

LCB File No. R152-99

**NOTICE OF WORKSHOPS TO SOLICIT COMMENTS
ON PROPOSED REGULATIONS**

September 21, 1999

The Department of Business and Industry, Division of Insurance (Division) is proposing new regulations pertaining to the calculation of reserves for term life insurance (Triple X), provider sponsored organizations (PSOs), motor clubs, insurance for rental cars, insurance for home protection, and amendments to chapter 683A of NAC concerning the licensing of agents and administrators. A workshop has been set for 10:00 a.m., on October 27, 1999, at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

- 1. New regulations for the calculation of reserves for term life insurance, rules for a minimum standard for the valuation of plans, and tables of select mortality factors and rules for their use. This regulation is also known as Triple X.**
- 2. New regulations for provider sponsored organizations (PSOs) to establish the requirements necessary for a PSO to operate in the state of Nevada and offer the Medicare+Choice program (Medicare Part C).**
- 3. New regulations affecting property and casualty insurance, including a definition of emergency for insurance for home protection, standards for insurance on vehicles leased for the short term (rental cars), standards applicable to motor clubs, fees charged for the renewal of policies, and an amendment to the requirements for licensing of title agents and escrow officers.**
- 4. Amendments to regulations for chapter 683A of NAC concerning the licensing of agents and administrators, the recovery fund, continuing education, limited licenses, and agents for utilization review.**

A copy of this notice and the proposed regulations will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours.

Additional copies of the notice and the proposed regulations will be available at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulations are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at

<http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

This Notice of Workshop to Solicit Comments on Proposed Regulations has been sent to all persons on the agency's mailing list for administrative regulations and posted at the following locations:

Department of Business and Industry
Division of Insurance
1665 Hot Springs Road, Suite 152
Carson City, NV 89706

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, NV 89104

Legislative Counsel Bureau
Capitol Complex
Carson City, NV 89710

Blasdel Building
Capitol Complex
Carson City, NV 89710

State Capitol
Capitol Complex
Carson City, NV 89710

Capitol Press Room
State Capitol Basement
Carson City, NV 89710

County Clerk
Courthouse
Carson City, NV 89710

Nevada State Library & Archives
Capitol Complex
Carson City, NV 89710

Carson City Library
900 North Roop Street
Carson City, NV 89701

Churchill County Library
553 South Maine Street
Fallon, NV 89406

Las Vegas Library
833 Las Vegas Blvd. North
Las Vegas, NV 89101

Douglas County Library
1625 Library Lane
P.O. Box 337
Minden, NV 89423

Elko County Library
720 Court Street
Elko, NV 89801

Goldfield Public Library
Fourth & Cook Street
P.O. Box 430
Goldfield, NV 89013

Eureka Branch Library
10190 Monroe Street
P.O. Box 293
Eureka, NV 89316

Humboldt County Library
85 East 5th Street
Winnemucca, NV 89445

Battle Mountain Branch Library

Lincoln County Library

P.O. Box 141
Battle Mountain, NV 89820

93 Main Street
P.O. Box 330
Pioche, NV 89043

Lyon County Library
20 Nevin Way
Yerington, NV 89447

Mineral County Library
First & A Street
P.O. Box 1390
Hawthorne, NV 89415

Tonopah Public Library
171 Central Street
P.O. Box 449
Tonopah, NV 89049

Pershing County Library
1125 Central Avenue
P.O. Box 781
Lovelock, NV 89419

Storey County Library
95 South R Street
P.O. Box 14
Virginia City, NV 89440

Washoe County Library
301 South Center Street
P.O. Box 2151
Reno, NV 89505

White Pine County Library
950 Campton Street
Ely, NV 89301

Clark County Library
1401 East Flamingo Road
Las Vegas, NV 89119

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, or by calling no later than 5 working days prior to the hearing, (702) 687-4270.

DATED this _____ day of _____, 1999.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

NOTICE OF INTENT TO ACT UPON REGULATIONS

Notice of Hearing for the Adoption of Regulations of the Department of Business and Industry, Division of Insurance

The Department of Business and Industry, Division of Insurance (Division) will hold a public hearing at 10:00 a.m., on October 27, 1999, immediately following a public workshop, at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations pertaining to chapters 679A, 679B, 683A, and 697 of NAC.

