

SENATE BILL NO. 393—SENATOR SEEVERS GANSERT

MARCH 27, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions related to dental insurance. (BDR 57-101)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact. Effect on the State: Yes.

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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; revising the circumstances under which a rate paid for dental coverage is presumed to be excessive; establishing certain procedures to enforce the prohibition on imposing excessive rates for dental coverage; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law prohibits the sale or offering for sale of any contract providing
2 coverage for dental care at a rate which is excessive, defined as a ratio of losses to
3 premiums collected which is less than 75 percent. Existing law exempts contracts
4 providing coverage for dental care that are sold to small employers from this
5 prohibition. (NRS 686B.125) **Section 3** of this bill requires an insurer, organization
6 or person licensed to engage in the business of insurance in this State that provides
7 coverage for dental care in this State to report certain information concerning the
8 losses and premiums collected by the insurer, organization or person. **Section 3**
9 authorizes the Commissioner of Insurance to examine the records and transactions
10 of those insurers, organizations and persons to ascertain compliance with the
11 prohibition on selling or offering for sale any contract providing coverage for
12 dental care at an excessive rate and the reporting requirement. Beginning in 2026, if
13 the Commissioner determines that an insurer, organization or person has violated
14 the prohibition on charging excessive rates, **section 3.5** of this bill: (1) requires the
15 insurer, organization or person to submit an adjusted rate filing; and (2) authorizes
16 the Commissioner to require the insurer, organization or person to submit a plan to
17 compensate insureds or members who were affected by excessive rates.



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

1 **Section 1.** (Deleted by amendment.)

2 **Sec. 2.** (Deleted by amendment.)

3 **Sec. 3.** NRS 686B.125 is hereby amended to read as follows:

4 686B.125 1. Except as otherwise provided in this section, no
5 insurer, organization or person licensed pursuant to this title may
6 sell or offer to sell any contract providing coverage for dental care at
7 a rate which is excessive for the benefits offered to the insured or
8 member. For the purpose of this section, a ratio of losses to
9 premiums collected which is less than 75 percent is presumed to
10 show an excessive rate.

11 2. The provisions of subsection 1 do not apply to a contract
12 providing coverage for dental care that is sold to a small employer
13 pursuant to the provisions of chapter 689C of NRS.

14 ~~[3.]~~ As used in this ~~[section.]~~ *subsection*, “small employer” has
15 the meaning ascribed to it in NRS 689C.095.

16 3. *Each year, every insurer, organization or person licensed*
17 *pursuant to this title who provides coverage for dental care in this*
18 *State shall, in accordance with requirements established by*
19 *regulation of the Commissioner, file with the Commissioner a*
20 *report of the losses and premiums collected for that insurer,*
21 *organization or person, as applicable, for the calendar year.*

22 4. *For the purposes of subsection 3, the values of losses and*
23 *premiums collected must be determined at the end of each*
24 *calendar year for the entire calendar year.*

25 5. *The Commissioner may, pursuant to NRS 679B.240,*
26 *examine the accounts, records, documents and transactions of any*
27 *insurer, organization or person licensed pursuant to this title who*
28 *sells or offers to sell any contract providing coverage for dental*
29 *care in this State to ascertain compliance with the provisions of*
30 *this section.*

31 **Sec. 3.5.** NRS 686B.125 is hereby amended to read as follows:

32 686B.125 1. Except as otherwise provided in this section, no
33 insurer, organization or person licensed pursuant to this title may
34 sell or offer to sell any contract providing coverage for dental care at
35 a rate which is excessive for the benefits offered to the insured or
36 member. For the purpose of this section, a ratio of losses to
37 premiums collected which is less than 75 percent is presumed to
38 show an excessive rate.

39 2. ~~[The provisions of subsection 1 do not apply to a contract~~
40 ~~providing coverage for dental care that is sold to a small employer~~
41 ~~pursuant to the provisions of chapter 689C of NRS. As used in this~~



1 ~~subsection "small employer" has the meaning ascribed to it in~~
2 ~~NRS 689C.095.~~

3 ~~—3.]~~ Each year, every insurer, organization or person licensed
4 pursuant to this title who provides coverage for dental care in this
5 State shall, in accordance with requirements established by
6 regulation of the Commissioner, file with the Commissioner a report
7 of the losses and premiums collected for that insurer, organization or
8 person, as applicable, for the calendar year.

