

**PROPOSED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**LCB File No. R009-02**

February 14, 2002

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

AUTHORITY: §1, NRS 679B.130, 695B.280, 695D.100 and 695F.300; §§2-5, 17 and 18, NRS 679B.130; §6, NRS 679B.130 and 689B.027; §7, NRS 679B.130 and 689B.090; §§8, 9 and 12, NRS 679B.130 and 689C.155; §§10 and 11, NRS 679B.130, 689C.155 and 689C.283; §13, NRS 679B.130, 689C.155 and 689C.270; §§14 and 15, NRS 695B.280; §16, NRS 695B.172 and 695B.280; §19, NRS 695C.193; §20, NRS 679B.130, 689B.027, 689C.270, 695B.172 and 695C.193

**Section 1.** Chapter 687B of NAC is hereby amended by adding thereto a new section to read as follows:

*1. If an insurer issues a health insurance policy or contract, health care plan, health benefit plan or plan for dental care, whether individual, group or blanket, that includes a grace period:*

*(a) The insurer shall not require the payment of an additional premium for the grace period. If a premium is not paid by the end of the grace period, the contract of insurance terminates retroactively to the end of the day next preceding the grace period.*

*(b) Except as otherwise provided in this paragraph, the insurer is not required to pay claims incurred during the grace period while a required premium remains unpaid and may seek reimbursement for any such claim erroneously paid during the grace period. The insurer is liable for any claims incurred during the grace period if the required premium payment is received during the grace period in accordance with the contract of insurance.*

*2. The commissioner will, pursuant to NRS 687B.130, disapprove or withdraw the approval of any form used by an insurer which provides that, in lieu of requiring during the grace period the payment of a premium due, the insurer may deduct the premium due from the payment of a claim.*

*3. As used in this section:*

*(a) "Grace period" means the time after the date that a premium is due during which the premium can be paid without penalty to keep the policy in force.*

*(b) "Insurer" means any insurer that issues any health insurance policy or contract, health care plan, health benefit plan or plan for dental care, whether individual, group or blanket, and includes any:*

*(1) Insurance company;*

*(2) Carrier;*

*(3) Nonprofit corporation for hospital, medical or dental service;*

*(4) Health maintenance organization;*

*(5) Organization for dental care; or*

*(6) Prepaid limited health service organization.*

**Sec. 2.** Chapter 689B of NAC is hereby amended by adding thereto the provisions set forth as sections 3 to 7, inclusive, of this regulation.

**Sec. 3.** *As used in NAC 689B.300 and 689B.310, and section 4 of this regulation, unless the context otherwise requires, the words and terms defined in NRS 689B.350 to 689B.460, inclusive, have the meanings ascribed to them in those sections.*

**Sec. 4.** *1. A group health plan and a carrier that issues group health insurance pursuant to chapter 689B of NRS shall not include or establish any rule of eligibility,*

*including continued eligibility, for any individual to enroll for benefits under the terms of the group health plan or group health insurance that discriminates based upon any health status-related factor that relates to the individual or a dependent of the individual.*

*2. A group health plan and a carrier that issues group health insurance pursuant to chapter 689B of NRS shall not include or establish any rule of eligibility, or set a premium or contribution rate, for any individual based on whether the individual is:*

*(a) Confined to a hospital or other health care institution; or*

*(b) Actively at work, including whether an individual is continuously employed, unless the group health plan or group health insurance treats absence from work because of a health factor as being actively at work.*

*3. As used in this section, “rule of eligibility” includes, without limitation, any rule of eligibility relating to:*

*(a) The effective date of coverage;*

*(b) Waiting or affiliation periods;*

*(c) Late and special enrollment periods; or*

*(d) Eligibility for benefit packages, including rules pursuant to which individuals may change their selection among benefit packages.*

*Sec. 5. An insurer that issues group health insurance in this state shall not increase the premium rates for the insurance more frequently than every 6 months.*

*Sec. 6. 1. As part of the disclosure required by NRS 689B.027, an insurer shall disclose in the advertising and sales materials that the insurer provides to employers:*

*(a) The term of the contract applicable to the premium rates;*

*(b) The extent to which the premium rates for a specific employer are established or adjusted because of the claim experience, health status or duration of coverage of the employees of the employer, or the dependents of those employees; and*

*(c) A description of the class of business in which the employer is included.*

*2. An insurer shall include a copy of the information described in paragraph (c) of subsection 1 in the health benefit plan that the insurer provides to an insured.*

**Sec. 7.** *An insurer that offers blanket accident and health insurance in this state shall comply with the provisions of sections 5 and 6 of this regulation.*

**Sec. 8.** Chapter 689C of NAC is hereby amended by adding thereto the provisions set forth as sections 9 to 13, inclusive, of this regulation.