REGULATIONS FOR LICENSING OF SHORT-TERM LESSORS OF MOTOR VEHICLES, AGENTS FOR UTILIZATION REVIEW, BAIL AGENTS, ADMINISTRATORS, PRELICENSING EDUCATION, COURSE IN INDUSTRIAL INSURANCE, CONTINUING EDUCATION, AND LIMITED LIABILITY COMPANIES

The following information is provided pursuant to the requirements of NRS 233B.060:

1. The proposed regulations are needed to respond to new statutes enacted by the 1999 Nevada Legislature, correct conflicts in regulations, and to address problems encountered with the administration of existing regulations.
2. The proposed regulations clarify how a short-term lessor of motor vehicles must be licensed, clarify that an insurer does not need a utilization review license for its own claims, correct an error concerning a forfeiture period in bail transactions, amend the regulations concerning third-party administrators to conform with new laws enacted by the 1999 Nevada Legislature, amend regulations concerning continuing education, prelicensing education and courses for industrial insurance, and define insurance for the purpose of licensing limited liability companies.
3. Estimated economic effect of the regulation:
On the business which it is to regulate:
The proposed regulations should have little immediate or long-term impact on the industry.
On the public:
The proposed regulations should have no economic impact on the public.
4. The Division expects to incur some additional expense to enforce the proposed regulations.
5. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.
6. The proposed regulation does not establish any new fees or increase an existing fee.

Persons wishing to comment upon the proposed action of the Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form,

to the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706. Written submissions must be received by the Division on or before October 21, 1999. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be amended will be available at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Department of Business and Industry
Division of Insurance
1665 Hot Springs Road, Suite 152
Carson City, NV 89706

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, NV 89104

Legislative Counsel Bureau
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Carson City, NV 89710

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1401 East Flamingo Road
Las Vegas, NV 89119

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the hearing are requested to notify the Commissioner's secretary in writing at 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, or by calling no later than 5 working days prior to the hearing, (702) 687-4270.

DATED this _____ day of _____, 19_____.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB FILE No. R152-99

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE OF THE
DEPARTMENT OF BUSINESS AND INDUSTRY**

REGULATIONS FOR THE LICENSING OF AGENTS AND ADMINISTRATORS, THE
RECOVERY FUND, PRELICENSING EDUCATION, CONTINUING EDUCATION,
LIMITED LICENSES, AGENTS FOR UTILIZATION REVIEW,
AND LIMITED LIABILITY COMPANIES

Authority: NRS 679B.130, 683A.0857, 683A.086, 683A.130, and 683A.270(4).

Section 1. Chapter 679A of NRS is hereby amended by adding thereto a new section to read as follows:

For the purposes of NRS 86.141 and 88.342, an entity shall be deemed as organized for the purpose of or engaged in the business of insurance only if it acts as:

- 1. An insurer pursuant to NRS 679A.100;*
- 2. A fraternal benefit society pursuant to chapter 695A of NRS;*
- 3. A nonprofit corporation for hospital, medical and dental service pursuant to chapter 695B of NRS;*
- 4. A health maintenance organization pursuant to chapter 695C of NRS;*
- 5. A plan for dental care pursuant to chapter 695D of NRS;*
- 6. A risk retention group pursuant to chapter 695E of NRS; or*
- 7. A prepaid limited health service organization pursuant to chapter 695F of NRS.*

Sec. 2. Chapter 683A of NAC is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this regulation.

Sec. 3. *1. Pursuant to section 1 of chapter 154, statutes of Nevada 1999, at page 820, a person licensed as a short-term lessor of passenger vehicles pursuant to NRS 482.3158 must be licensed pursuant to NRS 683A.260 before engaging in the sale or solicitation of insurance requested by a lessee.*

2. "Supervision" means at least one licensed individual on the premises at the time of the

sale or solicitation of insurance.

