

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R131-03

October 1, 2003

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

AUTHORITY: §§1, 6 and 7, NRS 679B.130; §2, NRS 679B.130 and section 15 of Senate Bill No. 122 of the 72nd Session of the Nevada Legislature, chapter 178, Statutes of Nevada 2003, at page 923; §3, NRS 679B.130 and section 19 of Assembly Bill No. 320 of the 72nd Session of the Nevada Legislature, chapter 497, Statutes of Nevada 2003, at page 3360; §4, NRS 679B.130, section 14 of Senate Bill No. 122 of the 72nd Session of the Nevada Legislature, chapter 178, Statutes of Nevada 2003, at page 922 and section 22 of Assembly Bill No. 320 of the 72nd Session of the Nevada Legislature, chapter 497, Statutes of Nevada 2003, at page 3361; §5, NRS 679B.130, section 163 of Senate Bill No. 250 of the 72nd Session of the Nevada Legislature, chapter 508, Statutes of Nevada 2003, at page 3479 and section 12 of Senate Bill No. 122 of the 72nd Session of the Nevada Legislature, chapter 178, Statutes of Nevada 2003, at page 922.

Section 1. Chapter 690B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this regulation.

Sec. 2. *On or before September 1 of each year, an insurer offering professional liability insurance to a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS shall submit, on a form prescribed by the Commissioner, to the Commissioner the information required by the Commissioner pursuant to section 15 of Senate Bill No. 122 of the 72nd Session of the Nevada Legislature, chapter 178, Statutes of Nevada 2003, at page 923.*

Sec. 3. *1. In accordance with section 19 of Assembly Bill No. 320 of the 72nd Session of the Nevada Legislature, chapter 497, Statutes of Nevada 2003, at page 3360, an insurer offering professional liability insurance to a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS shall file a notice with the Commissioner if:*

(a) A settlement is reached concerning the liability of the practitioner for a breach of his professional duty that exceeds the limits of the coverage provided by the policy of insurance.

(b) A judgment is entered against the practitioner for a breach of his professional duty that exceeds the limits of the coverage provided by the policy of insurance.

2. The notice must be filed, on a form prescribed by the Commissioner, with the Commissioner within 45 days after:

(a) The date upon which a settlement is reached that requires a notice to be filed with the Commissioner pursuant to subsection 1.

(b) The date upon which a judgment is entered that requires a notice to be filed with the Commissioner pursuant to subsection 1.

Sec. 4. 1. Pursuant to section 14 of Senate Bill No. 122 of the 72nd Session of the Nevada Legislature, chapter 178, Statutes of Nevada 2003, at page 922 and section 22 of Assembly Bill No. 320 of the 72nd Session of the Nevada Legislature, chapter 497, Statutes of Nevada 2003, at page 3361, the Commissioner will determine whether any medical specialties in this state are essential as a matter of public policy.

2. A medical specialty will be deemed by the Commissioner to be essential as a matter of public policy if he determines that an unsafe condition exists because public access to a practitioner of the medical specialty is impaired as a result of insufficient availability of professional liability insurance to a practitioner of the medical specialty.

Sec. 5. An extended reporting endorsement offered pursuant to section 163 of Senate Bill No. 250 of the 72nd Session of the Nevada Legislature, chapter 508, Statutes of Nevada 2003, at page 3479, or section 12 of Senate Bill No. 122 of the 72nd Session of the Nevada

Legislature, chapter 178, Statutes of Nevada 2003, at page 922, must be made on a form approved by the Commissioner pursuant to NRS 687B.120.

Sec. 6. *1. In addition to the applicable disclosures required pursuant to sections 20, 21 and 22 of Assembly Bill No. 320 of the 72nd Session of the Nevada Legislature, chapter 497, Statutes of Nevada 2003, at page 3361 and sections 13 and 14 of Senate Bill No. 122 of the 72nd Session of the Nevada Legislature, chapter 178, Statutes of Nevada 2003, at page 922, an insurer offering professional liability insurance to a practitioner licensed pursuant to chapters 630 to 640 of NRS, inclusive, shall provide the disclosures regarding adverse underwriting decisions required pursuant to NAC 679B.715.*

2. A decision of an insurer offering professional liability insurance to a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS to charge the practitioner a rate or premium charge that is higher than the applicable base rates filed with the Commissioner is deemed to be an adverse underwriting decision subject to the provisions of NAC 679B.560 to 679B.750, inclusive.

Sec. 7. *1. If a practitioner licensed pursuant to chapters 630 to 640 of NRS, inclusive, experiences a change in exposure, each insurer issuing a policy of professional liability insurance to the practitioner shall disclose to the practitioner the effect of the change in exposure on the premium rate for the professional liability insurance and any extended reporting endorsement.*

2. As used in this section, “change in exposure” means any change to the practice of a practitioner licensed pursuant to chapters 630 to 640 of NRS, inclusive, that would either increase or decrease the risk of the practitioner breaching his professional duty.