

Assembly Bill No. 45–Committee
on Commerce and Labor

CHAPTER.....

AN ACT relating to insurance; revising provisions relating to bonds filed by various persons regulated by the Commissioner of Insurance; revising provisions governing service of process on certain entities; revising provisions governing reinsurance; revising provisions governing the issuance, renewal and expiration of various licenses, permits, certificates of registration and other authorizations to engage in an activity relating to insurance; revising provisions relating to fees paid by various persons regulated by the Commissioner; revising requirements for holding companies; setting forth requirements relating to certain policies of stop-loss insurance; revising provisions governing coverage for maternity care and pediatric care; revising provisions governing misleading advertisements by certain persons regulated by the Commissioner; revising provisions governing annual disclosures and submission of form letters by certain persons regulated by the Commissioner; revising requirements relating to captive insurers and risk retention groups; revising requirements relating to investments by various persons regulated by the Commissioner; revising requirements relating to examinations and investigations of various persons regulated by the Commissioner; revising provisions governing the applicability of laws to various persons regulated by the Commissioner; providing temporary requirements applicable to associations of self-insured private employers; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the Commissioner of Insurance to regulate insurance in this State. (NRS 679B.120, 679B.130) This bill adds to, revises and repeals various provisions of existing law relating to the regulation of insurance, primarily in title 57 of NRS.

Existing law requires a bond to be filed under certain circumstances by various persons regulated by the Commissioner. (NRS 692A.1041) **Section 3** of this bill sets forth requirements for, and procedures relating to, such bonds. **Section 49** of this bill indicates the placement of **section 3** within chapter 679B of NRS.

Existing law requires a health carrier to submit to the Commissioner copies of certain form letters used by the health carrier. (NRS 679B.124) **Section 3.2** of this bill revises the requirements concerning submission of the letters.

Existing law provides for service of process on certain insurers by serving the Commissioner. (NRS 680A.260) **Sections 3.5, 4, 13.5, 20.5, 60.5 and 78.5** of this bill revise the procedure for such service of process.



Existing law sets forth various fees applicable to persons and entities regulated by the Commissioner. (NRS 680B.010) **Section 5** of this bill adds fees relating to agents who perform utilization reviews, motor clubs, motor club agents, title plant companies and service contract providers. **Sections 14, 51, 56, 72 and 73** of this bill delete the same fees from the sections of the individual chapters which govern those specific persons and entities but the fees all remain unchanged.

Existing law sets forth requirements for reinsurers and reinsurance. (NRS 681A.110-681A.580) **Sections 6.05 to 6.96** of this bill revise those requirements and add new requirements in accordance with new and revised guidance from the National Association of Insurance Commissioners.

Existing law requires a bond to be filed by a manager for reinsurance. (NRS 681A.420) **Section 7** of this bill provides that the bond must meet the requirements set forth in **section 3**.

Existing law defines the term "equity interest" for the purposes of regulating investments by insurers. (NRS 682A.069) **Section 8** of this bill revises the definition to limit the instruments which qualify as equity interests.

Existing law provides that a certificate of registration as an administrator is valid for 3 years. (NRS 683A.08526) **Section 9** of this bill specifies the day on which the certificate expires after it is originally issued and after it is renewed. Existing law requires a bond to be filed by an administrator, a fraternal benefit society, an organization for dental care or its officers, a bail agent, a bail solicitor and a general agent. (NRS 683A.0857, 695A.060, 695D.180, 697.190) **Sections 10, 60, 64 and 74** of this bill revise the requirements relating to the bond and provide that the bond must meet the requirements set forth in **section 3**.

Existing law provides for the licensure of managing general agents. (NRS 683A.140, 683A.160) **Section 11** of this bill revises requirements for licensure as a managing general agent. **Section 12** of this bill adds requirements relating to: (1) the renewal of a license as a managing general agent; (2) the information included on the license; and (3) a change in a licensee's business, residence or electronic mail address.

Existing law provides for the licensure of producers of insurance. (NRS 683A.261) **Section 13** of this bill revises the requirements relating to the renewal and reinstatement of a license as a producer of insurance.

Existing law provides for the renewal of a license as an insurance consultant. (NRS 683C.040) **Section 15** of this bill revises the requirements and adds requirements relating to: (1) the reinstatement of an expired license; (2) the information included on the license; and (3) a change in a licensee's business, residence or electronic mail address.

Existing law provides for the renewal of a license as an adjuster, a motor vehicle physical damage appraiser, a surplus lines broker, a bail agent, a bail enforcement agent, a bail solicitor and a general agent. (NRS 684A.130, 684B.080, 685A.120, 697.230) **Sections 16, 19, 20 and 75** of this bill specify the day on which the license expires after it is originally issued and after it is renewed.

Existing law provides for the licensure of motor vehicle physical damage appraisers and requires a bond to be filed by a motor vehicle physical damage appraiser. (NRS 684B.020, 684B.030) **Section 17** of this bill revises the requirements relating to the bond and provides that the bond must meet the requirements set forth in **section 3**. Existing law provides that the fees paid by an applicant for a license as a motor vehicle physical damage appraiser must be refunded to the applicant if the application is refused. (NRS 684B.060) **Section 18** of this bill makes these fees nonrefundable.

Existing law requires a bond to be filed by a company which finances certain insurance premiums. (NRS 686A.330, 686A.360) **Section 21** of this bill revises the



requirements relating to the bond and provides that the bond must meet the requirements set forth in **section 3**.

Existing law sets forth specific requirements for various types of insurance policies and contracts and the insurers who issue them. (Chapter 687B of NRS) **Sections 22-35** of this bill set forth new provisions to govern certain policies of stop-loss insurance. **Section 32** of this bill requires insurers who issue the policies of stop-loss insurance to report to the Commissioner the premiums written in this State for such policies. **Section 33** of this bill requires an insurer who issues a policy of stop-loss insurance relating to a group health plan to exercise reasonable diligence with regard to the legitimacy of and authority for the group health plan before issuing the policy. **Sections 34 and 35** of this bill: (1) require advance filing with the Commissioner of the policy forms for certain policies of stop-loss insurance, as well as advance approval from the Commissioner for the policy forms; and (2) set forth specific requirements for the contents of the policy forms.

Existing law requires a bond or other security to be provided by a viatical settlement investment agent, a broker of viatical settlements, a provider of viatical settlements or a person who obtains a seller's certificate of authority to sell prepaid contracts for funeral services. (NRS 688C.200, 689.125, 689.150, 689.185) **Sections 36 and 37** of this bill revise the requirements relating to the bond and provide that the bond must meet the requirements set forth in **section 3**.

Existing law provides for the renewal of an agent's license to solicit the sale of prepaid contracts for funeral services. (NRS 689.035, 689.150, 689.255) **Section 38** of this bill specifies the day on which the license expires after it is originally issued and after it is renewed.

Existing law requires a bond or other security to be provided by a person who obtains a seller's permit to sell prepaid contracts for burial services and burial merchandise. (NRS 689.125, 689.455, 689.460, 689.475, 689.495) **Section 39** of this bill revises the requirements relating to the bond and provides that the bond must meet the requirements set forth in **section 3**.

Existing law provides for the renewal of a seller's permit to sell prepaid contracts for burial services and burial merchandise. (NRS 689.125, 689.455, 689.460, 689.475, 689.505) **Section 40** of this bill specifies the day on which the permit expires after it is originally issued and after it is renewed.

Existing law provides for the renewal of an agent's license to solicit the sale of prepaid contracts for burial services and burial merchandise. (NRS 689.035, 689.455, 689.460, 689.475, 689.530) **Section 41** of this bill specifies the day on which the license expires after it is originally issued and after it is renewed.

Existing law sets forth certain requirements concerning insurance coverage for maternity care and pediatric care in the context of individual health insurance, group and blanket health insurance and health insurance for small employers. (NRS 689A.717, 689B.520, 689C.194) **Sections 42-44** of this bill revise the language in these existing provisions to be inclusive of different maternity circumstances.

Existing law requires a bond or other security to be provided by a group of persons who obtains a certificate of registration as a voluntary purchasing group. (NRS 689C.560) **Section 45** of this bill revises the requirements relating to the bond and provides that the bond must meet the requirements set forth in **section 3**.

Existing law provides for the renewal of a license as an escrow officer. (NRS 692A.103) **Section 54** of this bill revises these requirements and adds requirements relating to: (1) the information included on the license; and (2) a change in a licensee's business, residence or electronic mail address.

Existing law requires a bond or other security to be provided by a title agent and a title insurer as a condition of doing business. (NRS 692A.1041) **Section 55** of



this bill revises the requirements relating to the bond and provides that the bond must meet the requirements set forth in **section 3**.

Existing law sets forth requirements governing holding companies. (Chapter 692C of NRS) **Sections 56.10 to 56.55** and **section 57.5** of this bill revise those requirements as with regard to capital requirements and calculations, liquidity stress tests and confidentiality of information.

Existing law requires each insurer or group of insurers each year to submit to the Commissioner a corporate governance annual disclosure containing certain information required by the Commissioner. (NRS 692C.3504) **Section 57** of this bill requires each insurer or insurance group, after the first such submission, to submit an amended version of the previous year's disclosure which shows the changes made for the current year.

Existing law governs captive insurers. (Chapter 694C of NRS) Under existing law, a licensed captive insurer may apply for and be issued a certificate of dormancy. (NRS 694C.259) **Section 58** of this bill revises provisions governing: (1) qualifications needed for a certificate of dormancy; (2) the applicability of certain requirements to a dormant captive insurer; (3) renewal and expiration of a certificate of dormancy; and (4) requirements applicable to a captive insurer whose certificate of dormancy expires. Existing law also sets forth requirements for a captive insurer to transact business. (NRS 694C.310) **Section 59** of this bill revises those requirements, including, without limitation, by providing for periodic reviews of persons who manage the affairs of a captive insurer.

Existing law governs nonprofit hospital and medical or dental service corporations. (Chapter 695B of NRS) **Section 61** of this bill expands the list of the provisions of law to which nonprofit hospital and medical or dental service corporations are expressly made subject.

Existing law governs health maintenance organizations. (Chapter 695C of NRS) **Section 62** of this bill expands the list of the provisions of law to which health maintenance organizations are expressly made subject.

Existing law governs organizations for dental care. (Chapter 695D of NRS) **Section 63** of this bill expands the list of the provisions of law to which organizations for dental care are expressly made subject.

Existing law governs risk retention groups. (Chapter 695E of NRS) Under existing law a risk retention group chartered in a state other than this State must comply with certain requirements before seeking to transact insurance as a risk retention group in this State. (NRS 695E.140) **Section 65** of this bill clarifies that such a risk retention group must comply with the existing statutory requirements including, without limitation, that the risk retention group must: (1) submit a statement of registration; and (2) pay any fees associated with the statement of registration. **Section 66** of this bill expands the list of the provisions of law to which risk retention groups and their agents and representatives are expressly made subject.

Existing law governs prepaid limited health service organizations. (Chapter 695F of NRS) **Section 67** of this bill expands the list of the provisions of law to which prepaid limited health service organizations are expressly made subject. **Section 68** of this bill changes which provisions of law govern certain investments by prepaid limited health service organizations. **Section 69** of this bill revises provisions governing examinations and investigations of prepaid limited health service organizations.

Existing law provides for the renewal of a certificate as an exchange enrollment facilitator. (NRS 695J.140) **Section 70** of this bill revises the requirements for renewal.



Existing law requires a bond or other security to be provided by a person who renders or agrees to render motor club services. (NRS 696A.080) **Section 71** of this bill requires that the bond must meet the requirements set forth in **section 3**.

Existing law provides for the licensure of a club agent for a motor club. (NRS 696A.300) **Section 73** of this bill specifies the day on which the license expires after it is originally issued and after it is renewed.

Existing law requires a bond or other security to be provided by a self-insured employer for the purposes of the statutes governing industrial insurance. (NRS 616A.305, 616B.300) **Section 78** of this bill deletes requirements relating to termination of the bond. These existing provisions are subsumed within the new provisions in **section 3** governing bonds.

Existing law requires a bond or other security to be provided by an association of self-insured public or private employers for the purposes of the statutes governing industrial insurance. (NRS 616A.050, 616A.055, 616B.353) **Section 79** of this bill revises requirements relating to termination of the bond.

In addition to complying with certain requirements applicable to associations of self-insured public or private employers, existing law requires an association of self-insured private employers to satisfy certain fiscal requirements. Specifically, existing law requires an association of self-insured private employers to: (1) at the time of initial qualification to be an association of self-insured employers and for the first 3 years of its successful operation, have a combined tangible net worth of all members in the association of at least \$2,500,000; or (2) after 3 years of successful operation as a qualified association of self-insured private employers, have combined net cash flows from operating activities plus net cash flows from financing activities of all members in the association equal to five times the average of claims paid for each of the last 3 years or \$7,500,000, whichever is less. In lieu of satisfying these fiscal requirements, existing law authorizes the association or its members to deposit with the Commissioner of Insurance a solvency bond in an aggregate amount of at least \$2,500,000. (NRS 616B.353) **Section 85.5** of this bill revises these fiscal requirements until June 30, 2023. Specifically, **section 85.5**: (1) provides that until June 30, 2023, an association of self-insured private employers is deemed to be in compliance with these fiscal requirements if and only if the association complies with the requirement that the association has a combined tangible net worth of all members in the association of at least \$2,500,000; and (2) retains the ability of an association to obtain a solvency bond in lieu of the tangible net worth requirement and the authority of the Commissioner to adjust the amount of any such bond.

Section 86 of this bill repeals existing law governing the cancellation of bonds of title agents and title insurers. These existing provisions are subsumed within the new provisions in **section 3** governing bonds. **Section 86** also repeals existing law specifically governing investments by prepaid limited health service organizations. These existing provisions are replaced by revisions made in **sections 67 and 68**, which address such investments.

Section 87 of this bill provides various effective dates and expiration dates for different sections of this bill.



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

Sections 1 and 2. (Deleted by amendment.)

Sec. 3. Chapter 678B of NRS is hereby amended by adding thereto a new section to read as follows:

1. This section applies to every person regulated by the Commissioner or the Division for which a specific statute other than this section requires a bond for the person to qualify for a license or authorizes the person to file a bond as security to qualify for a license. This section does not require any licensee to obtain a bond unless one is otherwise required by law. The provisions of this section govern the bond and any claim against the bond to the extent the provisions of this section do not conflict with the provisions of the specific statutes which govern the license.

2. A person may provide a substitute form of security in lieu of the bond if the specific statutes which govern the license authorize the substitute form of security.

3. Except as otherwise provided in this section, the person must deposit with the Commissioner and keep in full force and effect a surety bond payable to the State of Nevada, in an amount set forth by the Commissioner in regulation. The bond must be executed by a corporate surety which is authorized to do business in this State and is satisfactory to the Commissioner. The bond must name as principal the person, and must be in substantially the following form:

Know All Persons by These Presents, that....., as principal, and....., as surety, are held and firmly bound unto the State of Nevada for the use and benefit of any person who suffers damages because of a violation of any of the provisions of Nevada law relating to insurance, in the sum of....., lawful money of the United States, to be paid to the State of Nevada for such use and benefit, for which payment well and truly to be made, and that we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of that obligation is such that: Whereas, the Commissioner of Insurance of the Department of Business and Industry of the State of Nevada has issued the



principal a..... (license, permit, certificate of registration, certificate of authority or other authorization) pursuant to Nevada law relating to insurance, and the principal is required to furnish a bond, which is conditioned as set forth in this bond:

Now, therefore, if the principal, the principal's agents and employees, strictly, honestly and faithfully comply with the provisions of Nevada law relating to insurance, and pay all damages suffered by any person because of a violation of any of the provisions of Nevada law relating to insurance, or by reason of any fraud, dishonesty, misrepresentation or concealment of material facts growing out of any transaction governed by the provisions of Nevada law relating to insurance, then this obligation is void; otherwise it remains in full force.

This bond becomes effective on the.....(day) of.....(month) of.....(year), and remains in force until the surety is released from liability by the Commissioner of Insurance or until this bond is cancelled by the surety. The surety may cancel this bond and be relieved of further liability hereunder by giving written notice to the principal and to the Commissioner of Insurance of the Department of Business and Industry of the State of Nevada in accordance with Nevada law.

In Witness Whereof, the seal and signature of the principal hereto is affixed, and the corporate seal and the name of the surety hereto is affixed and attested by its authorized officers at....., Nevada, this.....(day) of.....(month) of.....(year).

.....(Seal)
Principal

.....(Seal)
Surety

By.....
Attorney-in-fact

.....
Nevada licensed insurance agent

4. The bond must remain in force until released by the Commissioner or cancelled by the surety. Except as otherwise provided by law, the surety may cancel the bond upon 60 days' advance written notice to the Commissioner and to the person to



whom the bond relates. Cancellation of the bond does not limit liability which was incurred under the bond before the cancellation.

5. If the bond is cancelled, the license of the person to whom the bond relates is revoked by operation of law as of the date the bond is cancelled unless the person:

(a) Has on file another bond which meets all applicable requirements;

(b) Before the date the bond is cancelled, provides a replacement bond which meets all applicable requirements; or

(c) Before the date the bond is cancelled, provides a substitute form of security which is authorized by and meets the requirements of the specific statutes which govern the license.

6. As used in this section, "license" means any license, permit, certificate of registration, certificate of authority or other authorization to engage in an activity relating to insurance which is issued to a person by the Commissioner or the Division.

Sec. 3.2. NRS 679B.124 is hereby amended to read as follows:
679B.124 1. The Commissioner shall:

(a) Develop, prescribe and make available on an Internet website maintained by the Division a form letter that a health carrier must use to notify a provider of health care of the denial of his or her application to be included in the network of providers of the health carrier. The form letter must include, without limitation, a place for the health carrier to explain the reason for the denial of the application.

(b) Hold hearings to solicit public input when developing the form letter described in paragraph (a) and consider such input when developing the form letter.

2. A health carrier shall submit to the Commissioner a copy of each form letter sent to a provider of health care pursuant to subsection 1 . ~~[at the same time the letter is sent to the provider of health care.]~~ *The Commissioner shall determine the frequency with which such form letters must be submitted by the health carrier to the Commissioner.* Except as otherwise provided in subsection 3, the forms submitted ~~[pursuant]~~ to the Commissioner pursuant to this subsection and the information contained therein are confidential.

3. The Commissioner shall:

(a) Annually compile a report using aggregated data from the forms collected pursuant to subsection 2 concerning trends in the denial of applications of providers of health care to be included in the network of providers of a health carrier. The report must include,



without limitation, the number of total denials, the number of denials for different types of providers of health care, the number of denials by different carriers and the reasons for such denials.

(b) Post the report on an Internet website maintained by the Division.

(c) Submit the report to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature.

4. As used in this section, "health carrier" means an entity subject to the insurance laws and regulations of this State, or subject to the jurisdiction of the Commissioner, that contracts or offers to contract to provide, deliver, arrange for, pay for or reimburse any of the costs of health care services, including, without limitation, a sickness and accident health insurance company, a health maintenance organization, a nonprofit hospital and health service corporation or any other entity providing a plan of health insurance, health benefits or health care services.

Sec. 3.5. NRS 680A.250 is hereby amended to read as follows:

680A.250 1. Before the Commissioner may authorize it to transact insurance in this state, each insurer must appoint the Commissioner ~~[, and the Commissioner's successors in office,]~~ as its attorney *in fact* to receive service of legal process issued against the insurer in this state. The appointment must be made on a form as designated and furnished by the Commissioner, and must be accompanied by a copy of a resolution of the board of directors or like governing body of the insurer, if an incorporated insurer, showing that those officers who executed the appointment were authorized to do so on behalf of the insurer.

2. The appointment must be irrevocable, must bind the insurer and any successor in interest to the assets or liabilities of the insurer, and must remain in effect as long as there is in force any contract of the insurer in this state or any obligation of the insurer arising out of its transactions in this state.

3. Service of such process against a foreign or alien insurer must be made only by service thereof upon the Commissioner.

4. Service of such process against a domestic insurer may be made as provided in this section, or in any other manner provided by Nevada Rules of Civil Procedure.

5. At the time of application for a certificate of authority the insurer shall file the appointment with the Commissioner, together with a designation of the person to whom process against it served upon the Commissioner is to be forwarded. The insurer shall



provide written notice to the Commissioner of any change of such a designation by a new filing.

6. Service of process against an insurer for whom the Commissioner is attorney in fact must be made in accordance with NRS 680A.260.

Sec. 4. NRS 680A.260 is hereby amended to read as follows:

680A.260 1. ~~{Service of process against an insurer for whom the Commissioner is attorney}~~ **If the Commissioner is designated by specific statute as attorney in fact for the purpose of receiving service of process, such service** must be made by delivering to and leaving with the ~~{Commissioner, the Commissioner’s deputy, or a person in apparent charge of the office of the Commissioner during the Commissioner’s absence, two copies}~~ **Division, one copy** of the process, together with the fee therefor as specified in NRS 680B.010, taxable as costs in the action.

