

**PROPOSED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**LCB FILE NO. R089-17I**

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THE COMMISSIONER OF INSURANCE**

**LCB File No. R \_\_\_\_ - \_\_\_\_**

August 30, 2017

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

AUTHORITY: NRS 439.200; 679B.130; 679B.136(3); 679B.290(2); 680A.265; 680A.270; 681A.130; 681B.110; 681B.120; 681B.540(4); 683A.160; 685A.075; 685A.205; 685A.210(9); 688A.325; 689.720; 694C.170; 695B.110; 695B.160; 695C.210; 695C.275; 695D.100; 695D.260; 695F.300; and 695F.320; (8)AB 83, sect. 24 (2017)

A REGULATION relating to insurance; correcting the contact information for the National Association of Insurance Commissioners (NAIC) and other vendors; updating the price of the publications used by the Division; updating the names of the publications; updating the language used in definition of managing general agent (MGA) to conform to statute updates; to update reference to investments citing repealed definitions; removing the price for the Purposes and Procedures Manual of the NAIC Securities Valuation Office; and repealing obsolete language.

**Section 1.** Chapter 679B.033 of NAC is hereby amended read as follows:

1. The following publications of the National Association of Insurance Commissioners are hereby adopted by reference and may be obtained [~~by mail~~] from the National Association of Insurance Commissioners, Publications Department, [~~2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662~~] *1100 Walnut Street, Suite 1500, Kansas City, MO 64106-2197*, or by ordering via telephone at (816) 783-8300 or on the Internet at [~~https://external-apps.naic.org/insPubs/~~] *www.naic.org/account\_manager.htm*, or via email at *prodserv@naic.org*, at the respective prices indicated:

(a) [~~The Examiners Handbook, which consists of:~~

(+) *The Financial Condition Examiners Handbook*, which may be obtained at the domestic

price of \$~~250~~295 and the international price of \$~~270~~325. *The manual is also available on CD-ROM which may be obtained at the domestic price of \$295 and the international price of \$325.*

(~~2~~)

(b) *The Market [~~Conduct Examiners~~] Regulation Handbook*, which may be obtained at the domestic price of \$[~~250~~] 525 and the international price of \$[~~270~~] 580. *The manual is also available on CD-ROM which may be obtained at the domestic price of \$525 and the international price of \$580.*

(c) *The Market Regulation Handbook – Examination Standards Summary*, which may be obtained free of charge.

(~~b~~) d) *The Accounting Practices and Procedures Manual*, which may be obtained at the domestic price of \$500 [~~395~~] and the international price of \$550 [~~435~~]. *The manual is also available on USB drive which may be obtained at the domestic price of \$465 and the international price of \$510.*

(~~e~~) e) *The Annual and Quarterly Statement Blanks for Life and Accident and Health*, which may be obtained at the domestic price of \$~~200~~225 and the international price of \$~~220~~250.

(f) *The Annual and Quarterly Statement Blanks for Property and Casualty*, which may be obtained at the domestic price of \$225 and the international price of \$250.

(~~e~~) g) *The Annual and Quarterly Statement Blanks for Health*, which may be obtained at the domestic price of \$~~200~~225 and the international price of \$~~220~~250.

(h) *The Annual and Quarterly Statement Blanks for Fraternal*, which may be obtained at the domestic price of \$225 and the international price of \$250.

(i) *The Annual and Quarterly Statement Blanks for Title*, which may be obtained at the domestic price of \$225 and the international price of \$250.

([e]j) The *Annual and Quarterly Statement Instructions Manual for Life and Accident and Health*, which may be obtained at the domestic price of \$~~225~~250 and the international price of \$~~250~~275. Except as otherwise provided in paragraph ([g] l), these instructions must be used by an insurer that, under its certificate of authority, transacts health insurance or life insurance, as those terms are defined in NRS 681A.030 and 681A.040, respectively.

([f] k) The *Annual and Quarterly Statement Instructions Manual for Property and Casualty*, which may be obtained at the domestic price of \$~~225~~250 and the international price of \$~~250~~275. These instructions must be used by an insurer that, under its certificate of authority, transacts casualty insurance or property insurance, as those terms are defined in NRS 681A.020 and 681A.060, respectively.

([g] l) The *Annual and Quarterly Statement Instructions for Health*, which may be obtained at the domestic price of \$~~225~~250 and the international price of \$~~250~~275. These instructions must be used by an insurer whose certificate of authority is issued in accordance with NRS 695B.110, 695C.090, 695D.110 or 695F.100.

*(m) The Annual and Quarterly Statement Instructions Manual for Fraternal, which may be obtained at the domestic price of \$250 and the international price of \$275. These instructions must be used by an insurer that, under its certificate of authority, transacts casualty insurance or property insurance, as those terms are defined in NRS 695A.010.*

*(n) The Annual and Quarterly Statement Instructions Manual for Title, which may be obtained at the domestic price of \$250 and the international price of \$275. These instructions must be used by an insurer that, under its certificate of authority, transacts casualty insurance or property insurance, as those terms are defined in NRS 681A.080.*

2. The publications listed in subsection 1 apply to the:

(a) Conduct and report of an examination made pursuant to NRS 679B.230 to 679B.300, inclusive, 695C.310 and 695D.270; and

(b) Evaluation of the financial condition of an insurer or organization based on an examination or its annual statement. As used in this paragraph, “organization” includes:

(1) A health maintenance organization, as that term is defined in NRS 695C.030; and

(2) An organization for dental care, as that term is defined in NRS 695D.060.

3. If any publication listed in subsection 1 is revised, the Commissioner will review the revision to determine its suitability for this State. If the Commissioner determines that the revision is not suitable for this State, he or she will give notice within 30 days after the effective date of the revision. If the Commissioner does not give notice within 30 days, the revision becomes part of the publication adopted by reference pursuant to subsection 1. If a revision becomes part of a publication pursuant to this subsection and a person objects to and is aggrieved by the revision, that person may request a hearing before the Commissioner pursuant to NRS 679B.310 to 679B.370, inclusive.

4. The *Market [~~Conduct Examiners~~ Regulation Handbook]* will be used in the examination of the records of an administrator.

5. All persons, including, without limitation, insurers and health maintenance organizations, required to file financial statements with the Commissioner shall prepare those statements in accordance with the appropriate publications adopted by reference in this section.

**Sec. 2.** Chapter 679B.0335 of NAC is hereby amended read as follows:

Reasonable and proper expenses, as described in NRS 679B.290, may include, but are not limited to:

1. For a financial examiner or market conduct examiner, a daily salary as defined in the

~~[*Examiners Handbook*]~~ *Financial Condition Examiner Handbook and the Market Regulation*

*Handbook* published by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033.

