

**NOTICE OF WORKSHOP
TO SOLICIT COMMENTS ON PROPOSED REGULATIONS
AND
WORKSHOP AGENDA**

The State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) is proposing the adoption, amendment or repeal of regulations pertaining to chapter(s) 679B, 680A, 681A, 681B, 682A, 683A, 685A, 686B, 687B, 688A, 689B, 689C, 690C, 691B, 692A, 694C, 695B, 695C, 695D, 695F, and 696A of the Nevada Administrative Code (“NAC”). A workshop has been set for **1:30 p.m. on November 28, 2017**, at the following location:

**1st Floor Hearing Room
Nevada Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, Nevada 89706**

Interested persons may also participate through a simultaneous videoconference conducted at:

**4th Floor Nevada Room
Nevada State Business Center
Nevada Division of Insurance
3300 W. Sahara Avenue, Suite 275
Las Vegas, Nevada 89102**

The purpose of the workshop is to solicit comments from interested persons on the following general topic(s) that may be addressed in the proposed regulation(s); and to assist in determining whether the proposed regulation(s) is likely to impose a direct and significant burden upon a small business or directly restricts the formation, operation or expansion of a small business. Please submit any written comments no later than **November 21, 2017**.

LCB File No. R093-17. Service Contract Filings (SERFF).

A regulation relating to service contracts; requiring a provider of a service contract to file a service contract with the Commissioner of Insurance and pay certain fees by using certain electronic means; and providing other matters properly relating thereto.

LCB File No. R089-17. Address Change and Publication Updates. A regulation relating to insurance; revising contact information relating to the certain vendors of certain publications adopted by reference; revising the names and prices of certain publications adopted by reference; revising provisions relating to the use of employee assistance programs; repealing certain provisions; and providing other matters properly relating thereto.

A copy of all materials relating to the proposal(s) may be obtained at the workshop or by visiting the Division's Internet Web site at <http://doi.nv.gov/>, or by contacting the Division, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, (775) 687-0700. A reasonable fee for copying may be charged. Members of the public who would like additional information about a proposed regulation may contact Susan Bell, Legal Secretary, at (775) 687-0704, or via e-mail to suebell@doi.nv.gov.

Notice of the workshop was provided via electronic means to all persons on the agency's e-mail list for noticing of administrative regulations. This *Notice of Workshop to Solicit Comments on Proposed Regulations* was posted to the agency's Internet Web site at <http://doi.nv.gov/>, the Nevada Legislature's Internet Web site at <http://www.leg.state.nv.us>, and at the following locations:

Nevada Division of Insurance
1818 East College Parkway, Suite 103
Carson City, Nevada 89706

Nevada Division of Insurance
3300 West Sahara Avenue, Suite 275
Las Vegas, Nevada 89102

Legislative Building
401 South Carson Street
Carson City, Nevada 89701

Nevada State Business Center
3300 West Sahara Avenue
Las Vegas, Nevada 89102

Blasdel Building
209 East Musser Street
Carson City, Nevada 89701

Grant Sawyer Building
555 East Washington Avenue
Las Vegas, Nevada 89101

Capitol Building Main Floor
101 North Carson Street
Carson City, Nevada 89701

Nevada Department of Employment,
Training and Rehabilitation
2800 E. Saint Louis Avenue
Las Vegas, NV 89104

Nevada State Library & Archives
100 North Stewart Street
Carson City, Nevada 89701

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

Churchill County Library
553 South Main Street
Fallon, Nevada 89406

Douglas County Library
P.O. Box 337
Minden, Nevada 89423

Elko County Library
720 Court Street
Elko, Nevada 89801

Esmeralda County Library
P.O. Box 430
Goldfield, Nevada 89013

Eureka Branch Library
P.O. Box 293
Eureka, Nevada 89316

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

Lander County Library
P.O. Box 141
Battle Mountain, Nevada 89820

Las Vegas-Clark County Library District
7060 W. Windmill Lane
Las Vegas, NV 89113

Lincoln County Library
P.O. Box 330
Pioche, Nevada 89043-0330

Lyon County Library
20 Nevin Way
Yerington, Nevada 89447

Mineral County Public Library
P.O. Box 1390
Hawthorne, Nevada 89415

Pershing County Library
P.O. Box 781
Lovelock, Nevada 89419

Storey County Clerk
P.O. Drawer D
Virginia City, Nevada 89440


Tonopah Public Library
P.O. Box 449
Tonopah, Nevada 89049

Washoe County/Downtown Reno Library
P.O. Box 2151
Reno, Nevada 89505-2151

White Pine County Library
950 Campton Street
Ely, Nevada 89301

Members of the public who are disabled and require special accommodations or assistance at the workshop are requested to notify the Commissioner's secretary, in writing, no later than five (5) working days before the workshop: 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or suebell@doi.nv.gov.

DATED this 8th day of November, 2017.


BARBARA D. RICHARDSON
Commissioner of Insurance

WORKSHOP AGENDA

The State of Nevada, Department of Business and Industry, Division of Insurance

November 28, 2017 • 1:30 p.m.

Location of Workshop:

Nevada Division of Insurance
1818 E. College Pkwy., 1st Floor Hearing Room
Carson City, NV 89706
(Division Offices located in Suite 103)

Available via Videoconference at:

Nevada Division of Insurance
3300 W. Sahara Ave., 4th Floor Nevada Room
Las Vegas, NV 89102
(Division Offices located in Suite 275)

1. Open Workshop: R093-17.
2. Presentation and Discussion of Proposed Regulation. (For Possible Action)

LCB File No. R093-17. Service Contract Filings (SERFF).

A regulation relating to service contracts; requiring a provider of a service contract to file a service contract with the Commissioner of Insurance and pay certain fees by using certain electronic means; and providing other matters properly relating thereto.

3. Public Comment.
4. Close Workshop: R093-17.
5. Open Workshop: R089-17.
6. Presentation and Discussion of Proposed Regulation. (For Possible Action)

LCB File No. R089-17. Address Change and Publication Updates. A regulation relating to insurance; revising contact information relating to the certain vendors of certain publications adopted by reference; revising the names and prices of certain publications adopted by reference; revising provisions relating to the use of employee assistance programs; repealing certain provisions; and providing other matters properly relating thereto.

7. Public Comment.
8. Close Workshop: R089-17.
9. Adjournment.

Supporting public material for this workshop may be requested from Susan Bell, Legal Secretary, Nevada Division of Insurance, 1818 E. College Parkway, Carson City, Nevada 89706, (775) 687-0704, or suebell@doi.nv.gov.

Note: Any agenda item may be taken out of order; items may be combined for consideration by the public body; items may be pulled or removed from the agenda at any time; and, discussion relating to an item may be delayed or continued at any time. The Hearing Officer, within his/her discretion, may allow for public comment on individual agenda items. Public comment may be limited to three minutes per speaker.

Members of the public are encouraged to submit written comments for the record.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Commissioner's secretary, in writing, no later than five (5) working days before the workshop: 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, or suebell@doi.nv.gov.

NOTICES FOR THIS WORKSHOP HAVE BEEN POSTED IN ACCORDANCE WITH NRS 241 AT THE FOLLOWING LOCATIONS:

Nevada Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706

Nevada Division of Insurance, 3300 W. Sahara Avenue, Suite 275, Las Vegas, Nevada 89102

Nevada State Business Center, 3300 W. Sahara Avenue, Las Vegas, Nevada 89102

Nevada State Legislative Building, 401 S. Carson Street, Carson City, Nevada 89701

Grant Sawyer State Office Building, 555 E. Washington Avenue, Las Vegas, Nevada 89101

Blasdel State Office Building, 209 E. Musser Street, Carson City, Nevada 89701

Nevada State Capitol, 101 N. Carson Street, Carson City, Nevada 89701

Nevada Dept. of Employment, Training and Rehabilitation, 2800 E. Saint Louis Avenue, Las Vegas, Nevada 89104

The State of Nevada Website (www.nv.gov)

The Nevada State Legislature Website (www.leg.state.nv.us)

The Nevada Division of Insurance Website (www.doi.nv.gov)

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R093-17

October 11, 2017

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

AUTHORITY: §1, NRS 679B.130, 679B.136 and 690C.300.

A REGULATION relating to service contracts; requiring a provider of a service contract to file a service contract with the Commissioner of Insurance and pay certain fees by using certain electronic means; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the Commissioner of Insurance to adopt reasonable regulations for the administration of the Nevada Insurance Code or as required to ensure compliance by the Commissioner with any federal law or regulation relating to insurance. (NRS 679B.130) Existing law additionally authorizes the Commissioner to adopt such regulations as are necessary to carry out the provisions governing service contracts. (NRS 690C.300) Existing law further requires the Commissioner to adopt regulations governing the electronic filing of forms and payment of fees with the Division of Insurance of the Department of Business and Industry. (NRS 679B.136)

Existing regulations prohibit a provider from issuing, selling or offering for sale a service contract unless the service contract has been approved by the Commissioner. (NAC 690C.100) Under existing regulations, a provider is a person who is obligated to a certain other person by the terms of a service contract to repair, replace or perform maintenance on, or to indemnify the person for the costs of repairing, replacing or performing maintenance on, goods. (NAC 690C.030) This regulation requires a provider to not issue, sell or offer for sale a service contract in this State unless the service contract has been: (1) filed with the Commissioner through the System for Electronic Rate and Form Filing that has been developed and implemented by the National Association of Insurance Commissioners; and (2) approved by the Commissioner.

Existing regulations require a provider who files a service contract with the Commissioner for approval to also file with the service contract: (1) all documents that are part of the application for the service contract; (2) all documents that are part of the service contract; (3) a form for assessing fees; and (4) the appropriate fee amount, as determined by the Commissioner. (NAC 690C.100) This regulation removes the requirement to file with the service contract a form for assessing fees.

Existing law requires a provider to pay a fee of \$25 for each type of service contract the provider files with the Commissioner. (NRS 690C.160) This regulation requires the provider to

pay the fee of \$25 and certain other fees by using the Electronic Funds Transfer function within the System for Electronic Rate and Form Filing.

Section 1. NAC 690C.100 is hereby amended to read as follows:

690C.100 1. A provider shall not issue, sell or offer for sale a service contract *in this State* unless ~~it~~ *the service contract* has been ~~approved~~ :

(a) *Filed with the Commissioner in accordance with the System for Electronic Rate and Form Filing developed and implemented by the National Association of Insurance Commissioners or its successor organization; and*

(b) *Approved* by the Commissioner.

2. A provider who ~~submits~~ *files* a service contract ~~to~~ *with* the Commissioner for approval *pursuant to subsection 1* must ~~submit~~ *also file* with the *service* contract:

(a) All documents that are part of the application for the service contract;

(b) All documents that are part of the *service* contract; *and*

(c) ~~A form for assessing fees as described in NAC 680B.010; and~~

~~—(d)~~ The appropriate fee described in subsection 3.

3. The ~~Commissioner will charge the~~ *provider must pay the* following fees ~~it~~ *by using the Electronic Funds Transfer function within the System for Electronic Rate and Form Filing:*

(a) Twenty-five dollars for:

(1) The initial filing of all the forms that comprise a new service contract.

(2) The filing of a service contract that modifies a service contract which has been approved by the Commissioner pursuant to this section.

(b) Ten dollars for the filing of a rider or endorsement to a service contract that has been approved by the Commissioner pursuant to this section.