2. Upon such service, the ~~{Commissioner}~~ **Division** shall forthwith ~~{mail by certified mail one of the copies of}~~ **forward** such process, with the date and time of service of the same on the ~~{Commissioner}~~ **Division** noted thereon, to the person currently designated ~~{by the insurer}~~ to receive the copy as provided ~~{in NRS 680A.250.}~~ **by specific statute.** Service of process is complete when the copy has been so ~~{mailed.}~~ **forwarded.**

3. Process served in the manner provided by this section for all purposes constitutes valid and binding personal service ~~{upon the insurer}~~ within this state. If summons is served under this section, the time within which the insurer is required to appear must be extended an additional 10 days beyond that otherwise allowed by Nevada Rules of Civil Procedure.

4. The Commissioner shall keep a record of the day of service upon him or her of all legal process.

5. For the purposes of this section, “process” includes only a summons or the initial documents served in an action. The Commissioner is not required to serve any documents after the initial service of process.

Sec. 5. NRS 680B.010 is hereby amended to read as follows:

680B.010 The Commissioner shall collect in advance and receipt for, and persons so served must pay to the Commissioner, fees and miscellaneous charges as follows:

- 1. Insurer’s certificate of authority:
 - (a) Filing initial application \$2,450
 - (b) Issuance of certificate:
 - (1) For any one kind of insurance as defined in NRS 681A.010 to 681A.080, inclusive 283



(2) For two or more kinds of insurance as so defined	\$578
(3) For a reinsurer.....	2,450
(c) Each annual continuation of a certificate	2,450
(d) Reinstatement pursuant to NRS 680A.180, 50 percent of the annual continuation fee otherwise required.	
(e) Registration of additional title pursuant to NRS 680A.240.....	50
(f) Annual renewal of the registration of additional title pursuant to NRS 680A.240.....	25
2. Charter documents, other than those filed with an application for a certificate of authority. Filing amendments to articles of incorporation, charter, bylaws, power of attorney and other constituent documents of the insurer, each document	\$10
3. Annual statement or report. For filing annual statement or report	\$25
4. Service of process:	
(a) Filing of power of attorney.....	\$5
(b) Acceptance of service of process	30
5. Licenses, appointments and renewals for producers of insurance:	
(a) Application and license	\$125
(b) Appointment fee for each insurer.....	15
(c) Triennial renewal of each license	125
(d) Temporary license.....	10
(e) Modification of an existing license	50
6. Surplus lines brokers:	
(a) Application and license	\$125
(b) Triennial renewal of each license.....	125
7. Managing general agents' licenses, appointments and renewals:	
(a) Application and license	\$125
(b) Appointment fee for each insurer.....	15
(c) Triennial renewal of each license.....	125
8. Adjusters', as defined in NRS 684A.030, licenses and renewals:	
(a) Application and license	\$125
(b) Triennial renewal of each license.....	125
9. Licenses and renewals for appraisers of physical damage to motor vehicles:	
(a) Application and license	\$125



(b) Triennial renewal of each license.....	\$125
10. Additional title and property insurers pursuant to NRS 680A.240:	
(a) Original registration	\$50
(b) Annual renewal	25
11. Insurance vending machines:	
(a) Application and license, for each machine.....	\$125
(b) Triennial renewal of each license.....	125
12. Permit for solicitation for securities:	
(a) Application for permit.....	\$100
(b) Extension of permit.....	50
13. Securities salespersons for domestic insurers:	
(a) Application and license	\$25
(b) Annual renewal of license.....	15
14. Rating organizations:	
(a) Application and license	\$500
(b) Annual renewal	500
15. Certificates and renewals for administrators licensed pursuant to chapter 683A of NRS:	
(a) Application and certificate of registration.....	\$125
(b) Triennial renewal	125
16. For copies of the insurance laws of Nevada, a fee which is not less than the cost of producing the copies.	
17. Certified copies of certificates of authority and licenses issued pursuant to the Code.....	\$10
18. For copies and amendments of documents on file in the Division, a reasonable charge fixed by the Commissioner, including charges for duplicating or amending the forms and for certifying the copies and affixing the official seal.	
19. Letter of clearance for a producer of insurance or other licensee if requested by someone other than the licensee.....	\$10
20. Certificate of status as a producer of insurance or other licensee if requested by someone other than the licensee.....	\$10
21. Licenses, appointments and renewals for bail agents:	
(a) Application and license	\$125
(b) Appointment for each surety insurer.....	15
(c) Triennial renewal of each license.....	125



- 22. Licenses and renewals for bail enforcement agents:
 - (a) Application and license \$125
 - (b) Triennial renewal of each license..... 125
- 23. Licenses, appointments and renewals for general agents for bail:
 - (a) Application and license \$125
 - (b) Initial appointment by each insurer..... 15
 - (c) Triennial renewal of each license..... 125
- 24. Licenses and renewals for bail solicitors:
 - (a) Application and license \$125
 - (b) Triennial renewal of each license..... 125
- 25. Licenses and renewals for title agents and escrow officers:
 - (a) Application and license \$125
 - (b) Triennial renewal of each license..... 125
 - (c) Appointment fee for each title insurer..... 15
- 26. Certificate of authority and renewal for a seller of prepaid funeral contracts..... \$125
- 27. Licenses and renewals for agents for prepaid funeral contracts:
 - (a) Application and license \$125
 - (b) Triennial renewal of each license..... 125
- 28. Reinsurance intermediary broker or manager:
 - (a) Application and license \$125
 - (b) Triennial renewal of each license..... 125
- 29. Agents for and sellers of prepaid burial contracts:
 - (a) Application and certificate or license..... \$125
 - (b) Triennial renewal 125
- 30. Risk retention groups:
 - (a) Initial registration \$250
 - (b) Each annual continuation of a certificate of registration 250
- 31. Required filing of forms:
 - (a) For rates and policies..... \$25
 - (b) For riders and endorsements 10
- 32. Viatical settlements:
 - (a) Provider of viatical settlements:
 - (1) Application and license..... \$1,000
 - (2) Annual renewal..... 1,000
 - (b) Broker of viatical settlements:



(1) Application and license.....	\$500
(2) Annual renewal.....	500
(c) Registration of producer of insurance acting as a viatical settlement broker.....	250
33. Insurance consultants:	
(a) Application and license	\$125
(b) Triennial renewal	125
34. Licensee's association with or appointment or sponsorship by an organization:	
(a) Initial appointment, association or sponsorship, for each organization	\$50
(b) Renewal of each association or sponsorship.....	50
(c) Annual renewal of appointment	15
35. Purchasing groups:	
(a) Initial registration and review of an application.....	\$100
(b) Each annual continuation of registration.....	100
36. Exchange enrollment facilitators:	
(a) Application and certificate	\$125
(b) Triennial renewal of each certificate.....	125
(c) Temporary certificate	10
37. <i>Agent who performs utilization reviews:</i>	
(a) <i>Application and registration</i>	<i>\$250</i>
(b) <i>Renewal of registration</i>	<i>250</i>
38. <i>Motor club:</i>	
(a) <i>Filing of application.....</i>	<i>\$500</i>
(b) <i>Issuance of certificate</i>	<i>283</i>
39. <i>Motor club agent:</i>	
(a) <i>Application and license</i>	<i>\$78</i>
(b) <i>Appointment by each motor club.....</i>	<i>5</i>
(c) <i>Triennial renewal of each license.....</i>	<i>78</i>
40. <i>Title plant company:</i>	
(a) <i>Application and license</i>	<i>\$10</i>
(b) <i>Renewal of license.....</i>	<i>10</i>
41. <i>Service contract provider:</i>	
(a) <i>Application and registration</i>	<i>\$2,000</i>
(b) <i>Renewal of registration</i>	<i>2,000</i>
42. In addition to any other fee or charge, all applicable fees required of any person, including, without limitation, persons listed in this section, pursuant to NRS 680C.110.	

Sec. 6. (Deleted by amendment.)



Sec. 6.05. Chapter 681A of NRS is hereby amended by adding thereto the provisions set forth as sections 6.1 to 6.96, inclusive, of this act:

Sec. 6.1. *“Covered agreement” means an agreement entered into pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, 31 U.S.C. §§ 313 and 314, that is currently in effect or in a period of provisional application and addresses the elimination, under specified conditions, of collateral requirements as a condition for entering into any reinsurance agreement with a ceding insurer domiciled in this State or for allowing the ceding insurer to recognize credit for reinsurance.*

Sec. 6.12. *“NAIC” means the National Association of Insurance Commissioners or its successor organization.*

Sec. 6.14. *“Reciprocal jurisdiction” means a jurisdiction, as designated by the Commissioner pursuant to section 6.5 of this act, which is one of the following:*

1. A non-United States jurisdiction that is subject to an in-force covered agreement with the United States, each within its legal authority, or, in the case of a covered agreement between the United States and the European Union, is a member state of the European Union;

2. A United States jurisdiction that meets the requirements for accreditation under the NAIC financial standards and accreditation program; or

3. A qualified jurisdiction, as determined by the Commissioner pursuant to NRS 681A.1553, which is not otherwise described in subsections 1 and 2 and which the Commissioner determines meets certain additional requirements, consistent with the terms and conditions of in-force covered agreements, including, without limitation, that the qualified jurisdiction:

(a) Provides that an insurer which has its head office or is domiciled in such qualified jurisdiction shall receive credit for reinsurance ceded to a United States domiciled assuming insurer in the same manner as credit for reinsurance is received for reinsurance assumed by insurers domiciled in such qualified jurisdiction;

(b) Does not require a United States-domiciled assuming insurer to establish or maintain a local presence as a condition for entering into a reinsurance agreement with any ceding insurer subject to regulation by the non-United States jurisdiction or as a condition to allow the ceding insurer to recognize credit for such reinsurance;



(c) *Recognizes the United States's state regulatory approach to group supervision and group capital, by providing written confirmation by a competent regulatory authority, in the qualified jurisdiction, that insurers and insurance groups that are domiciled or maintain their headquarters in this State or another jurisdiction accredited by the NAIC shall be subject only to worldwide prudential insurance group supervision including, without limitation, worldwide group governance, solvency and capital, and reporting, as applicable, by the Commissioner or the commissioner of the domiciliary state and will not be subject to group supervision at the level of the worldwide parent undertaking of the insurance or reinsurance group by the qualified jurisdiction; and*

(d) *Provides written confirmation by a competent regulatory authority in such qualified jurisdiction that information regarding insurers and their parent, subsidiary, or affiliated entities, if applicable, will be provided to the Commissioner in accordance with a memorandum of understanding or similar document between the Commissioner and the qualified jurisdiction, including, without limitation, the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC.*

Sec. 6.16. *“Solvent scheme of arrangement” means a foreign or alien statutory or regulatory compromise procedure subject to requisite majority creditor approval and judicial sanction in the assuming insurer’s home jurisdiction either to finally commute liabilities of duly noticed classed members or creditors of a solvent debtor, or to reorganize or restructure the debts and obligations of a solvent debtor on a final basis, and which may be subject to judicial recognition and enforcement of the arrangement by a governing authority outside the ceding insurer’s home jurisdiction.*

Sec. 6.25. *The Commissioner must allow credit for reinsurance ceded by a domestic insurer to an assuming insurer that is licensed to write reinsurance and meets each of the conditions set forth below:*

1. *The assuming insurer must have its head office or be domiciled in, as applicable, and be licensed in a reciprocal jurisdiction.*

2. *The assuming insurer must have and maintain, on an ongoing basis, minimum capital and surplus, or its equivalent, calculated according to the methodology of its domiciliary jurisdiction on at least an annual basis as of the preceding*



December 31 or at the annual date otherwise statutorily reported to the reciprocal jurisdiction, and confirmed as set forth in section 6.4 of this act, in the following amounts:

(a) Not less than \$250,000,000; or

(b) If the assuming insurer is an association, including, without limitation, incorporated and individual unincorporated underwriters, which has and maintains, on an ongoing basis, minimum capital and surplus equivalents, net of liabilities, in the reciprocal jurisdiction where the assuming insurer has its head office or is domiciled, as applicable, and is also licensed, which are calculated according to the methodology applicable in its domiciliary jurisdiction:

(1) Minimum capital and surplus equivalents, net of liabilities, or own funds which are equivalent, of at least \$250,000,000; and

(2) A central fund with a balance of the equivalent of at least \$250,000,000.

3. The assuming insurer must have and maintain on an ongoing basis a minimum solvency or capital ratio, as applicable, as follows:

(a) If the assuming insurer has its head office or is domiciled in a reciprocal jurisdiction which meets the requirements of subsection 1 of section 6.14 of this act, the ratio specified in the applicable covered agreement;

(b) If the assuming insurer is domiciled in a reciprocal jurisdiction which meets the requirements of subsection 2 of section 6.14 of this act, a risk-based capital ratio of 300 percent of the authorized control level, calculated in accordance with the formula developed by the NAIC; or

(c) If the assuming insurer is domiciled in a reciprocal jurisdiction which meets the requirements of subsection 3 of section 6.14 of this act, after consultation with the reciprocal jurisdiction and considering any applicable recommendations published by the NAIC, such solvency or capital ratio as the Commissioner determines to be an effective measure of solvency.

4. The assuming insurer must agree to and provide adequate assurance to the Commissioner, in the form of a properly executed Certificate of Reinsurer Domiciled In Reciprocal Jurisdiction Form RJ-1, of each of the following requirements:

(a) The assuming insurer must agree to provide prompt written notice and explanation to the Commissioner if it falls below the minimum requirements set forth in subsection 2 or 3, or if any



regulatory action is taken against it for serious noncompliance with applicable law.

(b) The assuming insurer must consent in writing to the jurisdiction of the courts of this State and to the appointment of the Commissioner as agent for service of process. The Commissioner may also require that such consent for service of process be provided to the Commissioner and included in each reinsurance agreement under the Commissioner's jurisdiction. Nothing in this paragraph limits, or in any way alters, the capacity of parties to a reinsurance agreement to agree to alternative dispute resolution mechanisms, except to the extent such agreements are unenforceable under applicable insolvency or delinquency laws.

(c) The assuming insurer must consent in writing to pay all final judgments, wherever enforcement is sought, obtained by a ceding insurer or its legal successor, that have been declared enforceable in the jurisdiction where the judgment was obtained.

(d) Each reinsurance agreement must include a provision requiring the assuming insurer to provide security in an amount equal to 100 percent of the assuming insurer's liabilities attributable to reinsurance ceded pursuant to that agreement if the assuming insurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration award, whether obtained by the ceding insurer or by its legal successor on behalf of its resolution estate, if applicable.

(e) The assuming insurer must confirm that it is not presently participating in any solvent scheme of arrangement which involves this State's ceding insurers, and agree to notify the ceding insurer and the Commissioner and to provide security in an amount equal to 100 percent of the assuming insurer's liabilities to the ceding insurer consistent with the terms of the scheme, should the assuming insurer enter into such a solvent scheme of arrangement. The security must be in a form consistent with the provisions of NRS 681A.1551 to 681A.1557, inclusive, and NRS 681A.240, as specified by the Commissioner by regulation.

(f) The assuming insurer must agree in writing to meet the applicable information filing requirements as set forth in section 6.3 of this act.

Sec. 6.3. *The assuming insurer or its legal successor must provide, if requested by the Commissioner, on behalf of itself and any legal predecessors, the following documentation to the Commissioner:*



1. For the 2 years preceding entry into the reinsurance agreement and on an annual basis thereafter, the assuming insurer's annual audited financial statements, in accordance with the applicable law of the jurisdiction of its head office or domiciliary jurisdiction, as applicable, including, without limitation, the external audit report;

2. For the 2 years preceding entry into the reinsurance agreement, the solvency and financial condition report or actuarial opinion, if filed with the assuming insurer's supervisor;

3. Prior to entry into the reinsurance agreement and not more than semiannually thereafter, an updated list of all disputed and overdue reinsurance claims outstanding for 90 days or more, regarding reinsurance assumed from ceding insurers domiciled in the United States; and

4. Before entry into the reinsurance agreement and not more than semiannually thereafter, information regarding the assuming insurer's assumed reinsurance by ceding insurer, ceded reinsurance by the assuming insurer, and reinsurance recoverable on paid and unpaid losses by the assuming insurer to allow for the evaluation of the criteria set forth in section 6.35 of this act.

Sec. 6.35. *The assuming insurer must maintain a practice of prompt payment of claims under reinsurance agreements. The lack of prompt payment will be evidenced if any of the following criteria is met:*

1. More than 15 percent of the reinsurance recoverables from the assuming insurer are overdue and in dispute as reported to the Commissioner;

2. More than 15 percent of the assuming insurer's ceding insurers or reinsurers have overdue reinsurance recoverable on paid losses of 90 days or more which are not in dispute and which exceed for each ceding insurer \$100,000, unless otherwise specified in an applicable covered agreement; or

3. The aggregate amount of reinsurance recoverable on paid losses which are not in dispute, but are overdue by 90 days or more, exceeds \$50,000,000, unless otherwise specified in an applicable covered agreement.

Sec. 6.4. *The assuming insurer's supervisory authority must confirm to the Commissioner on an annual basis, as of the preceding December 31 or at the annual date otherwise statutorily reported to the reciprocal jurisdiction, that the assuming insurer complies with the requirements set forth in subsections 2 and 3 of this act. Nothing in this section precludes an assuming insurer*



from providing the Commissioner with information on a voluntary basis.

Sec. 6.45. *1. The Commissioner shall timely create and publish a list of reciprocal jurisdictions.*

2. The Commissioner's list:

(a) Must include, without limitation, any reciprocal jurisdiction which meets the requirements of subsection 1 or 2 of section 6.14 of this act;

(b) May include, without limitation, any other reciprocal jurisdiction which is included on an applicable list of reciprocal jurisdictions published by the NAIC; and

(c) May include, without limitation, a reciprocal jurisdiction that does not appear on an applicable list of reciprocal jurisdictions published by the NAIC if the Commissioner has approved the reciprocal jurisdiction pursuant to applicable law or in accordance with applicable criteria published by the NAIC.

3. The Commissioner may remove a jurisdiction from the list of reciprocal jurisdictions upon a determination that the jurisdiction no longer meets one or more of the requirements of a reciprocal jurisdiction, as provided by applicable law or in accordance with an applicable process published by the NAIC, except that the Commissioner must not remove from the list a reciprocal jurisdiction which meets the requirements of subsection 1 or 2 of section 6.14 of this act. Upon removal of a reciprocal jurisdiction from the Commissioner's list, credit for reinsurance ceded to an assuming insurer which has its home office or is domiciled in that jurisdiction must be allowed if otherwise allowed pursuant to NRS 681A.110 through 681A.240. inclusive.

Sec. 6.5. *1. The Commissioner shall timely create and publish a list of assuming insurers that have satisfied the conditions set forth in this section and to which cessions must be granted credit in accordance with this section. The Commissioner may add an assuming insurer to the list if a NAIC accredited jurisdiction has added the assuming insurer to a list of such assuming insurers or if, upon initial eligibility, the assuming insurer submits the information to the Commissioner as required under subsection 4 of section 6.25 of this act and complies with any additional requirements that the Commissioner may impose by regulation, except to the extent that the regulations conflict with an applicable covered agreement.*

2. If an NAIC accredited jurisdiction has determined that the conditions set forth in sections 6.25 to 6.4, inclusive, of this act have been met, the Commissioner may defer to that jurisdiction's



determination and add the applicable assuming insurer to the list of assuming insurers to which cessions must be granted credit in accordance with this section. The Commissioner may accept financial documentation filed with another NAIC accredited jurisdiction or with the NAIC for the purpose of satisfying the requirements set forth in sections 6.25 to 6.4, inclusive, of this act.

3. When requesting that the Commissioner defer to another NAIC accredited jurisdiction's determination, an assuming insurer must submit a properly executed Form RJ-1 and additional information as the Commissioner may require. If another state has received such a request, notified other states through the NAIC and provided relevant information with respect to the determination of eligibility, the Commissioner may accept such notice and information for the purpose of this section.

Sec. 6.55. *1. If the Commissioner determines that an assuming insurer no longer meets one or more of the requirements under sections 6.1 to 6.65, inclusive, of this act, the Commissioner may revoke or suspend the eligibility of the assuming insurer for recognition under this section.*

2. While an assuming insurer's eligibility is suspended, no reinsurance agreement issued, amended or renewed after the effective date of the suspension qualifies for credit except to the extent that the assuming insurer's obligations under the contract are secured in accordance with NRS 681A.240.

3. If an assuming insurer's eligibility is revoked, no credit for reinsurance may be granted after the effective date of the revocation with respect to any reinsurance agreements entered into by the assuming insurer, including reinsurance agreements entered into prior to the date of revocation, except to the extent that the assuming insurer's obligations under the contract are secured in a form acceptable to the Commissioner and consistent with the provisions of NRS 681A.240.