2. For expert assistants, a daily salary based upon the rate established in the contract approved by the State Board of Examiners.

3. The maximum per diem rate for the location of the examination as set forth in the Federal Travel Regulation System of the General Services Administration, 41 C.F.R. Chapter 301. A current schedule of the maximum per diem rates as set forth in the Federal Travel Regulation System of the General Services Administration, 41 C.F.R. Chapter 301, is available at no cost on the Internet at <http://www.gsa.gov/perdiem>.

4. Expenses for transportation, including, but not limited to, the cost of airfare, rail fare, taxicab fare and automobile rental and the reimbursement of any personal automobile expenses necessary to reach the location of the examination. The calculation of expenses for transportation may include expenses for transportation incurred by virtue of the length of time necessary to complete the examination.

5. Upon approval of the Commissioner, miscellaneous expenses incurred by the examiner and assistants while performing an examination. Miscellaneous expenses may include, but are not limited to, expenses for telephone calls, facsimile transmissions and postal charges relating to the examination.

6. An administrative charge, expressed as a percentage of the daily salary of the examiner or assistant, as provided in subsections 1 and 2 and as provided in the division budget approved by the Nevada Legislature.

**Sec. 3.** Chapter 680A.160 of NAC is hereby amended read as follows:

1. The annual statement required to be filed pursuant to NRS 680A.270 must contain exhibits and schedules that follow the specifications developed by the National Association of Insurance Commissioners.
2. Information from the insurer's annual statement must be filed:
  - (a) Pursuant to the specifications adopted by the National Association of Insurance Commissioners for filing information in an electronic format;
  - (b) At the central office of the National Association of Insurance Commissioners, [~~2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662~~] *1100 Walnut Street, Suite 1500, Kansas City, MO 64106-2197*; and
  - (c) On or before March 1 of each year.
3. If a foreign or alien insurer files a statement in an electronic format with the National Association of Insurance Commissioners, that statement will be deemed to have been filed with the Commissioner if the foreign or alien insurer has paid the applicable fees set forth in NRS 680B.010.
4. The form of an annual statement required by NRS 680A.270 to be filed with the Commissioner must be the most recent adopted by the National Association of Insurance Commissioners for the type of insurer reporting. Each insurer filing the form shall follow the most recent instructions adopted by the National Association of Insurance Commissioners for the type of annual statement to be filed. These forms may be obtained from the National Association of Insurance Commissioners, Publications Department, [~~2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662~~] *1100 Walnut Street, Suite 1500, Kansas City, MO 64106-2197* or at the Internet address [www.naic.org/account\\_manager.htm](http://www.naic.org/account_manager.htm) or via email [prodserv@naic.org](mailto:prodserv@naic.org), for the price of \$200 each.

5. If necessary to determine a foreign or an alien insurer's financial condition, fulfillment of contractual obligations and compliance with law, the Commissioner will require the foreign or alien insurer to file a financial statement more frequently than annually. Such a statement must be:

- (a) Filed on the most current form adopted by the National Association of Insurance Commissioners for the type of insurer reporting;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

6. Each domestic insurer shall file a quarterly statement. A quarterly statement must be:

- (a) Filed on the most current form adopted by the National Association of Insurance Commissioners for the type of insurer reporting;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

7. A domestic insurer that is not licensed or authorized to do business in any state other than this State may apply for an exemption from the requirement to complete the "Statement of Actuarial Opinion" required by the *Annual and Quarterly Statement Instructions* of the National Association of Insurance Commissioners as part of the domestic insurer's annual statement. The application must:

- (a) Be in writing.
- (b) Be submitted by December 1 of the calendar year which will be covered in the annual statement.
- (c) Include an agreement and acknowledgment from the domestic insurer that the Commissioner may use the services of an independent actuary to certify losses and reserves for loss adjustment



expenses in relation to any examination of the domestic insurer pursuant to NRS 679B.230.

(d) Demonstrate that no significant changes and no unusual or large claims have occurred or are expected to occur during the calendar year which will be covered in the annual statement.

8. The Commissioner will grant an application for an exemption made pursuant to subsection 7 if he or she determines, upon review of the application, that having to file the “Statement of Actuarial Opinion” would constitute a financial or organizational hardship upon the domestic insurer or that the insurer has shown other good cause why it should not have to file the statement. A domestic insurer which has been granted an exemption pursuant to this subsection must file with its annual statement a signed affidavit given by one of its officers under oath that certifies the accuracy and adequacy of the reserves stated in its annual statement.

9. A domestic insurer licensed only to sell insurance for home protection but not licensed or authorized to do business in any state other than this State is exempt from the requirement to complete the “Statement of Actuarial Opinion” required by the *Annual and Quarterly Statement Instructions* of the National Association of Insurance Commissioners as part of the annual statement of the domestic insurer if the domestic insurer:

(a) Completes and submits with its annual statement forms provided by the Commissioner for reporting information concerning claims;

(b) Complies with the requirements of paragraphs (c) and (d) of subsection 7; and

(c) Submits with its annual statement a signed affidavit given by one of its officers under oath that certifies the accuracy and adequacy of the reserves stated in its annual statement.

10. A domestic insurer that is not licensed or authorized to do business in any state other than this State is not required to file information from its annual statement with the National Association of Insurance Commissioners as required pursuant to subsection 2 if the written

premium of the domestic insurer for the year is less than \$1,000,000.

**Sec. 4.** Chapter 681A.325 of NAC is hereby amended to read as follows:

1. A reinsurance agreement entered into in conjunction with a trust agreement and the establishment of a trust account may stipulate that assets deposited in the trust account must be valued according to their current fair market value and must consist only of:

(a) Cash in United States legal tender.

(b) Certificates of deposit issued by a United States bank and payable in United States legal tender.

(c) Investments of the types permitted by chapter 681B of NRS, if the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the grantor or the beneficiary.

(d) Obligations that are issued in the United States, and obligations issued in a market outside the United States that are dollar denominated, by a solvent institution located in the United States other than an insurance company, or which are assumed or guaranteed by a solvent institution located in the United States other than an insurance company and which are not in default as to principal or interest, if the obligations:

(1) Are rated "A" or higher, or its equivalent, by a securities rating agency recognized by the Securities Valuation Office, or if not so rated, are similar in structure and other material respects to other obligations of the same institution so rated;

(2) Are insured by at least one authorized insurer, other than the investing insurer or a parent, subsidiary or affiliate of the investing insurer, that is licensed to insure obligations in this State and, after considering the insurance, are rated "AAA" or its equivalent by a securities rating agency recognized by the Securities Valuation Office; or

(3) Have been designated as Class One or Class Two by the Securities Valuation Office.

