

**APPROVED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R163-22

Filed December 29, 2022

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

AUTHORITY: §§ 1-3, NRS 687B.430.

A REGULATION relating to insurance; clarifying the applicability of certain provisions governing the replacement of a Medicare supplemental policy; providing for the posting of certain information relating to Medicare supplemental policies on the Internet; prohibiting certain activity during the open enrollment period for Medicare supplemental policies; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the Commissioner of Insurance to adopt regulations relating to the sale of a policy of insurance that provides for the payment of expenses which are not covered by Medicare, also known as a Medicare supplemental policy. (NRS 687B.430) Existing law further requires an insurer that issues a Medicare supplemental policy to offer an open enrollment period for persons covered by such a policy, during which such a person is authorized to purchase another Medicare supplemental policy made available by the insurer in this State that includes the same benefits or lesser benefits. (NRS 687B.352) **Section 1** of this regulation clarifies that certain provisions regarding the compensation of agents or other producers of insurance and recommendations concerning the purchase or replacement of a Medicare supplemental policy apply to an agent, issuer or other entity who works with a person to purchase a Medicare supplemental policy during the open enrollment period. **Section 1** requires the Division of Insurance of the Department of Business and Industry to publish on its Internet website a document that lists each policy that is available to the holder of a Medicare supplemental policy during the open enrollment period. **Section 1** also prohibits a holder of a Medicare supplemental policy from re-enrolling in the same policy in which he or she is currently enrolled that is issued by the same insurer that issued the policy in which he or she is currently enrolled for the purpose of lowering his or her rate. **Section 2** of this regulation makes a conforming change to indicate the proper placement of **section 1** in the Nevada Administrative Code.

Existing regulations prohibit an agent or other producer from accepting compensation that is greater than the compensation that the agent or other producer would have received from the renewal of a policy to supplement Medicare if the existing policy is replaced. (NAC 687B.275) **Section 3** of this regulation clarifies that a person who purchases a policy during the open enrollment period is considered to be replacing the policy for that purpose.

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

1. An agent, issuer or other entity shall comply with the requirements of subsection 3 of NAC 687B.275 and NAC 687B.282 when the agent, issuer or other entity works with a person to purchase a Medicare supplemental policy during the open enrollment period offered pursuant to NRS 687B.352.

2. The Division shall publish on its Internet website a current and accurate document that lists each policy that is available to the holder of a Medicare supplemental policy based on the policy that he or she currently holds during the open enrollment period offered pursuant to NRS 687B.352.

3. During the open enrollment period offered pursuant to NRS 687B.352, the holder of a Medicare supplemental policy may not re-enroll in the same policy in which he or she is currently enrolled that is issued by the same insurer that issued the policy in which he or she is currently enrolled for the purpose of lowering his or her rate.

4. As used in this section, "Medicare supplemental policy" has the meaning ascribed to it in NRS 687B.352.

Sec. 2. NAC 687B.200 is hereby amended to read as follows:

687B.200 As used in NAC 687B.200 to 687B.330, inclusive, *and section 1 of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 687B.2002 to 687B.2045, inclusive, have the meanings ascribed to them in those sections.

Sec. 3. NAC 687B.275 is hereby amended to read as follows:

687B.275 1. An issuer or other entity may provide a commission or other compensation to an agent or other representative for the sale of a policy to supplement Medicare or a certificate only if the commission or other compensation for the first year is no more than 200 percent of the commission or other compensation paid for selling or servicing the policy or certificate in the second year or period.

2. The commission or other compensation provided in a subsequent renewal year must be:

- (a) The same as that provided in the second year or period; and
- (b) Provided for not less than 5 renewal years.

3. An issuer or other entity shall not provide to its agents or other producers, and an agent or producer shall not accept, compensation that is greater than the compensation for renewal that would have been paid by the replacing issuer on a renewal policy to supplement Medicare or a certificate if the existing policy or certificate is replaced ~~H~~, *including, without limitation, the replacement of a policy during the open enrollment period offered pursuant to NRS 687B.352.*

4. As used in this section, “compensation” includes pecuniary or nonpecuniary remuneration of any kind relating to the sale or renewal of the policy to supplement Medicare or the certificate, including, but not limited to, any bonus, gift, prize, award or finders fee.