Sec. 4. *Pursuant to NRS 697.150(1g), .170(1d), .184(1a) any person seeking approval of the 6-hour course of instruction in bail bonds is subject to the provisions of NAC 683A.190, 683A.201, 683A.211, 683A.231, 683A.241, 683A.251 and 683A.261.*

Sec. 5. NAC 679B.080 is hereby amended to read as follows:

1. When a person obtains a final judgment, he may file a verified petition with the commissioner for an order ~~directing~~ *requesting* payment out of the fund in an amount equal to the unpaid compensatory damages awarded in the judgment.

2. The amount claimed in the petition may not include court costs or interest on the compensatory damages.

Sec. 6. NAC 679B.090 is hereby amended to read as follows:

1. A petition for payment must contain copies of the documents of the court which show, to the satisfaction of the commissioner, the grounds for the final judgment. The petition must also show that:

(a) A special verdict or a general verdict with written interrogatories was rendered in accordance with Rule 49 of Nevada Rules of Civil Procedure; or

(b) Findings of fact and conclusions of law were made pursuant to Rule 52 of Nevada Rules of Civil Procedure.

2. The decision of the court must include a specific finding by the court that the licensee perpetrated fraud, intentional misrepresentation or deceit on the petitioner in connection with a transaction for which the licensee was licensed. The commissioner will accept copies of verdicts and findings from federal and state courts including findings made pursuant to Title 11 of the United States Code relating to the discharge of the bankrupt, if he determines that there is a final judgment which includes a specific finding of fraud, intentional misrepresentation or deceit on the part of the licensee.

3. The petitioner must verify under oath or affirm in his petition that:

(a) He is not the spouse of the licensee or the personal representative of that spouse;

(b) He has complied with all of the requirements of NRS 679B.305 and NAC 679B.041 to

679B.151, inclusive;

(c) He has obtained a final judgment, stating the amount of the judgment and the amount owing on it at the time of the petition;

(d) A writ of execution has been issued upon the final judgment and no assets of the licensee liable to execution could be found, or the amount realized on the sale of assets was insufficient to satisfy the final judgment, stating the amount realized and the balance due;

(e) Searches and inquiries have been made to ascertain whether the licensee possesses real or personal property or other assets which may be sold or applied in satisfaction of the judgment and must include a specific description of those searches and inquiries; and

(f) The petition has been filed no more than ~~[6]~~ 12 months after the termination of all proceedings, including reviews and appeals, in connection with the final judgment.

Sec. 7. NAC 679B.100 is hereby amended to read as follows:

1. ~~[The petitioner must serve a copy of the petition upon the licensee against whom the final judgment was obtained when he files the petition with the commissioner.~~

~~—2.]~~ Within 30 days after the filing of the petition, the commissioner may make investigations to verify the truthfulness of the matters asserted in the petition and may determine whether the searches and inquiries for real and personal property have been reasonable. The investigation will include making contact with the licensee, if possible.

~~[3.]2.~~ Any licensee whose actions have resulted in the filing of a petition against the fund may request a hearing to contest the allegations of the petition within 15 days after he has been served. The request must be accompanied by a statement specifying the reasons that recovery should not be allowed against the fund.

~~[4.]3.~~ Upon the completion of the investigations, determinations and the hearing, if held, the commissioner will enter an order which either directs payment in a specific amount or denies a recovery. The order will set forth the reasons for the allowance or denial of a recovery against the fund.

Sec. 8. NAC 679B.111 is hereby amended to read as follows:

1. The commissioner may treat any payment from the fund in settlement of a claim or toward satisfaction of a final judgment against a licensee as sufficient ground for the revocation or

suspension of his license or for any other appropriate discipline. No license may be reinstated until the licensee has repaid the amount paid from the fund on his account, plus interest at the prevailing rate for a judgment rendered in any court of this state. The interest must be calculated from the date the payment was made from the fund.

2. A discharge in bankruptcy of the debt created by the final judgment does not relieve a person from the penalties ~~[and disabilities]~~ provided in NAC 679B.041 to 679B.151, inclusive.