4. The Commissioner may approve or disapprove a service contract ~~submitted~~ *filed* pursuant to this section within 60 days after the date on which the Commissioner determines that the provider has fully complied with the requirements of subsection 2. If the Commissioner does not approve or disapprove the *service* contract within the 60 days described in this subsection, the *service* contract shall be deemed to be approved by the Commissioner. Each service contract shall be deemed to be complete upon its filing with the Commissioner, unless the Commissioner, within 15 business days after the service contract is filed with him or her, determines that the proposal is incomplete because the proposal does not comply with subsection 2.

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE

Determination of Necessity - Small Business Impact Statement
NRS 233B.0608(1)

SERVICE CONTRACT FILINGS:

This proposed regulation amends NAC 690C.100, which specifies the method a registered service contract provider must use when filing service contract forms for approval by the Nevada Division of Insurance ("Division").

EFFECTIVE DATE OF REGULATION:

Upon filing with the Nevada Secretary of State

1. **BACKGROUND.**

In 2010 the Division mandated that insurers filing rates and forms pursuant to chapter 686B of NRS must use the System for Electronic Rate and Form Filing ("SERFF") to file rates and forms and must use Electronic Funds Transfer ("EFT") to pay the filing fees. NAC 690C.100 specifies the method service contract providers must use when submitting form filings. This proposed regulation mandates that service contract providers must also use SERFF and EFT.

The National Association of Insurance Commissioners ("NAIC") oversees the operation of SERFF. SERFF expedites the filing review and approval process. With SERFF, filings and communications between the filer and reviewer are instantaneous. SERFF allows both the Division and industry to conveniently maintain and retrieve documents electronically, thus providing additional efficiencies and reducing the need for storage of paper filings. Currently, all 50 states, the District of Columbia, Puerto Rico and over 3,000 insurance companies participate in SERFF. Thirty-five states have already mandated that filings be submitted using SERFF in at least one business area with twenty-two states mandating EFT payments for SERFF filings.

2. **DESCRIPTION OF SOLICITATION SHOWING A CONCERTED EFFORT. NRS 233B.0608(1).**

The Division sent a survey to the 192 service contract providers registered in Nevada to determine how many are small businesses according to Nevada law and to examine the cost differences between submitting a paper filing through the mail and submitting a filing electronically through SERFF.

The Division also sent a survey to 13 Chambers of Commerce across Nevada to ask if they or their members perceived any adverse economic impact as a result of the proposed regulation.

3. **DOES THE PROPOSED REGULATION IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN UPON A SMALL BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF A SMALL BUSINESS? NRS 233B.0608(1).**

NO

YES

4. HOW WAS THAT CONCLUSION REACHED? NRS 233B.0608(3).

The Division received 57 responses to the survey, 23 of which indicated they did not meet the definition of small business under Nevada law. Of the 34 remaining responses, only 1 indicated it did not already use SERFF. The amount that company estimated for the cost of submitting a paper filing was less than the cost of a SERFF filing.

Of the 15 companies who use SERFF and provided information regarding the cost of submitting a paper filing, it would be cheaper for 8 to use SERFF exclusively. For the remaining 7, the increased cost for using SERFF over paper filings in Nevada amounts to less than \$50 per year.

The Division received no responses from Nevada Chambers of Commerce or their members expressing concern with the proposed regulation.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby certify to the best of my knowledge or belief a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was prepared properly and the information contained herein is accurate. (NRS 233B.0608(3))

9/6/17

(DATE)

BARBARA D. RICHARDSON

BARBARA D. RICHARDSON
Commissioner of Insurance

Small Business Impact Statement
NRS 233B.0608(2)-(4) and 233B.0609

SERVICE CONTRACT FILINGS

1. SUMMARY OF COMMENTS RECEIVED FROM SMALL BUSINESSES. NRS 233B.0609(1)(a).

The Division received 34 responses from service contract providers who meet the definition of a small business under Nevada law. All but one responded that they already use SERFF to submit filings. For the remaining company, the cost of submitting a SERFF filing is less than the company's cost of submitting a paper filing through the mail.

Of the companies who already use SERFF, 15 provided information on the cost of submitting a paper filing, suggesting that they may not use SERFF exclusively. Of those companies, 8 would save money by using SERFF exclusively. For the remaining 7, the increased cost for using SERFF over paper filings amounts to less than \$50 per year. Three companies responded that they did not feel comfortable using SERFF.

Other interested parties may receive a copy of this summary by contacting Susan Bell, Legal Secretary, Nevada Division of Insurance, at (775) 687-0704 or suebell@doi.nv.gov.

2. HOW WAS THE ANALYSIS CONDUCTED? NRS 233B.0609(1)(b).

The Division sent a small-business impact survey to the 192 service contract providers registered in Nevada to determine how many are small businesses and to examine the cost differences between submitting a paper filing through the mail and submitting a filing electronically through the System for Electronic Rate and Form Filing (SERFF).

The Division also sent a small-business impact survey to 13 Chambers of Commerce across Nevada to ask if they perceived any impact to their membership due to the proposed regulation.

3. ESTIMATED ECONOMIC EFFECT ON SMALL BUSINESSES THE REGULATION IS TO REGULATE. NRS 233B.0609(1)(c).

There is a small upfront cost to get set up with SERFF and get staff trained to use SERFF, but over time this regulation should be beneficial to service contract providers. Submitting a SERFF filing is generally cheaper than submitting a paper filing through the mail. In addition, filing review through SERFF is more efficient so providers may have their products approved more quickly.

4. METHODS CONSIDERED TO REDUCE IMPACT ON SMALL BUSINESSES. NRS 233B.0609(1)(d).

Not applicable.

5. ESTIMATED COST OF ENFORCEMENT. NRS 233B.0609(1)(e).

None.

6. FEE CHANGES. NRS 233B.0609(1)(f).

This regulation does not add any new fees or increase existing fees.

7. DUPLICATIVE PROVISIONS. NRS 233B.0609(1)(g).

The regulation does not duplicate any existing federal, state or local standards, and is not more stringent than any existing federal, state or local standards.

8. REASONS FOR CONCLUSIONS. NRS 233B.0609(1)(h).

The Division received 57 responses to the survey, 23 of which indicated they did not meet the definition of small business under Nevada law. Of the 34 remaining responses, only 1 indicated it did not already use SERFF. The amount that company estimated for the cost of submitting a paper filing was less than the cost of a SERFF filing.

Of the 15 companies who use SERFF and provided information regarding the cost of submitting a paper filing, it would be cheaper for 8 to use SERFF exclusively. For the remaining 7, the increased cost for using SERFF over paper filings in Nevada amounts to less than \$50 per year.

The Division received no responses from Nevada Chambers of Commerce or their members expressing concern with the proposed regulation.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby certify to the best of my knowledge or belief a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was prepared properly and the information contained herein is accurate. (NRS 233B.0609(2))

9/6/17
(DATE)



BARBARA D. RICHARDSON
Commissioner of Insurance

**REVISED PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R089-17

October 31, 2017

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

AUTHORITY: §§1, 2, 5-7, 9-11, 17, 18 and 28, NRS 679B.130; §3, NRS 679B.130, 679B.136 and 680A.270, as amended by section 19 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2334; §4, NRS 679B.130 and 681A.130; §8, NRS 679B.130 and 681B.540; §12, NRS 679B.130 and 685A.210; §§13 and 14, NRS 679B.130, 679B.430 and 686B.160; §§15 and 16, NRS 679B.130 and 689.720; §19, NRS 679B.130 and 694C.170; §20, NRS 679B.130, 680A.265 and 695B.160; §21, NRS 679B.130 and 695C.275; §22, NRS 679B.130, 695C.210 and 695C.275; §23, NRS 679B.130 and 695C.210; §24, NRS 679B.130 and 695D.100; §25, NRS 679B.130, 695D.100 and 695D.260; §26, NRS 679B.130, 695F.300 and 695F.320; §27, NRS 679B.130, 695F.040 and 695F.300.

A REGULATION relating to insurance; revising contact information relating to the certain vendors of certain publications adopted by reference; revising the names and prices of certain publications adopted by reference; revising provisions relating to the use of employee assistance programs; repealing certain provisions; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Commissioner of Insurance to adopt regulations for the administration of title 57 of NRS, otherwise known as the Nevada Insurance Code. (NRS 679B.130) Existing regulations generally provide for the administration of various insurance plans in this State. (Chapters 679A-697 of NAC) This regulation updates contact information for the vendors of certain publications that the Division of Insurance of the Department of Business and Industry has adopted by reference. This regulation also updates the names, titles and prices of such publications. Furthermore, this regulation repeals certain obsolete provisions relating to insurance.

Existing law provides for the regulation of prepaid limited health service organizations and prohibits a person from operating a prepaid limited health service in this State unless the person has been issued a certificate of authority by the Commissioner. (Chapter 695F of NRS) Existing regulations exempt an employee assistance program from these requirements if, among other requirements, a single employee or a member of that employee's family consults the program not more than three times within any 6-month period. (NAC 695F.500) **Section 27** of

this regulation increases the number of times the program can be used by a single employee or a member of his or her family from three to six. Additionally, **section 27** authorizes an increase in the number of times such a person may use such a program if the increase is approved by the Commissioner due to a state of emergency or declaration of disaster which is proclaimed by the Governor or by a resolution of the Legislature.

Section 1. NAC 679B.033 is hereby amended to read as follows:

679B.033 1. The following publications of the National Association of Insurance Commissioners are hereby adopted by reference and may be obtained by mail from the National Association of Insurance Commissioners, Publications Department, ~~12301 McGee~~ **1100 Walnut** Street, Suite ~~1800~~ **1500**, Kansas City, Missouri ~~64108-1662~~, **64106-2197**, or by ordering via telephone at (816) 783-8300 , or on the Internet at ~~https://external-apps.naic.org/insPubs/~~ **www.naic.org/account_manager.htm**, or by electronic mail at **prodserv@naic.org**, at the respective prices indicated:

(a) ~~The Examiners Handbook, which consists of:~~

~~(1)~~ The *Financial Condition Examiners Handbook*, which may be obtained at the domestic price of ~~\$250~~ **\$295** and the international price of ~~\$270~~; and

~~(2)~~ **\$325 for a paper copy or a CD-ROM.**

(b) The *Market ~~Conduct Examiners~~ Regulation Handbook*, which may be obtained at the domestic price of ~~\$250~~ **\$525** and the international price of ~~\$270~~.

~~(b)~~ **\$580 for a paper copy or a CD-ROM.**

(c) **The Market Regulation Handbook - Examination Standards Summary**, which may be obtained free of charge.

(d) The *Accounting Practices and Procedures Manual*, which may be obtained at the domestic price of ~~\$395~~ **\$500** and the international price of ~~\$435~~.

~~—(e)~~ \$550 for a paper copy, or at the domestic price of \$465 and the international price of \$510 for an electronic copy.

(e) The Annual and Quarterly Statement Blanks for Life and Accident and Health, which may be obtained at the domestic price of ~~1\$200~~ \$225 and the international price of ~~1\$220~~.

~~—(d)~~ \$250.

(f) The Annual and Quarterly Statements Blanks for Property and Casualty, which may be obtained at the domestic price of \$225 and the international price of \$250.

(g) The Annual and Quarterly Statement Blanks for Health, which may be obtained at the domestic price of ~~1\$200~~ \$225 and the international price of ~~1\$220~~.