Sec. 6.6. *Before denying statement credit or imposing a requirement to post security with respect to section 6.55 of this act or adopting any similar requirement that will have substantially the same regulatory impact as security, the Commissioner:*

1. Shall notify the ceding insurer, the assuming insurer and the assuming insurer's supervisory authority that the assuming insurer no longer satisfies one of the conditions set forth in sections 6.25 to 6.4, inclusive, of this act;

2. Shall provide the assuming insurer with 30 days from the notice provided pursuant to subsection 1 to submit a plan to remedy the defect, and 90 days from the notice provided pursuant



to subsection 1 to remedy the defect, except in exceptional circumstances determined by the Commissioner in which a shorter period is necessary for policyholder and other consumer protection;

3. After the expiration of 90 days or less, as specified in subsection 2, if the Commissioner determines that no or insufficient action was taken by the assuming insurer, may impose additional requirements upon the assuming insurer as determined by the Commissioner to be appropriate; and

4. Shall, if applicable, provide a written explanation to the assuming insurer of any additional requirements imposed pursuant to subsection 3.

Sec. 6.65. If subject to a legal process of rehabilitation, liquidation or conservation, as applicable, the ceding insurer, or its representative, may seek and, if determined appropriate by the court in which the proceedings are pending, may obtain an order requiring that the assuming insurer post security for all outstanding ceded liabilities.

Sec. 6.7. Nothing in sections 6.1 to 6.75, inclusive, of this act limits or in any way alters the capacity of a party to a reinsurance agreement to agree on requirements for security or other terms in that reinsurance agreement, except as expressly prohibited by NRS 681A.110 through 681A.240, inclusive, sections 6.1 to 6.75, inclusive, of this act or other applicable law.

Sec. 6.75. 1. Credit may be taken under sections 6.1 to 6.75, inclusive, of this act only for reinsurance agreements entered into, amended, or renewed on or after October 1, 2021, and only with respect to losses incurred and reserves reported on or after the later of:

(a) The date on which the assuming insurer has met all eligibility requirements pursuant to sections 6.25 to 6.4, inclusive, of this act; or

(b) The effective date of the new reinsurance agreement, amendment, or renewal.

2. The provisions of this section do not alter or impair a ceding insurer's right to take credit for reinsurance, to the extent that credit is not available under sections 6.1 to 6.75, inclusive, of this act, as long as the reinsurance qualifies for credit under any other applicable provision of NRS 681A.110 through 681A.240, inclusive.

3. Nothing in sections 6.1 to 6.75, inclusive, of this act authorize an assuming insurer to withdraw or reduce the security



provided under any reinsurance agreement except as permitted by the terms of the agreement.

4. Nothing in sections 6.1 to 6.75, inclusive, of this act limit, or in any way alter, the capacity of a party to any reinsurance agreement to renegotiate the agreement.

Sec. 6.8. *If the assuming insurer does not meet the requirements of NRS 681A.110, 681A.160, 681A.170 and sections 6.1 to 6.75, inclusive, of this act, credit permitted by NRS 681A.180, 681A.190 or 681A.155 to 681A.1557, inclusive, must not be allowed unless the assuming insurer has agreed to the following conditions set forth in the trust agreement:*

1. Notwithstanding any provision to the contrary in the trust instrument, if the trust fund consists of an amount that is less than the amount required pursuant to NRS 681A.180 or 681A.190, or if the grantor of the trust fund is declared to be insolvent or placed into receivership, rehabilitation, liquidation or a similar proceeding in accordance with the laws of the grantor's state or country of domicile, the trustee of the trust fund must comply with an order of the commissioner of insurance or other appropriate person with regulatory authority over the trust fund in that state or country or a court of competent jurisdiction requiring the trustee to transfer to that commissioner or person all the assets of the trust fund;

2. The assets of the trust fund must be distributed by and claims filed with and valued by the commissioner of insurance or other appropriate person with regulatory authority over the trust fund in accordance with the laws of the state in which the trust fund is domiciled that are applicable to the liquidation of domestic insurers in that state;

3. If the commissioner of insurance or other appropriate person with regulatory authority over the trust fund determines that the assets of the trust fund or any portion of the trust fund are not required to satisfy any claim of any ceding insurer of the grantor of the trust fund in the United States, the assets must be returned by that commissioner or person to the trustee of the trust fund for distribution in accordance with the trust agreement; and

4. The grantor of the trust must waive any right that:

(a) Is otherwise available to the grantor under the laws of the United States; and

(b) Is inconsistent with the provisions of this section.



Sec. 6.85. NRS 681A.010 is hereby amended to read as follows:

681A.010 1. As used in this Code, unless the context otherwise requires, the words and terms defined in NRS 681A.020 to 681A.080, inclusive, *and sections 6.1 to 6.16, inclusive*, have the meanings ascribed to them in those sections.

2. It is intended that certain insurance coverages may come within the definitions of two or more kinds of insurance as defined in this chapter, and the inclusion of such coverage within one definition shall not exclude it as to any other kind of insurance within the definition of which such coverage is likewise reasonably includable.

Sec. 6.9. NRS 681A.145 is hereby amended to read as follows:

681A.145 1. The Commissioner may adopt regulations applicable to arrangements for reinsurance relating to:

(a) Life insurance policies with guaranteed non-level gross premiums or guaranteed non-level benefits;

(b) Universal life insurance policies with provisions resulting in the ability of a policyholder to keep a policy in force over a secondary guarantee period;

(c) Variable annuities with guaranteed death or living benefits;

(d) Policies for long-term care insurance; or

(e) Such other life and health insurance and annuity products as to which the National Association of Insurance Commissioners adopts model regulatory requirements with respect to credit for reinsurance.

2. A regulation adopted pursuant to this section may require the ceding insurer, in calculating the amounts or forms of security required to be held pursuant to regulations adopted pursuant to this section, to use the Valuation Manual, as defined in NRS 681B.0071, which is in effect on the date as of which the calculation is made, to the extent applicable.

3. A regulation adopted pursuant to this section must not apply to a cession to an assuming insurer that:

(a) *Meets the conditions set forth in sections 6.1 to 6.75, inclusive, of this act in this State or is operating in accordance with provisions substantially equivalent to sections 6.1 to 6.8, inclusive, of this act in five or more other states;*

(b) Is certified in this State or, if this State has not adopted regulations which provide for an assuming insurer to satisfy the requirements of NRS 681A.155 for credit to be allowed, certified in a minimum of five other states; or



~~(b)~~ (c) Maintains at least \$250,000,000 in capital and surplus when determined in accordance with the Accounting Practices and Procedures Manual adopted by the National Association of Insurance Commissioners, as amended, excluding the impact of any permitted or prescribed practices, and:

- (1) Is licensed in at least 26 states; or
- (2) Is licensed in at least 10 states, and licensed or accredited in at least 35 states.

Sec. 6.92. NRS 681A.150 is hereby amended to read as follows:

681A.150 *1.* No credit may be taken as an asset or as a deduction from liability on account of reinsurance unless the reinsurer is authorized to transact insurance or reinsurance in this state ~~for~~ *pursuant to* the requirements of NRS ~~681A.110, 681A.155 to 681A.190, inclusive, and in any of these cases~~ *681A.220 or sections 6.1 to 6.8, inclusive, of this act. If the reinsurer is authorized pursuant to NRS 681A.180 or 681A.190, the requirements of NRS 681A.200 and must also be met. If the reinsurer is authorized pursuant to NRS 681A.170, 681A.180 or 681A.190, the requirements of 681A.210 must also be met.*

2. Credit shall be allowed for the cases of authorization pursuant to NRS 681A.110 to 681A.160, inclusive, or 681A.170 only with respect to cessions of those kinds or classes of business for which the assuming insurer is licensed or otherwise permitted to write or assume in its state of domicile or, in the case of a United States branch of an alien assuming insurer, in the state through which it is entered and licensed to transact insurance or reinsurance.

Sec. 6.94. NRS 681A.180 is hereby amended to read as follows:

681A.180 *1.* ~~Except as otherwise provided in subsection 5, credit~~ *Credit* must be allowed if reinsurance is ceded to an assuming insurer which maintains a trust fund in a qualified financial institution in the United States for the payment of the valid claims of its policyholders and ceding insurers in the United States, their assigns and successors in interest. The assuming insurer shall:

(a) Report annually to the Commissioner information substantially the same as that required to be reported on the National Association of Insurance Commissioners' form of annual statement by licensed insurers to enable the Commissioner to determine the sufficiency of the trust fund; and

(b) Submit to the authority of the Commissioner to examine its books and records.



2. In the case of a single assuming insurer:

(a) The trust must consist of an account in trust equal to the assuming insurer's liabilities attributable to business written in the United States and the assuming insurer shall maintain a surplus in trust of not less than \$20,000,000.

(b) Three years after the assuming insurer has permanently discontinued underwriting new business secured by the trust, the commissioner of insurance of the state with principal regulatory authority over the trust may, at any time, authorize a reduction in the required trustee surplus, but only after finding, based on the assessment of the risk, that the new required surplus level is adequate for the protection of ceding insurers, policyholders and claimants in the United States in light of a reasonably adverse loss development. The risk assessment may involve an actuarial review, including an independent analysis of reserves and cash flows, and must consider all material risk factors, including, as applicable, the lines of business involved, the stability of the incurred loss estimates and the effect of the surplus requirements on the assuming insurer's liquidity or solvency. The minimum required trustee surplus may not be reduced to an amount less than 30 percent of the assuming insurer's liabilities attributable to reinsurance ceded by ceding insurers domiciled in the United States and covered by the trust.

3. In the case of a group of incorporated and individual unincorporated underwriters:

(a) The trust must consist of an account in trust equal to the group's liabilities attributable to business written in the United States.

(b) The group shall:

(1) Maintain a surplus in trust of which \$100,000,000 must be held jointly for the benefit of ceding insurers in the United States to any member of the group; and

(2) Make available to the Commissioner an annual certification of the solvency of each underwriter by the group's domiciliary regulator and its independent public accountants.

(c) The incorporated members of the group:

(1) Shall not engage in any business other than underwriting as a member of the group; and

(2) Must be subject to the same level of regulation and solvency control by the applicable regulatory agency of the state in which the group is domiciled as the individual unincorporated members of the group.

4. Credit for reinsurance must not be granted unless the form of the trust and any amendments to the trust have been approved by the



commissioner of insurance of the state in which the trust is domiciled or the commissioner of insurance of another state that, under the terms of the trust instrument, has accepted responsibility for regulatory authority over the trust. The form of the trust and any amendments to the trust must also be filed with each state in which the ceding insurer beneficiaries are domiciled or located. The trust instrument must provide that:

(a) Contested claims become valid and enforceable from money held in the trust to the extent such claims remain unsatisfied within 30 days after the entry of the final order of any court of competent jurisdiction in the United States;

(b) Legal title to the assets of the trust must be vested in the trustees for the benefit of the grantor's ceding insurers in the United States, their assigns and successors in interest;

(c) The trust is subject to examination as determined by the Commissioner;

(d) The trust must remain in effect for as long as the assuming insurers or any member or former member of a group of insurers has outstanding obligations due under the agreements for reinsurance subject to the trust; and

(e) Not later than February 28 of each year, the trustees of the trust shall report to the Commissioner in writing setting forth the balance of the trust and listing the trust's investments at the end of the preceding year and shall certify the date of termination of the trust or certify that the trust will not expire before the next following December 31.

~~{5. If the assuming insurer does not meet the requirements of NRS 681A.110, 681A.160 or 681A.170, credit must not be allowed unless the assuming insurer has agreed to the following conditions set forth in the trust agreement:~~

~~—(a) Notwithstanding any provision to the contrary in the trust instrument, if the trust fund consists of an amount that is less than the amount required pursuant to this section, or if the grantor of the trust fund is declared to be insolvent or placed into receivership, rehabilitation, liquidation or a similar proceeding in accordance with the laws of the grantor's state or country of domicile, the trustee of the trust fund must comply with an order of the commissioner of insurance or other appropriate person with regulatory authority over the trust fund in that state or country or a court of competent jurisdiction requiring the trustee to transfer to that commissioner or person all the assets of the trust fund;~~

~~—(b) The assets of the trust fund must be distributed by and claims filed with and valued by the commissioner of insurance or other~~



~~appropriate person with regulatory authority over the trust fund in accordance with the laws of the state in which the trust fund is domiciled that are applicable to the liquidation of domestic insurers in that state;~~

~~— (c) If the commissioner of insurance or other appropriate person with regulatory authority over the trust fund determines that the assets of the trust fund or any portion of the trust fund are not required to satisfy any claim of any ceding insurer of the grantor of the trust fund in the United States, the assets must be returned by that commissioner or person to the trustee of the trust fund for distribution in accordance with the trust agreement; and~~

~~— (d) The grantor of the trust must waive any right that:~~

~~— (1) Is otherwise available to the grantor under the laws of the United States; and~~

~~— (2) Is inconsistent with the provisions of this subsection.]~~

Sec. 6.96. NRS 681A.220 is hereby amended to read as follows:

681A.220 Credit must be allowed if reinsurance is ceded to an assuming insurer not meeting the requirements of NRS 681A.110 and 681A.150 to 681A.190, inclusive, *and sections 6.25 to 6.8, inclusive, of this act*, but only with respect to the insurance of risks located in jurisdictions where such reinsurance is required by applicable law or regulation of that jurisdiction.

Sec. 7. NRS 681A.420 is hereby amended to read as follows:

681A.420 1. A person shall not act as a broker for reinsurance for a domestic insurer or reinsurer unless the person is:

(a) A licensed producer in this state; or

(b) Licensed as a nonresident intermediary for reinsurance in this state.

2. A person shall not act as a broker for reinsurance for a foreign or alien insurer or reinsurer if the person maintains an office, directly or as a member or employee of a firm or association or as an officer, director or employee of a corporation in this state, unless the person is:

(a) A licensed producer in this state; or

(b) Licensed as a nonresident intermediary for reinsurance in this state.

3. A person shall not act as a manager for reinsurance for a domestic insurer or reinsurer unless the person is:

(a) A licensed producer in this state; or

(b) Licensed as a nonresident manager for reinsurance in this state.



4. A person shall not act as a manager for reinsurance for any foreign or alien insurer or reinsurer if the person maintains an office, directly or as a member or employee of a firm or association or as an officer, director or employee of a corporation in this state, unless the person is:

- (a) A licensed producer in this state; or
- (b) Licensed as a nonresident manager for reinsurance in this state.

5. A manager for reinsurance shall:

(a) File a bond ~~[from an insurer]~~ *which complies with section 3 of this act and is* in an amount that is acceptable to the Commissioner for the protection of the reinsurer; and

(b) Maintain a policy covering errors and omissions in an amount that is acceptable to the Commissioner.

Sec. 8. NRS 682A.069 is hereby amended to read as follows:

682A.069 “Equity interest” means any of the following that are not rated credit instruments:

1. Common stock;
2. Preferred stock;
3. A trust certificate;
4. An equity investment in an investment company, other than a money market mutual fund or a class one bond mutual fund;
5. An investment in a common trust fund of a bank regulated by a federal or state agency;
6. An ownership interest in minerals, oil or gas, the rights to which have been separated from the underlying fee interest in the real estate where the minerals, oil or gas are located;
7. Instruments which are mandatorily, or at the option of the issuer, convertible to equity;
8. Limited partnership interests and those general partnership interests authorized pursuant to paragraph (d) of subsection 1 of NRS 682A.380;
9. Member interests in a limited-liability company;
10. Warrants or other rights to acquire equity interests that are created by the person that owns or would issue the equity to be acquired; and
11. Instruments that would be rated credit instruments ~~[]~~ *but for the provisions of subsection 2 of NRS 682A.179.*

Sec. 9. NRS 683A.08526 is hereby amended to read as follows:

683A.08526 1. A certificate of registration as an administrator is valid for 3 years after the date the Commissioner issues the certificate to the administrator ~~[]~~ *or the administrator*



renews the certificate, as applicable. A certificate expires on the renewal date for the certificate if the administrator does not renew the certificate pursuant to subsection 2 on or before the renewal date.

2. An administrator may renew a certificate of registration if the administrator submits to the Commissioner:

(a) An application on a form prescribed by the Commissioner; and

(b) The fee for the renewal of the certificate of registration prescribed in NRS 680B.010 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110.

3. *As used in this section, "renewal date" means:*

(a) *For the first renewal of the certificate of registration, the last day of the month which is 3 years after the month in which the Commissioner originally issued the certificate.*

(b) *For each renewal after the first renewal of the certificate of registration, the last day of the month which is 3 years after the month in which the certificate was last due to be renewed.*

Sec. 10. NRS 683A.0857 is hereby amended to read as follows:

683A.0857 1. Each administrator shall file with the Commissioner a bond ~~[with an authorized surety in favor of the State of Nevada,]~~ *which complies with section 3 of this act*, continuous in form and in an amount determined by the Commissioner of not less than \$100,000.

2. The Commissioner shall establish schedules for the amount of the bond required, based on the amount of money received and distributed by an administrator.

3. The bond must inure to the benefit of any person damaged by any fraudulent act or conduct of the administrator and must be conditioned upon faithful accounting and application of all money coming into the administrator's possession in connection with his or her activities as an administrator.

4. ~~[The bond remains in force until released by the Commissioner or cancelled by the surety. Without prejudice to any liability previously incurred, the surety may cancel the bond upon 90 days' advance notice to the administrator and the Commissioner. An administrator's certificate is automatically suspended if the administrator does not file with the Commissioner a replacement bond before the date of cancellation of the previous bond.]~~ A replacement bond must meet all requirements ~~[of this section]~~ for the initial bond.



Sec. 11. NRS 683A.140 is hereby amended to read as follows:
683A.140 1. A firm or corporation may be licensed as a managing general agent.

2. A resident firm or corporation which has more than one office in this state is a single licensee for the purposes of being appointed by insurers and the authority of natural persons to act for the firm or corporation. Such a firm or corporation must obtain a copy of its license for each location, but only must obtain one original license as a managing general agent.

3. For licensing as a managing general agent, ~~[each general partner and each natural person to act for the firm, or]~~ each natural person ~~[to act for the corporation, must be named in the license and must qualify as an individual licensee. A natural person who is authorized to act for a firm or corporation and who also wishes to be licensed in an individual capacity]~~ *designated pursuant to subsection 5* must obtain a separate license in his or her own name. The Commissioner shall charge appropriate fees for each person who is ~~[licensed to act for a firm or corporation and who is named on the license.]~~ *designated pursuant to subsection 5.*

4. The licensee shall promptly notify the Commissioner of all changes among its members, directors and officers, and among other persons named in the license. The licensee shall provide to the Commissioner upon request information concerning officers or owners of the firm or corporation who are not named in the license.

5. Any business entity to whom a license is issued or renewed must:

(a) Be eligible to declare this state as its home state;

(b) Designate a natural person who is licensed as a managing general agent to be responsible for the compliance of the business entity with the insurance laws, rules and regulations of this State; and

(c) Never have committed any act that is a ground for refusal to issue, suspension of or revocation of a license pursuant to NRS 683A.451.

Sec. 12. NRS 683A.160 is hereby amended to read as follows:

683A.160 1. Each applicant for a license as a managing general agent must submit with his or her application:

(a) The appointment of the applicant as a managing general agent by each insurer or underwriter department to be so represented; and

(b) The application and license fee specified in NRS 680B.010 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110.



2. Each applicant must, as part of his or her application and at the applicant's own expense:

(a) Arrange to have a complete set of his or her fingerprints taken by a law enforcement agency or other authorized entity acceptable to the Commissioner; and

(b) Submit to the Commissioner:

(1) A completed fingerprint card and written permission authorizing the Commissioner to submit the applicant's fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Commissioner deems necessary; or

(2) Written verification, on a form prescribed by the Commissioner, stating that the fingerprints of the applicant were taken and directly forwarded electronically or by another means to the Central Repository and that the applicant has given written permission to the law enforcement agency or other authorized entity taking the fingerprints to submit the fingerprints to the Central Repository for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Commissioner deems necessary.

3. The Commissioner may:

(a) Unless the applicant's fingerprints are directly forwarded pursuant to subparagraph (2) of paragraph (b) of subsection 2, submit those fingerprints to the Central Repository for submission to the Federal Bureau of Investigation and to such other law enforcement agencies as the Commissioner deems necessary;

(b) Request from each such agency any information regarding the applicant's background as the Commissioner deems necessary; and

(c) Adopt regulations concerning the procedures for obtaining this information.

4. A license as a managing general agent remains in effect unless revoked, suspended or otherwise terminated if, on or before the renewal date for the license:

(a) A request for renewal is submitted;

(b) All applicable fees for renewal are paid for the license and, if applicable, for each person who is authorized to act for the firm or corporation pursuant to subsection 3 of NRS 683A.140; and

(c) Any requirement for education and any other requirement to renew the license is satisfied.

