 1 shall next pay an annual fee on or before March 1, 2010.

Sec. 106. 1. This section and sections 1 to 36, inclusive, 39, 40, 41 to 48, inclusive, 63 to 66, inclusive, 68, 71 to 74, inclusive, 77, 82 to 85, inclusive, 87, 89, 92 to 103, inclusive, and 105 of this act become effective upon passage and approval.

2. Sections 38.5, 49 to 52, inclusive, 54, 59 to 62, inclusive, 67, 69, 70, 76, 78, 79, 81, 86, 88, 90, 91 and 98 of this act become effective on June 15, 2009.



3. Sections 38.105 to 38.36, inclusive, 39.1, 40.1 to 40.58, inclusive, 53, 75, 80, 97.72, inclusive, and 104 of this act become effective on October 1, 2009.

4. Sections 37, 55, 56, 57 and 58 of this act become effective on October 3, 2009.

5. Section 38 of this act becomes effective on October 9, 2009.