~~—(e)~~ \$250.

(h) The Annual and Quarterly Statement Blanks for Fraternal, which may be obtained at the domestic price of \$225 and the international price of \$250.

(i) The Annual and Quarterly Statement Blanks for Title, which may be obtained at the domestic price of \$225 and the international price of \$250.

(j) The Annual and Quarterly Statement Instructions ~~1Manual~~ for Life and Accident and Health, which may be obtained at the domestic price of ~~1\$225~~ \$250 and the international price of ~~1\$250~~ \$275. Except as otherwise provided in paragraph ~~1(g)~~ (l), these instructions must be used by an insurer that, under its certificate of authority, transacts health insurance or life insurance, as those terms are defined in NRS 681A.030 and 681A.040, respectively.

~~1(k)~~ (k) The Annual and Quarterly Statement Instructions ~~1Manual~~ for Property and Casualty, which may be obtained at the domestic price of ~~1\$225~~ \$250 and the international price of ~~1\$250~~ \$275. These instructions must be used by an insurer that, under its certificate of

authority, transacts casualty insurance or property insurance, as those terms are defined in NRS 681A.020 and 681A.060, respectively.

~~(g)~~ (l) The *Annual and Quarterly Statement Instructions for Health*, which may be obtained at the domestic price of ~~+\$225+~~ \$250 and the international price of ~~+\$250+~~ \$275. These instructions must be used by an insurer whose certificate of authority is issued in accordance with NRS 695B.110, 695C.090, 695D.110 or 695F.100.

(m) The Annual and Quarterly Statement Instructions for Fraternal, which may be obtained at the domestic price of \$250 and the international price of \$275. These instructions must be used by an insurer that, under its certificate of authority, transacts insurance for a fraternal benefit society, as that term is defined in NRS 695A.010.

(n) The Annual and Quarterly Statement Instructions for Title, which may be obtained at the domestic price of \$250 and the international price of \$275. These instructions must be used by an insurer that, under its certificate of authority, transacts title insurance, as that term is defined in NRS 681A.080.

2. The publications listed in subsection 1 apply to the:

(a) Conduct and report of an examination made pursuant to NRS 679B.230 to 679B.300, inclusive, 695C.310 , *as amended by section 149 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2395*, and 695D.270; and

(b) Evaluation of the financial condition of an insurer or organization based on an examination or its annual statement. As used in this paragraph, “organization” includes:

(1) A health maintenance organization, as that term is defined in NRS 695C.030; and

(2) An organization for dental care, as that term is defined in NRS 695D.060.

3. If any publication listed in subsection 1 is revised, the Commissioner will review the revision to determine its suitability for this State. If the Commissioner determines that the revision is not suitable for this State, he or she will give notice within 30 days after the effective date of the revision. If the Commissioner does not give notice within 30 days, the revision becomes part of the publication adopted by reference pursuant to subsection 1. If a revision becomes part of a publication pursuant to this subsection and a person objects to and is aggrieved by the revision, that person may request a hearing before the Commissioner pursuant to NRS 679B.310 to 679B.370, inclusive.

4. The *Market ~~Conduct Examiners~~ Regulation Handbook* will be used in the examination of the records of an administrator.

5. All persons, including, without limitation, insurers and health maintenance organizations, required to file financial statements with the Commissioner shall prepare those statements in accordance with the appropriate publications adopted by reference in this section.

Sec. 2. NAC 679B.0335 is hereby amended to read as follows:

679B.0335 Reasonable and proper expenses, as described in NRS 679B.290, may include, but are not limited to:

1. For a financial examiner or market conduct examiner, a daily salary as defined in the ~~Examiners~~ *Financial Condition Examiner Handbook or the Market Regulation Handbook, as applicable*, published by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033.

2. For expert assistants, a daily salary based upon the rate established in the contract approved by the State Board of Examiners.

3. The maximum per diem rate for the location of the examination as set forth in the Federal Travel Regulation System of the General Services Administration, 41 C.F.R. Chapter 301. A current schedule of the maximum per diem rates as set forth in the Federal Travel Regulation System of the General Services Administration, 41 C.F.R. Chapter 301, is available at no cost on the Internet at <http://www.gsa.gov/perdiem>.

4. Expenses for transportation, including, but not limited to, the cost of airfare, rail fare, taxicab fare and automobile rental and the reimbursement of any personal automobile expenses necessary to reach the location of the examination. The calculation of expenses for transportation may include expenses for transportation incurred by virtue of the length of time necessary to complete the examination.

5. Upon approval of the Commissioner, miscellaneous expenses incurred by the examiner and assistants while performing an examination. Miscellaneous expenses may include, but are not limited to, expenses for telephone calls, facsimile transmissions and postal charges relating to the examination.

6. An administrative charge, expressed as a percentage of the daily salary of the examiner or assistant, as provided in subsections 1 and 2 and as provided in the division budget approved by the Nevada Legislature.

Sec. 3. NAC 680A.160 is hereby amended to read as follows:

680A.160 1. The annual statement required to be filed pursuant to NRS 680A.270 must contain exhibits and schedules that follow the specifications developed by the National Association of Insurance Commissioners.

2. Information from the insurer's annual statement must be filed:

- (a) Pursuant to the specifications adopted by the National Association of Insurance Commissioners for filing information in an electronic format;
- (b) At the central office of the National Association of Insurance Commissioners, ~~{2301 McGee}~~ *1100 Walnut* Street, Suite ~~{800,}~~ *1500*, Kansas City, Missouri ~~{64108-2662,}~~ *64106-2197*; and
- (c) On or before March 1 of each year.
3. If a foreign or alien insurer files a statement in an electronic format with the National Association of Insurance Commissioners, that statement will be deemed to have been filed with the Commissioner if the foreign or alien insurer has paid the applicable fees set forth in NRS 680B.010.
4. The form of an annual statement required by NRS 680A.270 to be filed with the Commissioner must be the most recent adopted by the National Association of Insurance Commissioners for the type of insurer reporting. Each insurer filing the form shall follow the most recent instructions adopted by the National Association of Insurance Commissioners for the type of annual statement to be filed. These forms may be obtained from the National Association of Insurance Commissioners, Publications Department, ~~{2301 McGee}~~ *1100 Walnut* Street, Suite ~~{800,}~~ *1500*, Kansas City, Missouri ~~{64108-2662,}~~ *64106-2197*, or at the Internet address ~~{http://www.naic.org/}~~ www.naic.org/account_manager.htm or via electronic mail at prodserv@naic.org, for the *applicable* price ~~{of \$200 each.}~~ *listed in paragraphs (e) to (i), inclusive, of subsection 1 of NAC 679B.033.*
5. If necessary to determine a foreign or an alien insurer's financial condition, fulfillment of contractual obligations and compliance with law, the Commissioner will require the foreign or

alien insurer to file a financial statement more frequently than annually. Such a statement must be:

- (a) Filed on the most current form adopted by the National Association of Insurance

Commissioners for the type of insurer reporting;

- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

6. Each domestic insurer shall file a quarterly statement. A quarterly statement must be:

- (a) Filed on the most current form adopted by the National Association of Insurance

Commissioners for the type of insurer reporting;

- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

7. A domestic insurer that is not licensed or authorized to do business in any state other than this State may apply for an exemption from the requirement to complete the “Statement of Actuarial Opinion” required by the *Annual and Quarterly Statement Instructions* of the National Association of Insurance Commissioners as part of the domestic insurer’s annual statement. The application must:

- (a) Be in writing.
- (b) Be submitted by December 1 of the calendar year which will be covered in the annual statement.

- (c) Include an agreement and acknowledgment from the domestic insurer that the Commissioner may use the services of an independent actuary to certify losses and reserves for loss adjustment expenses in relation to any examination of the domestic insurer pursuant to NRS

679B.230 ~~H~~, *as amended by section 1 of Assembly Bill No. 35, chapter 12, Statutes of Nevada 2017, at page 61.*

(d) Demonstrate that no significant changes and no unusual or large claims have occurred or are expected to occur during the calendar year which will be covered in the annual statement.

8. The Commissioner will grant an application for an exemption made pursuant to subsection 7 if he or she determines, upon review of the application, that having to file the “Statement of Actuarial Opinion” would constitute a financial or organizational hardship upon the domestic insurer or that the insurer has shown other good cause why it should not have to file the statement. A domestic insurer which has been granted an exemption pursuant to this subsection must file with its annual statement a signed affidavit given by one of its officers under oath that certifies the accuracy and adequacy of the reserves stated in its annual statement.

9. A domestic insurer licensed only to sell insurance for home protection but not licensed or authorized to do business in any state other than this State is exempt from the requirement to complete the “Statement of Actuarial Opinion” required by the *Annual and Quarterly Statement Instructions* of the National Association of Insurance Commissioners as part of the annual statement of the domestic insurer if the domestic insurer:

(a) Completes and submits with its annual statement forms provided by the Commissioner for reporting information concerning claims;

(b) Complies with the requirements of paragraphs (c) and (d) of subsection 7; and

(c) Submits with its annual statement a signed affidavit given by one of its officers under oath that certifies the accuracy and adequacy of the reserves stated in its annual statement.

10. A domestic insurer that is not licensed or authorized to do business in any state other than this State is not required to file information from its annual statement with the National

Association of Insurance Commissioners as required pursuant to subsection 2 if the written premium of the domestic insurer for the year is less than \$1,000,000.

Sec. 4. NAC 681A.325 is hereby amended to read as follows:

681A.325 1. A reinsurance agreement entered into in conjunction with a trust agreement and the establishment of a trust account may stipulate that assets deposited in the trust account must be valued according to their current fair market value and must consist only of:

(a) Cash in United States legal tender.

(b) Certificates of deposit issued by a United States bank and payable in United States legal tender.

(c) Investments of the types permitted by chapter 681B of NRS, if the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the grantor or the beneficiary.

(d) Obligations that are issued in the United States, and obligations issued in a market outside the United States that are dollar denominated, by a solvent institution located in the United States other than an insurance company, or which are assumed or guaranteed by a solvent institution located in the United States other than an insurance company and which are not in default as to principal or interest, if the obligations:

(1) Are rated “A” or higher, or its equivalent, by a securities rating agency recognized by the Securities Valuation Office, or if not so rated, are similar in structure and other material respects to other obligations of the same institution so rated;

(2) Are insured by at least one authorized insurer, other than the investing insurer or a parent, subsidiary or affiliate of the investing insurer, that is licensed to insure obligations in this

State and, after considering the insurance, are rated “AAA” or its equivalent by a securities rating agency recognized by the Securities Valuation Office; or

(3) Have been designated as Class One or Class Two by the Securities Valuation Office.

(e) The following equity interests:

(1) Investments in common shares or interests in a partnership of a solvent institution located in the United States if:

(I) The obligations and preferred shares, if any, of the solvent institution are eligible as investments pursuant to this section; and

(II) For solvent institutions that are not insurance companies, the equity interests of the solvent institution are registered on a national securities exchange as provided in the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a to 78kk, or otherwise registered pursuant to that Act, and if otherwise registered, price quotations for the equity interests are furnished through a nationwide automated quotations system approved by the ~~National Association of Securities Dealers, Inc.~~ *Financial Industry Regulatory Authority, or its successor organization*. A trust shall not invest in equity interests pursuant to this sub-subparagraph in an amount exceeding 1 percent of the assets of the trust, even though the equity interests are not so registered and are not issued by an insurance company.

