

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB FILE NO. R001-18I

**The following document is the initial draft regulation proposed
by the agency submitted on 01/05/2018**

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December 20, 2017

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

AUTHORITY: NRS 679B.130; 686A.015 and 686A.230

A REGULATION relating to insurance, expanding the ability of producers to charge fees for consultation or related advice for individual health benefit plans, and to provide additional disclosures that are required to be included in the written agreements between the producer and his or her prospective client.

Section 1. NAC 686A.320 is hereby amended to read as follows:

Definitions. (NRS 679B.130, 686A.015) As used in NAC 686A.320 to 686A.340, inclusive, unless the context otherwise requires:

1. “Agent” has the meaning ascribed to it in NRS 683A.321.
2. “Financial planner” means [~~an agent or broker~~] *a producer* who has successfully completed a course of instruction required for designation as a financial planner by a recognized professional association of financial planners.
3. “Health insurance” includes any:
 - (a) Contract for hospital, medical or dental services entered into pursuant to chapter 695B of NRS;
 - (b) Health care plan provided pursuant to *chapters 689A, 689B and* 695C of NRS;
 - (c) Plan for dental care provided pursuant to chapter 695D of NRS; or
 - (d) Plan for prepaid limited health service provided pursuant to chapter 695F of NRS.

Sec. 2. NAC 686A.330 is hereby amended to read as follows:

NAC 686A.330 Agreement for consultation or related advice: Contents; copies; fee. (NRS 679B.130, 686A.015, 686A.230)

1. Any agreement for consultation or related advice which is entered into by a financial planner, life or health insurance ~~[agent or broker]~~ **producer**, or insurance consultant must be in writing and must contain:

(a) The name and address of the financial planner, life or health insurance ~~[agent or broker]~~ **producer**, or insurance consultant;

(b) The name and address of any person or entity licensed pursuant to title 57 of NRS which he or she represents;

(c) A description of any license he or she holds;

(d) A description of the fee to be charged and the services to be provided under the agreement;

(e) A provision allowing the client, without penalty, to rescind the agreement within 10 days after it is entered into; and

(f) A statement of whether the financial planner or life or health insurance ~~[agent or broker]~~ **producer** is to receive any commission or other compensation for services in addition to the fee paid by the client.

2. Each client or prospective client of a financial planner, life or health insurance ~~[agent or broker]~~ **producer**, or insurance consultant must be provided with a copy of the agreement, **and a copy of the agreement must be retained by the producer and be made available for audit by the Division.**

3. A financial planner, life or health insurance ~~[agent or broker]~~ **producer**, or insurance

consultant shall not charge a fee pursuant to this section except with respect to:

- (a) Group life or group annuity products provided pursuant to chapter 688A or 688B of NRS;
- (b) Group health products provided pursuant to 689B of NRS; and
- (c) Individual health benefit plans pursuant to chapters 689A and 695C of NRS.*

Sec. 3. Chapter 686A of NAC is hereby amended by adding thereto the provisions set forth as Sections 3 and 4 of this regulation.

1. The written agreement for producers charging fees with respect to individual health benefit plans pursuant to NAC 686A.330, subsection 3(c) must also contain:

- (a) The Producer or Consultant's Nevada License and National Producer License numbers;*
- (b) A statement of whether fees may be negotiated, and a description of the terms;*
- (c) A statement describing whether fees are refundable or fully earned at the completion of the described services;*
- (d) The telephone numbers of the Silver State Health Insurance Exchange, 855-768-5465, and the Nevada Division of Insurance, 888-872-3234;*
- (e) A statement of whether the health insurance producer is certified by the Silver State Health Insurance Exchange;*
- (f) A statement of whether the health insurance producer is currently covered under a policy of professional liability insurance; and*
- (g) A disclosure notice which contains the following language:*

“Disclosure Notice: If an individual health benefit plan insurance policy is purchased through an insurance carrier of which the producer is appointed to represent, the producer

may receive compensation or commission in addition to this fee. The amount of compensation typically varies by insurance carrier.

The Affordable Care Act currently provides premium subsidies to those meeting the eligibility criteria. Premium subsidies are only available through policies offered on the Silver State Health Insurance Exchange.”

Sec. 4.

1. The following is a sample form for a Nevada individual health benefit plan fee agreement: