

SENATE BILL NO. 85—COMMITTEE ON  
COMMERCE, LABOR AND ENERGY

(ON BEHALF OF THE ATTORNEY GENERAL)

PREFILED DECEMBER 20, 2014

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises certain provisions of the Nevada Insurance Code. (BDR 57-153)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

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

AN ACT relating to insurance fraud; revising the definition of “insurance fraud” to include fraudulent acts or omissions related to certain policies issued outside this State; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Under existing law, the term “insurance fraud” is broadly defined to include a  
2 wide range of activities relating to policies of insurance, including, without  
3 limitation, a knowing and willful presentation of false or misleading information  
4 material on an application for, or a claim under, a policy of insurance issued  
5 pursuant to title 57 of NRS. (NRS 686A.2815) The Attorney General has primary  
6 jurisdiction to conduct criminal investigations into and may bring a criminal  
7 prosecution for any alleged act of insurance fraud, and the Commissioner of  
8 Insurance has the authority to investigate violations of title 57 of NRS and to assist  
9 the Attorney General or other local, state or federal investigative and law  
10 enforcement agencies in investigating an act of insurance fraud, including, if  
11 necessary, conducting investigations into such activities occurring outside this  
12 State. (NRS 228.412, 679B.650) Under existing law, a person who commits  
13 insurance fraud is subject to prosecution for a category D felony and the imposition  
14 of court costs and the cost of any investigation and prosecution of the insurance  
15 fraud for which the person is convicted or to which he or she pleads guilty, guilty  
16 but mentally ill or nolo contendere. (NRS 686A.291, 686A.292) A person who  
17 commits insurance fraud is also subject to prosecution for committing a crime  
18 related to racketeering. (NRS 207.360, 207.400) This bill revises the definition of  
19 “insurance fraud” to include: (1) policies of insurance issued pursuant to title 57 of  
20 NRS by an authorized insurer; and (2) policies of insurance issued outside this State  
21 by an authorized insurer which relate to property that is located in this State at the



22 time of the alleged fraudulent act or omission or the incident giving rise to the  
23 alleged fraudulent act or omission.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     **Section 1.** NRS 686A.2815 is hereby amended to read as  
2 follows:

3     686A.2815 *1.* “Insurance fraud” means knowingly and  
4 willfully:

5     ~~[1.]~~ (a) Presenting or causing to be presented any statement to  
6 an insurer, a reinsurer, a producer, a broker or any agent thereof, if  
7 the person who presents or causes the presentation of the statement  
8 knows that the statement conceals or omits facts, or contains false or  
9 misleading information concerning any fact material to an  
10 application for the issuance of a policy of insurance . ~~[pursuant to~~  
11 ~~this title.]~~

12     ~~[2.]~~ (b) Presenting or causing to be presented any statement as a  
13 part of, or in support of, a claim for payment or other benefits under  
14 a policy of insurance , ~~[issued pursuant to this title.]~~ if the person  
15 who presents or causes the presentation of the statement knows that  
16 the statement conceals or omits facts, or contains false or misleading  
17 information concerning any fact material to that claim.

18     ~~[3.]~~ (c) Assisting, abetting, soliciting or conspiring with another  
19 person to present or cause to be presented any statement to an  
20 insurer, a reinsurer, a producer, a broker or any agent thereof, if the  
21 person who assists, abets, solicits or conspires knows that the  
22 statement conceals or omits facts, or contains false or misleading  
23 information concerning any fact material to an application for the  
24 issuance of a policy of insurance ~~[pursuant to this title]~~ or a claim  
25 for payment or other benefits under such a policy.

26     ~~[4.]~~ (d) Acting or failing to act with the intent of defrauding or  
27 deceiving an insurer, a reinsurer, a producer, a broker or any agent  
28 thereof, to obtain a policy of insurance ~~[pursuant to this title]~~ or any  
29 proceeds or other benefits under such a policy.

30     ~~[5.]~~ (e) As a practitioner, an insurer or any agent thereof, acting  
31 to assist, conspire with or urge another person to commit any act or  
32 omission specified in this section through deceit, misrepresentation  
33 or other fraudulent means.

34     ~~[6.]~~ (f) Accepting any proceeds or other benefits under a policy  
35 of insurance , ~~[issued pursuant to this title.]~~ if the person who  
36 accepts the proceeds or other benefits knows that the proceeds or  
37 other benefits are derived from any act or omission specified in this  
38 section.



1 ~~[7.]~~ (g) Employing a person to procure clients, patients or other  
2 persons who obtain services or benefits under a policy of insurance  
3 ~~[issued pursuant to this title]~~ for the purpose of engaging in any act  
4 or omission specified in this section, except that such insurance  
5 fraud does not include contact or communication by an insurer or an  
6 agent or representative of the insurer with a client, patient or other  
7 person if the contact or communication is made for a lawful  
8 purpose, including, without limitation, communication by an insurer  
9 with a holder of a policy of insurance issued by the insurer or with a  
10 claimant concerning the settlement of any claims against the policy.

11 ~~[8.]~~ (h) Participating in, aiding, abetting, conspiring to commit,  
12 soliciting another person to commit, or permitting an employee or  
13 agent to commit any act or omission specified in this section.

14 2. *As used in this section, "policy of insurance" means:*

15 (a) *Any policy issued in this State by an authorized insurer;*  
16 *and*

17 (b) *Any policy issued outside this State by an authorized*  
18 *insurer which relates to property that:*

19 (1) *Is located in this State when any act or omission*  
20 *specified in this section occurs; or*

21 (2) *Was located in this State when the incident that gave*  
22 *rise to the act or omission specified in this section occurred.*

23 **Sec. 2.** This act becomes effective on July 1, 2015.