(e) The following equity interests:

(1) Investments in common shares or interests in a partnership of a solvent institution located in the United States if:

(I) The obligations and preferred shares, if any, of the solvent institution are eligible as investments pursuant to this section; and

(II) For solvent institutions that are not insurance companies, the equity interests of the solvent institution are registered on a national securities exchange as provided in the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a to 78kk, or otherwise registered pursuant to that Act, and if otherwise registered, price quotations for the equity interests are furnished through a nationwide automated quotations system approved by the National Association of Securities Dealers, Inc. A trust shall not invest in equity interests pursuant to this sub-subparagraph in an amount exceeding 1 percent of the assets of the trust, even though the equity interests are not so registered and are not issued by an insurance company.

(2) Investments in common shares of a solvent institution organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development, if:

(I) All the obligations of the solvent institution are rated “A” or higher, or its equivalent, by a rating agency recognized by the Securities Valuation Office; and

(II) The equity interests of the solvent institution are registered on a securities exchange regulated by the government of a country that is a member of the Organization for Economic Cooperation and Development.

(f) Obligations issued, assumed or guaranteed by a multinational development bank if the obligations are rated “A” or higher, or its equivalent, by a rating agency recognized by the Securities Valuation Office.

(g) Securities of an investment company that is registered pursuant to the Investment Company Act of 1940, 15 U.S.C. §§ 80a-1 et seq., if the investment company:

(1) Invests at least 90 percent of its assets in the types of securities that qualify as an investment under paragraph (d) or subparagraph (2) of paragraph (e) or ~~[NRS 682A.070]~~ [NRS 682A.069](#), or if the investment company invests in securities that are determined by the Commissioner to be substantively similar to the types of securities set forth in those provisions; or

(2) Invests at least 90 percent of its assets in the types of equity interests that qualify as an investment under subparagraph (1) of paragraph (e).

(h) Other types of investments specified by the reinsurance agreement.

2. For the purposes of paragraph (d) of subsection 1:

(a) An investment in or a loan upon the obligations of an institution other than an institution that issues mortgage-related securities must not exceed 5 percent of the assets of the trust;

(b) An investment in any one mortgage-related security must not exceed 5 percent of the assets of the trust;

(c) The aggregate total investment in mortgage-related securities must not exceed 25 percent of the assets of the trust; and

(d) Preferred or guaranteed shares issued or guaranteed by a solvent institution located in the United States are permissible if all the obligations of the solvent institution qualify as investments under subparagraph (1) or (3) of paragraph (d) of subsection 1 and the investment in the shares does not exceed 2 percent of the assets of the trust.

3. For the purposes of paragraph (e) of subsection 1, investments in or loans upon the equity interests in any one institution must not exceed 1 percent of the assets of the trust. The cost of an investment in equity interests made pursuant to paragraph (e) of subsection 1, when added to the

aggregate cost of other investments in equity interests then held pursuant to paragraph (e) of subsection 1, must not exceed 10 percent of the assets in the trust.

4. For the purposes of paragraph (g) of subsection 1:

(a) An investment in an investment company qualifying under subparagraph (1) of paragraph (g) of subsection 1 must not exceed 10 percent of the assets in the trust and the aggregate amount of investment in qualifying investment companies must not exceed 25 percent of the assets in the trust; and

(b) Investments in an investment company qualifying under subparagraph (2) of paragraph (g) of subsection 1 must not exceed 5 percent of the assets in the trust and the aggregate amount of investment in qualifying investment companies must be included when calculating the permissible aggregate value of equity interests pursuant to subparagraph (1) of paragraph (e) of subsection 1.

5. As used in this section:

(a) “Manufactured home” has the meaning ascribed to it in 42 U.S.C. § 5402(6).

(b) “Mortgage-related security” means an obligation which is rated “AA” or higher, or its equivalent, by a securities rating agency recognized by the Securities Valuation Office and which:

(1) Represents ownership of one or more promissory notes or certificates of interest or represents participation in promissory notes, including any rights designed to ensure the servicing, or the receipt or timeliness of receipt by the holders of the notes, certificates or participation, of amounts payable under the notes, certificates or participation, that:

(I) Are directly secured by a first lien on a single parcel of real estate, including stock allocated to a dwelling unit in a residential cooperative housing corporation, upon which is located a

dwelling, a mixed residential and commercial structure, or a residential manufactured home, regardless of whether the manufactured home is considered real or personal property under the laws of the state in which the manufactured home is located; and

(II) Were originated by:

(i) A savings and loan association, savings bank, commercial bank, credit union, insurance company or any other similar institution that is supervised and examined by a federal or state housing authority; or

(ii) A mortgage approved by the Secretary of Housing and Urban Development pursuant to 12 U.S.C. §§ 1709 and 1715b or, if the notes involve a lien on the manufactured home, by an institution or by a financial institution approved for insurance by the Secretary of Housing and Urban Development pursuant to 12 U.S.C. § 1703; or

(2) Is secured by:

(I) One or more promissory notes or certificates of deposit or by participations in the notes, with or without recourse to the insurer of the notes and, by its terms, provides for payments or reasonable projections of payments; or

(II) Notes meeting the requirements of sub-subparagraphs (I) and (II) of subparagraph (1).

(c) “Promissory notes,” when used in connection with a manufactured home, includes a loan, an advance or a credit sale as evidenced by a retail installment sales contract or other instrument.

(d) “Securities Valuation Office” means the Securities Valuation Office of the National Association of Insurance Commissioners.

**Sec. 5.** NAC 681B.161 is hereby amended to read as follows:

A life insurer doing business in this State shall use the Valuation of Life Insurance Policies Model Regulation adopted by the National Association of Insurance Commissioners on March 8,

1999, which is hereby adopted by reference. A copy of this publication may be [~~purchased~~]  
*obtained* from the National Association of Insurance Commissioners, *1100 Walnut Street, Suite*  
*1500* [~~120 West 12<sup>th</sup> Street, Suite 1100~~], Kansas City, Missouri [~~64105-1925~~]*64106-2197* [~~, for~~  
~~\$25 plus \$3 for shipping and handling~~] *or at the Internet address <http://www.naic.org/>.*

**Sec. 6.** NAC 681B.162 is hereby amended to read as follows:

1. Except as otherwise provided in subsection 2, a life insurer doing business in this State shall use the “[~~Annuity 2000 Mortality~~] *2012 Individual Annuity Reserving* Table,” which is hereby adopted by reference, to determine the minimum standard of valuation for each individual annuity or pure endowment contract that the insurer issues to a person in this State on or after November 16, 1998. *A copy of* [~~T~~]the “[~~Annuity 2000 Mortality~~] *2012 Individual Annuity Reserving* Table” [~~is set forth on page 240 of volume XLVII of the Transactions of the Society of Actuaries (1995), and a copy of this publication~~] may be obtained from the Society of Actuaries, 475 North Martingale Road, Schaumburg, Illinois 60173, or by telephone at (847) 706-3526, [~~for the price of \$55~~] *or at the Internet address [http://mort.soa.org](http://mort.soa.org/).*