**Sec. 9.** *1. A group health plan and a carrier that issues group health insurance pursuant to chapter 689C of NRS shall not include or establish any rule of eligibility, including continued eligibility, for any individual to enroll for benefits under the terms of the group health plan or group health insurance that discriminates based upon any health status-related factor that relates to the individual or a dependent of the individual.*

*2. A group health plan and a carrier that issues group health insurance pursuant to chapter 689C of NRS shall not include or establish any rule of eligibility, or set a premium or contribution rate, for any individual based on whether the individual is:*

*(a) Confined to a hospital or other health care institution; or*

*(b) Actively at work, including whether an individual is continuously employed, unless the group health plan or group health insurance treats absence from work because of a health factor as being actively at work.*

3. *As used in this section, “rule of eligibility” includes, without limitation, any rule of eligibility relating to:*

*(a) The effective date of coverage;*

*(b) Waiting or affiliation periods;*

*(c) Late and special enrollment periods; or*

*(d) Eligibility for benefit packages, including rules pursuant to which individuals may change their selection among benefit packages.*

**Sec. 10.** *1. To change its status as a risk-assuming or a reinsuring carrier in accordance with NRS 689C.283, a carrier serving small employers must file an application for a change of status with the commissioner.*

*2. The commissioner will approve such an application for a change of status if the carrier provides evidence satisfactory to the commissioner that the requested change of status is necessary for the carrier to meet its contractual and statutory obligations.*

*3. The commissioner will notify the carrier in writing of his decision to approve or disapprove the application for a change of status within 60 days after receiving the application.*

*4. The carrier may request that the information in its application for a change of status be kept confidential, if disclosure of the information would adversely affect the financial solvency of the carrier or would promote unfair competition among other carriers serving small employers. The commissioner will notify the carrier in writing of his decision to approve to disapprove such a request within 30 days after receiving the request.*

**Sec. 11.** *1. If a carrier serving small employers wishes to change its election to operate as a risk-assuming or reinsuring carrier pursuant to NRS 689C.283 at the end of the current*

*period of election, the carrier must notify the commissioner not later than 30 days before the expiration of the current period of election.*

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

**Sec. 12.** *A carrier serving small employers shall not increase the premium rates for a health benefit plan more frequently than every 6 months.*

**Sec. 13. 1.** *As part of the disclosure required by NRS 689C.270, a carrier serving small employers shall disclose in the advertising and sales materials that the carrier provides to small employers:*

*(a) The term of the contract applicable to the premium rates;*

*(b) The extent to which the premium rates for a specific small employer are established or adjusted because of the claim experience, health status or duration of coverage of the employees of the small employer, or the dependents of those employees; and*

*(c) A description of the class of business in which the small employer is included.*

*2. A carrier serving small employers shall include a copy of the information described in paragraph (c) of subsection 1 in the health benefit plan that the carrier provides to an insured.*

**Sec. 14.** Chapter 695B of NAC is hereby amended by adding thereto the provisions set forth as sections 15 and 16 of this regulation.

**Sec. 15.** *A nonprofit corporation for hospital, medical or dental service shall not increase the premium rates under a contract for hospital, medical or dental service more frequently than every 6 months.*

**Sec. 16. 1.** *As part of the disclosure required by NRS 695B.172, an insurer shall disclose in the advertising and sales materials that the insurer provides to employers:*

*(a) The term of the contract applicable to the premium rates;*

*(b) The extent to which the premium rates for a specific employer are established or adjusted because of the claim experience, health status or duration of coverage of the employees of the employer, or the dependents of those employees; and*

*(c) A description of the class of business in which the employer is included.*

*2. An insurer shall include a copy of the information described in paragraph (c) of subsection 1 in the contract for hospital or medical service that the insurer provides to a subscriber.*

**Sec. 17.** Chapter 695C of NAC is hereby amended by adding thereto the provisions set forth as sections 18 and 19 of this regulation.

**Sec. 18.** *An organization shall not increase the premium rates for a health care plan more frequently than every 6 months.*

**Sec. 19.** *1. As part of the disclosure required by NRS 695C.193, an organization shall disclose in the advertising and sales materials that the organization provides to employers:*

*(a) The term of the contract applicable to the premium rates;*

*(b) The extent to which the premium rates for a specific employer are established or adjusted because of the claim experience, health status or duration of coverage of the employees of the employer, or the dependents of those employees; and*

*(c) A description of the class of business in which the employer is included.*

*2. An organization shall include a copy of the information described in paragraph (c) of subsection 1 in the health care plan that the organization provides to an enrollee.*

**Sec. 20.** Sections 6, 13, 16 and 19 of this regulation apply to any disclosures given for health insurance, group contracts for hospital or medical service and group health care plans

offered by insurers, nonprofit corporations for hospital, medical or dental service and health maintenance organizations that are offered or issued on or after the effective date of this regulation.