Sec. 9. NAC 683A.103 is hereby amended to read as follows:

1. For the purposes of subsection 1 of NRS 683A.025, the "adjustment or settlement of claims" includes, but is not limited to:

(a) Investigating or examining claims; or

(b) Receiving, disbursing, handling or otherwise being responsible for the claim funds, of an insurance company, ~~[trust fund]~~ *an internal service fund*, program of self-insurance, or other entity which is an administrator pursuant to NRS 683A.025.

2. The exemption from the definition of "administrator" provided by paragraph (d) of subsection 2 of NRS 683A.025 does not apply to any separate subsidiary or affiliated corporation of an insurance company.

Sec. 10. NAC 683A.105 is hereby amended to read as follows:

Each applicant for a certificate of registration as an administrator shall submit:

1. ~~[A current financial statement, including a balance sheet and an income statement in a form which complies with generally accepted accounting principles, which shows the net worth of the business and that the business is operated profitably according to generally accepted principles of accounting.]~~ If the applicant is a newly formed business, the applicant shall submit a pro forma balance sheet and a statement listing estimated income and expenses for the first year, compiled in a form which complies with generally accepted accounting principles.

2. Evidence of the ability of the applicant to pay its obligations when they are due. The division, in determining an applicant's ability to pay its obligations when due, will consider the capitalization and current financial condition of the applicant and may request credit reports of the applicant and the owners.

Sec. 11. NAC 683A.115 is amended to read as follows:

1. ~~If an applicant has been previously licensed in Nevada or another state as an administrator,~~~~the~~ *The* division will, to evaluate the competency and personal and business reputations of the applicant, review the applicant's past performance in handling, settling and adjudicating claims. ~~If an~~ *The* applicant ~~has no record of administering claims in Nevada, he~~ shall include ~~in~~ *with* his application information *in his business plan* concerning:

(a) The *names*, experience and qualifications of the members of his staff;

(b) *Describe his* ~~His~~ facilities for handling ~~a claim~~ *claims*, including a description of any ~~computer~~ *computerized software programs* used in the process; and

(c) The *communication* method used for handling inquiries from claimants.

2. To determine:

(a) An applicant's or licensee's ability to administer; and

(b) Whether an applicant is administering claims properly, the division will review reports from *clients*, other agencies of this state and any agency of another state.

3. An applicant who is currently licensed, certified or otherwise authorized by another state to act as an administrator shall submit to the division a letter or certificate of good standing from the appropriate agency of that state.

Sec. 12. NAC 683A.125 is amended to read as follows:

~~1. A corporation which is an applicant for a certificate of registration as an administrator shall include in the application:~~

~~—(a) A copy of its articles of incorporation and bylaws;~~

~~—(b) The names and addresses of its officers and directors; and~~

~~—(c) The address of the principal place of business for the administrator and the location of each branch office.~~

~~2. A partnership which is an applicant for a certificate of registration as an administrator shall include in the application:~~

~~—(a) A copy of its partnership agreement;~~

~~—(b) The names and addresses of the partners; and~~

~~—(c) The address of the principal place of business for the administrator and the location of~~

~~each branch office.~~

~~—3. A sole proprietor who is an applicant for a certificate of registration as an administrator shall include in the application the address of the principal place of business for the administrator and the location of each branch office.~~

~~—4. Any applicant]~~ **An administrator** governed by this section shall:

(a) ~~[If the applicant is a partnership or corporation, present with its application, in such form as the commissioner requires, evidence that its transaction of business as an administrator is specifically authorized by its partnership agreement or articles of incorporation.~~

~~—(b)]~~ Notify the commissioner of any change in its members, owners, directors or officers within 90 days after the change.

(b) Provide copies of each written agreement with insurers or other entities that it enters into within 90 days.

