NEVADA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION

NEVADA GUARANTY ASSOCIATION SUMMARY DOCUMENT

Effective January 1, 2020

Residents of Nevada who purchase life insurance, annuities, health insurance or Health Maintenance Organization (HMO) insurance should know that the insurance companies licensed in this State to write these types of insurance are members of the Nevada Life and Health Insurance Guaranty Association (Association). The purpose of the Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations and becomes insolvent. If this should happen, the Association assesses its other member insurance companies for the money to pay the claims of the insured persons who live in this State and, in some cases, to keep coverage in force. This valuable extra protection provided by these insurers through the Association is not unlimited, however, as noted in the **bold** written information below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

The Nevada Life and Health Insurance Guaranty Association may not provide coverage for certain types of policies, however, if coverage is provided, it will be subject to substantial limitations and exclusions, and require continued residency in Nevada. A person should not rely on coverage by the Association when selecting an insurance company or when selecting an insurance policy.

Coverage is NOT provided for a policy or any portion of it that is not guaranteed by the Insurer or for which the policyholder has assumed the risk, such as a variable contract sold by prospectus.

Insurance companies are required by law to deliver this notice to you. <u>However, insurance companies and their agents are prohibited by law from using the existence of the Association for sales, solicitation or to induce the purchase of any kind of insurance policy.</u>

The State law that provides for this safety-net coverage is called the Nevada Life and Health Insurance Guaranty Association. Below is a brief summary of this law's coverages, exclusions and limits. The summary does not cover all provisions of the law, nor does it in any way change anyone's rights or obligations under the act or the rights or obligations of the Association. <u>Anyone may obtain additional information from the Association or file a complaint with the Nevada Commissioner of Insurance, at the applicable address listed below, to allege a violation of any provision of the Nevada Life and Health Insurance Guaranty Association.</u>

The Nevada Life and Health Insurance Guaranty
Association 4600 Kietzke Lane, Suite 0-269
Reno,Nevada   89502
(Business and Mailing address)
Commissioner of Insurance, State of Nevada
Department of Business and Industry, Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, Nevada 89706

Generally, individuals will be protected by the Association if they live in this State and hold a life, health or HMO insurance contract or an annuity, or if they are insured under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of the insured persons are protected as well if they live in another state.

MAXIMUM BENEFIT LIMITS
(For any one policyholder per company no matter how many policies you have)
Life Insurance: $300,000 or $100,000 for cash surrenders
Annuities: $250,000 or $250,000 for cash surrenders, including Structured settlement annuities.
Disability Income Insurance: $300,000   **Long Term Care:** $300,000

Basic Hospital, Medical and Surgical Insurance or Major Medical Insurance and HMO's (Known as Health Benefit Plans as defined in NRS 687B.470): For any one person: $100,000, excluding benefits for basic hospital, medical and surgical insurance or major medical insurance; or an aggregate of $500,000 in benefits, including benefit for basic hospital, medical or surgical insurance or major medical insurance.

With respect to one owner of several non-group policies of life insurance, whether the owner is a natural person or an organization and whether the persons insured are officers, managers, employees or other persons, the Association will not pay more than $5,000,000 in benefits, regardless of the number of policies and contracts held by the owner.

With respect to each participant in a governmental retirement plan covered by an unallocated annuity contract as described in NRS 686C, the maximum allowed is an aggregate of $250,000 regardless of the number of contracts issued by any one member company.

EXCLUSIONS FROM COVERAGE

Not covered by the Nevada Guaranty Association:
>   If they are eligible for protection under the law by another State Guaranty Association; The Insurer is not authorized to do business in the State of Nevada;

if the policy was insured by a fraternal benefit society, a mandatory state pooling plan, or

a mutual assessment company or similar plan which the policyholder is subject to future assessments, or by an insurance exchange.

The Association also does NOT provide coverage for:

Any policy or portion of a policy which is not guaranteed by the member insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;

Where interest rate yields exceed an average rate;

Credits given in connection with the administration of a policy by a group contract holder;

Any dividends;

Employers' plans to the extent they are self-funded (not insured by an insurance company or administered by an insurance company);

Unallocated annuity contracts (which gives rights to group contract holders and not to individuals) other than annuity owned by a governmental retirement plan established under section 401, 403(b) or 457 of the Internal Revenue Code and the Nevada Revised Statute 686C.130; or

Medicare or Medicare Advantage contracts.

FOR MORE INFORMATION AND ANSWERS TO MOST ASKED QUESTIONS, PLEASE VISIT THE ASSOCIATION'S WEB SITE:

www.nvlifega.org