(2) Investments in common shares of a solvent institution organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development, if:

(I) All the obligations of the solvent institution are rated “A” or higher, or its equivalent, by a rating agency recognized by the Securities Valuation Office; and

(II) The equity interests of the solvent institution are registered on a securities exchange regulated by the government of a country that is a member of the Organization for Economic Cooperation and Development.

(f) Obligations issued, assumed or guaranteed by a multinational development bank if the obligations are rated “A” or higher, or its equivalent, by a rating agency recognized by the Securities Valuation Office.

(g) Securities of an investment company that is registered pursuant to the Investment Company Act of 1940, 15 U.S.C. §§ 80a-1 et seq., if the investment company:

(1) Invests at least 90 percent of its assets in the types of securities that qualify as an investment under paragraph (d) or subparagraph (2) of paragraph (e) or NRS ~~682A.070,~~ [682A.069](#), or if the investment company invests in securities that are determined by the Commissioner to be substantively similar to the types of securities set forth in those provisions; or

(2) Invests at least 90 percent of its assets in the types of equity interests that qualify as an investment under subparagraph (1) of paragraph (e).

(h) Other types of investments specified by the reinsurance agreement.

2. For the purposes of paragraph (d) of subsection 1:

(a) An investment in or a loan upon the obligations of an institution other than an institution that issues mortgage-related securities must not exceed 5 percent of the assets of the trust;

(b) An investment in any one mortgage-related security must not exceed 5 percent of the assets of the trust;

(c) The aggregate total investment in mortgage-related securities must not exceed 25 percent of the assets of the trust; and

(d) Preferred or guaranteed shares issued or guaranteed by a solvent institution located in the United States are permissible if all the obligations of the solvent institution qualify as investments under subparagraph (1) or (3) of paragraph (d) of subsection 1 and the investment in the shares does not exceed 2 percent of the assets of the trust.

3. For the purposes of paragraph (e) of subsection 1, investments in or loans upon the equity interests in any one institution must not exceed 1 percent of the assets of the trust. The cost of an investment in equity interests made pursuant to paragraph (e) of subsection 1, when added to the aggregate cost of other investments in equity interests then held pursuant to paragraph (e) of subsection 1, must not exceed 10 percent of the assets in the trust.

4. For the purposes of paragraph (g) of subsection 1:

(a) An investment in an investment company qualifying under subparagraph (1) of paragraph (g) of subsection 1 must not exceed 10 percent of the assets in the trust and the aggregate amount of investment in qualifying investment companies must not exceed 25 percent of the assets in the trust; and

(b) Investments in an investment company qualifying under subparagraph (2) of paragraph (g) of subsection 1 must not exceed 5 percent of the assets in the trust and the aggregate amount of investment in qualifying investment companies must be included when calculating the permissible aggregate value of equity interests pursuant to subparagraph (1) of paragraph (e) of subsection 1.

5. As used in this section:

(a) “Manufactured home” has the meaning ascribed to it in 42 U.S.C. § 5402(6).

(b) “Mortgage-related security” means an obligation which is rated “AA” or higher, or its equivalent, by a securities rating agency recognized by the Securities Valuation Office and which:

(1) Represents ownership of one or more promissory notes or certificates of interest or represents participation in promissory notes, including any rights designed to ensure the servicing, or the receipt or timeliness of receipt by the holders of the notes, certificates or participation, of amounts payable under the notes, certificates or participation, that:

(I) Are directly secured by a first lien on a single parcel of real estate, including stock allocated to a dwelling unit in a residential cooperative housing corporation, upon which is located a dwelling, a mixed residential and commercial structure, or a residential manufactured home, regardless of whether the manufactured home is considered real or personal property under the laws of the state in which the manufactured home is located; and

(II) Were originated by:

(i) A savings and loan association, savings bank, commercial bank, credit union, insurance company or any other similar institution that is supervised and examined by a federal or state housing authority; or

(ii) A mortgage approved by the Secretary of Housing and Urban Development pursuant to 12 U.S.C. §§ 1709 and 1715b or, if the notes involve a lien on the manufactured home, by an institution or by a financial institution approved for insurance by the Secretary of Housing and Urban Development pursuant to 12 U.S.C. § 1703; or

(2) Is secured by:

(I) One or more promissory notes or certificates of deposit or by participations in the notes, with or without recourse to the insurer of the notes and, by its terms, provides for payments or reasonable projections of payments; or

(II) Notes meeting the requirements of sub-subparagraphs (I) and (II) of subparagraph (1).

(c) “Promissory notes,” when used in connection with a manufactured home, includes a loan, an advance or a credit sale as evidenced by a retail installment sales contract or other instrument.

(d) “Securities Valuation Office” means the Securities Valuation Office of the National Association of Insurance Commissioners.

Sec. 5. NAC 681B.161 is hereby amended to read as follows:

681B.161 A life insurer doing business in this State shall use the *Valuation of Life Insurance Policies Model Regulation* adopted by the National Association of Insurance Commissioners on March 8, 1999, which is hereby adopted by reference. A copy of this publication may be ~~purchase~~ *obtained* from the National Association of Insurance Commissioners, ~~120 West 12th~~ *1100 Walnut* Street, Suite ~~1100~~ *1500*, Kansas City, Missouri ~~64105-1925, for \$25 plus \$3 for shipping and handling.~~ *64106-2197, or at the Internet address <http://www.naic.org/>, free of charge.*

Sec. 6. NAC 681B.162 is hereby amended to read as follows:

681B.162 1. Except as otherwise provided in subsection 2, a life insurer doing business in this State shall use the ~~“Annuity 2000 Mortality”~~ *“2012 Individual Annuity Reserving Table,”* which is hereby adopted by reference, to determine the minimum standard of valuation for each individual annuity or pure endowment contract that the insurer issues to a person in this State on or after November 16, 1998. ~~The “Annuity 2000 Mortality”~~ *A copy of the “2012 Individual*

Annuity Reserving Table” ~~is set forth on page 240 of volume XLVII of the Transactions of the Society of Actuaries (1995), and a copy of this publication~~ may be obtained from the Society of Actuaries, 475 North Martingale Road, **Suite 600**, Schaumburg, Illinois 60173, or by telephone at (847) ~~706-3526,~~ **706-3500**, for the price of \$55 ~~+~~, **or at the Internet address <http://mort.soa.org/>, free of charge.**

2. A life insurer doing business in this State shall use, without projection, the “1983 Table ‘a,’” which is hereby adopted by reference, to determine the minimum standard of valuation for an individual annuity or pure endowment contract that the insurer issues to a person in this State on or after November 16, 1998, if the individual annuity or pure endowment contract involves life contingencies and is issued to pay periodic benefits arising from the settlement of:

(a) A claim arising out of a tort, including, without limitation, a claim for workers’ compensation, regardless of whether an action relating to the claim was commenced in a court of competent jurisdiction; or

(b) A claim for long-term disability in which the claimant has elected to receive a temporary or life annuity in lieu of payments for continuing disability.

↪ The “1983 Table ‘a’” is set forth on page 454 of the *1982 Proceedings of the NAIC II*, and a copy of this publication may be obtained from the National Association of Insurance Commissioners, ~~NAIC Publications, P.O. Box 87-7870,~~ **Publications Department, 1100 Walnut Street, Suite 1500**, Kansas City, Missouri ~~64187-7870,~~ **64106-2197**, or by telephone at (816) ~~374-7259,~~ **783-8300**, for the price of \$180 plus \$10 for shipping and handling.

Sec. 7. NAC 681B.164 is hereby amended to read as follows:

681B.164 1. A life insurer doing business in this State shall use the “1994 Group Annuity Reserving Table,” which is hereby adopted by reference, to determine the minimum standard of

valuation for each group annuity or pure endowment contract that the insurer issues to a group in this State on or after November 16, 1998. The “1994 Group Annuity Reserving Table” is set forth on pages 866-67 of volume XLVII of the *Transactions of the Society of Actuaries* (1995), and a copy of this publication may be obtained from the Society of Actuaries, 475 North Martingale Road, Schaumburg, Illinois 60173, or by telephone at (847) 706-3526, ~~for the price of \$55.~~ *or at the Internet address <http://mort.soa.org>, free of charge.*

2. For the purposes of the “1994 Group Annuity Reserving Table,” the mortality rate for a person of age x in the year $(1994 + n)$ must be calculated by using the following formula:

$$q_x^{1994+n} = q_x^{1994} (1 - AA_x)^n$$

where q_x^{1994} and AA_x are as specified in the “1994 Group Annuity Reserving Table.”

Sec. 8. NAC 681B.305 is hereby amended to read as follows:

681B.305 1. Except as otherwise provided in NAC 681B.320, every insurer domiciled in this State shall file a report with the Commissioner of Insurance disclosing:

- (a) Material acquisitions and dispositions of assets;
- (b) Material nonrenewals, cancellations or revisions of agreements for ceded reinsurance; and
- (c) Material new agreements for ceded reinsurance that affect the in-force life insurance

business of the insurer,

↳ unless the material acquisitions and dispositions of assets, the material nonrenewals, cancellations or revisions of agreements for ceded reinsurance, or the material new agreements for ceded reinsurance have been submitted to the Commissioner for review, approval or

information pursuant to any provision of title 57 of NRS, regulations adopted pursuant to that title or other requirements.

2. The report must be filed within 15 days after the end of the calendar month in which the acquisition, disposition, nonrenewal, cancellation, revision or new agreement occurs.

3. Except as otherwise provided in subsection 4, the insurer shall file a complete copy of the report, including any exhibits or other attachments, with the National Association of Insurance Commissioners at ~~{2301 McGee}~~ *1100 Walnut* Street, Suite ~~{800,}~~ *1500*, Kansas City, Missouri ~~{64108-2604,}~~ *64106-2197*. The copy of the report must be treated as confidential and is not subject to subpoena as provided in NRS ~~{681B-280,}~~ *681B.540*.

4. An insurer domiciled in this State that is not licensed or otherwise authorized to transact insurance in another state is not required to comply with the provisions of subsection 3.

Sec. 9. NAC 682A.100 is hereby amended to read as follows:

682A.100 The *Purposes and Procedures Manual of the NAIC* ~~{Securities Valuation}~~ *Investment Analysis* Office is hereby adopted by reference. A copy of the publication may be obtained from the National Association of Insurance Commissioners, Publications Department, ~~{2301 McGee}~~ *1100 Walnut* Street, Suite ~~{800,}~~ *1500*, Kansas City, Missouri ~~{64108-2662,}~~ *64106-2197, or by telephone at (816) 783-8300, or by electronic mail at prodserv@naic.org,* or at the Internet address ~~{http://www.naic.org/}~~ *www.naic.org/account_manager.htm*, for the price of ~~{\$50,}~~ *\$83*.

Sec. 10. NAC 682A.110 is hereby amended to read as follows:

682A.110 1. Except as otherwise provided in subsection 4, a domestic insurer or health organization that is regulated pursuant to title 57 of NRS shall file with and have its applicable investments rated by the Securities Valuation Office of the National Association of Insurance

Commissioners, ~~{48 Wall Street, 6th Floor,}~~ *One New York Plaza, Suite 4210*, New York, New York ~~{10005-2906,}~~ *10004*.

2. Each applicable investment must be reported to the Securities Valuation Office within 120 days after the investment is acquired.