Sec. 13. NAC 683A.155 is hereby amended to read as follows:

1. Except as otherwise provided in subsection 3, and in addition to the amount prescribed by statute, the amount of the bond for each administrator must be increased as follows for each \$1,000,000 received and distributed by the administrator within this state during an average month:

| Amount received and distributed | Total Amount of Bond |
|--|---------------------------------------|
| \$1,000,000 or less | [\$50,000] 100,000 |
| More than \$1,000,000, but less than \$2,000,000 | [\$100,000] 200,000 |
| \$2,000,000 or more, but less than \$3,000,000 | [\$200,000] 300,000 |
| \$3,000,000 or more, but less than \$4,000,000 | [\$300,000] 400,000 |
| \$4,000,000 or more | [\$400,000] 500,000 |

2. If the commissioner finds that the increased bonds are unavailable, the division will accept proof of coverage over ~~[\$50,000]~~ **100,000** in the additional amounts specified in subsection 1 under a fidelity policy and a policy which covers the errors and omissions of the administrator or his employees. These policies must be reviewed and approved by the division and provide for notice to the division 90 days before their cancellation or nonrenewal. Proof of the increases in the bond or the policies of insurance must be furnished to the division within 30 days after the

increase.

3. If an administrator is not authorized to issue a check or draft and only handles claims for the person employing him, he is only required to maintain the bond for \$~~50,000~~ **100,000**.

4. For the purposes of this section, the amount of money received and distributed by the administrator during an average month is the total amount of money received and distributed by him in this state during a fiscal year, divided by 12. Within 90 days after the end of his fiscal year, each administrator shall file with the commissioner a report stating the total amount of money so received and distributed during the preceding fiscal year. The report:

(a) Must be certified by an officer or partner of the administrator, if it is a corporation or partnership; and

(b) If there is any change in the required amount of the bond because of an increase or decrease in the amount of money received and distributed by the administrator, must be accompanied by a replacement bond in the appropriate amount.

5. An administrator may submit a certificate of deposit from a financial institution in this state that is insured federally, made payable to the commissioner of insurance and the administrator, in lieu of the bond required by NRS 683A.0857. The certificate of deposit must:

(a) State that the amount of the deposit is unavailable for withdrawal except upon the signed authorization of the division; and

(b) Be accompanied by a statement or letter from the issuing financial institution which verifies that:

(1) The requisite amount of money is being held to satisfy the requirement for a deposit; and

(2) The amount of the deposit is unavailable for withdrawal except upon the signed authorization of the division.

Sec. 14. NAC 683A.180 is hereby amended to read as follows:

In addition to the requirements of chapter 683A of NRS, an applicant for a license to act as an insurance agent, **broker** or solicitor for:

1. Life insurance, including annuities;
2. Accident and health insurance;
3. Property insurance;

4. Casualty insurance; or
5. Any combination of those types of insurance;

must complete, with a final grade of at least 70 percent, a course of instruction approved by the commissioner for the line of insurance for which he is applying for a license. The course must have been completed within the 2 years immediately preceding the date of his application for the license.

Sec. 15. NAC 683A.231 is hereby amended to read as follows:

1. Each sponsor of a course shall maintain a complete record of each person attending the course. The record must:

- (a) Indicate each person's attendance;
- (b) Indicate his final grade in the course; and
- (c) Be available for review by the division upon request during normal business hours.

2. Each ~~[instructor]~~ *sponsor* shall submit a ~~[certificate]~~ *roster* to the division ~~[at the completion of every course]~~ *quarterly* which lists the sponsor of the course, the ~~[location and times]~~ *date* the course was ~~[offered]~~ *completed*, and the name ~~[attendance and grade]~~ of each person attending the course. *If for a self study course, the name, date and type of course completed.*

3. Each sponsor of a course must give to each person who successfully completes the course a certificate of completion. The certificate must list the sponsor and instructor of the course, the line of insurance included in the course, the grade obtained by the student in the course, and the location and times the course was offered. An applicant for a license must submit the certificate with his application for a license.

Sec. 16. NAC 683A.241 is hereby amended to read as follows:

1. If the sponsor, instructor or outline of a course changes after approval has been granted, the new sponsor, instructor or outline of the course must be approved by the division.

2. The division *or its designated representative* may audit any approved course to ensure that the course, instructor or sponsor continues to meet the requirements of this regulation.

3. If the sponsor, instructor or outline of the course has changed and has not been reapproved, or if the sponsor or instructor is not following the approved outline of the course, the division

may suspend its approval of that course.