2. A life insurer doing business in this State shall use, without projection, the “1983 Table ‘a,’” which is hereby adopted by reference, to determine the minimum standard of valuation for an individual annuity or pure endowment contract that the insurer issues to a person in this State on or after November 16, 1998, if the individual annuity or pure endowment contract involves life contingencies and is issued to pay periodic benefits arising from the settlement of:

- (a) A claim arising out of a tort, including, without limitation, a claim for workers’ compensation, regardless of whether an action relating to the claim was commenced in a court of competent jurisdiction; or
- (b) A claim for long-term disability in which the claimant has elected to receive a temporary or

life annuity in lieu of payments for continuing disability.

→ The “1983 Table ‘a’” is set forth on page 454 of the 1982 Proceedings of the NAIC II, and a copy of this publication may be obtained from the National Association of Insurance Commissioners, NAIC-Publications, [~~P.O. Box 87-7870~~] *1100 Walnut Street, Suite 1500*, Kansas City, Missouri [~~64187-7870~~] *64106-2197*, or by telephone at (816) [~~374-7259~~] *783-8300*, [~~for the price of \$180 plus \$10 for shipping and handling~~] *or at the Internet address <http://www.naic.org/>.*

**Sec. 7.** NAC 681B.164 is hereby amended to read as follows:

1. A life insurer doing business in this State shall use the “1994 Group Annuity Reserving Table,” which is hereby adopted by reference, to determine the minimum standard of valuation for each group annuity or pure endowment contract that the insurer issues to a group in this State on or after November 16, 1998. The “1994 Group Annuity Reserving Table” is set forth on pages 866-67 of volume XLVII of the Transactions of the Society of Actuaries (1995), and a copy of this publication may be obtained from the Society of Actuaries, 475 North Martingale Road, Schaumburg, Illinois 60173, or by telephone at (847) 706-3526[~~, for the price of \$55~~] *or at the Internet address <http://mort.soa.org>.*

2. For the purposes of the “1994 Group Annuity Reserving Table,” the mortality rate for a person of age  $x$  in the year  $(1994 + n)$  must be calculated by using the following formula:

$$q_x^{1994+n} = q_x^{1994} (1 - AA_x)^n$$

where  $q_x^{1994}$  and  $AA_x$  are as specified in the “1994 Group Annuity Reserving Table.”

**Sec. 8.** Chapter 681B.305 of NAC is hereby amended read as follows:

1. Except as otherwise provided in NAC 681B.320, every insurer domiciled in this State shall file a report with the Commissioner of Insurance disclosing:



- (a) Material acquisitions and dispositions of assets;
- (b) Material nonrenewals, cancellations or revisions of agreements for ceded reinsurance; and
- (c) Material new agreements for ceded reinsurance that affect the in-force life insurance business of the insurer,

↳ unless the material acquisitions and dispositions of assets, the material nonrenewals, cancellations or revisions of agreements for ceded reinsurance, or the material new agreements for ceded reinsurance have been submitted to the Commissioner for review, approval or information pursuant to any provision of title 57 of NRS, regulations adopted pursuant to that title or other requirements.

2. The report must be filed within 15 days after the end of the calendar month in which the acquisition, disposition, nonrenewal, cancellation, revision or new agreement occurs.
3. Except as otherwise provided in subsection 4, the insurer shall file a complete copy of the report, including any exhibits or other attachments, with the National Association of Insurance Commissioners at [~~2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662~~] *1100 Walnut Street, Suite 1500 Kansas City, MO 64106-2197*. The copy of the report must be treated as confidential and is not subject to subpoena as provided in [~~NRS 681B.280~~] *NRS 681B.540*.
4. An insurer domiciled in this State that is not licensed or otherwise authorized to transact insurance in another state is not required to comply with the provisions of subsection 3.

**Sec. 9.** Chapter 682A.100 of NAC is hereby amended read as follows:

The *Purposes and Procedures Manual of the NAIC* [~~Securities Valuation~~] *Investment Analysis Office* is hereby adopted by reference. A copy of the publication may be obtained from the National Association of Insurance Commissioners, Publications Department, [~~2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662~~] *1100 Walnut Street, Suite 1500 Kansas*

City, MO 64106-2197, by telephone at (816) 783-8300, or by electronic mail at [prodserv@naic.org](mailto:prodserv@naic.org), or at the Internet address [~~http://www.naic.org/~~]

[www.naic.org/account\\_manager.htm](http://www.naic.org/account_manager.htm) for the price of \$83.

**Sec. 10.** Chapter 682A.110 of NAC is hereby amended read as follows:

1. Except as otherwise provided in subsection 4, a domestic insurer or health organization that is regulated pursuant to title 57 of NRS shall file with and have its applicable investments rated by the Securities Valuation Office of the National Association of Insurance Commissioners, [~~48 Wall Street, 6th Floor~~] *One New York Plaza, Suite 4210*, New York, New York [~~10005-2906~~] *10004*.
2. Each applicable investment must be reported to the Securities Valuation Office within 120 days after the investment is acquired.
3. The Division of Insurance of the Department of Business and Industry may consider an applicable investment as a nonadmitted asset if it is rated by the Securities Valuation Office:
  - (a) With a designation of NR.
  - (b) With a designation of Z on any date that is more than 240 days after the date of the acquisition of the investment.
4. A domestic insurer or health organization is exempt from filing its applicable investments with the Securities Valuation Office if the investments qualify for the provisionally exempt provisions of the *Purposes and Procedures Manual of the NAIC* [~~Securities Valuation~~] *Investment Analysis Office*.

**Sec. 11.** Chapter 683A.450 of NAC is hereby amended read as follows:

As used in NAC 683A.450 to 683A.560, inclusive, unless the context otherwise requires:

1. “Actuary” means a person who is a member in good standing of the American Academy of

Actuaries.

2. “Insurer” means a person who holds a certificate of authority in this State pursuant to NRS 680A.060.

3. “Managing general agent”:

(a) Means a person who adjusts or pays claims in excess of an amount prescribed by the Commissioner or negotiates the sale of reinsurance on behalf of the insurer [~~or~~] *and*:

(1) Manages all or part of the business of an insurer, including a division, department or underwriting office;

(2) Acts as an agent for the insurer regardless of his or her title; and

(3) Produces and underwrites direct written premiums equal to 5 percent or more of the surplus of the insurer for any 1 year or quarter reported in the last annual statement filed by the insurer pursuant to the provisions of NRS 680A.270.