5. A managing general agent may submit a request for renewal of his or her license within 30 days after the renewal date



if the managing general agent otherwise complies with the provisions of subsection 4 and pays, in addition to any fee paid pursuant to subsection 4, a penalty of 50 percent of all applicable fees for renewal, except for any fee required pursuant to NRS 680C.110.

6. Except as otherwise provided in subsection 8, a license as a managing general agent expires if the Commissioner does not receive from the managing general agent a request for renewal of the license pursuant to subsection 4 or 5, as applicable, on or before the date which is 30 days after the renewal date.

7. A fee paid pursuant to subsection 4 or 5 is nonrefundable.

8. A managing general agent who is unable to renew his or her license because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.

9. A license must state the licensee's name, address, personal identification number, the date of issuance, the lines of authority and the date of expiration and must contain any other information the Commissioner considers necessary. The license must be made available for public inspection upon request.

10. A licensee shall inform the Commissioner of each change of business, residence or electronic mail address, in writing or by other means acceptable to the Commissioner, within 30 days after the change.

11. As used in this section, "renewal date" means:

(a) For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.

(b) For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.

Sec. 13. NRS 683A.261 is hereby amended to read as follows:

683A.261 1. Unless the Commissioner refuses to issue the license under NRS 683A.451, the Commissioner shall issue a license as a producer of insurance to a person who has satisfied the requirements of NRS 683A.241 and 683A.251. A producer of insurance may qualify for a license in one or more of the lines of authority permitted by statute or regulation, including:

(a) Life insurance on human lives, which includes benefits from endowments and annuities and may include additional benefits from death by accident and benefits for dismemberment by accident and for disability income.



(b) Accident and health insurance for sickness, bodily injury or accidental death, which may include benefits for disability income.

(c) Property insurance for direct or consequential loss or damage to property of every kind.

(d) Casualty insurance against legal liability, including liability for death, injury or disability and damage to real or personal property. For the purposes of a producer of insurance, this line of insurance includes surety indemnifying financial institutions or providing bonds for fidelity, performance of contracts or financial guaranty.

(e) Variable annuities and variable life insurance, including coverage reflecting the results of a separate investment account.

(f) Credit insurance, including credit life, credit accident and health, credit property, credit involuntary unemployment, guaranteed asset protection, and any other form of insurance offered in connection with an extension of credit that is limited to wholly or partially extinguishing the obligation which the Commissioner determines should be considered as limited-line credit insurance.

(g) Personal lines, consisting of automobile and motorcycle insurance and residential property insurance, including coverage for flood, of personal watercraft and of excess liability, written over one or more underlying policies of automobile or residential property insurance.

(h) Travel insurance, as defined in NRS 683A.197, as a limited line.

(i) Rental car as a limited line.

(j) Portable electronics as a limited line.

(k) Crop as a limited line.

(l) Personal property storage insurance, as defined in NRS 683A.1828, as a limited line.

2. A license as a producer of insurance remains in effect unless revoked, suspended or otherwise terminated if ~~[a]~~, ***on or before the renewal date for the license:***

~~(a) A request for a renewal is submitted [on or before the date for the renewal specified on the license, all] ;~~

~~(b) All applicable fees for renewal are paid for each license ; and [any]~~

~~(c) Any requirement for education or any other requirement to renew the license is satisfied . [by the date specified on the license for the renewal.]~~

3. A producer of insurance may submit a request for a renewal of his or her license within 30 days after the ***renewal*** date ~~[specified on the license for the renewal]~~ if the producer of insurance



otherwise complies with the provisions of ~~{this}~~ subsection 2 and pays, in addition to any fee paid pursuant to ~~{this}~~ subsection ~~{,} 2~~, a penalty of 50 percent of all applicable *fees for renewal* , ~~{fees,}~~ except for any fee required pursuant to NRS 680C.110. ~~{A}~~

4. *Except as otherwise provided in subsection 7, a license as a producer of insurance expires if the Commissioner ~~{receives}~~ does not receive from the producer of insurance a request for ~~{a}~~ renewal of the license ~~{more than}~~ pursuant to subsection 2 or 3, as applicable, on or before the date which is 30 days after the renewal date . ~~{specified on the license for the renewal.}~~*

5. A fee paid pursuant to ~~{this}~~ subsection 2, 3 or 6 is nonrefundable.

~~{3.}~~ 6. A natural person who allows his or her license as a producer of insurance to expire *pursuant to subsection 4* may , ~~{reapply for the same license}~~ within 12 months after the renewal date ~~{specified on the license for a renewal}~~ , *reinstate the license* without passing a written examination ~~{but any}~~ *if the natural person:*

(a) *Completes all applicable* continuing education requirements ; ~~{must be met}~~ and

(b) *Pays* a penalty of twice all applicable *fees for renewal* , ~~{fees,}~~ except for any fee required pursuant to NRS 680C.110 . ~~{, is required for any request for a renewal of the license that is received after the date specified on the license for the renewal.}~~

~~—4.}~~ 7. A licensed producer of insurance who is unable to renew his or her license because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.

~~{5.}~~ 8. A license must state the licensee's name, address, personal identification number, the date of issuance, the lines of authority and the date of expiration and must contain any other information the Commissioner considers necessary. The license must be made available for public inspection upon request.

~~{6.}~~ 9. A licensee shall inform the Commissioner of each change of business, residence or electronic mail address, in writing or by other means acceptable to the Commissioner, within 30 days after the change. If a licensee changes his or her business, residence or electronic mail address without giving written notice and the Commissioner is unable to locate the licensee after diligent effort, the Commissioner may revoke the license without a hearing. The mailing of a letter by certified mail, return receipt requested, addressed to the licensee at his or her last mailing address appearing



on the records of the Division, and the return of the letter undelivered, constitutes a diligent effort by the Commissioner.

10. As used in this section, "renewal date" means:

(a) For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.

(b) For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.

Sec. 13.5. NRS 683A.281 is hereby amended to read as follows:

683A.281 1. Every nonresident licensed by this state as a producer of insurance shall appoint the Commissioner in writing as his or her attorney upon whom may be served all legal process issued in connection with any action or proceeding brought or pending in this state against or involving the licensee and relating to transactions under his or her Nevada license. The appointment is irrevocable and continues in force for so long as any such action or proceeding may arise or exist. ~~[Duplicate copies of process must be served upon the Commissioner or other person in apparent charge of the Division during the Commissioner's absence, accompanied by payment of the fee for service of process. Upon such service the Commissioner shall promptly forward a copy of the process by certified mail with return receipt requested to the nonresident licensee at his or her business address last of record with the Division. Process served and the copy thereof forwarded as provided in this subsection constitutes for all purposes personal service thereof upon the licensee.]~~ **Service of process against a nonresident producer for whom the Commissioner is attorney in fact must be made in accordance with NRS 680A.260.**

2. Every such licensee shall likewise file with the Commissioner his or her written agreement to appear before the Commissioner pursuant to notice of hearing, show cause order or subpoena issued by the Commissioner and ~~[deposited, postage paid, by certified mail with the United States Postal Service, addressed to]~~ **served upon** the licensee at his or her address last of record in the Division, and that upon failure of the licensee so to appear the licensee thereby consents to any subsequent suspension, revocation or refusal of the Commissioner to continue the licensee's license.

Sec. 14. NRS 683A.378 is hereby amended to read as follows:

683A.378 1. A person shall not conduct utilization review unless the person is:



(a) Registered with the Commissioner as an agent who performs utilization review and has a medical director who is a physician or, in the case of an agent who reviews dental services, a dentist, licensed in any state; or

(b) Employed by a registered agent who performs utilization review.

2. A person may apply for registration by filing with the Commissioner ~~[a \$250]~~ *the* ***specified in NRS 680B.010*** and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110 and the following information on a form provided by the Commissioner:

(a) The applicant's name, address, telephone number, valid electronic mail address and normal business hours;

(b) The name and telephone number of a person the Commissioner may contact for information concerning the applicant;

(c) The name of the medical director of the applicant and the state in which he or she is licensed to practice medicine or dentistry; and

(d) A summary of the plan for utilization review, including procedures for appealing determinations made through utilization review.

3. An agent who performs utilization review shall file with the Commissioner any material changes in the information provided pursuant to subsection 1 within 30 days after the change occurs.

4. The Commissioner shall not evaluate the plan submitted pursuant to paragraph (d) of subsection 2. The Commissioner shall make the plan available upon request and shall charge a reasonable fee for providing a copy of the plan.

5. Registration pursuant to this section must be renewed on or before March 1 of each year by providing the information specified in subsection 2 and paying ~~[a]~~ *the* renewal fee ~~[of \$250]~~ ***specified in NRS 680B.010*** and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110.

Sec. 15. NRS 683C.040 is hereby amended to read as follows:

683C.040 1. A license may be renewed for additional 3-year periods by submitting to the Commissioner an application for renewal and:

(a) If the application is made:

(1) On or before the ~~[expiration]~~ ***renewal*** date of the license, all applicable renewal fees; or

(2) Not more than 30 days after the ~~[expiration]~~ ***renewal*** date of the license, all applicable renewal fees plus ~~[any late fee]~~



~~required;~~ *a penalty of 50 percent of all applicable renewal fees except for any fee required pursuant to NRS 680C.110;*

(b) If the applicant is a natural person, the statement required pursuant to NRS 683C.043; and

(c) If the applicant is a resident, proof of the successful completion of appropriate courses of study required for renewal, as established by the Commissioner by regulation.

2. *Except as otherwise provided in subsection 5, a license as an insurance consultant expires if the Commissioner does not receive from the insurance consultant an application for renewal pursuant to subsection 1 on or before the date which is 30 days after the renewal date.*

3. The fees specified in this section are not refundable.

4. *A natural person who allows his or her license as an insurance consultant to expire pursuant to subsection 2 may, within 12 months after the renewal date, reinstate the license without passing a written examination if the natural person:*

(a) *Completes all applicable continuing education requirements; and*

(b) *Pays a penalty of twice all applicable fees for renewal, except for any fee required pursuant to NRS 680C.110.*

5. *An insurance consultant who is unable to renew his or her license because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.*

6. *A license must state the licensee's name, address, personal identification number, the date of issuance, the lines of authority and the date of expiration and must contain any other information the Commissioner considers necessary. The license must be made available for public inspection upon request.*

7. *A licensee shall inform the Commissioner of each change of business, residence or electronic mail address, in writing or by other means acceptable to the Commissioner, within 30 days after the change.*

8. *As used in this section, "renewal date" means:*

(a) *For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.*

(b) *For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.*



Sec. 16. NRS 684A.130 is hereby amended to read as follows:

684A.130 1. Each license issued *or renewed* under this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon payment of all applicable fees for renewal to the Commissioner, completion of any other requirement for renewal of the license specified in this chapter and submission of the statement required pursuant to NRS 684A.143 if the licensee is a natural person. The statement, if required, must be submitted, all requirements must be completed and all applicable fees must be paid on or before the ~~[last day of the month in which]~~ *renewal date for* the license . ~~[is renewable.]~~

2. Any license not so renewed expires ~~[at midnight]~~ on the ~~[last day specified for its]~~ renewal ~~[.]~~ *date*. The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the expiration of the license if the request is accompanied by:

(a) A fee for renewal of 150 percent of all applicable fees otherwise required, except for any fee required pursuant to NRS 680C.110 and subsection 2 of NRS 684A.050;

(b) If the person requesting renewal is a natural person, the statement required pursuant to NRS 684A.143;

(c) Proof of successful completion of any requirement for an examination unless exempt pursuant to NRS 684A.105; and

(d) If applicable, a request for a waiver of the time limit for renewal and of any fine or sanction otherwise required or imposed because of the failure of the licensee to renew his or her license because of military service, extended medical disability or other extenuating circumstance.

3. An adjuster who is unable to comply with the procedures and requirements to renew a license due to military service, long-term medical disability or some other extenuating circumstance may request waiver of same and a waiver of any requirement relating to an examination, fine or other sanction imposed for failure to comply with such procedures or requirements.

4. An adjuster shall inform the Commissioner by any means acceptable to the Commissioner of any change in the residence address or business address for the home state or in the legal name of the adjuster within 30 days of the change.

5. In order to assist in the performance of the duties of the Commissioner, the Commissioner may contract with nongovernmental entities, including, without limitation, the National Association of Insurance Commissioners or its affiliates or subsidiaries, to perform any ministerial function, including, without



limitation, the collection of fees and data, related to licensing that the Commissioner may deem appropriate.

6. This section does not apply to temporary licenses issued under NRS 684A.150.

7. *As used in this section, "renewal date" means:*

(a) *For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.*

(b) *For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.*

Sec. 17. NRS 684B.030 is hereby amended to read as follows:

684B.030 1. Before the issuance of a motor vehicle physical damage appraiser's license the applicant shall file with the Commissioner, and thereafter maintain in force while so licensed, a surety bond ~~[in the]~~ *which complies with section 3 of this act and is in an amount [of \$2,500 in favor of the people of the State of Nevada, executed by an authorized surety insurer approved]* *determined* by the Commissioner. ~~[, and conditioned for the faithful performance of required duties.]~~

2. ~~[The bond shall remain in force until the surety is released from liability by the Commissioner, or until cancelled by the surety. Without prejudice to any prior liability accrued, the surety may cancel the bond upon 30 days' advance written notice filed with the Commissioner.]~~

~~—3. A motor vehicle physical damage appraiser's license is automatically suspended if the appraiser does not file with the Commissioner a replacement bond before the date of cancellation of the previous bond.] A replacement bond must meet all requirements [of this section] for the initial bond.~~

Sec. 18. NRS 684B.060 is hereby amended to read as follows:

684B.060 1. If the Commissioner finds that the application is complete and the applicant is otherwise eligible and qualified for the license as a motor vehicle physical damage appraiser, the Commissioner shall promptly issue the license. If the Commissioner refuses to issue the license the Commissioner shall promptly notify the applicant in writing of the refusal, stating the grounds for the refusal.

2. ~~[If the license is refused, the Commissioner shall promptly refund to]~~ *All fees paid by* the applicant ~~[any refundable license fees tendered]~~ *with the application [.] for a license are nonrefundable.*



Sec. 19. NRS 684B.080 is hereby amended to read as follows:

684B.080 1. Each license issued *or renewed* under this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon payment of all applicable fees for renewal to the Commissioner and submission of the statement required pursuant to NRS 684B.083 if the licensee is a natural person. The statement, if required, must be submitted and all applicable fees must be paid on or before the ~~last day of the month in which~~ *renewal date for* the license . ~~is renewable.~~

2. Any license not so renewed expires ~~at midnight~~ on the ~~last day specified for its~~ *renewal date*. The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the expiration of the license if the request is accompanied by a fee for renewal of 150 percent of all applicable fees otherwise required, except for any fee required pursuant to NRS 680C.110, and the statement required pursuant to NRS 684B.083 if the person requesting renewal is a natural person.

3. As used in this section, "renewal date" means:

(a) For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.

(b) For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.

Sec. 20. NRS 685A.120 is hereby amended to read as follows:

685A.120 1. No person may act as, hold himself or herself out as or be a surplus lines broker with respect to subjects of insurance for which this State is the insured's home state unless the person is licensed as such by the Commissioner pursuant to this chapter.

2. Any person who has been licensed by this State as a producer of insurance for general lines for at least 6 months, or has been licensed in another state as a surplus lines broker and continues to be licensed in that state, and who is deemed by the Commissioner to be competent and trustworthy with respect to the handling of surplus lines may be licensed as a surplus lines broker upon:

(a) Application for a license and payment of all applicable fees for a license;

(b) Submitting the statement required pursuant to NRS 685A.127; and

(c) Passing any examination prescribed by the Commissioner on the subject of surplus lines.



3. An application for a license must be submitted to the Commissioner on a form designated and furnished by the Commissioner. The application must include the social security number of the applicant.

4. A license issued *or renewed* pursuant to this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. The license may be renewed upon submission of the statement required pursuant to NRS 685A.127 and payment of all applicable fees for renewal to the Commissioner on or before the ~~[last day of the month in which]~~ *renewal date for* the license. ~~[is renewable.]~~

5. A license which is not renewed expires ~~[at midnight]~~ on the ~~[last day specified for its]~~ *renewal* ~~[]~~ *date*. The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the expiration of the license if the request is accompanied by:

- (a) The statement required pursuant to NRS 685A.127;
- (b) All applicable fees for renewal; and
- (c) A penalty in an amount that is equal to 50 percent of all applicable fees for renewal, except for any fee required pursuant to NRS 680C.110.

6. *As used in this section, "renewal date" means:*

(a) For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.

(b) For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.

Sec. 20.5. NRS 685A.200 is hereby amended to read as follows:

685A.200 1. An unauthorized insurer effecting insurance under the provisions of the Nonadmitted Insurance Law shall be deemed to be transacting insurance in this state as an unlicensed insurer and may be sued in a district court of this state upon any cause of action arising against it in this state under any insurance contract entered into by it under this chapter.

2. Service of ~~[legal]~~ process against ~~[the]~~ *an unauthorized insurer* ~~[may be made in any such action by service of two copies thereof upon the Commissioner or an authorized representative of the Commissioner and payment of the fee specified in NRS 680B.010. The Commissioner or an authorized representative of the Commissioner shall forthwith mail a copy of the process served to the person designated by the insurer in the policy for the purpose by~~



~~prepaid registered or certified mail with return receipt requested.]~~
affecting insurance under the provisions of this chapter must be made in accordance with NRS 680A.260. If no ~~[such]~~ person is ~~[so]~~ designated *to receive process* in the policy, the ~~[Commissioner or an authorized representative of the Commissioner]~~ *Division* shall in like manner ~~[mail]~~ *forward* a copy of the process to the broker through whom the insurance was procured, or to the insurer at its principal place of business, addressed to the address of the broker or insurer, as the case may be, last of record with the ~~[Commissioner.]~~ *Division*. Upon service of process upon the Commissioner ~~[or an authorized representative of the Commissioner and its mailing]~~ *and the Division's forwarding of such service of process* in accordance with this subsection, the court shall be deemed to have jurisdiction in personam of the *unauthorized* insurer.

3. The defendant *unauthorized* insurer has 40 days from the date of service of the summons and complaint upon the Commissioner ~~[or an authorized representative of the Commissioner]~~ within which to plead, answer or defend any such suit.

4. An unauthorized insurer entering into ~~[such]~~ an insurance contract *under the provisions of this chapter* shall be deemed thereby to have authorized service of process against it in the manner and to the effect provided in this section. Any such contract, if issued, must contain a provision stating the substance of this section and designating the person to whom the Commissioner ~~[or an authorized representative of the Commissioner]~~ *Division* shall ~~[mail]~~ *forward* process as provided in subsection 2.

5. For the purposes of this section, "process" includes only a summons or the initial documents served in an action. The Commissioner or an authorized representative of the Commissioner is not required to serve any documents after the initial service of process.

Sec. 21. NRS 686A.360 is hereby amended to read as follows:

686A.360 1. An application for a license to engage in the business of a company must be filed with the Commissioner on a form prescribed by the Commissioner and must include:

(a) A nonrefundable fee for application and for investigation of the applicant of \$500 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110;

(b) A surety bond ~~[payable to the State of Nevada in the amount of \$50,000, executed by a surety company which is authorized to do business in Nevada;]~~ *which complies with section 3 of this act and is in an amount determined by the Commissioner;*



(c) A current certified financial statement or another financial statement if individually approved by the Commissioner;

(d) An appointment of the Commissioner and the successors in office of the Commissioner as the applicant's attorney to receive service of process; and

(e) If the applicant is a corporation, a copy of its articles of incorporation.

2. The applicant shall provide the Commissioner with any material change concerning information contained in the application within 10 days after the change occurs.

Sec. 22. Chapter 687B of NRS is hereby amended by adding thereto the provisions set forth as sections 23 to 35, inclusive, of this act.

Sec. 23. *As used in sections 23 to 35, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 24 to 31, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 24. *"Attachment point" means the amount of claims or losses incurred by an insured beyond which an insurer under a policy of stop-loss insurance incurs a liability for payment to the insured.*

Sec. 25. *"Group health plan" has the meaning ascribed to it in NRS 689B.390.*

Sec. 26. *"Health care services" has the meaning ascribed to it in NRS 687B.620.*

Sec. 27. *"Multiple employer welfare arrangement" has the meaning ascribed to it in NRS 680A.028.*

Sec. 28. *"Network" has the meaning ascribed to it in NRS 687B.640.*

Sec. 29. *"Policy of provider stop-loss insurance" means a policy of stop-loss insurance which:*

1. Is issued to a provider of health care or a network;

2. Provides coverage for losses of the provider of health care or network above an attachment point which is stated in the policy; and

3. Covers losses of the provider of health care or network which result from the financial risk assumed by the provider of health care or network in a managed care contract with another insurer, including, without limitation, an accident and health insurer, health insurer, health maintenance organization or self-funded group health plan, with whom the provider of health care or network has entered into a contract to provide health care services.