4. If the sponsor or instructor has not taken appropriate action to correct the conditions that were the basis of the suspension within 30 days, the division may revoke its approval of the course.

5. If the sponsor or instructor of an approved course solicits from any person information on the content of the questions on the division's licensing examination, the division may revoke its approval of that instructor or sponsor for at least 1 year.

Sec. 17. NAC 683A.251 is hereby amended to read as follows:

1. The commissioner will refuse to license, or will suspend or revoke the license of any person who knowingly submits to the division a false or fraudulent certificate of completion of education.

2. The division shall revoke its approval of any sponsor or instructor who knowingly submits or issues a false or fraudulent:

- (a) Certificate of completion;
- (b) Outline or schedule for a course; or
- (c) Application for approval as an instructor or sponsor.

3. The commissioner may suspend or revoke the approval of any sponsor or instructor who is proven to be an unsuitable person operating in an unsuitable manner as defined in NAC 679B.0385 to 679B.039.

~~3.1~~ **4.** The division shall not reapprove any sponsor or instructor who has had his approval revoked pursuant to this section for at least 1 year after the approval of the sponsor or instructor was revoked.

Sec. 18. NAC 683A.285 is hereby amended to read as follows:

1. An insurer shall not perform ~~[its own]~~ utilization review ***for another person*** unless it registers with the commissioner as an agent who performs utilization review and has a medical director who is a physician or, in the case of an agent who reviews dental services, a dentist, licensed in any state.

2. An insurer may apply for registration by filing with the commissioner the following information on a form provided by the commissioner:

- (a) The insurer's name, address, telephone number and normal business hours;
- (b) The name and telephone number of a person the commissioner may contact for information concerning the insurer;
- (c) The name of the medical director of the insurer and the state in which he is licensed to practice medicine or dentistry; and
- (d) A summary of the insurer's plan for utilization review, including procedures for appealing determinations made through utilization review.

3. An insurer that registers as an agent who performs utilization review shall file with the commissioner any material changes in the information provided pursuant to subsection 2 within 30 days after the change occurs.

4. The commissioner will not evaluate the plan submitted pursuant to paragraph (d) of subsection 2. The commissioner will make the plan available upon request and will charge the fee set forth in NAC 683A.295 for providing a copy of the plan.

5. Registration pursuant to this section must be renewed on or before March 1 of each year by providing the information specified in subsection 2.

Sec. 19. NAC 683A.320 is hereby amended to read as follows:

As used in NAC 683A.320 to 683A.370, inclusive~~[,]~~;

1. "Course" includes, but is not limited to, a program of instruction, correspondence course, course of independent study or seminar.

2. *"Unsuitable manner and unsuitable person" have the meaning defined in NAC 679B.0385 and 679B.039.*

3. *"Hour" is equal to 60 minutes, excluding any breaks.*

Sec. 20. NAC 683A.335 is hereby amended to read as follows:

1. Any person ~~[who provides]~~ **seeking approval for** a course for continuing education shall furnish to the commissioner at least 60 days before the beginning of the course:

- (a) An outline of the subject matter;

- (b) The method of presentation;
 - (c) The qualifications of the instructor;
 - (d) The number of classroom hours or, if for a correspondence *or self study* course, the equivalent of classroom hours~~[-, and]~~ *including written procedures for a monitored examination; and*
 - (e) Any other information required by the commissioner.
2. Submission of the information required by subsection 1 must be on an application approved by the commissioner.
3. The course must be designed to increase the knowledge and understanding of the licensee of:
- (a) Principles and coverage of insurance;
 - (b) Applicable laws, rules and regulations concerning insurance;
 - (c) Recent changes in coverages; and
 - (d) The duties, ethics and responsibilities of the licensee.
4. The commissioner will not approve a course that teaches:
- (a) Prelicensing training;
 - (b) Motivation or psychology;
 - (c) Marketing;
 - (d) Prospecting;
 - (e) Recruiting;
 - (f) Sales;
 - (g) Computer applications that are unrelated to insurance;
 - (h) Skills for communication; ~~for~~
 - (i) The management of personnel or of an office; *or*
 - (j) any course where the provider is an insurance agent or agency licensed to sell insurance in this state.*

The provisions of this subsection do not limit the authority of the commissioner to refuse to approve a course for noncompliance with any other provision of NAC 683A.320 to 683A.370, inclusive.