3. The Division of Insurance of the Department of Business and Industry may consider an applicable investment as a nonadmitted asset if it is rated by the Securities Valuation Office:

(a) With a designation of NR.

(b) With a designation of Z on any date that is more than 240 days after the date of the acquisition of the investment.

4. A domestic insurer or health organization is exempt from filing its applicable investments with the Securities Valuation Office if the investments qualify for the provisionally exempt provisions of the *Purposes and Procedures Manual of the NAIC* ~~{Securities Valuation}~~ *Investment Analysis* Office.

Sec. 11. NAC 683A.450 is hereby amended to read as follows:

683A.450 As used in NAC 683A.450 to 683A.560, inclusive, unless the context otherwise requires:

1. “Actuary” means a person who is a member in good standing of the American Academy of Actuaries.

2. “Insurer” means a person who holds a certificate of authority in this State pursuant to NRS 680A.060.

3. “Managing general agent ~~{”}:~~

~~—(a) Means a person who adjusts or pays claims in excess of an amount prescribed by the Commissioner or negotiates the sale of reinsurance on behalf of the insurer or:~~

~~—— (1) Manages all or part of the business of an insurer, including a division, department or underwriting office;~~

~~—— (2) Acts as an agent for the insurer regardless of his or her title; and~~

~~—— (3) Produces and underwrites direct written premiums equal to 5 percent or more of the surplus of the insurer for any 1 year or quarter reported in the last annual statement filed by the insurer pursuant to the provisions of NRS 680A.270.~~

~~—— (b) Does not include a person:~~

~~—— (1) Who is an employee of the insurer;~~

~~—— (2) Who is a manager located in the United States of a branch located in the United States of an alien insurer; or~~

~~—— (3) Whose compensation is based on a criteria other than the volume of premiums written and who has underwriting authority, manages all of the insurance and is an affiliate of the insurer. As used in this subparagraph, “affiliate”] has the meaning ascribed to it in NRS ~~[692C.030.]~~ **683A.060, as amended by section 24 of Assembly Bill No. 83, chapter 376, Statutes of Nevada 2017, at page 2336.**~~

4. “Underwrite” means the authority to assume or reject risks on behalf of the insurer.

Sec. 12. NAC 685A.400 is hereby amended to read as follows:

685A.400 1. The money maintained by an organization must be:

(a) Deposited in a bank chartered by this State;

(b) Deposited in a bank that is a member of the United States Federal Reserve System; *or*

(c) Invested in ~~[public obligations as]~~ *securities* described *as acceptable collateral* in ~~[NRS 682A.060; or~~

~~—— (d) Invested in federal agency securities as described in] NRS ~~[682A.070.]~~ **682A.007.**~~

2. The board of directors shall engage a certified public accountant to audit the accounts of the organization and prepare an audit report before the annual meeting of the board, or more often if necessary or required by the Commissioner.

Sec. 13. NAC 686B.331 is hereby amended to read as follows:

686B.331 “Participating insurer” means an insurer licensed to transact the business of property and casualty insurance in this State which ~~†~~

~~—1. Has a market share for a type or class of insurance greater than the amounts established in NAC 686B.385; and~~

~~—2. Is required to report on a quarterly or annual basis.†~~ *is a member of or subscribes to the services of a licensed rate service organization.*

Sec. 14. NAC 686B.390 is hereby amended to read as follows:

686B.390 Upon application by a statistical agent or an insurer, the Commissioner may allow the submission of a report or statistical data on a date which is later than that required by NAC 686B.300 to ~~†686B.385,†~~ *686B.380*, inclusive, if the submission of the report or data on the date required would create a substantial hardship to the statistical agent or insurer.

Sec. 15. NAC 688A.373 is hereby amended to read as follows:

688A.373 1. “*2001 CSO Mortality Table*” means the mortality table, consisting of separate rates of mortality for male and female lives, developed by the CSO Task Force of the American Academy of Actuaries from the *2001 Valuation Basic Mortality Table* developed by the Individual Life Insurance Valuation Mortality Task Force of the Society of Actuaries and adopted by the National Association of Insurance Commissioners in December 2002. The *2001 CSO Mortality Table* is set forth in the *Proceedings of the NAIC (2nd Quarter 2002)* and supplemented by the *2001 CSO Preferred Class Structure Mortality Table*.

2. Unless the context otherwise requires, the *2001 CSO Mortality Table* includes both the ultimate form of that table and the select and ultimate form of that table, both the smoker and nonsmoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last-birthday bases of the mortality tables. The mortality tables in the *2001 CSO Mortality Table* include:

(a) A table which consists of the rates of mortality for female lives from the *2001 CSO Mortality Table*;

(b) A table which consists of the rates of mortality for male lives from the *2001 CSO Mortality Table*;

(c) Composite mortality tables, which consist of rates of mortality that do not distinguish between smokers and nonsmokers; and

(d) Smoker and nonsmoker mortality tables, which consist of separate rates of mortality for smokers and nonsmokers.

3. A copy of [Proceedings of the NAIC \(2nd Quarter 2002\)](#), which includes a copy of the *2001 CSO Mortality Table* may be obtained from the ~~Insurance Products and Services Division of the~~ National Association of Insurance Commissioners, ~~2301 McGee~~ *1100 Walnut* Street, Suite ~~800,~~ *1500*, Kansas City, Missouri ~~64108-2662,~~ *64106-2197*, by telephone at (816) 783-8300 or on the Internet at ~~http://www.naic.org/store_home.htm,~~ http://www.naic.org/store_home.htm, www.naic.org/account_manager.htm, for the price of \$180.

Sec. 16. NAC 688A.385 is hereby amended to read as follows:

688A.385 “*Ultimate 1980 CSO Mortality Table*” means the *1980 CSO Mortality Table*, without the Ten-Year Select Mortality Factors, incorporated into the 1980 amendments to the Standard Valuation Law approved by the National Association of Insurance Commissioners in

December 1983. A copy of the *Ultimate 1980 CSO Mortality Table* may be obtained from the Research Library of the National Association of Insurance Commissioners, ~~{2301 McGee}~~ **1100 Walnut** Street, Suite ~~{800,}~~ **1500**, Kansas City, Missouri ~~{64108-2662}~~ **64106-2197** or by telephone at (816) 783-8250, for the price of \$10, plus \$1 per page.

Sec. 17. NAC 689B.195 is hereby amended to read as follows:

689B.195 A policy of group health insurance issued pursuant to chapter 689B of NRS:

1. Must not, for the determination of benefits payable for the coordination of benefits, provide for the consideration of any benefits payable pursuant to any ~~{individual health insurance,}~~ health insurance under a franchise plan, no-fault automobile insurance or automobile medical insurance.

2. Must provide for the payment of benefits without regard to any benefits payable pursuant to any ~~{individual health insurance,}~~ health insurance under a franchise plan, no-fault automobile insurance or automobile medical insurance.

Sec. 18. NAC 692A.130 is hereby amended to read as follows:

692A.130 1. Except as otherwise provided in subsection 2, the fees to be paid by title agents and title insurers for supervision and examination may include, without limitation:

(a) For a financial examiner or market conduct examiner, a daily salary as defined in the ~~{Examiners}~~ **Financial Condition Examiner Handbook or the Market Regulation Handbook, as applicable**, published by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033, or such other compensation as the Commissioner may authorize.

(b) For expert assistants, a daily salary or other compensation based upon the rate established in the contract approved by the State Board of Examiners.

(c) The maximum per diem rate for the location of the examination as set forth in the Federal Travel Regulation System, 41 C.F.R. chapters 300 to 304, inclusive.

(d) Expenses for transportation, including, without limitation, the cost of airfare, rail fare, taxicab fare and automobile rental and the reimbursement of any personal automobile expenses necessary to reach the location of the examination. The calculation of expenses for transportation may include expenses for transportation incurred by virtue of the length of time necessary to complete the examination.

(e) Upon approval of the Commissioner, miscellaneous expenses incurred by the examiner and assistants while performing an examination. Miscellaneous expenses may include, without limitation, expenses for telephone calls, facsimile transmissions and postal charges relating to the examination.

2. If, pursuant to subsection 4 of NRS 692A.100, the examination is performed by the Commissioner of Financial Institutions, the fee will be \$50 per hour.

3. In addition to the fee charged pursuant to subsection 1 or 2, the Commissioner of Insurance will also charge the title agent or title insurer an amount equal to one-half of the fee charged pursuant to paragraphs (a) and (b) of subsection 1 or subsection 2 to cover administrative costs.

Sec. 19. NAC 694C.090 is hereby amended to read as follows:

694C.090 The Commissioner hereby adopts the following publications by reference:

1. The Property/Casualty Insurance Annual and Quarterly Statement Blanks (ASB-PU) and the Property/Casualty Annual and Quarterly Statement Instructions (ASI-PU), published by the National Association of Insurance Commissioners. A copy of these publications may be purchased from ~~NAIC Insurance Products and Services Division~~ *the National Association of*

Insurance Commissioners, 1100 Walnut Street, Suite 1500, Kansas City, Missouri 64106-2197, by telephone at (816) 783-8300, by electronic mail at prodserv@naic.org or at the Internet address http://www.naic.org/prod_serv_alpha_listing.htm#, at a cost of \$225, plus \$32 for shipping, for *ASB-PU* and \$250, plus \$32 for shipping, for *ASI-PU*.

2. The most recent edition of the *AICPA Professional Standards*, published by the American Institute of Certified Public Accountants. A copy of this publication may be obtained from the American Institute of Certified Public Accountants by telephone at (888) 777-7077 or at the Internet address <http://www.aicpastore.com>, at a cost of \$179 for members of the AICPA or \$219 for nonmembers or as an online subscription at a cost of \$159 for members of the AICPA or \$199 for nonmembers. If the publication adopted by reference pursuant to this subsection is revised, the Commissioner will review the revision to determine its suitability for this State. If the Commissioner determines that the revision is not suitable for this State, the Commissioner will hold a public hearing to review his or her determination and give notice of that hearing within 90 days after the date of the publication of the revision. If, after the hearing, the Commissioner does not revise his or her determination, the Commissioner will give notice that the revision is not suitable for this State within 90 days after the hearing. If the Commission does not give such notice, the revision becomes part of the publication adopted by reference pursuant to this subsection.

3. The FASB Accounting Standards Codification published by the Financial Accounting Standards Board. A copy of this publication may be obtained at the Internet address <http://www.fasb.org> or by telephone at (800) 748-0659 at a cost of ~~1895~~ \$940 for the Professional View online subscription or ~~240~~ \$255 for the bound edition. The Basic View online subscription is available free of charge.

4. The *Domestic Per Diem Rates*, published by the General Services Administration. A copy of this publication may be obtained, free of charge, from the General Services Administration at the Internet address <http://www.gsa.gov/perdiem>.

Sec. 20. NAC 695B.310 is hereby amended to read as follows:

695B.310 1. As a condition of doing business in this State, each nonprofit corporation which maintains and operates a hospital, medical or dental service plan must file with the Commissioner an annual statement required by NRS 695B.160 that:

(a) Conforms to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health* and the *Accounting Practices and Procedures Manual*, which have been adopted by reference in NAC 679B.033;

(b) Contains exhibits and schedules that follow the specifications developed by the National Association of Insurance Commissioners; and

(c) Contains any other information relating to the nonprofit corporation required by the Commissioner.