9 ~~[4.]~~ 3. For the purposes of subsection ~~[3.]~~ 2, the values of
10 losses and premiums collected must be determined at the end of
11 each calendar year for the entire calendar year.

12 ~~[5.]~~ 4. *The Commissioner shall, based on the reports filed*
13 *pursuant to subsection 2:*

14 *(a) Calculate the aggregate average ratio of losses to*
15 *premiums collected for each such insurer, organization and other*
16 *person licensed pursuant to this title for the immediately preceding*
17 *3-year period or for the entire period during which the insurer,*
18 *organization or other person has provided coverage for dental*
19 *care in this State, whichever time period is shorter, for each*
20 *market segment in which the insurer, organization or person*
21 *operates; and*

22 *(b) Identify each such insurer, organization and other person*
23 *licensed pursuant to this title whose aggregate average ratio of*
24 *losses to premiums collected for a market segment is presumed to*
25 *show an excessive rate pursuant to subsection 1.*

26 5. *On or before June 1 of each year, the Commissioner shall*
27 *publish on an internet website maintained by the Division:*

28 *(a) A list of each insurer, organization or person licensed*
29 *pursuant to this title who provided coverage for dental care in this*
30 *State during the immediately preceding calendar year; and*

31 *(b) For each such insurer, organization or person licensed*
32 *pursuant to this title, the aggregate average ratio of losses to*
33 *premiums collected for the immediately preceding 3-year period or*
34 *for the entire period during which the insurer, organization or*
35 *person has provided coverage for dental care in this State,*
36 *whichever time period is shorter, for each market segment in*
37 *which the insurer, organization or person operates.*

38 6. The Commissioner may, pursuant to NRS 679B.240,
39 examine the accounts, records, documents and transactions of any
40 insurer, organization or person licensed pursuant to this title who
41 sells or offers to sell any contract providing coverage for dental care
42 in this State to ascertain compliance with the provisions of this
43 section.

44 7. *If the Commissioner determines, after conducting an*
45 *examination pursuant to subsection 6, that an insurer,*



1 *organization or person licensed pursuant to this title has failed to*
2 *comply with the provisions of subsection 1:*

3 *(a) The insurer, organization or person, as applicable, must*
4 *submit to the Commissioner an adjusted rate filing in accordance*
5 *with NRS 686B.070 not later than 60 days after the date of the*
6 *determination, regardless of whether the insurer, organization or*
7 *person is requesting a change in rates. If the Commissioner*
8 *determines, based on the information calculated pursuant to*
9 *paragraph (a) of subsection 4, that the previously approved rates*
10 *are excessive, the Commissioner may require the insurer,*
11 *organization or person to file a decreased rate that would bring*
12 *the insurer, organization or person into compliance with*
13 *provisions of subsection 1.*

14 *(b) The Commissioner may order the insurer, organization or*
15 *person to submit a plan to compensate any insureds or members*
16 *who:*

17 *(1) Are residents of this State; and*

18 *(2) Were affected by the excessive rates during any year*
19 *under examination pursuant to subsection 6.*

20 *8. The provisions of subsections 1 and 7 and paragraph (b) of*
21 *subsection 4 do not apply to a contract providing coverage for*
22 *dental care that is sold to a small employer pursuant to the*
23 *provisions of chapter 689C of NRS. As used in this subsection,*
24 *“small employer” has the meaning ascribed to it in*
25 *NRS 689C.095.*

26 **Sec. 4.** (Deleted by amendment.)

27 **Sec. 5.** (Deleted by amendment.)

28 **Sec. 6.** (Deleted by amendment.)

29 **Sec. 7.** (Deleted by amendment.)

30 **Sec. 8.** (Deleted by amendment.)

31 **Sec. 9.** (Deleted by amendment.)

32 **Sec. 10.** (Deleted by amendment.)

33 **Sec. 11.** (Deleted by amendment.)

34 **Sec. 12.** (Deleted by amendment.)

35 **Sec. 13.** 1. This section and sections 1 to 3, inclusive, and 4
36 to 12, inclusive, of this act become effective on January 1, 2024.

37 2. Section 3.5 of this act becomes effective on January 1, 2026.