5. The commissioner will not approve a course if the total number of classroom hours is less than 2 hours. *The maximum number of hours approved for any one course is 30.*

6. The commissioner will grant or deny approval of each course in writing within 60 days after he receives the information required pursuant to subsection 1.

7. Any material change in the content of a course approved by the commissioner must be submitted for approval before presentation of the course.

8. If approval has been granted for the initial offering of a course, approval by the division for subsequent offerings is not required. A notice of the subsequent offering must be given to the division prior to the offering with the following information:

(a) approved course name;

(b) course number;

(c) instructors;

(d) physical location; and

(e) date and time.

Sec. 21. NAC 683A.340 is hereby amended to read as follows:

The provider of a course approved by the commissioner shall:

1. Give a certificate of completion to each person who successfully completes the course. The certificate must be on a form approved by the commissioner.

2. Maintain records of attendance and examination scores for 4 years.

3. Make these records and scores available to the division upon request.

4. Not conduct or allow another person to conduct the operations in an unsuitable manner or employ an unsuitable person.

Sec. 22. NAC 683A.350 is hereby amended to read as follows:

1. The following courses are approved for continuing education for the hours set forth if the licensee receives a ~~grade of at least 70 percent or, in a course which provides only passing or failing grades, a~~ ***passing grade on the final examination for a self study course or if attendance is mandatory, attends the entire course:***

(a) Any of the parts of the life insurance curriculum of the Life Underwriter Training Council, ~~50~~ ***30*** hours for each part.

(b) The health insurance curriculum of the Life Underwriter Training Council, 25 hours.

(c) Any part of the curriculum of the American College, Bryn Mawr, Pennsylvania, leading

to the professional designation of Chartered Life Underwriter (CLU), 30 hours for each part.

(d) Any part of the curriculum of the American Institute for Property and Liability Underwriters leading to the professional designation of Chartered Property Casualty Underwriter (CPCU), 30 hours for each part.

(e) Any part of the curriculum of the Life Office Management Association, Atlanta, Georgia, leading to the professional designation of Fellow, Life Management Institute, 30 hours for each part.

(f) Any part of the curriculum of the Insurance Institute of America leading to the designation as an associate in a specialty such as underwriting, management, claims, loss control or auditing, 25 hours for each part.

(g) Any of the parts of the general insurance curriculum of the Insurance Institute of America, 25 hours for each part.

(h) Any part of the curriculum of the College of Financial Planning, Denver, Colorado, leading to the professional designation of Certified Financial Planner, 25 hours for each part.

(i) Any part of the educational program of the Health Insurance Association of America, 15 hours for each part.

(j) Any part of the educational program of the Society of Certified Insurance Counselors, 25 hours for each part.

(k) Any part of the curriculum of the National Association of Health Underwriters, 25 hours for each part.

(l) Any course relating to insurance taught by an accredited college or university, 10 hours for each unit of credit awarded by the college or university.

2. A licensee who teaches an approved course may receive credit for continuing education for the number of hours that would be granted to a licensee taking and successfully completing the course. A licensee will receive credit in this manner only once during a renewal period for each course taught.

Sec. 23. NAC 683A.360 is hereby amended to read as follows:

1. Each licensee shall furnish to the division ~~the following:~~
 - ~~(a) An affidavit that certifies his successful completion of the required continuing education hours; and~~

~~(b) The~~ *the* original certificate of completion issued by the provider *upon renewal of his license, or sooner, if requested by the division.*

2. The licensee shall keep a copy of each certificate of completion for 4 years after the completion of the course.

3. Failure to provide verification of continuing education credits upon request by the division is evidence that the licensee did not complete the required continuing education.