2. Information from the annual statement of the nonprofit corporation must be filed:

(a) Pursuant to the specifications adopted by the National Association of Insurance Commissioners for filing information in an electronic format;

(b) At the central office of the National Association of Insurance Commissioners, ~~2301~~ ~~MeGee~~ *1100 Walnut* Street, Suite ~~800;~~ *1500*, Kansas City, Missouri ~~64108-2662;~~ *64106-2197*; and

(c) On or before March 1 of each year.

3. If a foreign or alien nonprofit corporation files a statement in an electronic format with the National Association of Insurance Commissioners, that statement will be deemed to have been filed with the Commissioner if:

(a) The foreign or alien nonprofit corporation submits an affidavit, a jurat page or a copy of the jurat page to the Commissioner indicating that the statement has been so filed. If the nonprofit corporation submits a jurat page, the jurat page must:

(1) Conform to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health*, which has been adopted by reference in NAC 679B.033; and

(2) Be executed by a notarial officer pursuant to NRS 240.1655 and 240.167.

(b) The affidavit, jurat page or copy of the jurat page is accompanied by the applicable fees set forth in NRS 680B.010.

4. An annual statement required by NRS 695B.160 to be filed with the Commissioner by a nonprofit corporation must be on the current version of the *Annual and Quarterly Statement Blanks for Health* adopted by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033. Each nonprofit corporation shall, in preparing the statement, follow the *Annual and Quarterly Statement Instructions for Health* adopted by the National Association of Insurance Commissioners, which accompanies the *Annual and Quarterly Statement Blanks for Health*.

5. If necessary to determine the financial condition of a foreign or alien nonprofit corporation or the fulfillment of contractual obligations or compliance with law by a foreign or alien nonprofit corporation, the Commissioner may require the foreign or alien nonprofit

corporation to file a financial statement more frequently than annually. Such a statement must be:

(a) Filed on the current form adopted by the National Association of Insurance

Commissioners for the type of nonprofit corporation filing;

(b) Completed in accordance with the instructions accompanying that form; and

(c) Filed with the National Association of Insurance Commissioners in an electronic format.

6. Each domestic nonprofit corporation shall file a quarterly statement with the Commissioner. A quarterly statement must be:

(a) Filed on the current form adopted by the National Association of Insurance

Commissioners for the type of nonprofit corporation filing;

(b) Completed in accordance with the instructions accompanying that form; and

(c) Filed with the National Association of Insurance Commissioners in an electronic format.

7. The audited financial statement required to be filed pursuant to NRS 680A.265 is a separate document from the annual statement required to be filed pursuant to NRS 695B.160. Each nonprofit corporation filing the audited financial statement shall follow the *Annual and Quarterly Statement Instructions for Health* adopted by the National Association of Insurance Commissioners. Consolidated statements for nonprofit corporations that are members of an insurance holding company are not acceptable. For the purposes of paragraph (d) of subsection 2 of NRS 695B.110, the term “annual report” means the audited financial statement required to be filed pursuant to NRS 680A.265.

8. The Commissioner may grant a reasonable extension of time for filing the annual statement required by NRS 695B.160 or the audited financial statement required by NRS

680A.265 if the request for an extension is submitted in writing and in advance and shows good cause.

9. The Commissioner will, if appropriate, take disciplinary action pursuant to the applicable provisions of this chapter or chapter 695B of NRS against a nonprofit corporation which fails to file its annual statement or audited financial statement on the prescribed forms, in the prescribed format or by the prescribed date.

10. As used in this section, “jurat page” means a written declaration by a notarial officer that the signer of a document signed the document in the presence of the notarial officer and swore to or affirmed that the statements in the document are true.

Sec. 21. NAC 695C.180 is hereby amended to read as follows:

695C.180 1. An organization may coordinate its benefits with any policy of *individual or* group health insurance offered by an insurance company, trust established by an employer to pay for health care for his or her employees, group contract for hospital, medical or dental service offered by a nonprofit corporation for hospital, medical or dental service, or evidence of coverage offered by another health maintenance organization. Before an organization may seek coordination for the payment of the cost of benefits, it must first provide those benefits to its enrollees. If an organization intends to coordinate its benefits, it shall do so based upon standards filed with and approved by the Division.

2. Except as otherwise provided by specific federal or state statute or regulation, an organization may include in its evidence of coverage a provision for subrogation regarding the right of an enrollee to recover, and the imposition of a lien upon any recovery by an enrollee, from a third person for the cost of the medical benefits which were provided by the organization to the enrollee because of injuries incurred by the enrollee as a result of the actions of the third

person. The amount of the lien must not be more than the reasonable value of the services rendered by the organization.

Sec. 22. NAC 695C.270 is hereby amended to read as follows:

695C.270 1. As a condition of doing business in this State, each health maintenance organization must file with the Commissioner an annual report required by NRS 695C.210 that:

(a) Conforms to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health* and the *Accounting Practices and Procedures Manual*, which have been adopted by reference in NAC 679B.033;

(b) Contains exhibits and schedules that follow the specifications developed by the National Association of Insurance Commissioners; and

(c) Contains any other information relating to the organization required by the Commissioner.

2. Information from the annual report of the organization must be filed:

(a) Pursuant to the specifications adopted by the National Association of Insurance Commissioners for filing information in an electronic format;

(b) At the central office of the National Association of Insurance Commissioners, ~~2301 McGee~~ *1100 Walnut* Street, Suite ~~800, 1500~~, Kansas City, Missouri ~~64108-2662;~~ *64106-2197*; and

(c) On or before March 1 of each year.

3. If a foreign or alien health maintenance organization files a report in an electronic format with the National Association of Insurance Commissioners, that report will be deemed to have been filed with the Commissioner if:

(a) The foreign or alien health maintenance organization submits an affidavit, a jurat page or a copy of the jurat page to the Commissioner indicating that the report has been so filed. If the organization submits a jurat page, the jurat page must:

(1) Conform to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health*, which has been adopted by reference in NAC 679B.033; and

(2) Be executed by a notarial officer pursuant to NRS 240.1655 and 240.167.

(b) The affidavit, jurat page or copy of the jurat page is accompanied by the applicable fees set forth in NRS 680B.010.

4. An annual report required by NRS 695C.210 to be filed with the Commissioner by an organization must be on the current version of the *Annual and Quarterly Statement Blanks for Health* adopted by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033. Each organization shall, in preparing the report, follow the *Annual and Quarterly Statement Instructions for Health* adopted by the National Association of Insurance Commissioners, which accompanies the *Annual and Quarterly Statement Blanks for Health*.

5. Each organization shall include in its annual report the number and amount of claims of malpractice initiated against it during that year. The report must include claims made with or without legal process and the disposition, if any, of each claim.

6. Each organization shall furnish a copy of any annual report it distributes to its enrollees to the Division 30 days before that distribution with a notice of its intent to distribute it.

7. If an organization is required by federal law to submit quarterly reports to the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services, it shall submit copies of those reports to the Division.

8. If necessary to determine the financial condition of a foreign or alien health maintenance organization or the fulfillment of contractual obligations or compliance with law by a foreign or alien health maintenance organization, the Commissioner may require the foreign or alien health maintenance organization to file a financial report more frequently than annually. Such a report must be:

(a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization filing;

(b) Completed in accordance with the current instruction manual for the type of organization filing; and

(c) Filed with the National Association of Insurance Commissioners in an electronic format.

9. Each domestic health maintenance organization shall file a quarterly report with the Commissioner. A quarterly report must be:

(a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization filing;

(b) Completed in accordance with the current instruction manual for the type of organization filing; and

(c) Filed with the National Association of Insurance Commissioners in an electronic format.

10. For a health maintenance organization, the audited financial statement of the organization filed pursuant to subsection 3 of NRS 695C.210 is a separate document from the annual statement required to be filed pursuant to paragraph (a) of subsection 2 of NRS 695C.210.

For a provider-sponsored organization, the audited financial statement of the organization filed pursuant to subsection 3 of NAC 695C.360 is a separate document from the annual statement required to be filed pursuant to paragraph (a) of subsection 2 of NAC 695C.360. The audited financial statement filed pursuant to subsection 3 of NRS 695C.210 or subsection 3 of NAC 695C.360 must be:

- (a) Filed for each individual organization within 120 days after the end of its fiscal year; and
- (b) Filed pursuant to the specifications and instructions adopted by the National Association of Insurance Commissioners which are included in the *Annual and Quarterly Statement Instructions for Health*, which have been adopted by reference in NAC 679B.033.

↪ Consolidated statements for organizations that are members of an insurance holding company system are not acceptable.

11. The Commissioner will, if appropriate, take disciplinary action pursuant to NRS 695C.340 or 695C.350 or NAC 695C.1286 or 695C.1288 against an organization which fails to file its annual financial reports or statements on the prescribed forms, in the prescribed format or by the prescribed date.

12. The Commissioner will grant, for good cause and upon advance written request, an extension for filing an annual report or statement.

13. As used in this section, “jurat page” means a written declaration by a notarial officer that the signer of a document signed the document in the presence of the notarial officer and swore to or affirmed that the statements in the document are true.

Sec. 23. NAC 695C.275 is hereby amended to read as follows:

695C.275 1. On or before November 1 of each year, each health maintenance organization which receives a certificate of authority shall submit to the State Board of Health the quality and

performance indicators selected by the Board for the immediately preceding calendar year. The Board will select the indicators from the reporting set data domains set forth in *Technical Specifications ~~H~~ for Health Plans, Healthcare Effectiveness Data and Information Set (HEDIS)*, volume 2, in the form most recently published by the National Committee for Quality Assurance (NCQA), unless the Board gives notice that the most recent revision is not suitable for this State pursuant to subsection 3. Volume 2 of HEDIS may be obtained from the National Committee for Quality Assurance, NCQA, ~~{Department 4038,}~~ *1100 13th Street N.W.*, Washington, D.C. ~~{20042-4038,}~~ *20005*, for the price of ~~{\$320}~~ *\$355* plus ~~{\$20}~~ *\$33* for shipping and handling or by ordering via telephone at (888) 275-7585 or on the Internet at ~~{<http://www.ncqa.org/publications/>}~~ <http://store.ncqa.org/>.

2. Each health maintenance organization shall include in its annual report, filed with the Commissioner pursuant to NRS 695C.210, a copy of the most recent quality and performance indicators submitted to the State Board of Health pursuant to subsection 1.

3. The State Board of Health shall review each revision of the reporting set data domains set forth in *Technical Specifications ~~H~~ for Health Plans, Healthcare Effectiveness Data and Information Set (HEDIS)*, volume 2, to ensure their suitability for this State. If the Board determines that a revision is not suitable for this State, it will hold a public hearing to review its determination and give notice of that hearing within 6 months after the date of the publication of the revision. If, after the hearing, the Board does not revise its determination, the Board will, within 30 days after the hearing, give notice that the revision is not suitable for this State. If the Board does not give such notice, the revision becomes part of the reporting set data domains adopted by reference pursuant to subsection 1.

Sec. 24. NAC 695D.250 is hereby amended to read as follows:

695D.250 1. An organization may invest its money only in cash, cash equivalents or the securities described in NRS ~~682A.060 and 682A.190.~~ **682A.033.**

2. Any investment made by an organization:

(a) Must be authorized or ratified by its board of directors or by a committee charged with the supervision of such investments;

(b) Must be interest-bearing, interest-accruing, entitled to dividends or otherwise produce income;

(c) Must not be in default in any respect;

(d) Must not be purchased at a price above its fair or market value; and

(e) Must comply with the provisions of NRS ~~682A.050.~~ **682A.402,** to the extent those provisions are applicable.