(b) Does not include a person:

(1) Who is an employee of the insurer;

(2) Who is a manager located in the United States of a branch located in the United States of an alien insurer; or

(3) Whose compensation is based on a criteria other than the volume of premiums written and who has underwriting authority, manages all of the insurance and is an affiliate of the insurer. As used in this subparagraph, “affiliate” has the meaning ascribed to it in NRS 692C.030.

4. “Underwrite” means the authority to assume or reject risks on behalf of the insurer.

**Sec. 12.** Chapter 685A.400 of NAC is hereby amended to read as follows:

1. The money maintained by an organization must be:

(a) Deposited in a bank chartered by this State;

- (b) Deposited in a bank that is a member of the United States Federal Reserve System;
- (c) Invested in [~~public obligations as described in NRS 682A.060; or~~] *securities described as acceptable collateral in NRS 682A.007.*

~~[(d) Invested in federal agency securities as described in NRS 682A.070.]~~

2. The board of directors shall engage a certified public accountant to audit the accounts of the organization and prepare an audit report before the annual meeting of the board, or more often if necessary or required by the Commissioner.

**Sec. 13.** Chapter 688A.373 of NAC is hereby amended read as follows:

1. “*2001 CSO Mortality Table*” means the mortality table, consisting of separate rates of mortality for male and female lives, developed by the CSO Task Force of the American Academy of Actuaries from the *2001 Valuation Basic Mortality Table* developed by the Individual Life Insurance Valuation Mortality Task Force of the Society of Actuaries and adopted by the National Association of Insurance Commissioners in December 2002. The *2001 CSO Mortality Table* is set forth in the *Proceedings of the NAIC (2nd Quarter 2002)* and supplemented by the *2001 CSO Preferred Class Structure Mortality Table*.

2. Unless the context otherwise requires, the *2001 CSO Mortality Table* includes both the ultimate form of that table and the select and ultimate form of that table, both the smoker and nonsmoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last-birthday bases of the mortality tables. The mortality tables in the *2001 CSO Mortality Table* include:

- (a) A table which consists of the rates of mortality for female lives from the *2001 CSO Mortality Table*;
- (b) A table which consists of the rates of mortality for male lives from the *2001 CSO Mortality*

*Table;*

(c) Composite mortality tables, which consist of rates of mortality that do not distinguish between smokers and nonsmokers; and

(d) Smoker and nonsmoker mortality tables, which consist of separate rates of mortality for smokers and nonsmokers.

3. A copy of the *2001 CSO Mortality Table* may be obtained from the Insurance Products and Services Division of the National Association of Insurance Commissioners, [~~2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662~~] *1100 Walnut Street, Suite 1500 Kansas City, MO 64106-2197*, by telephone at (816) 783-8300 or on the Internet at [~~[http://www.naic.org/store\\_home.htm](http://www.naic.org/store_home.htm)~~] [www.naic.org/account\\_manager.htm](http://www.naic.org/account_manager.htm), for the price of \$180.

**Sec. 14.** Chapter 688A.385 of NAC is hereby amended read as follows:

*Ultimate 1980 CSO Mortality Table*” means the *1980 CSO Mortality Table*, without the Ten-Year Select Mortality Factors, incorporated into the 1980 amendments to the Standard Valuation Law approved by the National Association of Insurance Commissioners in December 1983. A copy of the *Ultimate 1980 CSO Mortality Table* may be obtained from the Research Library of the National Association of Insurance Commissioners, [~~2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662~~] *1100 Walnut Street, Suite 1500 Kansas City, MO 64106-2197* or by telephone at (816) 783-8250, for the price of \$10, plus \$1 per page.

**Section 15.** NAC 689B.195 is hereby amended to read as follows:

A policy of group health insurance issued pursuant to chapter 689B of NRS:

1. Must not, for the determination of benefits payable for the coordination of benefits, provide for the consideration of any benefits payable pursuant to any [~~individual health insurance,~~] health

insurance under a franchise plan, no-fault automobile insurance or automobile medical insurance.

2. Must provide for the payment of benefits without regard to any benefits payable pursuant to any [~~individual health insurance,~~] health insurance under a franchise plan, no-fault automobile insurance or automobile medical insurance.

**Sec. 16.** Chapter 694C.090 of NAC is hereby amended read as follows:

The Commissioner hereby adopts the following publications by reference:

1. The *Property/Casualty Insurance Annual and Quarterly Statement Blanks (ASB-PU)* and the *Annual and Quarterly Statement Instructions for the Property/Casualty Manual (ASI-PU)*, published by the National Association of Insurance Commissioners. A copy of these publications may be purchased from NAIC Insurance Products and Services Division, [~~2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662~~] *1100 Walnut Street, Suite 1500 Kansas City, MO 64106-2197*, by telephone at (816) 783-8300, [~~by fax at (816) 460-7593~~] *or on the Internet at [www.naic.org/account\\_manager.htm](http://www.naic.org/account_manager.htm)* or by electronic mail at [prodserv@naic.org](mailto:prodserv@naic.org), at a cost of \$200 for *ASB-PU* and \$225 for *ASI-PU*.
2. The *AICPA Professional Standards*, [~~2007~~] *2015* edition, published by the American Institute of Certified Public Accountants. A copy of this publication may be obtained from the American Institute of Certified Public Accountants, Order Department, P.O. Box [~~2209~~] *25824*, [~~Jersey City, New Jersey 07303-2209~~] *Lehigh Valley, PA 18002*, by telephone at (888) 777-7077, by fax at (800) 362-5066 or at the Internet address <https://www.cpa2biz.com/default.htm>, at a cost of \$[~~119~~] *179* for members of the AICPA or \$[~~148.75~~] *219* for nonmembers.
3. [~~*Original Pronouncements As Amended, 2007-2008 edition, and Current Text, 2007-2008*~~]

~~edition~~] *FASB Accounting Standards Codification*, published by the Financial Accounting Standards Board. A copy [~~of each~~] of [~~these~~] *this* publication[s] may be obtained at the Internet address <http://www.fasb.org> or by telephone at (800) 748-0659. The *publication is available in several formats at the* cost of:

(a) [~~The Original Pronouncements As Amended is \$140~~] *FASB Accounting Standards Codification – Professional View, a single user subscription is \$895. A discount is available for multiple users.*

(b) [~~The Current Text is \$125~~] *FASB Accounting Standards Codification – Basic View subscription is free.*

(c) [~~Both publications purchased as a set is \$240~~] *FASB Accounting Standards Codification – Bound Edition as of October 31, 2014 is \$215 plus shipping.*

4. The *Domestic Per Diem Rates*, published by the General Services Administration. A copy of this publication may be obtained, free of charge, from the General Services Administration at the Internet address <http://www.gsa.gov/perdiem>.