Sec. 30. *“Policy of stop-loss insurance” means a policy or contract of insurance, which provides coverage for the losses of an insured above an attachment point which is stated in the policy or contract, including, without limitation, a policy of insurance which includes stop-loss coverage or excess loss coverage.*

Sec. 31. *“Provider of health care” has the meaning ascribed to it in NRS 687B.660.*

Sec. 32. *An insurer authorized in this State to issue policies or contracts of property and casualty insurance, accident and health insurance or health insurance shall report to the Commissioner any premiums written in this State by the insurer for policies of stop-loss insurance. The insurer shall report the premiums:*

1. With the annual statement filed by the insurer pursuant to NRS 680A.270; and

2. In the manner prescribed by the Commissioner.

Sec. 33. *1. An insurer intending to issue a policy of stop-loss insurance in this State to cover losses of a group health plan shall, before issuing the policy, exercise reasonable diligence to confirm that:*

(a) The underlying group health plan is legitimate; and

(b) The entity offering the underlying group health plan is properly authorized to offer the group health plan.

2. If the underlying group health plan is a self-funded multiple employer welfare arrangement, the reasonable diligence required by subsection 1 includes, without limitation, ensuring that the self-funded multiple employer welfare arrangement is authorized to do business in this State pursuant to chapter 680A of NRS as a self-funded multiple employer welfare arrangement.

Sec. 34. *A policy form for a policy of stop-loss insurance which is intended for issue in this State to cover losses of a group health plan must be filed with and approved by the Commissioner pursuant to NRS 687B.120 before being delivered or issued for delivery. In addition to any other applicable requirements, the policy form must satisfy the following requirements:*

1. The policy of stop-loss insurance must be issued to and insure the sponsor of the group health plan or the group health plan itself and must not be issued to or insure:

(a) Employees covered by the group health plan;

(b) Members of the group health plan; or

(c) Participants in the group health plan.



2. *Payments by the insurer under the policy of stop-loss insurance must be made to the sponsor of the group health plan or the group health plan itself and must not be made to:*

- (a) Employees covered by the group health plan;*
- (b) Members of the group health plan;*
- (c) Participants in the group health plan;*
- (d) Providers of health care who provide health care services pursuant to the group health plan; or*
- (e) A network whose providers of health care provide health care services pursuant to the group health plan.*

Sec. 35. 1. *A policy form for a policy of provider stop-loss insurance which is intended for issue in this State must be filed with and approved by the Commissioner pursuant to NRS 687B.120 before being delivered or issued for delivery. In addition to any other applicable requirements, the policy form must satisfy the following requirements:*

(a) The policy of provider stop-loss insurance must be issued to and insure the provider of health care or the network which enters into the policy.

(b) Payments by the insurer under the policy of provider stop-loss insurance must be made to the provider of health care or the network which enters into the policy.

(c) The policy of provider stop-loss insurance must provide:

(1) An attachment point per claimant of at least \$10,000; and

(2) An aggregate attachment point of at least \$100,000 per calendar year.

(d) The policy of provider stop-loss insurance must require that the proof of loss be furnished to the insurer within 90 days after:

(1) The date the loss is incurred; or

(2) Any date provided in the policy which is later than the date the loss is incurred.

2. *A policy form filed with the Commissioner for approval as required by subsection 1 must be accompanied by a separate document certifying that each of the requirements specified in paragraphs (a) to (d), inclusive, of subsection 1 have been met.*

Sec. 36. NRS 688C.200 is hereby amended to read as follows:

688C.200 1. Upon the filing of an application and payment of all applicable fees, the Commissioner shall investigate the applicant, and issue a license if the Commissioner finds that the applicant:



(a) If a provider of viatical settlements, has set forth a detailed plan of operation;

(b) Is competent and trustworthy and intends to act in good faith in the capacity for which the license is sought;

(c) Has a good reputation in business and, if a natural person, has had experience, training or education which qualifies the applicant in that capacity;

(d) If an organization, provides a certificate of good standing from the state of its domicile; and

(e) If a provider or broker of viatical settlements:

(1) Has included a plan to prevent fraud which satisfies the requirements of NRS 688C.490; and

(2) Has demonstrated evidence of financial responsibility through either:

(I) A surety bond ~~executed and issued by an authorized surety in favor of the State of Nevada, continuous in form~~ **which complies with section 3 of this act** and **is** in an amount ~~as~~ determined by the Commissioner, ~~of~~ **which must be** not less than \$250,000; or

(II) A deposit of cash, certificates of deposit, securities or any combination thereof in the amount of \$250,000.

2. The Commissioner shall not issue a license to a nonresident unless a written designation of an agent for service of process, or an irrevocable written consent to the commencement of an action against the applicant by service of process upon the Commissioner, accompanies the application.

3. A provider or broker of viatical settlements shall furnish to the Commissioner new or revised information concerning partners, members, officers, holders of more than 10 percent of its stock, and designated employees within 30 days after a change occurs.

4. Notwithstanding any provision of this section to the contrary, the Commissioner shall accept as evidence of financial responsibility proof that financial instruments complying with the requirements of this section have been filed with a state where the applicant is licensed as a provider or broker of viatical settlements.

5. A surety bond issued for the purposes of this section must specifically authorize recovery by the Commissioner on behalf of any person in this State who sustained damages as a result of:

(a) Erroneous acts;

(b) Failure to act; or

(c) Conviction of:

(1) Fraud; or

(2) Unfair practices,



↳ by the provider or broker of viatical settlements.

6. The Commissioner may request evidence of financial responsibility as described in subparagraph (2) of paragraph (e) of subsection 1 at any time the Commissioner deems necessary.

Sec. 37. NRS 689.185 is hereby amended to read as follows:
689.185 1. Except as otherwise provided in subsection 2:

(a) Before the issuance of a certificate of authority, the seller shall post with the Commissioner and thereafter maintain in force a bond ~~[in the principal sum of]~~ **which complies with section 3 of this act and is in an amount determined by the Commissioner, which must be not less than \$50,000**, ~~[issued by an authorized corporate surety in favor of the State of Nevada,]~~ or a deposit of cash or negotiable securities or a combination of cash and negotiable securities. If a deposit is made in lieu of a bond, the deposit must at all times have a market value of not less than the amount of the bond required by the Commissioner.

(b) The bond or deposit must be held for the benefit of buyers of prepaid contracts, and other persons as their interests may appear, who may be damaged by misuse or diversion of money by the seller or the agents of the seller, or to satisfy any judgments against the seller for failure to perform a prepaid contract. The aggregate liability of the surety for all breaches of the conditions of the bond must not exceed the sum of the bond. ~~[The surety on the bond has the right to cancel the bond upon giving 30 days' notice to the Commissioner and thereafter is relieved of liability for any breach of condition occurring after the effective date of the cancellation.~~

~~— (c) A certificate of authority issued to a seller is automatically suspended if the seller does not file with the Commissioner a replacement bond before the date of cancellation of the previous bond.]~~

(c) A replacement bond must meet all requirements of this subsection for the initial bond.

(d) The Commissioner shall release the ~~[bond or]~~ deposit after the seller has ceased doing business as such and the Commissioner is satisfied of the nonexistence of any obligation or liability of the seller for which the ~~[bond or]~~ deposit was held.

2. The Commissioner may waive the requirements of subsection 1 if the seller agrees:

(a) To offer for sale only prepaid contracts that are payable solely from the proceeds of a policy of life insurance; and

(b) Not to collect any money from the purchaser of a prepaid contract.



Sec. 38. NRS 689.255 is hereby amended to read as follows:

689.255 1. Each agent's license issued *or renewed* pursuant to NRS 689.150 to 689.375, inclusive, continues in force for 3 years unless it is suspended, revoked or otherwise terminated.

2. An agent's license may be renewed at the request of the holder of a valid seller's certificate of authority, upon filing a written request for renewal accompanied by all applicable fees for renewal and the statement required pursuant to NRS 689.258. All applicable fees for renewal are nonrefundable.

3. Any license not so renewed expires ~~[at midnight]~~ on the ~~[last day of the month specified for its]~~ renewal ~~[.]~~ *date*. The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the expiration of the license if the request is accompanied by a fee for renewal of 150 percent of all applicable fees otherwise required, except for any fee required pursuant to NRS 680C.110, and the statement required pursuant to NRS 689.258.

4. An agent's license is valid only while the agent is employed by a holder of a valid seller's certificate of authority.

5. As used in this section, "renewal date" means:

(a) For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.

(b) For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.

Sec. 39. NRS 689.495 is hereby amended to read as follows:

689.495 1. Except as otherwise provided in subsection 2:

(a) Before the issuance of a permit to a seller, the seller shall post with the Commissioner and thereafter maintain in force a bond ~~[in the principal sum of]~~ *which complies with section 3 of this act and is in an amount determined by the Commissioner, which must be not less than \$50,000, [issued by an authorized corporate surety in favor of the State of Nevada,]* or a deposit of cash or negotiable securities or a combination of cash and negotiable securities. If a deposit is made in lieu of a bond, the deposit must at all times have a market value not less than the amount of the bond required by the Commissioner.

(b) The bond or deposit must be held for the benefit of buyers of prepaid contracts, and other persons as their interests may appear, who may be damaged by misuse or diversion of money by the seller or the agents of the seller, or to satisfy any judgments against the seller for failure to perform a prepaid contract. The aggregate



liability of the surety for all breaches of the conditions of the bond must not exceed the sum of the bond. ~~[The surety on the bond has the right to cancel the bond upon giving 30 days' notice to the Commissioner and thereafter is relieved of liability for any breach of condition occurring after the effective date of the cancellation.~~

~~— (c) A permit issued to a seller is automatically suspended if the seller does not file with the Commissioner a replacement bond before the date of cancellation of the previous bond.]~~

(c) A replacement bond must meet all requirements of this subsection for the initial bond.

(d) The Commissioner shall release the ~~[bond or]~~ deposit after the seller has ceased doing business as such and the Commissioner is satisfied of the nonexistence of any obligation or liability of the seller for which the ~~[bond or]~~ deposit was held.

2. The Commissioner may waive the requirements of subsection 1 if the seller agrees:

(a) To offer for sale only prepaid contracts that are payable solely from the proceeds of a policy of life insurance; and

(b) Not to collect any money from the purchaser of a prepaid contract.

Sec. 40. NRS 689.505 is hereby amended to read as follows:

689.505 1. Each seller's permit issued *or renewed* pursuant to NRS 689.450 to 689.595, inclusive, continues in effect for 3 years unless it is suspended, revoked or otherwise terminated.

2. The Commissioner shall renew a seller's permit upon receiving a written request for renewal from the seller, accompanied by all applicable fees for renewal, which are not refundable, if the Commissioner finds that the seller is, at that time, in compliance with all applicable provisions of NRS 689.450 to 689.595, inclusive.

3. A permit which is not renewed expires ~~[at midnight]~~ on the ~~[last day specified for its]~~ renewal ~~[.]~~ date. The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the expiration of the permit if the request is accompanied by a fee for renewal of 150 percent of all applicable fees otherwise required, except for any fee required pursuant to NRS 680C.110.

4. *As used in this section, "renewal date" means:*

(a) For the first renewal of the permit, the last day of the month which is 3 years after the month in which the Commissioner originally issued the permit.

(b) For each renewal after the first renewal of the permit, the last day of the month which is 3 years after the month in which the permit was last due to be renewed.



Sec. 41. NRS 689.530 is hereby amended to read as follows:

689.530 1. Each agent's license issued *or renewed* pursuant to NRS 689.450 to 689.595, inclusive, continues in effect for 3 years unless it is suspended, revoked or otherwise terminated.

2. An agent's license may be renewed, unless it has been suspended or revoked, at the request of the holder of a valid seller's permit upon filing a written request for renewal accompanied by all applicable fees for renewal and the statement required pursuant to NRS 689.258. All applicable fees for renewal are not refundable.

3. *An agent's license which is not renewed expires on the renewal date.* The Commissioner may accept a request for renewal which is received by the Commissioner within 30 days after the expiration of the license if the request is accompanied by a fee for renewal of 150 percent of all applicable fees otherwise required, except for any fee required pursuant to NRS 680C.110, and the statement required pursuant to NRS 689.258.

4. An agent's license is valid only while the agent is employed by a holder of a valid seller's permit.

5. *As used in this section, "renewal date" means:*

(a) *For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.*

(b) *For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.*

Sec. 42. NRS 689A.717 is hereby amended to read as follows:

689A.717 1. Except as otherwise provided in this subsection, an individual health benefit plan issued pursuant to this chapter that includes coverage for maternity care and pediatric care for newborn infants may not restrict benefits for any length of stay in a hospital in connection with childbirth for a *[mother] pregnant or postpartum individual* or newborn infant covered by the plan to:

(a) Less than 48 hours after a normal vaginal delivery; and

(b) Less than 96 hours after a cesarean section.

↳ If a different length of stay is provided in the guidelines established by the American College of Obstetricians and Gynecologists, or its successor organization, and the American Academy of Pediatrics, or its successor organization, the individual health benefit plan may follow such guidelines in lieu of following the length of stay set forth above. The provisions of this subsection do not apply to any individual health benefit plan in any case in which the decision to discharge the *[mother] pregnant or postpartum individual* or newborn infant before the expiration of



the minimum length of stay set forth in this subsection is made by the attending physician of the **{mother} pregnant or postpartum individual** or newborn infant.

2. Nothing in this section requires a **{mother} pregnant or postpartum individual** to:

(a) Deliver **{her} the** baby in a hospital; or

(b) Stay in a hospital for a fixed period following the birth of **{her} the** child.

3. An individual health benefit plan that offers coverage for maternity care and pediatric care of newborn infants may not:

(a) Deny a **{mother} pregnant or postpartum individual** or **{her} the** newborn infant coverage or continued coverage under the terms of the plan or coverage if the sole purpose of the denial of coverage or continued coverage is to avoid the requirements of this section;

(b) Provide monetary payments or rebates to a **{mother} pregnant or postpartum individual** to encourage **{her} the individual** to accept less than the minimum protection available pursuant to this section;

(c) Penalize, or otherwise reduce or limit, the reimbursement of an attending provider of health care because the attending provider of health care provided care to a **{mother} pregnant or postpartum individual** or newborn infant in accordance with the provisions of this section;

(d) Provide incentives of any kind to an attending physician to induce the attending physician to provide care to a **{mother} pregnant or postpartum individual** or newborn infant in a manner that is inconsistent with the provisions of this section; or

(e) Except as otherwise provided in subsection 4, restrict benefits for any portion of a hospital stay required pursuant to the provisions of this section in a manner that is less favorable than the benefits provided for any preceding portion of that stay.

4. Nothing in this section:

(a) Prohibits an individual health benefit plan from imposing a deductible, coinsurance or other mechanism for sharing costs relating to benefits for hospital stays in connection with childbirth for a **{mother} pregnant or postpartum individual** or newborn child covered by the plan, except that such coinsurance or other mechanism for sharing costs for any portion of a hospital stay required by this section may not be greater than the coinsurance or other mechanism for any preceding portion of that stay.

(b) Prohibits an arrangement for payment between an individual health benefit plan and a provider of health care that uses capitation or other financial incentives, if the arrangement is designed to



provide services efficiently and consistently in the best interest of the ~~mother~~ *pregnant or postpartum individual* and ~~her~~ *the* newborn infant.

(c) Prevents an individual health benefit plan from negotiating with a provider of health care concerning the level and type of reimbursement to be provided in accordance with this section.

Sec. 43. NRS 689B.520 is hereby amended to read as follows:

689B.520 1. Except as otherwise provided in this subsection, a group health plan or coverage offered under group health insurance issued pursuant to this chapter that includes coverage for maternity care and pediatric care for newborn infants may not restrict benefits for any length of stay in a hospital in connection with childbirth for a ~~mother~~ *pregnant or postpartum individual* or newborn infant covered by the plan or coverage to:

(a) Less than 48 hours after a normal vaginal delivery; and

(b) Less than 96 hours after a cesarean section.

↪ If a different length of stay is provided in the guidelines established by the American College of Obstetricians and Gynecologists, or its successor organization, and the American Academy of Pediatrics, or its successor organization, the group health plan or health insurance coverage may follow such guidelines in lieu of following the length of stay set forth above. The provisions of this subsection do not apply to any group health plan or health insurance coverage in any case in which the decision to discharge the ~~mother~~ *pregnant or postpartum individual* or newborn infant before the expiration of the minimum length of stay set forth in this subsection is made by the attending physician of the ~~mother~~ *pregnant or postpartum individual* or newborn infant.

2. Nothing in this section requires a ~~mother~~ *pregnant or postpartum individual* to:

(a) Deliver ~~her~~ *the* baby in a hospital; or

(b) Stay in a hospital for a fixed period following the birth of ~~her~~ *the* child.

3. A group health plan or coverage under group health insurance that offers coverage for maternity care and pediatric care of newborn infants may not:

(a) Deny a ~~mother~~ *pregnant or postpartum individual* or ~~her~~ *the* newborn infant coverage or continued coverage under the terms of the plan or coverage if the sole purpose of the denial of coverage or continued coverage is to avoid the requirements of this section;

(b) Provide monetary payments or rebates to a ~~mother~~ *pregnant or postpartum individual* to encourage ~~her~~ *the*



individual to accept less than the minimum protection available pursuant to this section;

(c) Penalize, or otherwise reduce or limit, the reimbursement of an attending provider of health care because the attending provider of health care provided care to a ~~{mother}~~ *pregnant or postpartum individual* or newborn infant in accordance with the provisions of this section;

(d) Provide incentives of any kind to an attending physician to induce the attending physician to provide care to a ~~{mother}~~ *pregnant or postpartum individual* or newborn infant in a manner that is inconsistent with the provisions of this section; or

(e) Except as otherwise provided in subsection 4, restrict benefits for any portion of a hospital stay required pursuant to the provisions of this section in a manner that is less favorable than the benefits provided for any preceding portion of that stay.

4. Nothing in this section:

(a) Prohibits a group health plan or carrier from imposing a deductible, coinsurance or other mechanism for sharing costs relating to benefits for hospital stays in connection with childbirth for a ~~{mother}~~ *pregnant or postpartum individual* or newborn child covered by the plan, except that such coinsurance or other mechanism for sharing costs for any portion of a hospital stay required by this section may not be greater than the coinsurance or other mechanism for any preceding portion of that stay.

(b) Prohibits an arrangement for payment between a group health plan or carrier and a provider of health care that uses capitation or other financial incentives, if the arrangement is designed to provide services efficiently and consistently in the best interest of the ~~{mother}~~ *pregnant or postpartum individual* and ~~{her}~~ *the* newborn infant.

(c) Prevents a group health plan or carrier from negotiating with a provider of health care concerning the level and type of reimbursement to be provided in accordance with this section.

Sec. 44. NRS 689C.194 is hereby amended to read as follows:

689C.194 1. Except as otherwise provided in this subsection, a health benefit plan issued pursuant to this chapter that includes coverage for maternity care and pediatric care for newborn infants may not restrict benefits for any length of stay in a hospital in connection with childbirth for a ~~{mother}~~ *pregnant or postpartum individual* or newborn infant covered by the plan to:

- (a) Less than 48 hours after a normal vaginal delivery; and
- (b) Less than 96 hours after a cesarean section.



↪ If a different length of stay is provided in the guidelines established by the American College of Obstetricians and Gynecologists, or its successor organization, and the American Academy of Pediatrics, or its successor organization, the health benefit plan may follow such guidelines in lieu of following the length of stay set forth above. The provisions of this subsection do not apply to any health benefit plan in any case in which the decision to discharge the **[mother] pregnant or postpartum individual** or newborn infant before the expiration of the minimum length of stay set forth in this subsection is made by the attending physician of the **[mother] pregnant or postpartum individual** or newborn infant.

2. Nothing in this section requires a **[mother] pregnant or postpartum individual** to:

(a) Deliver **[her] the** baby in a hospital; or

(b) Stay in a hospital for a fixed period following the birth of **[her] the** child.

3. A health benefit plan that offers coverage for maternity care and pediatric care of newborn infants may not:

(a) Deny a **[mother] pregnant or postpartum individual** or **[her] the** newborn infant coverage or continued coverage under the terms of the plan if the sole purpose of the denial of coverage or continued coverage is to avoid the requirements of this section;

(b) Provide monetary payments or rebates to a **[mother] pregnant or postpartum individual** to encourage **[her] the individual** to accept less than the minimum protection available pursuant to this section;

(c) Penalize, or otherwise reduce or limit, the reimbursement of an attending provider of health care because the attending provider of health care provided care to a **[mother] pregnant or postpartum individual** or newborn infant in accordance with the provisions of this section;

(d) Provide incentives of any kind to an attending physician to induce the attending physician to provide care to a **[mother] pregnant or postpartum individual** or newborn infant in a manner that is inconsistent with the provisions of this section; or

(e) Except as otherwise provided in subsection 4, restrict benefits for any portion of a hospital stay required pursuant to the provisions of this section in a manner that is less favorable than the benefits provided for any preceding portion of that stay.

