

**PROPOSED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**LCB File No. R127-20**

August 10, 2020

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

AUTHORITY: §1, NRS 679B.130, 686B.040 and 686B.112.

A REGULATION relating to insurance; prescribing requirements concerning the review of filed rates for health and dental plans; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires most insurers to file with the Commissioner of Insurance rates, rate increases and certain other information relating to rates. (NRS 686B.070) Existing law requires the Commissioner to perform an actuarial review of and consider each rate filing of certain health or dental plans. (NRS 686B.112) Existing federal regulations require that a state process for reviewing individual or small group health insurance rates must include an examination of certain factors and must meet certain requirements for public disclosure and input in order for the state process to be deemed an Effective Rate Review Program. (45 C.F.R. § 154.301) This regulation requires the actuarial review of rates for a health or dental plan offered for sale on the individual or small group market to meet the requirements prescribed by federal regulations for an Effective Rate Review Program.

Existing law generally authorizes the Commissioner to exempt, by rule, any segment of the insurance market from certain requirements concerning rate filings, including the requirement that health and dental plans must undergo an actuarial review. (NRS 686B.040) Existing law establishes general standards for evaluating the sufficiency of rates for insurance, including requirements that rates not be excessive, inadequate or unfairly discriminatory or have the effect of destroying competition or creating a monopoly. (NRS 686B.050) This regulation: (1) exempts health and dental plans that are not offered for sale on the individual or small group market from the requirement to undergo an actuarial review; and (2) provides that the Commissioner will review the rates of such plans to ensure that the rates meet the general requirements prescribed by state law.

**Section 1.** Chapter 686B of NAC is hereby amended by adding thereto a new section to read as follows:

*1. An actuarial review conducted pursuant to NRS 686B.112 of rates filed for a health or dental plan issued pursuant to the provisions of chapter 689A, 689B, 689C, 695B, 695C, 695D or 695F of NRS that is offered for sale on the individual market or small group market must meet the requirements prescribed by 45 C.F.R. § 154.301 for an Effective Rate Review Program.*

*2. The Commissioner:*

*(a) Will not conduct an actuarial review pursuant to NRS 686B.112 of rates filed for a health or dental plan issued pursuant to the provisions of chapter 689A, 689B, 689C, 695B, 695C, 695D or 695F of NRS that is not offered for sale on the individual market or small group market; and*

*(b) Will review the rates filed for such a health or dental plan to determine compliance with the requirements of NRS 686B.050.*

*3. As used in this section, the terms “individual market” and “small group market” have the meanings ascribed to them in 45 C.F.R. § 154.102.*