**Sec. 17.** Chapter 695B.310 of NAC is hereby amended read as follows:

1. As a condition of doing business in this State, each nonprofit corporation which maintains and operates a hospital, medical or dental service plan must file with the Commissioner an annual statement required by NRS 695B.160 that:

(a) Conforms to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health* and the *Accounting Practices and Procedures Manual*, which have been adopted by reference in NAC 679B.033;

(b) Contains exhibits and schedules that follow the specifications developed by the National Association of Insurance Commissioners; and

(c) Contains any other information relating to the nonprofit corporation required by the Commissioner.

2. Information from the annual statement of the nonprofit corporation must be filed:

(a) Pursuant to the specifications adopted by the National Association of Insurance

Commissioners for filing information in an electronic format;

(b) At the central office of the National Association of Insurance Commissioners, [~~2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662~~] *1100 Walnut Street, Suite 1500 Kansas City, MO 64106-2197*; and

(c) On or before March 1 of each year.

3. If a foreign or alien nonprofit corporation files a statement in an electronic format with the National Association of Insurance Commissioners, that statement will be deemed to have been filed with the Commissioner if:

(a) The foreign or alien nonprofit corporation submits an affidavit, a jurat page or a copy of the jurat page to the Commissioner indicating that the statement has been so filed. If the nonprofit corporation submits a jurat page, the jurat page must:

(1) Conform to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health*, which has been adopted by reference in NAC 679B.033; and

(2) Be executed by a notarial officer pursuant to NRS 240.1655 and 240.167.

(b) The affidavit, jurat page or copy of the jurat page is accompanied by the applicable fees set forth in NRS 680B.010.

4. An annual statement required by NRS 695B.160 to be filed with the Commissioner by a nonprofit corporation must be on the current version of the *Annual and Quarterly Statement*



*Blanks for Health* adopted by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033. Each nonprofit corporation shall, in preparing the statement, follow the *Annual and Quarterly Statement Instructions for Health* adopted by the National Association of Insurance Commissioners, which accompanies the *Annual and Quarterly Statement Blanks for Health*.

5. If necessary to determine the financial condition of a foreign or alien nonprofit corporation or the fulfillment of contractual obligations or compliance with law by a foreign or alien nonprofit corporation, the Commissioner may require the foreign or alien nonprofit corporation to file a financial statement more frequently than annually. Such a statement must be:

- (a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of nonprofit corporation filing;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

6. Each domestic nonprofit corporation shall file a quarterly statement with the Commissioner. A quarterly statement must be:

- (a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of nonprofit corporation filing;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

7. The audited financial statement required to be filed pursuant to NRS 680A.265 is a separate document from the annual statement required to be filed pursuant to NRS 695B.160. Each nonprofit corporation filing the audited financial statement shall follow the *Annual and Quarterly Statement Instructions for Health* adopted by the National Association of Insurance

Commissioners. Consolidated statements for nonprofit corporations that are members of an insurance holding company are not acceptable. For the purposes of paragraph (d) of subsection 2 of NRS 695B.110, the term “annual report” means the audited financial statement required to be filed pursuant to NRS 680A.265.

8. The Commissioner may grant a reasonable extension of time for filing the annual statement required by NRS 695B.160 or the audited financial statement required by NRS 680A.265 if the request for an extension is submitted in writing and in advance and shows good cause.

9. The Commissioner will, if appropriate, take disciplinary action pursuant to the applicable provisions of this chapter or chapter 695B of NRS against a nonprofit corporation which fails to file its annual statement or audited financial statement on the prescribed forms, in the prescribed format or by the prescribed date.

10. As used in this section, “jurat page” means a written declaration by a notarial officer that the signer of a document signed the document in the presence of the notarial officer and swore to or affirmed that the statements in the document are true.

**Sec. 18.** NAC 695C.180 is hereby amended to read as follows:

1. An organization may coordinate its benefits with any policy of *individual or* group health insurance offered by an insurance company, trust established by an employer to pay for health care for his or her employees, group contract for hospital, medical or dental service offered by a nonprofit corporation for hospital, medical or dental service, or evidence of coverage offered by another health maintenance organization. Before an organization may seek coordination for the payment of the cost of benefits, it must first provide those benefits to its enrollees. If an organization intends to coordinate its benefits, it shall do so based upon standards filed with and approved by the Division.

2. Except as otherwise provided by specific federal or state statute or regulation, an organization may include in its evidence of coverage a provision for subrogation regarding the right of an enrollee to recover, and the imposition of a lien upon any recovery by an enrollee, from a third person for the cost of the medical benefits which were provided by the organization to the enrollee because of injuries incurred by the enrollee as a result of the actions of the third person. The amount of the lien must not be more than the reasonable value of the services rendered by the organization.

**Sec. 19.** Chapter 695C.270 of NAC is hereby amended read as follows:

1. As a condition of doing business in this State, each health maintenance organization must file with the Commissioner an annual report required by NRS 695C.210 that:

(a) Conforms to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health* and the *Accounting Practices and Procedures Manual*, which have been adopted by reference in NAC 679B.033;

(b) Contains exhibits and schedules that follow the specifications developed by the National Association of Insurance Commissioners; and

(c) Contains any other information relating to the organization required by the Commissioner.

2. Information from the annual report of the organization must be filed:

(a) Pursuant to the specifications adopted by the National Association of Insurance Commissioners for filing information in an electronic format;

(b) At the central office of the National Association of Insurance Commissioners, [~~2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662~~] *1100 Walnut Street, Suite 1500 Kansas City, MO 64106-2197*; and

(c) On or before March 1 of each year.

3. If a foreign or alien health maintenance organization files a report in an electronic format with the National Association of Insurance Commissioners, that report will be deemed to have been filed with the Commissioner if:

(a) The foreign or alien health maintenance organization submits an affidavit, a jurat page or a copy of the jurat page to the Commissioner indicating that the report has been so filed. If the organization submits a jurat page, the jurat page must:

(1) Conform to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health*, which has been adopted by reference in NAC 679B.033; and

(2) Be executed by a notarial officer pursuant to NRS 240.1655 and 240.167.

(b) The affidavit, jurat page or copy of the jurat page is accompanied by the applicable fees set forth in NRS 680B.010.