3. An organization may receive for its use and benefit the interest or other income accruing on its investments.

Sec. 25. NAC 695D.260 is hereby amended to read as follows:

695D.260 1. As a condition of doing business in this State, each organization must submit to the Commissioner an annual report required by NRS 695D.260 that:

(a) Conforms to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health* and the *Accounting Practices and Procedures Manual*, which have been adopted by reference in NAC 679B.033;

(b) Contains exhibits and schedules that follow the specifications developed by the National Association of Insurance Commissioners; and

(c) Contains any other information relating to the organization required by the Commissioner.

2. Information from the annual report of the organization must be filed:

(a) Pursuant to the specifications adopted by the National Association of Insurance Commissioners for filing information in an electronic format;

(b) At the central office of the National Association of Insurance Commissioners, ~~12301 McGee~~ *1100 Walnut* Street, Suite ~~1800,~~ *1500*, Kansas City, Missouri ~~64108-2662;~~ *64106-2197*; and

(c) On or before March 1 of each year.

3. If a foreign or alien organization files a report in an electronic format with the National Association of Insurance Commissioners, that report will be deemed to have been filed with the Commissioner if:

(a) The foreign or alien organization submits an affidavit, a jurat page or a copy of the jurat page to the Commissioner indicating that the report has been so filed. If the organization submits a jurat page, the jurat page must:

(1) Conform to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health*, which has been adopted by reference in NAC 679B.033; and

(2) Be executed by a notarial officer pursuant to NRS 240.1655 and 240.167.

(b) The affidavit, jurat page or copy of the jurat page, is accompanied by the applicable fees set forth in NRS 680B.010.

4. An annual report required by NRS 695D.260 to be filed with the Commissioner by an organization must be on the current version of the *Annual and Quarterly Statement Blanks for*

Health adopted by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033. Each organization shall, in preparing the report, follow the *Annual and Quarterly Statement Instructions for Health* adopted by the National Association of Insurance Commissioners, which accompanies the *Annual and Quarterly Statement Blanks for Health*.

5. If necessary to determine the financial condition of a foreign or alien organization or the fulfillment of contractual obligations or compliance with law by a foreign or alien organization, the Commissioner may require the foreign or alien organization to file a financial report more frequently than annually. Such a report must be:

- (a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization filing;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

6. Each domestic organization shall file a quarterly report with the Commissioner. A quarterly report must be:

- (a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization reporting;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

7. The audited financial statement of the organization filed pursuant to subsection 3 of NRS 695D.260 is a separate document from the annual statement required to be filed pursuant to paragraph (a) of subsection 2 of NRS 695D.260. Each organization filing the audited financial statement shall follow the *Annual and Quarterly Statement Instructions for Health* adopted by

the National Association of Insurance Commissioners. Consolidated statements for organizations that are members of an insurance holding company are not acceptable.

8. The Commissioner will, if appropriate, take disciplinary action pursuant to NRS 695D.300 against an organization which fails to file its annual financial reports or statements on the prescribed forms, in the prescribed format or by the prescribed date.

9. The Commissioner may grant a reasonable extension of time for filing the annual report or the audited financial statement required by NRS 695D.260 if the request for an extension is submitted in writing and in advance and shows good cause.

10. As used in this section, “jurat page” means a written declaration by a notarial officer that the signer of a document signed the document in the presence of the notarial officer and swore to or affirmed that the statements in the document are true.

Sec. 26. NAC 695F.455 is hereby amended to read as follows:

695F.455 1. As a condition of doing business in this State, each organization must file with the Commissioner an annual report required by NRS 695F.320 that:

(a) Conforms to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health* and the *Accounting Practices and Procedures Manual*, which have been adopted by reference in NAC 679B.033;

(b) Contains exhibits and schedules that follow the specifications developed by the National Association of Insurance Commissioners; and

(c) Contains any other information relating to the organization required by the Commissioner.

2. Information from the annual report of the organization must be filed:

(a) Pursuant to the specifications adopted by the National Association of Insurance Commissioners for filing information in an electronic format;

(b) At the central office of the National Association of Insurance Commissioners, ~~{2301 McGee}~~ *1100 Walnut* Street, Suite ~~{800,}~~ *1500*, Kansas City, Missouri ~~{64108-2662,}~~ *64106-2197*; and

(c) On or before March 1 of each year.

3. If a foreign or alien organization files a report in an electronic format with the National Association of Insurance Commissioners, that report will be deemed to have been filed with the Commissioner if:

(a) The foreign or alien organization submits an affidavit, a jurat page or a copy of the jurat page to the Commissioner indicating that the report has been so filed. If the organization submits a jurat page, the jurat page must:

(1) Conform to the format prescribed by the National Association of Insurance Commissioners in the *Annual and Quarterly Statement Instructions for Health*, which has been adopted by reference in NAC 679B.033; and

(2) Be executed by a notarial officer pursuant to NRS 240.1655 and 240.167.

(b) The affidavit, jurat page or copy of the jurat page is accompanied by the applicable fees set forth in NRS 680B.010.

4. An annual report required by NRS 695F.320 to be filed with the Commissioner by an organization must be on the current version of the *Annual and Quarterly Statement Blanks for Health* adopted by the National Association of Insurance Commissioners, which has been adopted by reference in NAC 679B.033. Each organization shall, in preparing the report, follow the *Annual and Quarterly Statement Instructions for Health* adopted by the National Association

of Insurance Commissioners, which accompanies the *Annual and Quarterly Statement Blanks for Health*.

5. If necessary to determine the financial condition of a foreign or alien organization or the fulfillment of contractual obligations or compliance with law by a foreign or alien organization, the Commissioner may require the foreign or alien organization to file a financial report more frequently than annually. Such a report must be:

- (a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization filing;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

6. Each domestic organization shall file a quarterly report with the Commissioner. A quarterly report must be:

- (a) Filed on the current form adopted by the National Association of Insurance Commissioners for the type of organization filing;
- (b) Completed in accordance with the instructions accompanying that form; and
- (c) Filed with the National Association of Insurance Commissioners in an electronic format.

7. The audited financial statement of the organization filed pursuant to subsection 3 of NRS 695F.320 is a separate document from the annual report required to be filed pursuant to subsection 1 of NRS 695F.320. The audited financial statement must:

- (a) Cover the most recent fiscal year of the organization;
- (b) Be filed with the Commissioner within 120 days after the end of that fiscal year; and

(c) Be filed pursuant to the specifications and instructions adopted by the National Association of Insurance Commissioners which are included in the *Annual and Quarterly Statement Instructions for Health*, which have been adopted by reference in NAC 679B.033.

↳ Consolidated statements for organizations that are members of an insurance holding company are not acceptable.

8. The Commissioner may grant a reasonable extension of time for filing the annual report or the audited financial statement required by NRS 695F.320 if the request for an extension is submitted in writing and in advance and shows good cause.

9. As used in this section, “jurat page” means a written declaration by a notarial officer that the signer of a document signed the document in the presence of the notarial officer and swore to or affirmed that the statements in the document are true.

Sec. 27. NAC 695F.500 is hereby amended to read as follows:

695F.500 For the purposes of NRS 695F.040, “limited health service” does not include a program which, pursuant to a contract with an employer or labor union, provides for consultations with employees or the members of employees’ families to identify problems regarding their physical or mental health or the abuse of alcohol or other substances, and for the referral of those persons to providers of health care or other resources in the community for counseling, therapy or treatment, if:

1. The purpose of the contract, as it relates to the provision of those services, is to maintain or improve the efficiency of employees by assisting in the alleviation of personal problems affecting their performance.

2. The contract does not authorize the provision of counseling, therapy or treatment for problems regarding physical or mental health or the abuse of alcohol or other substances.

3. The contract does not require any employee, member of an employee's family or other person eligible for services under the contract to pay, directly or indirectly, any prepaid or periodic charge, copayment or other fee for any services under the contract for the alleviation of problems regarding physical or mental health or the abuse of alcohol or other substances, unless such a payment is:

(a) Part of the regular union dues of an employee; or

(b) A benefit provided by an employer on behalf of an employee and members of the employee's family, which does not affect the amount of compensation or other benefits to which the employee is entitled.

4. No individual employee or member of an employee's family consults with a representative of the program to receive services pursuant to the contract on more than ~~three~~ six occasions within any period of 6 months ~~++~~, *or as otherwise approved by the Commissioner due to a state of emergency or declaration of disaster as proclaimed by the Governor or a resolution of the Legislature.*

5. The operator of the program, at least once every 24 months, meets the burden of proof set forth in NAC 695F.510.

Sec. 28. NAC 679B.038, 686B.385, 686B.510, 687B.610, 687B.620, 689C.140, 689C.160, 689C.260, 689C.265, 691B.010, 695F.450 and 696A.100 are hereby repealed.

TEXT OF REPEALED SECTIONS

**679B.038 Plans limiting selection of dentist: Interpretation of “insured or member”;
process for selecting optional plan. (NRS 679B.130, 679B.152)**

1. For the purposes of subsection 2 of NRS 679B.152, “insured or member” includes an employee of an employer who purchases a group insurance policy.

2. The process for selecting an option pursuant to subsection 2 of NRS 679B.152 must include:

(a) A period of not less than 30 days for a new insured or member to select an option.

(b) An annual period of open enrollment of at least 30 days for an insured or member to select an option or change his or her option for a plan.

686B.385 Reporting thresholds. (NRS 679B.130, 679B.430, 686B.160)

1. For general liability insurance, insurers shall report data based on the reporting thresholds established in this section. The thresholds must be based on an analysis of an insurer’s premium volume by type and class. The analysis must be made at least once every 3 years by a statistical agent. Any changes made to an insurer’s reporting level must be applied on a prospective basis only.

2. An insurer shall report at least quarterly pursuant to the specifications for the commercial general liability statistical plans adopted by the Commissioner if it:

(a) Is in the 80th percentile of the total written premiums for all types of commercial general liability insurance across the country;

(b) Has more than 1 percent of the written premiums in this State for all types of commercial general liability insurance; or

(c) Has more than \$5,000,000 of written premiums in this State for all types of commercial general liability insurance.

3. An insurer shall report at least quarterly in selected market detail pursuant to the specifications for the commercial general liability statistical plans adopted by the Commissioner if it does not meet the criteria established in subsection 2 and it:

(a) Has more than \$1,000,000 of written premiums in this State for a selected market; or

(b) Has more than 10 percent of the written premiums in this State for a selected market and more than \$100,000 of written premiums for that market.

4. An insurer shall report at least annually pursuant to the specifications for the commercial general liability statistical plans adopted by the Commissioner if it does not meet the criteria established in subsection 2, but is in the 98th percentile of the total written premiums in this State for all types of commercial general liability insurance.

5. An insurer shall report at least annually in selected market detail pursuant to the specifications for the commercial general liability statistical plans adopted by the Commissioner if it does not meet the criteria established in this section, but has more than 10 percent of the written premiums in this State for a selected market and less than \$100,000 written premiums for that market.

6. The experience of all other insurers and any experience not reported pursuant to subsections 2 to 5, inclusive, must be reported annually pursuant to the specifications for the commercial general liability statistical plans adopted by the Commissioner.