4. Nothing in this section:

(a) Prohibits a health benefit plan or carrier from imposing a deductible, coinsurance or other mechanism for sharing costs



relating to benefits for hospital stays in connection with childbirth for a ~~[mother]~~ *pregnant or postpartum individual* or newborn child covered by the plan, except that such coinsurance or other mechanism for sharing costs for any portion of a hospital stay required by this section may not be greater than the coinsurance or other mechanism for any preceding portion of that stay.

(b) Prohibits an arrangement for payment between a health benefit plan or carrier and a provider of health care that uses capitation or other financial incentives, if the arrangement is designed to provide services efficiently and consistently in the best interest of the ~~[mother]~~ *pregnant or postpartum individual* and ~~[her]~~ *the* newborn infant.

(c) Prevents a health benefit plan or carrier from negotiating with a provider of health care concerning the level and type of reimbursement to be provided in accordance with this section.

Sec. 45. NRS 689C.560 is hereby amended to read as follows:

689C.560 A voluntary purchasing group shall post a bond for the benefit of members of the group and their eligible employees and dependents, or deposit a certificate of deposit or securities, ~~[in such a manner]~~ *which complies with section 3 of this act* and *is in an amount as determined by the Commissioner .* ~~[establishes by regulation.]~~

Secs. 46-53. (Deleted by amendment.)

Sec. 54. NRS 692A.103 is hereby amended to read as follows:

692A.103 1. A person who wishes to obtain a license as an escrow officer must:

- (a) File a written application in the Office of the Commissioner;
- (b) Except as otherwise provided in subsection 3, demonstrate competency in matters relating to escrows by:

(1) Having at least 1 year of recent experience with respect to escrows of a sufficient nature to allow the person to fulfill the responsibilities of an escrow officer; or

(2) Passing a written examination concerning escrows as prescribed by the Commissioner;

(c) Submit the name and business address of the title agent who will supervise the escrow officer;

(d) Submit the statement required pursuant to NRS 692A.1033; and

(e) Pay the fees required by NRS 680B.010 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110.

2. The Commissioner shall issue a license as an escrow officer to any person who satisfies the requirements of subsection 1.



3. The Commissioner may waive the requirements of paragraph (b) of subsection 1 if the applicant submits with his or her application satisfactory proof that the applicant, in good standing, currently holds a license, or held a license within 1 year before the date the applicant submits the application, which was issued pursuant to the provisions of NRS 645A.020.

4. A license issued *or renewed* pursuant to this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. The license may be renewed upon submission of the statement required pursuant to NRS 692A.1033 and payment of all applicable fees for renewal to the Commissioner on or before the ~~[last day of the month in which]~~ *renewal date for* the license. ~~[is renewable.]~~

5. ~~[A license which is not renewed expires at midnight on the last day specified for its renewal.]~~ The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the expiration of the license if the request is accompanied by the statement required pursuant to NRS 692A.1033 and a fee for renewal of 150 percent of all applicable fees otherwise required, except for any fee required pursuant to NRS 680C.110.

6. *Except as otherwise provided in subsection 8, a license as an escrow officer expires if the Commissioner does not receive from the escrow officer an application for renewal pursuant to subsection 4 or 5 on or before the date which is 30 days after the renewal date.*

7. *The fees specified in subsections 4 and 5 are not refundable.*

8. *An escrow officer who is unable to renew his or her license because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.*

9. *A license must state the licensee's name, address, personal identification number, the date of issuance, the lines of authority and the date of expiration and must contain any other information the Commissioner considers necessary. The license must be made available for public inspection upon request.*

10. *A licensee shall inform the Commissioner of each change of business, residence or electronic mail address, in writing or by other means acceptable to the Commissioner, within 30 days after the change.*

11. The Commissioner shall adopt regulations to carry out the provisions of this section.



12. As used in this section, “renewal date” means:

(a) For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.

(b) For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.

Sec. 55. NRS 692A.1041 is hereby amended to read as follows:

692A.1041 1. In addition to all other requirements set forth in this title and except as otherwise provided in ~~[subsection 4]~~ *subsections 2 and 3* and NRS 692A.1042, as a condition to doing business in this State, each title agent and title insurer shall deposit with the Commissioner and keep in full force and effect a corporate surety bond ~~[payable to the State of Nevada, in the amount set forth in subsection 3, which is executed by a corporate surety satisfactory to]~~ *which complies with section 3 of this act and is in an amount as determined by the Commissioner . [and which names] The bond must name* as principals the title agency or title insurer and all escrow officers employed by or associated with the title agent or title insurer.

2. ~~[The bond must be in substantially the following form:~~

~~— Know All Persons by These Presents, that as principal, and as surety, are held and firmly bound unto the State of Nevada for the use and benefit of any person who suffers damages because of a violation of any of the provisions of chapter 692A of NRS, in the sum of, lawful money of the United States, to be paid to the State of Nevada for such use and benefit, for which payment well and truly to be made, and that we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.~~

~~—The condition of that obligation is such that: Whereas, the Commissioner of Insurance of the Department of Business and Industry of the State of Nevada has issued the principal a license or certificate of authority as a title agent or title insurer, and the principal is required to furnish a bond, which is conditioned as set forth in this bond:~~

~~—Now, therefore, if the principal, the principal’s agents and employees, strictly, honestly and faithfully comply with the provisions of chapter 692A of NRS, and pay all damages suffered by any person because of a violation of any of the~~



~~provisions of chapter 692A of NRS, or by reason of any fraud, dishonesty, misrepresentation or concealment of material facts growing out of any transaction governed by the provisions of chapter 692A of NRS, then this obligation is void; otherwise it remains in full force.~~

~~— This bond becomes effective on the(day) of(month) of(year), and remains in force until the surety is released from liability by the Commissioner of Insurance or until this bond is cancelled by the surety. The surety may cancel this bond and be relieved of further liability hereunder by giving 60 days' written notice to the principal and to the Commissioner of Insurance of the Department of Business and Industry of the State of Nevada.~~

~~— In Witness Whereof, the seal and signature of the principal hereto is affixed, and the corporate seal and the name of the surety hereto is affixed and attested by its authorized officers at, Nevada, this(day) of(month) of(year).~~

.....(Seal)

[Principal]

.....(Seal)

[Surety]

By.....

[Attorney in fact]

.....

Nevada licensed insurance agent

~~—3.]~~ Each title agent and title insurer ~~[shall deposit]~~ **may, in lieu of** a corporate surety bond that complies with the provisions of ~~[this section or]~~ **subsection 1, deposit** a substitute form of security that complies with the provisions of NRS 692A.1042 in an amount ~~[that:~~

~~— (a) Is not less than \$20,000 or 2 percent of the average collected balance of the trust account or escrow account maintained by the title agent or title insurer pursuant to NRS 692A.250, whichever is greater; and~~

~~— (b) Is not more than \$250,000.~~

~~→]~~ **as determined by the Commissioner.** The Commissioner shall determine the appropriate amount of the ~~[surety bond or]~~ substitute form of security that must be deposited initially by the title agent or title insurer based upon the expected average collected balance of the trust account or escrow account maintained by the title agent or title insurer pursuant to NRS 692A.250. After the initial deposit, the



Commissioner shall, on an annual basis, determine the appropriate amount of the ~~surety bond or~~ substitute form of security that must be deposited by the title agent or title insurer based upon the average collected balance of the trust account or escrow account maintained by the title agent or title insurer pursuant to NRS 692A.250. *A natural person licensed as a title agent is not obligated to deposit a corporate surety bond or substitute security, as defined in NRS 692A.1042, if that natural person is employed by a title insurer, or by a firm or corporation licensed as a title agent.*

~~4.~~ 3. A title agent or title insurer may offset or reduce the amount of the ~~surety bond or~~ substitute form of security that the title agent or title insurer is required to deposit pursuant to subsection ~~3~~ 2 by the amount of any of the following:

- (a) Cash or securities deposited with the Commissioner in this State pursuant to NRS 680A.140 or 682B.015.
- (b) Reserves against unpaid losses and loss expenses maintained pursuant to NRS 692A.150 or 692A.170.
- (c) Unearned premium reserves maintained pursuant to NRS 692A.160 or 692A.170.
- (d) Fidelity bonds maintained by the title agent or title insurer.
- (e) Other bonds or policies of insurance maintained by the title agent or title insurer covering liability for economic losses to customers caused by the title agent or title insurer.

Sec. 56. NRS 692A.230 is hereby amended to read as follows:

692A.230 1. No person may engage in business as a title plant company unless the person has been granted a license to do so by the Commissioner.

2. An applicant for a license to conduct business as a title plant company shall submit as part of his or her application:

- (a) A copy of the proposed articles of incorporation or association and bylaws, or the partnership agreement, which will govern the operation of the business.
- (b) A list of the owners or participants and the nature and degree of their interest.
- (c) A list of the persons who will operate the business, and their addresses and qualifications, including experience.
- (d) The conditions under which ownership or participation in the business may be sold or acquired.
- (e) A statement of whether or not title information will be compiled for persons other than owners or participants in the business.
- (f) A pro forma balance sheet and other financial information to indicate the sufficiency of financing of the business.



(g) Other information which the Commissioner requires.

(h) ~~[A] The fee [of \$10.] specified in NRS 680B.010.~~

3. If the Commissioner finds that:

(a) The business of the applicant will be sufficiently financed;

(b) The persons who will be operating the business are qualified;

(c) The rules of operation expressed in the articles of incorporation or association and the bylaws, or in the partnership agreement, will promote the efficiency of the operation of the owners or participants; and

(d) The operation of the business will not unduly restrict competition, the Commissioner may issue a license to the applicant and permit organization of the business.

4. A license issued under this section is valid for a period of 1 year, and may be renewed by the submission of any information which the Commissioner requires and ~~[a] the fee [of \$10.] specified in NRS 680B.010.~~

5. A license issued under this section may be suspended or revoked by the Commissioner if:

(a) The licensee ceases to operate in a manner set forth in its approved application.

(b) In the opinion of the Commissioner, the operation of the business has become a restraint on competition or is not in the best interests of the public.

(c) The licensee has not informed the Commissioner promptly of each change in conditions set forth in its application.

6. The Commissioner shall give written notice to any licensee whose license the Commissioner intends to suspend or revoke, and the licensee shall be granted a hearing if the licensee requests it in writing within 15 days after the receipt of the notice from the Commissioner. A decision of the Commissioner after hearing is final administrative action.

7. This section does not apply to any person licensed under the provisions of this chapter engaged in the business of a title plant company when the operation is not in concert with others.

Sec. 56.1. Chapter 692C of NRS is hereby amended by adding thereto the provisions set forth as sections 56.15 to 56.55, inclusive, of this act:

Sec. 56.15. *“Group Capital Calculation instructions” means the applicable instructions for group capital calculations as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.*

Sec. 56.2. *“NAIC Liquidity Stress Test Framework” means a separate NAIC publication which includes a history of the NAIC’s*



development of regulatory liquidity stress testing, the scope criteria applicable for a specific data year and the liquidity stress test instructions and reporting templates for a specific data year, with the scope criteria, instructions and reporting template being as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

Sec. 56.25. *“Scope Criteria” means, as detailed in the NAIC Liquidity Stress Test Framework, the designated exposure bases along with minimum magnitudes thereof for the specified data year, used to establish a preliminary list of insurers considered scoped into the NAIC Liquidity Stress Test Framework for that data year.*

Sec. 56.3. *1. The group capital calculation and resulting group capital ratio required under subsection 3 of NRS 692.290 and the liquidity stress test along with its results and supporting disclosures required under subsection 4 of NRS 692.290 may be used as regulatory tools for assessing group risks and capital adequacy and group liquidity risks, respectively, and must not be used to rank insurers or insurance holding company systems generally.*

2. Except as authorized by subsection 3 or as otherwise required in this chapter, a person shall not engage in the making, publishing, disseminating, circulating or placing before the public, or causing directly or indirectly to be made, published, disseminated, circulated or placed before the public in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station or any electronic means of communication available to the public, or in any other way as an advertisement, announcement or statement containing a representation or statement with regard to the group capital calculation, group capital ratio, the liquidity stress test results or supporting disclosures for the liquidity stress test of any insurer or any insurer group, or of any component derived in the calculation by any insurer, broker or other person engaged in any manner in the insurance business, and any such action shall be deemed by the Commissioner to be misleading.

3. If any materially false statement with respect to the group capital calculation, resulting group capital ratio, an inappropriate comparison of any amount to an insurer’s or insurance group’s group capital calculation or resulting group capital ratio, liquidity stress test result, supporting disclosures for the liquidity stress test or an inappropriate comparison of any amount to an insurer’s or



insurance group's liquidity stress test result or supporting disclosures is published in any written publication and the insurer is able to demonstrate to the Commissioner with substantial proof the falsity of such statement or the inappropriateness, as the case may be, then the insurer may publish announcements in a written publication if the sole purpose of the announcement is to rebut the materially false statement.

Sec. 56.35. 1. *When an insurance holding company system has previously filed the annual group capital calculation at least once, the lead state commissioner has the discretion to exempt the ultimate controlling person from filing the annual group capital calculation if the lead state commissioner makes a determination based upon that filing that the insurance holding company system meets all of the following criteria:*

(a) Has annual direct written and unaffiliated assumed premiums, including, without limitation, international direct and assumed premiums, but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000;

(b) Has no insurers within its holding company structure that are domiciled outside of the United States or one of its territories;

(c) Has no banking, depository or other financial entity that is subject to an identified regulatory capital framework within its holding company structure;

(d) The holding company system attests that there are no material changes in the transactions between insurers and non-insurers in the group that have occurred since the last filing of the annual group capital; and

(e) The non-insurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

2. *When an insurance holding company system has previously filed the annual group capital calculation at least once, the lead state commissioner has the discretion to accept in lieu of the group capital calculation a limited group capital filing if the insurance holding company system has annual direct written and unaffiliated assumed premiums, including, without limitation, international direct and assumed premiums, but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000, and the insurance holding company system:*

(a) Has no insurers within its holding company structure that are domiciled outside of the United States or one of its territories;



(b) Does not include a banking, depository or other financial entity that is subject to an identified regulatory capital framework; and

(c) Attests that there are no material changes in transactions between insurers and non-insurers in the group that have occurred since the last filing of the report to the lead state commissioner and the non-insurers within the holding company system do not pose a material financial risk to the insurers ability to honor policyholder obligations.

3. For an insurance holding company that has previously met an exemption with respect to the group capital calculation pursuant subsection 1 or 2, the lead state commissioner may require at any time the ultimate controlling person to file an annual group capital calculation, completed in accordance with the NAIC Group Capital Calculation Instructions, if any of the following criteria are met:

(a) Any insurer within the insurance holding company system is not in compliance with risk-based capital requirements pursuant to NRS 681B.550 and any regulations adopted pursuant thereto, or a similar standard for a non-United States insurer;

(b) Any insurer within the insurance holding company system meets one or more of the standards of an insurer deemed to be in hazardous financial condition pursuant to NRS 680A.205 and any regulations adopted pursuant thereto; or

(c) Any insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer as determined by the lead state commissioner based on unique circumstances including, without limitation, the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

Sec. 56.4. 1. *A non-United States jurisdiction is considered to recognize and accept the group capital calculation if it satisfies the following criteria:*

(a) With respect to the paragraph (d) of subsection 3 of NRS 692C.290:

(1) The non-United States jurisdiction recognizes the United States's state regulatory approach to group supervision and group capital, by providing confirmation by a competent regulatory authority, in such jurisdiction, that insurers and insurance groups whose lead state is accredited by the NAIC under the NAIC Accreditation Program shall be subject only to worldwide prudential insurance group supervision including worldwide group governance, solvency and capital, and reporting,



as applicable, by the lead state and will not be subject to group supervision, including, without limitation, worldwide group governance, solvency and capital, and reporting, at the level of the worldwide parent undertaking of the insurance or reinsurance group by the non-United States jurisdiction; or

(2) If no United States insurance groups operate in the non-United States jurisdiction, that non-United States jurisdiction indicates formally in writing to the lead state commissioner with a copy to the International Association of Insurance Supervisors that the group capital calculation is an acceptable international capital standard. This serves as the documentation otherwise required in subparagraph (1).

(b) The non-United States jurisdiction provides confirmation by a competent regulatory authority in such jurisdiction that information regarding insurers and their parent, subsidiary, or affiliated entities, if applicable, shall be provided to the lead state commissioner in accordance with a memorandum of understanding or similar document between the commissioner and such jurisdiction, including, without limitation, the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC. The Commissioner shall determine, in consultation with the NAIC, whether the requirements of the information sharing agreements are in force.

2. For the purposes of subsection 1, a list of non-United States jurisdictions that recognize and accept the group capital calculation, published by the NAIC, may be considered as further specified by the following:

(a) A list of jurisdictions that recognize and accept the group capital calculation pursuant to paragraph (d) of subsection 3 of NRS 692C.290, published by the NAIC, may be used to assist the lead state commissioner in determining which insurers shall file an annual group capital calculation. The list may be used to clarify those situations in which a jurisdiction is exempted from filing under paragraph (d) of subsection 3 of NRS 692C.290. To assist with a determination under subsection 4 of NRS 692C.290, the list may be used to identify whether a jurisdiction that is exempted under either paragraph (c) of subsection 3 of NRS 692C.290 or paragraph (d) of subsection 3 of NRS 692C.290 requires a group capital filing for any United States based insurance group's operations in that non-United States jurisdiction.



(b) For a non-United States jurisdiction where no United States insurance groups operate, the confirmation provided to meet the requirement of subparagraph (2) of paragraph (a) of subsection 1 serves as support for a recommendation to be published as a jurisdiction that recognizes and accepts the group capital calculation adopted by the NAIC.

3. If the lead state commissioner makes a determination pursuant to paragraph (d) of subsection 3 of NRS 692C.290 that differs from the list published by the NAIC, the lead state commissioner must provide thoroughly documented justification to the NAIC and other states.

4. Upon determination by the lead state commissioner that a non-United States jurisdiction no longer meets one or more of the requirements to recognize and accept the group capital calculation, the lead state commissioner may provide a recommendation to the NAIC that the non-United States jurisdiction be removed from the list of jurisdictions that recognize and accept the group capital calculation.

Sec. 56.45. NRS 692C.020 is hereby amended to read as follows:

692C.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 692C.025 to 692C.110, inclusive, *and sections 56.15, 56.2 and 56.25 of this act* have the meanings ascribed to them in those sections.

Sec. 56.5. NRS 692C.280 is hereby amended to read as follows:

692C.280 No information need be disclosed on the registration statement filed pursuant to NRS 692C.270 if such information is not material for the purposes of NRS 692C.260 to 692C.350, inclusive. Unless the Commissioner by rule, regulation or order provides otherwise, sales, purchases, exchanges, loans or extensions of credit, or investments involving one-half of 1 percent or less of an insurer's admitted assets as of the 31st day of December next preceding, shall not be deemed material for purposes of NRS 692C.260 to 692C.350, inclusive. *The specifications for materiality provided in this section do not apply for the purpose of a group capital calculation or the liquidity stress test framework.*

Sec. 56.55. NRS 692C.290 is hereby amended to read as follows:

692C.290 1. Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions on forms provided by the Commissioner within 15 days after the end of the month in which it



learns of each such change or addition, and not less often than annually, except that, subject to the provisions of NRS 692C.390, each registered insurer shall report all dividends and other distributions to shareholders within 5 business days following the declaration and 10 days before payment.

2. The principal of a registered insurer shall file an annual report of enterprise risk pursuant to this subsection. If the principal of a registered insurer does not file a report of enterprise risk with the commissioner of the lead state of the insurance company system, as determined by the most recent edition of the Financial Analysis Handbook, published by the NAIC, in a calendar year, the principal shall file a report of enterprise risk with the Commissioner. The principal shall include in the report the material risks within the insurance holding company system that, to the best of his or her knowledge and belief, may pose enterprise risk to the registered insurer.

3. *Except as otherwise provided in this subsection, the ultimate controlling person of every insurer subject to registration shall concurrently file with the registration an annual group capital calculation as directed by the lead state commissioner. The report shall be completed in accordance with the Group Capital Calculation Instructions, which may permit the lead state commissioner to allow a controlling person that is not the ultimate controlling person to file the group capital calculation. The report shall be filed with the lead state commissioner of the insurance holding company system as determined by the Commissioner in accordance with the procedures within the Financial Analysis Handbook adopted by the NAIC. An insurance holding company system is exempt from filing the group capital calculation if it is:*

(a) An insurance holding company system that has only one insurer within its holding company structure, that only writes business and is only licensed in its domestic state, and assumes no business from any other insurer.