4. An annual report required by NRS 695C.210 to be filed with the Commissioner by an organization must be on the current version of the *Annual and Quarterly Statement Blanks for Health* adopted by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033. Each organization shall, in preparing the report, follow the *Annual and Quarterly Statement Instructions for Health* adopted by the National Association of Insurance Commissioners, which accompanies the *Annual and Quarterly Statement Blanks for Health*.

5. Each organization shall include in its annual report the number and amount of claims of malpractice initiated against it during that year. The report must include claims made with or without legal process and the disposition, if any, of each claim.

6. Each organization shall furnish a copy of any annual report it distributes to its enrollees to

the Division 30 days before that distribution with a notice of its intent to distribute it.

7. If an organization is required by federal law to submit quarterly reports to the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services, it shall submit copies of those reports to the Division.

8. If necessary to determine the financial condition of a foreign or alien health maintenance organization or the fulfillment of contractual obligations or compliance with law by a foreign or alien health maintenance organization, the Commissioner may require the foreign or alien health maintenance organization to file a financial report more frequently than annually. Such a report must be:

(a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization filing;

(b) Completed in accordance with the current instruction manual for the type of organization filing; and

(c) Filed with the National Association of Insurance Commissioners in an electronic format.

9. Each domestic health maintenance organization shall file a quarterly report with the Commissioner. A quarterly report must be:

(a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization filing;

(b) Completed in accordance with the current instruction manual for the type of organization filing; and

(c) Filed with the National Association of Insurance Commissioners in an electronic format.

10. For a health maintenance organization, the audited financial statement of the organization filed pursuant to subsection 3 of NRS 695C.210 is a separate document from the annual

statement required to be filed pursuant to paragraph (a) of subsection 2 of NRS 695C.210. For a provider-sponsored organization, the audited financial statement of the organization filed pursuant to subsection 3 of NAC 695C.360 is a separate document from the annual statement required to be filed pursuant to paragraph (a) of subsection 2 of NAC 695C.360. The audited financial statement filed pursuant to subsection 3 of NRS 695C.210 or subsection 3 of NAC 695C.360 must be:

- (a) Filed for each individual organization within 120 days after the end of its fiscal year; and
- (b) Filed pursuant to the specifications and instructions adopted by the National Association of Insurance Commissioners which are included in the *Annual and Quarterly Statement Instructions for Health*, which have been adopted by reference in NAC 679B.033.

↳ Consolidated statements for organizations that are members of an insurance holding company system are not acceptable.

11. The Commissioner will, if appropriate, take disciplinary action pursuant to NRS 695C.340 or 695C.350 or NAC 695C.1286 or 695C.1288 against an organization which fails to file its annual financial reports or statements on the prescribed forms, in the prescribed format or by the prescribed date.

12. The Commissioner will grant, for good cause and upon advance written request, an extension for filing an annual report or statement.

13. As used in this section, “jurat page” means a written declaration by a notarial officer that the signer of a document signed the document in the presence of the notarial officer and swore to or affirmed that the statements in the document are true.

**Sec. 20.** Chapter 695C.275 of NAC is hereby amended read as follows:

1. On or before November 1 of each year, each health maintenance organization which

receives a certificate of authority shall submit to the State Board of Health the quality and performance indicators selected by the Board for the immediately preceding calendar year. The Board will select the indicators from the reporting set data domains set forth in *Technical Specifications for Health Plans, of the Healthcare Effectiveness Data and Information Set* (HEDIS), volume 2, in the form most recently published by the National Committee for Quality Assurance (NCQA), unless the Board gives notice that the most recent revision is not suitable for this State pursuant to subsection 3. Volume 2 of HEDIS may be obtained from the National Committee for Quality Assurance, NCQA, [~~Department 4038~~] *1100 13<sup>th</sup> St. NW*, Washington, D.C. [~~20042-4038~~]-20005, for the price of \$[~~320~~] *345* plus \$[~~20~~] *33* for shipping and handling or by ordering via telephone at (888) 275-7585 or on the Internet at [~~<http://www.ncqa.org/publications/>~~] <http://store.ncqa.org/>. *An electronic copy is also available from NCQA.*

2. Each health maintenance organization shall include in its annual report, filed with the Commissioner pursuant to NRS 695C.210, a copy of the most recent quality and performance indicators submitted to the State Board of Health pursuant to subsection 1.
3. The State Board of Health shall review each revision of the reporting set data domains set forth in *Technical Specifications for Health Plans, of the Healthcare Effectiveness Data and Information Set* (HEDIS), volume 2, to ensure their suitability for this State. If the Board determines that a revision is not suitable for this State, it will hold a public hearing to review its determination and give notice of that hearing within 6 months after the date of the publication of the revision. If, after the hearing, the Board does not revise its determination, the Board will, within 30 days after the hearing, give notice that the revision is not suitable for this State. If the Board does not give such notice, the revision becomes part of the reporting set data domains

adopted by reference pursuant to subsection 1.

**Sec. 21.** Chapter 695D.250 of NAC is hereby amended to read as follows:

1. An organization may invest its money only in cash, cash equivalents or the securities described in NRS 682A.~~[060]~~033 [~~and 682A.190~~].
2. Any investment made by an organization:
  - (a) Must be authorized or ratified by its board of directors or by a committee charged with the supervision of such investments;
  - (b) Must be interest-bearing, interest-accruing, entitled to dividends or otherwise produce income;
  - (c) Must not be in default in any respect;
  - (d) Must not be purchased at a price above its fair or market value; and
  - (e) Must comply with the provisions of NRS 682A.~~[050]~~ 402, to the extent those provisions are applicable.
3. An organization may receive for its use and benefit the interest or other income accruing on its investments.

**Sec. 22.** Chapter 695D.260 of NAC is hereby amended read as follows:

1. As a condition of doing business in this State, each organization must submit to the Commissioner an annual report required by NRS 695D.260 that:
  - (a) Conforms to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health* and the *Accounting Practices and Procedures Manual*, which have been adopted by reference in NAC 679B.033;
  - (b) Contains exhibits and schedules that follow the specifications developed by the National Association of Insurance Commissioners; and



(c) Contains any other information relating to the organization required by the Commissioner.

2. Information from the annual report of the organization must be filed:

(a) Pursuant to the specifications adopted by the National Association of Insurance

Commissioners for filing information in an electronic format;

(b) At the central office of the National Association of Insurance Commissioners, [~~2301 McGee Street, Suite 800, Kansas City, Missouri 64108-2662~~] *1100 Walnut Street, Suite 1500 Kansas*

*City, MO 64106-2197*; and

(c) On or before March 1 of each year.