Sec. 24. NAC 683A.365 is hereby amended to read as follows:

1. The commissioner may suspend or revoke his approval of a course if he determines that:

(a) The content of the course has been changed without notice to the commissioner and the change affects the number of hours of credit assigned to the course;

(b) A certificate of completion has been issued and hours credited to a person who has not completed the course;

(c) A certificate of completion has not been issued and hours have not been credited when requested to a person who has successfully completed the course;

(d) The quality of instruction is inadequate;

(e) The content of the course does not meet the objectives of subsection 3 of NAC 683A.335;

~~or~~

(f) *The provider has conducted or allowed another person to conduct the operations in an unsuitable manner.*

(g) The provider has not maintained the records required by subsection 2 of NAC 683A.340.

2. The division or its designated representative may audit a course to ensure that the content or instructor meets the requirements of NAC 683A.335.

3. If approval of a course is suspended or revoked by the commissioner, approval may be reinstated at the discretion of the commissioner and after the commissioner receives proof that the conditions giving rise to the suspension or revocation have been corrected.

Sec. 25. NAC 683A.380 is hereby amended to read as follows:

1. A person who provides a course in industrial insurance shall furnish to the commissioner at least 60 days before the beginning of the course:

- (a) An outline of the subject matter;
- (b) The method of presentation;
- (c) The qualifications of the instructor;
- (d) The number of classroom hours; and
- (e) Any other information required by the commissioner.

2. The information required pursuant to subsection 1 must be submitted on an application approved by the commissioner.

3. The course must be designed to increase the knowledge and understanding of the student of:

- (a) Principles and coverage of industrial insurance;
- (b) Applicable laws, rules and regulations concerning industrial insurance;
- (c) Recent changes in coverages; and
- (d) The duties, ethics and responsibilities of the student concerning industrial insurance.

4. The commissioner will not approve a course unless:

- (a) The total number of classroom hours consists of at least 6 hours *or if for a self study course the equivalent of at least 6 hours of study* ;
- (b) The course meets the requirements of subsection 3; and
- (c) The students enrolled in the course are required to pass a final examination with a score of not less than 70 percent. *Students enrolled in a self study course must pass a monitored final examination with a score of not less than 70 percent.*

The provisions of this subsection do not limit the authority of the commissioner to refuse to approve a course for noncompliance with any other provision of NAC 683A.372 to 683A.388, inclusive.

5. The commissioner will grant or deny approval of each course in writing within 60 days after he receives the information required pursuant to subsection 1.

6. Any material change in the content of a course approved by the commissioner must be submitted for the approval of the commissioner before presentation of the course.

Sec. 26. NAC 683A.382 is hereby amended to read as follows:

A person who provides a course in industrial insurance approved by the commissioner shall:

- 1. Issue an original certificate of completion to each person who successfully completes the

course. The certificate must be on a form approved by the commissioner.

2. Maintain records of attendance *or self study enrollment* and examination scores for 4 years.

3. Make the records and scores available to the commissioner upon request.

Sec. 27. NAC 697.380 is hereby amended to read as follows:

1. For purposes of NAC 697.370 and this section, “final judgment of default” means a judgment entered against a bond after the ~~[90-day]~~ *180-day* notice of forfeiture period as provided in NRS 178.508.

Sec. 28. NAC 683A.135, 683A.145, and 683A. 160 are hereby repealed.

Text of repealed sections.

NAC 683A.135: Each applicant for a certificate of registration as an administrator shall indicate on his application whether he has:

1. Ever been denied a license as an agent, broker or administrator;
2. Been previously licensed as an agent, broker or administrator;
3. Had a license as an agent, broker or administrator, suspended or revoked or has been denied the renewal of such a license; and
4. Had any contract as an agent for an insurer canceled for cause and if so, the facts concerning that action.

NAC 683A.145: Any person who has been issued a certificate of registration as an administrator and who has not acted as an administrator before issuance of the certificate shall submit each year to the division a financial statement. The statement must show a positive net worth after 3 years.

NAC 683A.160: If it holds a certificate of authority in this state, an insurer may administer a program of self-insurance for an employer, whether or not it has issued a policy of insurance to that employer.