(b) Except as otherwise provided in this paragraph, an insurance holding company system that is required to perform a group capital calculation specified by the United States Federal Reserve Board. The lead state commissioner shall request the calculation from the Federal Reserve Board under the terms of information sharing agreements currently in effect. If the Federal Reserve Board cannot share the calculation with the lead state commissioner, the insurance holding company system is not exempt from the group capital calculation filing.



(c) An insurance holding company system whose non-United States group wide supervisor is located within a reciprocal jurisdiction as defined in section 6.14 of this act that recognizes the United States’s state regulatory approach to group supervision and group capital.

(d) An insurance holding company system:

(1) That provides information to the lead state that meets the requirements for accreditation under the NAIC financial standards and accreditation program, either directly or indirectly through the group-wide supervisor, who has determined such information is satisfactory to allow the lead state to comply with the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook; and

(2) Whose non-United States group-wide supervisor that is not in a reciprocal jurisdiction as defined in section 6.14 of this act recognizes and accepts, as specified by the Commissioner in regulation, the group capital calculation as the world-wide group capital assessment for United States insurance groups who operate in that jurisdiction.

4. Notwithstanding the provisions of paragraphs (c) and (d) of subsection 3, a lead state commissioner shall require the group capital calculation for United States operations of any non-United States based insurance holding company system where, after any necessary consultation with other supervisors or officials, it is deemed appropriate by the lead state commissioner for prudential oversight and solvency monitoring purposes or for ensuring the competitiveness of the insurance marketplace.

5. Notwithstanding the exemptions from filing the group capital calculation stated in paragraphs (a) to (d), inclusive, of subsection 3, the lead state commissioner has the discretion to exempt the ultimate controlling person from filing the annual group capital calculation or to accept a limited group capital filing or report in accordance with criteria as specified by the Commissioner in regulation.

6. If the lead state commissioner determines that an insurance holding company system no longer meets one or more of the requirements for an exemption from filing the group capital calculation under subsection 3, the insurance holding company system shall file the group capital calculation at the next annual filing date unless given an extension by the lead state commissioner based on reasonable grounds shown.

7. The ultimate controlling person of every insurer subject to registration and also scoped into the NAIC Liquidity Stress Test



Framework shall file the results of a specific year's liquidity stress test. The filing shall be made to the lead state insurance commissioner of the insurance holding company system as determined by the procedures within the Financial Analysis Handbook adopted by the NAIC.

8. For the purposes of subsection 7:

(a) The NAIC Liquidity Stress Test Framework and the included scope criteria applicable to a specific data year, which are reviewed at least annually by the NAIC Financial Stability Task Force or its successor, and any change to the NAIC Liquidity Stress Test Framework or to the data year for which the scope criteria are to be measured, are effective on January 1 of the year following the calendar year when such changes are adopted by the NAIC.

(b) An insurer which meets at least one threshold of the scope criteria is considered scoped in to the NAIC Liquidity Stress Test Framework for the specified data year unless the lead state insurance commissioner, in consultation with the NAIC Financial Stability Task Force or its successor, determines the insurer should not be scoped into the NAIC Liquidity Stress Test Framework for that data year.

(c) An insurer that does not trigger at least one threshold of the scope criteria is not considered scoped into the NAIC Liquidity Stress Test Framework for the specified data year unless the lead state insurance commissioner, in consultation with the NAIC Financial Stability Task Force or its successor, determines the insurer should be scoped into the NAIC Liquidity Stress Test Framework for that data year.

9. The lead state commissioner, in consultation with the NAIC Financial Stability Task Force or its successor, will assess whether an insurer is scoped in or not scoped in to the NAIC Liquidity Stress Test Framework as part of the lead state commissioner's determinations pursuant to this section for an insurer.

10. The performance of, and filing of the results from, a specific year's liquidity stress test shall comply with the NAIC Liquidity Stress Test Framework's instructions and reporting templates for that year and any lead state insurance commissioner's determination, in conjunction with the Financial Stability Task Force or its successor, as provided within the NAIC Liquidity Stress Test Framework.

11. Whenever it appears to the Commissioner that any person has committed a violation of subsection 2 which prevents the full



understanding of the enterprise risk to the insurer by affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for conducting an examination of the insurer pursuant to NRS 679B.230 to 679B.287, inclusive.

Sec. 57. NRS 692C.3504 is hereby amended to read as follows:

692C.3504 1. Each insurer, or the insurance group of which the insurer is a member, shall, not later than June 1 of each calendar year, submit to the Commissioner a corporate governance annual disclosure which contains the information prescribed by the Commissioner by regulation pursuant to subsection 2 of NRS 692C.3506. If an insurer is a member of an insurance group, the insurer shall submit the report required by this section to the insurance commissioner of the lead state for the insurance group in accordance with the laws of the lead state, as determined by the procedures contained in the most recent Financial Analysis Handbook published by the National Association of Insurance Commissioners.

2. *Each year after the year in which the insurer or insurance group first submitted its corporate governance annual disclosure pursuant to subsection 1, the insurer or insurance group shall submit to the Commissioner an amended version of the corporate governance annual disclosure which was submitted the previous year. The amended version must indicate where changes to the corporate governance annual disclosure have been made, including, without limitation, any changes in the information or activities reported by the insurer or insurance group. If no changes have been made, the amended version must expressly indicate that no changes have been made.*

3. The corporate governance annual disclosure must include the signature of the chief executive officer or corporate secretary of the insurer or insurance group attesting that, to the best of that person's belief and knowledge, the insurer or insurance group has implemented the corporate governance practices described in the corporate governance annual disclosure and that a copy of the corporate governance annual disclosure has been provided to the board of directors, or the appropriate committee thereof, of the insurer or insurance group.

~~3.~~ 4. An insurer that is not required to submit a corporate governance annual disclosure to the Commissioner pursuant to subsection 1 shall do so upon the Commissioner's request.



~~[4.]~~ **5.** For purposes of completing the corporate governance annual disclosure, the insurer or insurance group may provide information regarding the corporate governance at the level of the legal entity which exercises ultimate control over the insurer or insurance group, of an intermediate holding company or of the insurer or insurance group, depending upon the manner in which the insurer or insurance group has structured its system of corporate governance. The insurer or insurance group shall, to the extent practicable, provide such information at the level at which:

(a) The insurer or insurance group determines the amount of risk it is willing to bear;

(b) The earnings, capital, liquidity, operations and reputation of the insurer or insurance group are overseen collectively and the supervision of those factors are coordinated and exercised; or

(c) Legal liability for a failure of general corporate governance duties would be placed.

↳ If the insurer or insurance group determines the level of reporting based on these criteria, it shall indicate in the corporate governance annual disclosure which of the three criteria was used to determine the level of reporting and explain any changes in the level of reporting used for subsequent corporate governance annual disclosures.

~~[5.]~~ **6.** The review of the corporate governance annual disclosure and any additional requests for information must be performed by the lead state as determined by the procedures contained in the most recent Financial Analysis Handbook published by the National Association of Insurance Commissioners.

~~[6.]~~ **7.** An insurer or insurance group which provides information substantially similar to the information required by NRS 692C.3501 to 692C.3509, inclusive, in other documents provided to the Commissioner, including, without limitation, proxy statements filed in conjunction with any forms filed pursuant to NRS 692C.270 or any regulations adopted pursuant thereto, or other state or federal filings provided to the Division, may cross-reference in the corporate governance annual disclosure the document in which the information is included rather than duplicating such information in the corporate governance annual disclosure.

Sec. 57.5. NRS 692C.420 is hereby amended to read as follows:

692C.420 1. Except as otherwise provided in NRS 239.0115, all information, documents and copies thereof obtained by or disclosed to the Commissioner or any other person in the course of an examination or investigation made pursuant to NRS 692C.410,



and all information reported or provided to the Commissioner pursuant to subsections 12 and 13 of NRS 692C.190, NRS 692C.260 to 692C.350, inclusive, and 692C.378, *is recognized by this State as being proprietary and to contain trade secrets*, is confidential, is not subject to subpoena, is not subject to discovery, is not admissible in evidence in any private civil action and must not be made public by the Commissioner or any other person, except to insurance departments of other states, without the prior written consent of the insurer to which it pertains unless the Commissioner, after giving the insurer and its affiliates who would be affected thereby notice and an opportunity to be heard, determines that the interests of policyholders, shareholders or the public will be served by the publication thereof, in which event he or she may publish all or any part thereof in any manner as he or she may deem appropriate. *For the purposes of the information reported and provided to the Commissioner pursuant to subsections 3 to 6, inclusive, of NRS 692C.290, the Commissioner shall maintain the confidentiality of the group capital calculation and group capital ratio produced within the calculation and any group capital information received from an insurance holding company supervised by the Federal Reserve Board or any U.S. group wide supervisor. For the purposes of the information reported and provided to the Commissioner pursuant to subsections 7 to 10, inclusive, of NRS 692C.290, the Commissioner shall maintain the confidentiality of the liquidity stress test results and supporting disclosures and any liquidity stress test information received from an insurance holding company supervised by the Federal Reserve Board and non-United States group-wide supervisors.*

2. The Commissioner or any person who receives any documents, materials or other information while acting under the authority of the Commissioner must not be permitted or required to testify in a private civil action concerning any information, document or copy thereof specified in subsection 1.

3. The Commissioner may share or receive any information, document or copy thereof specified in subsection 1, *including, without limitation, proprietary and trade secret documents and materials*, in accordance with NRS 679B.122. The sharing or receipt of the information, document or copy pursuant to this subsection does not waive any applicable privilege or claim of confidentiality in the information, document or copy.

4. The Commissioner shall enter into a written agreement with the NAIC *and any third party consultant designated by the Commissioner* governing the sharing and use of information



specified in subsection 1 . ~~[that]~~ *The agreement* must ~~[]~~ *contain provisions which:*

(a) Specify procedures and protocols regarding the confidentiality and security of information shared with the NAIC ~~[and its affiliates and subsidiaries,]~~ *or a third party consultant designated by the Commissioner*, including procedures and protocols for sharing by the NAIC with other state, federal and international regulators . ~~[]~~ *With regard to the requirements of this paragraph, the agreement must provide that the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials or other information and has verified in writing the legal authority to maintain such confidentiality.*

(b) Specify that ownership of the information shared with the NAIC ~~[and its affiliates and subsidiaries]~~ *or a third party consultant designated by the Commissioner* remains with the Commissioner and the NAIC's , *or the third party consultant's*, use of the information is subject to the discretion of the Commissioner . ~~[]~~

(c) *Except as otherwise provided in this paragraph, prohibit the NAIC or third party consultant designated by the Commissioner from storing the information shared pursuant to NRS 692C.290 in a permanent database after the underlying analysis is completed. The provisions of this paragraph do not apply to documents, material or information reported pursuant to subsections 7 to 10, inclusive, of NRS 692C.290.*

(d) Require prompt notice to be given to an insurer whose confidential information in the possession of the NAIC *or a third party consultant designated by the Commissioner* is subject to a request or subpoena to the NAIC *or the third party consultant* for disclosure or production . ~~[; and~~

~~(d)]~~ (e) Require the NAIC ~~[and its affiliates and subsidiaries]~~ *or a third party consultant designated by the Commissioner* to consent to intervention by an insurer in any judicial or administrative action in which the NAIC ~~[and its affiliates or subsidiaries]~~ *or the third party consultant* may be required to disclose confidential information about the insurer shared with the NAIC ~~[and its affiliates and subsidiaries.]~~ *or the third party consultant.*

5. The sharing of information by the Commissioner does not constitute a delegation of regulatory authority or rulemaking, and the Commissioner is solely responsible for the administration, execution and enforcement of the provisions of this section.

6. No waiver of any applicable privilege or claim of confidentiality in the documents, materials or information shall



occur as a result of disclosure to the Commissioner in accordance with this section or as a result of sharing as authorized in this section.

7. Documents, materials and other information in the possession or control of the NAIC *or a third party consultant designated by the Commissioner* in accordance with this section are:

- (a) Confidential by law and privileged;
- (b) Not subject to the provisions of chapter 239 of NRS;
- (c) Not subject to subpoena; and
- (d) Not subject to discovery or admissible in evidence in any private civil action.

Sec. 58. NRS 694C.259 is hereby amended to read as follows:

694C.259 1. A captive insurer which ~~ceases to transact~~ *is not transacting* the business of insurance, including, without limitation, the issuance of insurance policies and the assumption of reinsurance, may apply to the Commissioner for a certificate of dormancy.

2. Upon application by a captive insurer pursuant to subsection 1, the Commissioner may issue a certificate of dormancy to the captive insurer. The Commissioner may issue a certificate of dormancy to a captive insurer even if the captive insurer retains liabilities that are associated with policies that were written or assumed by the captive insurer provided that the captive insurer ~~has~~ otherwise ~~ceased to transact~~ *is not transacting* the business of insurance.

3. A dormant captive insurer shall:

(a) Possess and thereafter maintain unimpaired paid-in capital and surplus of not less than \$25,000.

(b) Pursuant to NRS 694C.230, pay an annual fee and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110 for the renewal of a license.

(c) Be subject to examination for any year for which the dormant captive insurer is not in compliance with the provisions of this section.

4. A dormant captive insurer may:

(a) At the discretion of the Commissioner, be subject to examination for any year for which the dormant captive insurer is in compliance with the provisions of this section.

(b) Continue to adjudicate and settle insurance claims under any contract of insurance or reinsurance that the captive insurer issued during any period in which the captive insurer was not a dormant captive insurer. The effective date of such a contract of insurance or



reinsurance must be before the date on which the Commissioner issued a certificate of dormancy to the captive insurer.

5. ~~After~~ *After being issued a certificate of dormancy, and until the certificate of dormancy expires or is revoked, a dormant captive insurer is not:*

(a) Subject to or liable for the payment of any tax pursuant to NRS 694C.450.

(b) Required to:

(1) Prepare audited financial statements;

(2) Obtain actuarial certifications or opinions; or

(3) File annual reports with the Commissioner pursuant to NRS 694C.400.

6. A certificate of dormancy is subject to renewal after 5 years . ~~[and is forfeited if not renewed within that period.]~~ *If not timely renewed, the certificate of dormancy expires. Immediately upon the expiration of the certificate of dormancy, the captive insurer must be in compliance with all provisions of this chapter applicable to a captive insurer which holds an active license to transact the business of insurance issued pursuant to this chapter.*

7. Except as otherwise provided by this section, before issuing any insurance policy or otherwise transacting the business of insurance, a dormant captive insurer must apply to the Commissioner for approval to surrender its certificate of dormancy and resume transacting the business of insurance.

8. The Commissioner shall revoke the certificate of dormancy of a dormant captive insurer that is not in compliance with the provisions of this section.

9. The Commissioner may adopt regulations necessary to carry out the provisions of this section.

Sec. 59. NRS 694C.310 is hereby amended to read as follows:

694C.310 1. The board of directors of a captive insurer shall meet at least once each year in this State. The captive insurer shall:

(a) Maintain its principal place of business in this State; and

(b) Appoint a resident of this State as a registered agent to accept service of process and otherwise act on behalf of the captive insurer in this State. If the registered agent cannot be located with reasonable diligence for the purpose of serving a notice or demand on the captive insurer, the notice or demand may be served on the Secretary of State who shall be deemed to be the agent for the captive insurer.

2. A captive insurer shall not transact insurance in this State unless:

(a) The captive insurer has made adequate arrangements with:



(1) A state-chartered bank, a state-chartered credit union or a thrift company licensed pursuant to chapter 677 of NRS that is located in this State; or

(2) A federally chartered bank *or federally chartered credit union* that has a branch which is located in this State,
↳ that is authorized pursuant to state or federal law to transfer money.

(b) If the captive insurer employs or has entered into a contract with a natural person or business organization to manage the affairs of the captive insurer, the natural person or business organization meets the standards ~~[of competence and experience satisfactory]~~ *described in paragraph (b) of subsection 4 of NRS 694C.210* to the *satisfaction of the* Commissioner.

(c) The captive insurer employs or has entered into a contract with a qualified and experienced certified public accountant who is approved by the Commissioner or a firm of certified public accountants that is nationally recognized.

(d) The captive insurer employs or has entered into a contract with qualified, experienced actuaries who are approved by the Commissioner to perform reviews and evaluations of the operations of the captive insurer.

(e) The captive insurer employs or has entered into a contract with an attorney who is licensed to practice law in this State and who meets the standards of competence and experience in matters concerning the regulation of insurance in this State established by the Commissioner by regulation.

3. The Commissioner may periodically review the qualifications of a natural person or business organization described in paragraph (b) of subsection 2 and, if appropriate:

(a) Disqualify the manager pursuant to the authority of the Commissioner under NRS 679B.125; or

(b) Suspend or revoke the license of the captive insurer pursuant to NRS 694C.270.

Sec. 60. NRS 695A.060 is hereby amended to read as follows:

695A.060 1. Duly certified copies of the laws and rules of the society, copies of all proposed forms of certificates, applications therefor, circulars to be issued by the society and a bond conditioned upon the return to applicants of the advanced payments if the organization is not completed within 1 year must be filed with the Commissioner, who may require such further information as the Commissioner deems necessary. The bond ~~[with sureties approved by the Commissioner]~~ must *comply with section 3 of this act and* be in ~~[such]~~ *an amount [.] determined by the Commissioner, which*



must be not less than \$300,000 nor more than \$1,500,000 . ~~[, as required by the Commissioner.]~~ All documents filed must be in the English language. If the purposes of the society conform to the requirements of this chapter and all applicable provisions of the law of this state have been complied with, the Commissioner shall so certify, retain and file the articles of incorporation and furnish the incorporators a preliminary certificate of authority for the society to solicit members as provided in this chapter.

2. No preliminary certificate of authority granted under the provisions of this section is valid after 1 year from its date or after such further period, not exceeding 1 year, as may be authorized by the Commissioner upon cause shown, unless 500 applicants have been secured and the organization has been completed as provided in this chapter. The articles of incorporation and all proceedings thereunder are void 1 year after the date of the preliminary certificate of authority, or at the expiration of the extended period, unless the society has completed its organization and received a certificate of authority to do business.

Sec. 60.5. NRS 695A.400 is hereby amended to read as follows:

695A.400 1. Every society authorized to do business in this state shall appoint in writing the Commissioner ~~[and each successor in office to be its true and lawful attorney]~~ *as attorney-in-fact* upon whom all lawful process in any action or proceeding against it must be served, and shall agree in the writing that any lawful process against it which is served on the Commissioner is of the same legal force and validity as if served upon the society, and that the authority continues in force so long as any liability remains outstanding in this state. A copy of the appointment, certified by the Commissioner, constitutes sufficient evidence of the appointment and must be admitted in evidence with the same validity as the original.

2. Service *of process against a society* must be made ~~[only upon the Commissioner, or if absent, upon the person in charge of the Office of the Commissioner. It must be made in duplicate and constitutes sufficient service upon the society. When legal process against a society is served upon the Commissioner, the Commissioner shall forthwith forward one of the duplicate copies by registered mail, prepaid, directed to the secretary or corresponding officer.]~~ *in accordance with NRS 680A.260.*

3. No such service may require a society to file its answer, pleading or defense in less than 30 days from the date ~~[of mailing]~~ the copy of the service *was forwarded* to ~~[a]~~ *the* society.



4. Legal process must not be served upon a society except in the manner provided in this section.

~~[5. At the time of serving any process upon the Commissioner, the plaintiff or complainant in the action shall pay to the Commissioner a fee of \$5.~~

~~— 6. For the purposes of this section, “process” includes only the summons or the initial documents served in an action. The Commissioner is not required to serve any documents after the initial service of process.]~~

Sec. 61. NRS 695B.320 is hereby amended to read as follows:

695B.320 1. Nonprofit hospital and medical or dental service corporations are subject to the provisions of this chapter, and to the provisions of chapters 679A and 679B of NRS, *subsections 2, 4, 18, 19 and 31 of NRS 680B.010, NRS 680B.025 to 680B.060, inclusive, chapter 681B of NRS*, NRS 686A.010 to 686A.315, inclusive, *686B.010 to 686B.175, inclusive*, 687B.010 to 687B.040, inclusive, 687B.070 to 687B.140, inclusive, 687B.150, 687B.160, 687B.180, 687B.200 to 687B.255, inclusive, 687B.270, 687B.310 to 687B.380, inclusive, 687B.410, 687B.420, 687B.430, 687B.500 and chapters 692B, 692C, 693A and 696B of NRS, to the extent applicable and not in conflict with the express provisions of this chapter.

2. For the purposes of this section and the provisions set forth in subsection 1, a nonprofit hospital and medical or dental service corporation is included in the meaning of the term “insurer.”