3. If a foreign or alien organization files a report in an electronic format with the National Association of Insurance Commissioners, that report will be deemed to have been filed with the Commissioner if:

(a) The foreign or alien organization submits an affidavit, a jurat page or a copy of the jurat page to the Commissioner indicating that the report has been so filed. If the organization submits a jurat page, the jurat page must:

(1) Conform to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health*, which has been adopted by reference in NAC 679B.033; and

(2) Be executed by a notarial officer pursuant to NRS 240.1655 and 240.167.

(b) The affidavit, jurat page or copy of the jurat page, is accompanied by the applicable fees set forth in NRS 680B.010.

4. An annual report required by NRS 695D.260 to be filed with the Commissioner by an organization must be on the current version of the *Annual and Quarterly Statement Blanks for Health* adopted by the National Association of Insurance Commissioners, which has been

adopted by reference in NAC 679B.033. Each organization shall, in preparing the report, follow the *Annual and Quarterly Statement Instructions for Health* adopted by the National Association of Insurance Commissioners, which accompanies the *Annual and Quarterly Statement Blanks for Health*.

5. If necessary to determine the financial condition of a foreign or alien organization or the fulfillment of contractual obligations or compliance with law by a foreign or alien organization, the Commissioner may require the foreign or alien organization to file a financial report more frequently than annually. Such a report must be:

- (a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization filing;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

6. Each domestic organization shall file a quarterly report with the Commissioner. A quarterly report must be:

- (a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization reporting;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

7. The audited financial statement of the organization filed pursuant to subsection 3 of NRS 695D.260 is a separate document from the annual statement required to be filed pursuant to paragraph (a) of subsection 2 of NRS 695D.260. Each organization filing the audited financial statement shall follow the *Annual and Quarterly Statement Instructions for Health* adopted by the National Association of Insurance Commissioners. Consolidated statements for organizations

that are members of an insurance holding company are not acceptable.

8. The Commissioner will, if appropriate, take disciplinary action pursuant to NRS 695D.300 against an organization which fails to file its annual financial reports or statements on the prescribed forms, in the prescribed format or by the prescribed date.

9. The Commissioner may grant a reasonable extension of time for filing the annual report or the audited financial statement required by NRS 695D.260 if the request for an extension is submitted in writing and in advance and shows good cause.

10. As used in this section, “jurat page” means a written declaration by a notarial officer that the signer of a document signed the document in the presence of the notarial officer and swore to or affirmed that the statements in the document are true.

**Sec. 23.** Chapter 695F.455 of NAC is hereby amended read as follows:

1. As a condition of doing business in this State, each organization must file with the Commissioner an annual report required by NRS 695F.320 that:

(a) Conforms to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health* and the *Accounting Practices and Procedures Manual*, which have been adopted by reference in NAC 679B.033;

(b) Contains exhibits and schedules that follow the specifications developed by the National Association of Insurance Commissioners; and

(c) Contains any other information relating to the organization required by the Commissioner.

2. Information from the annual report of the organization must be filed:

(a) Pursuant to the specifications adopted by the National Association of Insurance Commissioners for filing information in an electronic format;

(b) At the central office of the National Association of Insurance Commissioners, [2301 McGee

~~Street, Suite 800, Kansas City, Missouri 64108-2662]~~ *1100 Walnut Street, Suite 1500 Kansas City, MO 64106-2197*; and

(c) On or before March 1 of each year.

3. If a foreign or alien organization files a report in an electronic format with the National Association of Insurance Commissioners, that report will be deemed to have been filed with the Commissioner if:

(a) The foreign or alien organization submits an affidavit, a jurat page or a copy of the jurat page to the Commissioner indicating that the report has been so filed. If the organization submits a jurat page, the jurat page must:

(1) Conform to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health*, which has been adopted by reference in NAC 679B.033; and

(2) Be executed by a notarial officer pursuant to NRS 240.1655 and 240.167.

(b) The affidavit, jurat page or copy of the jurat page is accompanied by the applicable fees set forth in NRS 680B.010.

4. An annual report required by NRS 695F.320 to be filed with the Commissioner by an organization must be on the current version of the *Annual and Quarterly Statement Blanks for Health* adopted by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033. Each organization shall, in preparing the report, follow the *Annual and Quarterly Statement Instructions for Health* adopted by the National Association of Insurance Commissioners, which accompanies the *Annual and Quarterly Statement Blanks for Health*.

5. If necessary to determine the financial condition of a foreign or alien organization or the

fulfillment of contractual obligations or compliance with law by a foreign or alien organization, the Commissioner may require the foreign or alien organization to file a financial report more frequently than annually. Such a report must be:

- (a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization filing;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

6. Each domestic organization shall file a quarterly report with the Commissioner. A quarterly report must be:

- (a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization filing;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

7. The audited financial statement of the organization filed pursuant to subsection 3 of NRS 695F.320 is a separate document from the annual report required to be filed pursuant to subsection 1 of NRS 695F.320. The audited financial statement must:

- (a) Cover the most recent fiscal year of the organization;
- (b) Be filed with the Commissioner within 120 days after the end of that fiscal year; and
- (c) Be filed pursuant to the specifications and instructions adopted by the National Association of Insurance Commissioners which are included in the *Annual and Quarterly Statement Instructions for Health*, which have been adopted by reference in NAC 679B.033.

↳ Consolidated statements for organizations that are members of an insurance holding company are not acceptable.

8. The Commissioner may grant a reasonable extension of time for filing the annual report or the audited financial statement required by NRS 695F.320 if the request for an extension is submitted in writing and in advance and shows good cause.

9. As used in this section, “jurat page” means a written declaration by a notarial officer that the signer of a document signed the document in the presence of the notarial officer and swore to or affirmed that the statements in the document are true.

**Sec. 24.** NAC 679B.038, 686B.385, 686B.510, 687B.610, 687B.620, 689C.140, 689C.160, 689C.260, 689C.265, 691B.010, 695F.450, and 696A.100 are hereby repealed.

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### LEADLINES OF REPEALED SECTIONS

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NAC 679B.038 Plans limiting selection of dentist: Interpretation of “insured or member”; process for selecting optional plan.

NAC 686B.385 Reporting thresholds.

NAC 686B.510 Insurance rating: Deviations and modifications.

NAC 687B.610 Vendor single interest policies: Marking.

NAC 687B.620 Multiple line packages.

NAC 689C.140 Minimum care and services required.

NAC 689C.160 Annual report.

NAC 689C.260 Prior notification of desire to change status as risk-assuming or reinsuring carrier.

NAC 689C.265 Application for change of status as risk-assuming or reinsuring carrier: Filing; action by Commissioner; confidentiality.

NAC 691B.010 Power of attorney.

NAC 695F.450 Annual report.

NAC 696A.100 List of members: Contents; maintenance; availability.