686B.510 Insurance rating: Deviations and modifications. (NRS 679B.130, 686B.070, 686B.100)

1. Any company which uses rate modifications or deviations of filings made by a licensed rate service organization shall file annually, during the month of July, statistics for the 3 previous calendar years, including:

- (a) Premiums written.
- (b) Premiums earned.
- (c) Losses incurred on a calendar year basis including loss adjustment.
- (d) Loss ratio based on paragraphs (b) and (c) of this subsection.
- (e) An indication of the break-even loss ratio.

2. If the modification is based on expense considerations alone, it is necessary only to establish that the modification is proper in relation to the expense differential.

3. Any deviation or modification on which statistical justification has not been received by the last day of August will be terminated on the first day of the following September.

687B.610 Vendor single interest policies: Marking. (NRS 679B.130)

1. Each vendor single interest policy issued on a risk located in Nevada must have imprinted or stamped on the face in red, or have a red imprinted sticker on the face, with the following wording:

This policy provides SINGLE INTEREST insurance only—which protects the interest of the DEALER OR FINANCIAL INSTITUTIONS and not the purchaser.

2. The purchaser's copy of the sales contract must have the same printing, stamp or sticker placed upon it in red.

3. If the original policy is retained by the vendor or mortgagee, the purchaser must be provided with a copy of the certificate of insurance which must be imprinted, stamped or marked as required by this section.

4. This section does not apply to life or accident and health insurance.

687B.620 Multiple line packages. (NRS 679B.130)

1. A multiple line package is an integrated policy which includes two or more of the following kinds of insurance:

(a) Fire and allied lines.

(b) Casualty.

(c) Surety.

(d) Inland marine.

2. Each multiple line package must be considered as a separate and complete insurance instrument, and must be so treated in all matters involving rating techniques, filing procedures, statistical reporting and statutory proceedings.

3. Any licensed rating organization which files a specific multiple line package assumes full responsibility for its filing.

689C.140 Minimum care and services required. (NRS 679B.130, 689C.115, 689C.155, 689C.203) A health benefit plan offered pursuant to chapter 689C of NRS must include basic medical and hospital care, including at least:

1. Emergency care;
2. Inpatient and outpatient hospital services;
3. Physicians' services;
4. Outpatient medical services;
5. Laboratory services; and
6. X-ray services.

689C.160 Annual report. (NRS 679B.130, 689C.250)

1. A carrier serving small employers that offers a health benefit plan shall, on or before March 1 of each calendar year, file with the Commissioner a report concerning the operation of the carrier during the preceding calendar year. The report must include:

- (a) A statement indicating whether the carrier intends to continue to offer health benefit plans;
- (b) A list of the health benefit plans offered by the carrier, including the name of each health benefit plan and a name or number of the form filed pursuant to NAC 689C.180 for each health benefit plan;
- (c) The total claims incurred in the preceding calendar year for health benefit plans for small employers in this State;
- (d) The index rate as of December 31 of the preceding calendar year; and
- (e) For each calendar quarter of the preceding calendar year:
 - (1) The total premiums earned from health benefit plans for small employers in this State;

(2) The number of health benefit plans that were in effect for small employers in this State;

(3) The number of health benefit plans that were in effect for small employers in this State that employed not less than 2 nor more than 10 employees; and

(4) The total number of natural persons covered by health benefit plans for small employers in this State.

2. The Commissioner will keep confidential the index rate that is submitted pursuant to this section.

3. As used in this section, “index rate” has the meaning ascribed to it in paragraph (b) of subsection 3 of NRS 689C.230.

689C.260 Prior notification of desire to change status as risk-assuming or reinsuring carrier. (NRS 679B.130, 689C.155, 689C.283)

1. If a carrier serving small employers wishes to change its election to operate as a risk-assuming or reinsuring carrier pursuant to NRS 689C.283 at the end of the current period of election, the carrier must notify the Commissioner not later than 30 days before the expiration of the current period of election.

2. If no such notice is provided, the carrier shall be deemed to have elected to operate with the same status for the next period of election.

689C.265 Application for change of status as risk-assuming or reinsuring carrier: Filing; action by Commissioner; confidentiality. (NRS 679B.130, 689C.155, 689C.283)

1. To change its status as a risk-assuming or a reinsuring carrier in accordance with NRS 689C.283, a carrier serving small employers must file an application for a change of status with the Commissioner.

2. The Commissioner will approve such an application for a change of status if the carrier provides evidence satisfactory to the Commissioner that the requested change of status is necessary for the carrier to meet its contractual and statutory obligations.

3. The Commissioner will notify the carrier in writing of his or her decision to approve or disapprove the application for a change of status within 60 days after receiving the application.

4. The carrier may request that the information in its application for a change of status be kept confidential, if disclosure of the information would adversely affect the financial solvency of the carrier or would promote unfair competition among other carriers serving small employers. The Commissioner will notify the carrier in writing of his or her decision to approve or disapprove such a request within 30 days after receiving the request.

691B.010 Power of attorney.

1. All insurers with a surety business in this state shall file with the Commissioner of Insurance a power of attorney for each agent or employee empowered to act as the insurer's attorney in fact.

2. Each form must be accompanied by a filing fee of \$5.

3. Nothing contained in this section is a waiver of the provisions of title 57 of NRS relating to requirements for counter-signatures.

695F.450 Annual report. (NRS 679B.130, 695F.300, 695F.320) An organization shall:

1. File its annual report on the form designated as form number HRSA-905 and approved by the Office of Health Maintenance Organizations on January 1, 1985. That form, which is hereby adopted by reference, may be obtained at a cost of \$6.15 plus the cost of mailing from Brandon Insurance Service Company, P.O. Box 22238, Nashville, Tennessee 37202-2238.

2. Include in its annual report the number and amount of claims of malpractice initiated against it during that year. The report must include claims made with or without legal process and the disposition, if any, of each claim.

3. Furnish a copy of any annual report it distributes to its enrollees to the Commissioner 30 days before that distribution with a notice of its intent to distribute it.

696A.100 List of members: Contents; maintenance; availability. (NRS 679B.130)

1. A motor club that transacts business in this state shall maintain a list of the members of the club who reside in this state. The list must include, without limitation:

- (a) The name of the member;
- (b) The date the membership became effective;
- (c) If the membership is cancelled or terminated, the date the membership was cancelled or terminated; and
- (d) The amount of any refund paid to the member upon the cancellation or termination of the membership.

2. Information relating to a member of the motor club must be maintained on the list for not less than 3 years after the cancellation or termination of the membership.

3. The list must be available for inspection by the Commissioner of Insurance, upon request.

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE

Determination of Necessity - Small Business Impact Statement
NRS 233B.0608(1)

Address Change and Publication Updates

EFFECTIVE DATE OF REGULATION:
Upon filing with the Nevada Secretary of State

1. BACKGROUND.

The NAIC has changed office locations and various manuals have changed names. This regulation is providing updated addresses and current prices of publications. The Managing General Agent ("MGA") statute was changed as a result of Section 24 of 2017 Legislature Assembly Bill 83, and is being updated in this regulation to narrow the definition of an MGA. A reference to repealed language in NRS 682A has also been updated through this proposed regulation concerning money maintained by a nonprofit organization of brokers. Language in the Group Health Insurance and Health Maintenance Organization chapters is also being modified to match the current Nevada Revised Statutes regarding coordination of benefits and individual health insurance.

2. DESCRIPTION OF SOLICITATION SHOWING A CONCERTED EFFORT. NRS 233B.0608(1).

The changes will only impact insurance carriers regulated by the Division of Insurance. The changes proposed in this regulation are to conform the Nevada Administrative Code to the changes made to the Nevada Revised Statutes in Assembly Bill 83, which was passed by the 2017 Nevada Legislature and signed into law by Governor Sandoval on June 5, 2017, and to provide updated addresses and prices of publications referenced in the NAC. The regulation will not provide for an increase in costs to insurance carriers, so no premiums will be impacted. Therefore a solicitation of this regulation was not made with small businesses in Nevada, as none of the proposed changes in this regulation impact small business in Nevada.

3. DOES THE PROPOSED REGULATION IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN UPON A SMALL BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF A SMALL BUSINESS? NRS 233B.0608(1).

NO YES


4. HOW WAS THAT CONCLUSION REACHED? NRS 233B.0608(3).

The changes provided by this regulation will not increase costs or expenses to insurance carriers doing business in Nevada. Therefore there are no other additional regulatory burdens that could impact carriers' rates, which could be passed down to small businesses. This is primarily just a updating of information in our regulations.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby certify to the best of my knowledge or belief a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was prepared properly and the information contained herein is accurate. (NRS 233B.0608(3))

(DATE)

8/31/17



BARBARA D. RICHARDSON
Commissioner of Insurance

Small Business Impact Statement
NRS 233B.0608(2)-(4) and 233B.0609

Address Change and Publication Updates

1. SUMMARY OF COMMENTS RECEIVED FROM SMALL BUSINESSES. NRS 233B.0609(1)(a).

A solicitation of this regulation was not made with small businesses in Nevada, as none of the proposed changes in this regulation impact small business in Nevada. No comments were received. The changes will only impact insurance carriers regulated by the Division of Insurance. The changes proposed in this regulation are to conform the Nevada Administrative Code to the changes made to the Nevada Revised Statutes in Assembly Bill 83, which was passed by the 2017 Nevada Legislature and signed into law by Governor Sandoval on June 5, 2017, and to provide updated addresses and prices of publications referenced in the NAC. The regulation will not provide for an increase in costs to insurance carriers, so no premiums will be impacted.

Other interested parties may receive a copy of this summary by contacting Susan Bell, Legal Secretary, Nevada Division of Insurance, at (775) 687-0704 or suebell@doi.nv.gov.

2. HOW WAS THE ANALYSIS CONDUCTED? NRS 233B.0609(1)(b).

This regulation was reviewed and discussed by the Corporate and Financial Affairs Section of the Nevada Division of Insurance. The experience and expertise of the section members were used to analyze the proposed language of the regulation, and they determined that no impact on small business would be made by these changes.

3. ESTIMATED ECONOMIC EFFECT ON SMALL BUSINESSES THE REGULATION IS TO REGULATE. NRS 233B.0609(1)(c).

The regulations proposed will not provide any economic impact on the small businesses in the state of Nevada.

4. METHODS CONSIDERED TO REDUCE IMPACT ON SMALL BUSINESSES. NRS 233B.0609(1)(d).

Not applicable.

5. ESTIMATED COST OF ENFORCEMENT. NRS 233B.0609(1)(e).

None.

6. FEE CHANGES. NRS 233B.0609(1)(f).

No new fees are being added.

7. DUPLICATIVE PROVISIONS. NRS 233B.0609(1)(g).

This regulation does not duplicate any existing federal, state or local standards. It is not more stringent than any existing federal, state or local standard.

8. REASONS FOR CONCLUSIONS. NRS 233B.0609(1)(h).

The changes provided by this regulation will not increase costs or expenses to insurance carriers doing business in Nevada. Therefore, there are no other additional regulatory burdens that could impact carriers' rates, which could be passed down to small businesses. This is primarily just an updating of information in our regulations.

I, BARBARA D. RICHARDSON, Commissioner of Insurance for the State of Nevada, hereby certify to the best of my knowledge or belief a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was prepared properly and the information contained herein is accurate. (NRS 233B.0609(2))

8/31/17
(DATE)



BARBARA D. RICHARDSON
Commissioner of Insurance