Sec. 62. NRS 695C.055 is hereby amended to read as follows:

695C.055 1. The provisions of NRS 449.465, 679A.200, 679B.700, subsections 7 and 8 of NRS 680A.270, subsections 2, 4, 18, 19 and 31 of NRS 680B.010, NRS 680B.020 to 680B.060, inclusive, ~~[chapter]~~ *chapters 681B and 686A* of NRS, NRS 686B.010 to ~~[686B.1799,]~~ *686B.175*, inclusive, *687B.122 to 687B.128, inclusive, 687B.310 to 687B.420, inclusive*, and 687B.500 and chapters 692C and 695G of NRS apply to a health maintenance organization.

2. For the purposes of subsection 1, unless the context requires that a provision apply only to insurers, any reference in those sections to “insurer” must be replaced by “health maintenance organization.”

Sec. 63. NRS 695D.095 is hereby amended to read as follows:

695D.095 1. An organization for dental care is ~~[not exempt from]~~ *subject to* the provisions of ~~[NRS 679B.700. If an organization is an admitted health insurer, as that term is defined in NRS 449.450, it is not exempt from the fees imposed pursuant to]~~



this chapter and to the provisions set forth in this section, to the extent reasonably applicable. Organizations for dental care are subject to the provisions of NRS 449.465 ~~[]~~, 679B.700, subsections 7 and 8 of NRS 680A.270, subsections 2, 4, 18, 19 and 31 of NRS 680B.010, NRS 680B.020 to 680B.060, inclusive, chapters 681B and 686A of NRS, NRS 686B.010 to 686B.175, inclusive, and chapters 687B, 692C and 695G of NRS.

2. For the purposes of this section and the provisions set forth in subsection 1, an organization for dental care is included in the meaning of the term “insurer.”

Sec. 64. NRS 695D.180 is hereby amended to read as follows:

695D.180 ~~[1. — A bond by any]~~ An organization for dental care or its officers under this chapter *shall file a bond with the Commissioner. The bond* must ~~[be payable to the State of Nevada and must be conditioned on compliance with the provisions of this chapter. The surety shall pay all damages to any person by reason of any misstatement, misrepresentation, fraud or deceit, or any wrongful act or omission of any person or organization made, committed or omitted in the plan for dental care or caused by any other violation of the provisions of this chapter.~~

~~—2. The organization must give notice to the Commissioner at least 90 days before such a bond may be cancelled.]~~ *comply with section 3 of this act.*

Sec. 65. NRS 695E.140 is hereby amended to read as follows:

695E.140 1. A risk retention group seeking to be chartered in this State must obtain a certificate of authority pursuant to chapter 694C of NRS to transact liability insurance and, except as otherwise provided in this chapter, must comply with:

(a) All of the laws, regulations and requirements applicable to liability insurers in this State, unless otherwise approved by the Commissioner; and

(b) The provisions of NRS 695E.150 to 695E.210, inclusive, to the extent that those provisions do not limit or conflict with the provisions with which the group is required to comply pursuant to paragraph (a).

2. A risk retention group applying to be chartered in this State must submit to the Commissioner an application for licensure as an association captive insurer in accordance with NRS 694C.210.

3. A risk retention group chartered in a state other than Nevada that is seeking to transact insurance as a risk retention group in this State must comply with the provisions of NRS 694C.390 and 695E.150 to 695E.210, inclusive ~~[]~~, *including, without limitation, by submitting the statement of registration required by paragraph*



(a) of subsection 1 of NRS 695E.150 and paying all fees required for the statement of registration.

Sec. 66. NRS 695E.170 is hereby amended to read as follows:

695E.170 1. A risk retention group and its agents and representatives are subject to the provisions of :

(a) NRS 680A.205 and any regulations adopted pursuant thereto, including, without limitation, regulations relating to the standards which may be used by the Commissioner in determining whether a risk retention group is in a hazardous financial condition.

(b) NRS 686A.010 to 686A.310, inclusive. Any injunction obtained pursuant to those sections must be obtained from a court of competent jurisdiction.

2. All premiums paid for coverages within this state to a risk retention group are subject to the provisions of chapter 680B of NRS. Each risk retention group shall report all premiums paid to it and shall pay the taxes on premiums and any related fines or penalties for risks resident, located or to be performed in the state.

3. Any person acting as an agent or a broker for a risk retention group pursuant to NRS 695E.210 shall:

(a) Report to the Commissioner each premium for direct business for risks resident, located or to be performed in this State which the person has placed with or on behalf of a risk retention group that is not chartered in this State.

(b) Maintain a complete and separate record of each policy obtained from each risk retention group. Each record maintained pursuant to this subsection must be made available upon request by the Commissioner for examination pursuant to NRS 679B.240, and must include, for each policy and each kind of insurance provided therein:

- (1) The limit of liability;
- (2) The period covered;
- (3) The effective date;
- (4) The name of the risk retention group which issued the policy;
- (5) The gross annual premium charged; and
- (6) The amount of return premiums, if any.

4. As used in this section, “premiums for direct business” means any premium written in this State for a policy of insurance. The term does not include any premium for reinsurance or for a contract between members of a risk retention group.



Sec. 67. NRS 695F.090 is hereby amended to read as follows:
695F.090 1. Prepaid limited health service organizations are subject to the provisions of this chapter and to the following provisions, to the extent reasonably applicable:

(a) *NRS 686B.010 to 686B.175, inclusive, concerning rates and essential insurance.*

(b) NRS 687B.310 to 687B.420, inclusive, concerning cancellation and nonrenewal of policies.

~~[(b)]~~ (c) NRS 687B.122 to 687B.128, inclusive, concerning readability of policies.

~~[(e)]~~ (d) The requirements of NRS 679B.152.

~~[(d)]~~ (e) The fees imposed pursuant to NRS 449.465.

~~[(e)]~~ (f) NRS 686A.010 to 686A.310, inclusive, concerning trade practices and frauds.

~~[(f)]~~ (g) The assessment imposed pursuant to NRS 679B.700.

~~[(g)]~~ (h) Chapter 683A of NRS.

~~[(h)]~~ (i) To the extent applicable, the provisions of NRS 689B.340 to 689B.580, inclusive, and chapter 689C of NRS relating to the portability and availability of health insurance.

~~[(i)]~~ (j) NRS 689A.035, 689A.0463, 689A.410, 689A.413 and 689A.415.

~~[(j)]~~ (k) NRS 680B.025 to ~~[(680B.039)]~~ *680B.060*, inclusive, concerning premium tax, premium tax rate, annual report and estimated quarterly tax payments. For the purposes of this subsection, unless the context otherwise requires that a section apply only to insurers, any reference in those sections to “insurer” must be replaced by a reference to “prepaid limited health service organization.”

~~[(k)]~~ (l) Chapter 692C of NRS, concerning holding companies.

~~[(l)]~~ (m) NRS 689A.637, concerning health centers.

(n) *Chapter 681B of NRS, concerning assets and liabilities.*

(o) *NRS 682A.400 to 682A.468, inclusive, concerning investments.*

2. For the purposes of this section and the provisions set forth in subsection 1, a prepaid limited health service organization is included in the meaning of the term “insurer.”

Sec. 68. NRS 695F.210 is hereby amended to read as follows:

695F.210 1. A prepaid limited health service organization shall maintain in force a fidelity bond in its own name on its officers and employees in an amount not less than \$1,000,000 or in any other amount prescribed by the Commissioner.

2. Except as otherwise provided in subsection 3, the bond must be issued by an insurer licensed to do business in this State.



3. If the fidelity bond is not available from an insurer licensed to do business in this State, a prepaid limited health service organization may procure a fidelity bond from a surplus lines broker licensed pursuant to chapter 685A of NRS.

4. In lieu of the bond required pursuant to subsection 1, a prepaid limited health service organization may deposit with the Commissioner cash, securities or other investments described in *paragraph (o) of subsection 1 of NRS ~~[695F.180.] 695F.090.~~* The deposit must be maintained in joint custody with the Commissioner in the amount and subject to the same conditions required for a bond pursuant to this subsection.

Sec. 69. NRS 695F.310 is hereby amended to read as follows:

695F.310 1. The Commissioner may examine the affairs of any prepaid limited health service organization as often as is reasonably necessary to protect the interests of the residents of this State, but not less frequently than once every 3 years.

2. A prepaid limited health service organization shall make its books and records available for examination and cooperate with the Commissioner to facilitate the examination.

3. In lieu of such an examination, the Commissioner may accept the report of an examination conducted by the commissioner of insurance of another state.

4. ~~[The reasonable expenses of an]~~ *An* examination conducted pursuant to this section must be ~~[assessed, billed and paid]~~ *conducted* in accordance with the provisions of NRS ~~[679B.290.] 679B.230 to 679B.300, inclusive.~~

5. A prepaid limited health service organization may be investigated in accordance with NRS 679B.600 to 679B.700, inclusive.

Sec. 70. NRS 695J.140 is hereby amended to read as follows:

695J.140 1. A certificate may be renewed ~~[for an additional 3-year period]~~ by submitting to the Commissioner an application for renewal and:

(a) If the application is made:

(1) On or before the ~~[expiration]~~ *renewal* date of the certificate, all applicable renewal fees; or

(2) Except as otherwise provided in subsection 3:

(I) Not more than 30 days after the ~~[expiration]~~ *renewal* date of the certificate, *a renewal fee of 150 percent of* all applicable renewal fees ~~[plus any late fee required;]~~ *otherwise required, except for any fee required pursuant to NRS 680C.110;* or

(II) More than 30 days but not more than 1 year after the ~~[expiration]~~ *renewal* date of the certificate, all applicable renewal



fees plus a penalty of twice all applicable renewal fees, except for any fee required pursuant to NRS 680C.110.

(b) Proof of the successful completion of appropriate courses of study required for renewal, as established by the Commissioner by regulation.

2. The fees specified in this section are not refundable.

3. An exchange enrollment facilitator who is unable to renew his or her certificate because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.

4. *A certificate which:*

(a) *Is not renewed pursuant to this section on or before the renewal date expires on the renewal date.*

(b) *Is renewed pursuant to this section continues in effect until the next renewal date unless it is suspended, revoked or otherwise terminated.*

5. *As used in this section, "renewal date" means:*

(a) *For the first renewal of the certificate, the last day of the month which is 3 years after the month in which the Commissioner originally issued the certificate.*

(b) *For each renewal after the first renewal of the certificate, the last day of the month which is 3 years after the month in which the certificate was last due to be renewed.*

Sec. 71. NRS 696A.080 is hereby amended to read as follows:

696A.080 1. A person shall not render or agree to render motor club service without first depositing and thereafter continuously maintaining security in one of the following forms with the Commissioner:

(a) The sum of \$100,000 in cash.

(b) Securities approved by the Commissioner, having a market value of \$100,000 and being of a type approved by the Commissioner and legal for investment by admitted insurers issuing nonassessable policies on a reserve basis.

(c) A surety bond *which complies with section 3 of this act and is* in the principal sum of \$100,000 , with an admitted surety insurer as surety.

2. In lieu of the deposit required by subsection 1, a foreign or alien motor club may deposit evidence satisfactory to the Commissioner that it has on deposit with an officer of a state of the United States of America, authorized by the law of such state to accept such deposit:



(a) Securities which meet the requirements of paragraph (b) of subsection 1 of at least a like amount for the benefit and security of all members and creditors of such motor club; or

(b) A surety bond, in the principal sum of \$100,000, which meets the requirements of NRS 696A.090, issued by a bonding company authorized to do business in the State of Nevada and in the state where the bond is posted.

Sec. 72. NRS 696A.140 is hereby amended to read as follows:

696A.140 The Commissioner shall not issue a certificate of authority to any motor club until:

1. It files with the Commissioner the following:

(a) A formal application for the certificate in such form and detail as the Commissioner requires, executed under oath by its president or other principal officer.

(b) A certified copy of its charter or articles of incorporation and its bylaws.

2. It pays to the Commissioner the following:

(a) ~~[A] The fee [of \$500] specified in NRS 680B.010~~ for the filing of an application for the certificate;

(b) ~~[A] The fee [of \$283] specified in NRS 680B.010~~ for the issuance of the certificate; and

(c) In addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110.

3. It deposits the required cash, securities, bond or evidence of such a deposit in another state as provided in NRS 696A.080 with the Commissioner.

4. Its name is approved by the Commissioner pursuant to NRS 696A.120.

Sec. 73. NRS 696A.300 is hereby amended to read as follows:

696A.300 1. Each license for a club agent issued *or renewed* under this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon submission of the statement required pursuant to NRS 696A.303 and payment to the Commissioner of all applicable fees for renewal. The statement must be submitted and the fees must be paid on or before the ~~[last day of the month in which] renewal date~~ for the license. ~~[is renewable.]~~

2. Any license not so renewed expires ~~[at midnight]~~ on the ~~[last day specified for its]~~ renewal ~~[.]~~ *date*. The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the expiration of the license if the request is accompanied by the statement required pursuant to NRS 696A.303,



a fee for renewal of 150 percent of all applicable fees otherwise required, except for any fee required pursuant to NRS 680C.110.

3. In addition to all applicable fees required pursuant to NRS 680C.110 to be deposited in the Fund for Insurance Administration and Enforcement created by NRS 680C.100, the Commissioner shall collect in advance and deposit with the State Treasurer for credit to the State General Fund the ~~following~~ fees *specified in NRS 680B.010* for licensure as a club agent . ~~†~~

(a) Application and license	\$78
(b) Appointment by each motor club	5
(c) Triennial renewal of each license	78

4. *As used in this section, "renewal date" means:*

(a) *For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.*

(b) *For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.*

Sec. 74. NRS 697.190 is hereby amended to read as follows:

697.190 1. Each applicant for a license as a bail agent, bail solicitor or general agent must file with the application, and thereafter maintain in force while so licensed, a bond ~~in favor of the people of the State of Nevada executed by an authorized surety insurer. The bond may be continuous in form with total aggregate liability limited to payment as follows:~~

(a) Bail agent	\$25,000
(b) Bail solicitor	10,000
(c) General agent	50,000

which complies with section 3 of this act and is in an amount determined by the Commissioner.

2. The bond must be conditioned upon full accounting and payment to the person entitled thereto of money, property or other matters coming into the licensee's possession through bail bond transactions under the license.

~~[3. The bond must remain in force until released by the Commissioner, or cancelled by the surety. Without prejudice to any liability previously incurred under the bond, the surety may cancel the bond upon 30 days' advance written notice to the licensee and the Commissioner.]~~

Sec. 75. NRS 697.230 is hereby amended to read as follows:

697.230 1. Except as otherwise provided in NRS 697.177, each license issued to *or renewed for* a general agent, bail agent, bail enforcement agent or bail solicitor under this chapter continues



in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon payment of all applicable fees for renewal to the Commissioner on or before the ~~[last day of the month in which]~~ **renewal date for** the license. ~~[is renewable.]~~ All applicable fees must be accompanied by:

(a) Proof that the licensee has completed a 3-hour program of continuing education that is:

(1) Offered by the authorized surety insurer from whom the licensee received written appointment, if any, a state or national organization of bail agents or another organization that administers training programs for general agents, bail agents, bail enforcement agents or bail solicitors; and

(2) Approved by the Commissioner;

(b) If the licensee is a natural person, the statement required pursuant to NRS 697.181; and

(c) A written request for renewal of the license. The request must be made and signed:

(1) By the licensee in the case of the renewal of a license as a general agent, bail enforcement agent or bail agent.

(2) By the bail solicitor and the bail agent who employs the solicitor in the case of the renewal of a license as a bail solicitor.

2. Any license that is not renewed on or before the ~~[last day specified for its]~~ **renewal date for the license** expires ~~[at midnight on that day.]~~ **on the renewal date**. The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the date of expiration if the request is accompanied by a fee for renewal of 150 percent of all applicable fees otherwise required, except for any fee required pursuant to NRS 680C.110, and, if the person requesting renewal is a natural person, the statement required pursuant to NRS 697.181.

3. A bail agent's license continues in force while there is in effect an appointment of him or her as a bail agent of one or more authorized insurers. Upon termination of all the bail agent's appointments and the bail agent's failure to replace any appointment within 30 days thereafter, the bail agent's license expires and the bail agent shall promptly deliver his or her license to the Commissioner.

4. The Commissioner shall terminate the license of a general agent for a particular insurer upon a written request by the insurer.

5. This section does not apply to temporary licenses issued under NRS 683A.311 or 697.177.

6. As used in this section, "renewal date" means:



(a) For the first renewal of the license, the last day of the month which is 3 years after the month in which the Commissioner originally issued the license.

(b) For each renewal after the first renewal of the license, the last day of the month which is 3 years after the month in which the license was last due to be renewed.

Secs. 76 and 77. (Deleted by amendment.)

Sec. 78. NRS 616B.306 is hereby amended to read as follows:

616B.306 ~~{}~~ If a self-insured employer becomes insolvent, institutes any voluntary proceeding under the Bankruptcy Act or is named in any involuntary proceeding thereunder, makes a general or special assignment for the benefit of creditors or fails to pay compensation under chapters 616A to 616D, inclusive, or chapter 617 of NRS after an order for payment of any claim becomes final, the Commissioner may, after giving at least 10 days' notice to the employer and any insurer or guarantor, use money or interest on securities, sell securities or institute legal proceedings on surety bonds deposited or filed with the Commissioner *pursuant to section 3 of this act* to the extent necessary to make those payments. Until the Commissioner gives a 10-day notice pursuant to this subsection, the employer is entitled to all interest and dividends on bonds or securities on deposit *pursuant to section 3 of this act* and to exercise all voting rights, stock options and other similar incidents of ownership thereof.

~~{2. A company providing a surety bond under NRS 616B.300 may terminate liability on its surety bond by giving the Commissioner and the employer 90 days' written notice. The termination does not limit liability which was incurred under the surety bond before the termination. If the employer fails to requalify as a self-insured employer on or before the termination date, the employer's certification is withdrawn when the termination becomes effective.}~~

Sec. 78.5. NRS 616B.398 is hereby amended to read as follows:

616B.398 An association of self-insured public or private employers shall be deemed to have appointed the Commissioner as its ~~{agent}~~ *attorney-in-fact* to receive any initial legal process authorized by law to be served upon the association for as long as the association is obligated to pay any compensation under chapters 616A to 616D, inclusive, or chapter 617 of NRS. *Service of process against an association for whom the Commissioner is attorney-in-fact must be made in accordance with NRS 680A.260.*



Sec. 79. NRS 616B.440 is hereby amended to read as follows:
616B.440 1. For the purposes of NRS 616B.350 to 616B.446, inclusive, an association of self-insured public or private employers is insolvent if it is unable to pay its outstanding obligations as they mature in the regular course of its business.

2. If an association of self-insured public or private employers becomes insolvent, institutes any voluntary proceeding pursuant to the Bankruptcy Act or is named in any voluntary proceeding thereunder, makes a general or special assignment for the benefit of creditors or fails to pay compensation pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS after an order for the payment of any claim becomes final, the Commissioner may, after giving at least 10 days' notice to the association and any insurer or guarantor, use money or interest on securities, sell securities or institute legal proceedings on surety bonds deposited with the Commissioner *pursuant to section 3 of this act* to the extent necessary to make those payments.

3. A licensed surety providing a surety bond pursuant to NRS 616B.353 may terminate liability on its surety bond by giving the Commissioner and the association, association's administrator or third-party administrator 90 days' written notice. The termination does not limit liability that was incurred under the surety bond before the termination. ~~[If the association fails to requalify as an association of self-insured public or private employers on or before the termination date, the association's certificate is withdrawn when the termination becomes effective.]~~

Secs. 80-85. (Deleted by amendment.)

Sec. 85.5. 1. Notwithstanding any provision of subsection 2 of NRS 616B.353 to the contrary, and except as otherwise provided by subsections 3 and 6 of NRS 616B.353, an association of self-insured private employers shall be deemed to be in compliance with the requirements of subsection 2 of NRS 616B.353 if and only if the association of self-insured private employers has a combined tangible net worth of all members in the association of at least \$2,500,000, as evidenced by a statement of tangible net worth provided to the Division of Insurance of the Department of Business and Industry by an independent certified public accountant.

2. This section applies to every association of self-insured private employers from the effective date of this section through June 30, 2023.

3. As used in this section, "association of self-insured private employers" has the meaning ascribed to it in NRS 616A.050.



Sec. 86. NRS 681A.215, 692A.1043 and 695F.180 are hereby repealed.

Sec. 87. 1. This section and section 85.5 of this act become effective upon passage and approval.

2. Section 13 of this act becomes effective on July 1, 2021.

3. Sections 1, 3 to 5, inclusive, 6.05 to 12, inclusive, 14 to 45, inclusive, 54 to 75, inclusive, 78, 78.5, 79 and 86 become effective on October 1, 2021.

4. Section 85.5 of this act expires by limitation on June 30, 2023.

