

**IN THE SUPREME COURT OF THE  
STATE OF NEVADA**

HOME WARRANTY  
ADMINISTRATOR OF NEVADA,  
INC. dba CHOICE HOME  
WARRANTY, a Nevada corporation,

Appellant,

vs.

STATE OF NEVADA, DEPARTMENT  
OF BUSINESS AND INDUSTRY-  
DIVISION OF INSURANCE, a Nevada  
administrative agency,

Respondent.

**Supreme Court No. 80218**

Electronically Filed  
Jan 07 2021 02:09 p.m.  
First Judicial District Court  
Elizabeth A. Brown  
Case No. 17 OC 00269 JB  
Clerk of Supreme Court

Appeal from First Judicial District Court, State of Nevada, County of Clark  
The Honorable James. T. Russell, District Judge

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**APPELLANT’S NOTICE OF SUPPLEMENTAL AUTHORITY**

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Constance L. Akridge, Esq.  
Nevada Bar No. 3353  
Sydney R. Gambee, Esq.  
Nevada Bar No. 14201  
Holland & Hart LLP  
9555 Hillwood Drive, Second Floor  
Las Vegas, Nevada 89134  
Tel: (702) 669-4600

*Attorneys for Home Warranty Administrator of Nevada, Inc. dba Choice Home  
Warranty, a Nevada corporation*

Appellant Home Warranty Administrator of Nevada, Inc. dba Choice Home Warranty (“HWAN”), by and through its attorneys of the law firm of Holland & Hart LLP, hereby respectfully submits this Notice of Supplemental Authority pursuant to NRAP 31(e) to advise the Court that, on November 18, 2020, the Committee on Commerce and Labor (on Behalf of the Division of Insurance of the Department of Business and Industry, the Respondent in this appeal) introduced Assembly Bill No. 45 before the Nevada Legislature (“AB 45”). A copy of AB 45 from the Nevada Legislature’s website is attached hereto as **Exhibit 1**.<sup>1</sup> The following sections of AB 45 are directly relevant to HWAN’s arguments in its Opening Brief filed herein on May 12, 2020 (“HWAN’s Opening Brief”) and in its Reply Brief filed herein on August 10, 2020 (“HWAN’s Reply Brief”), as detailed below.

Section 50 of AB 45 is directly relevant to the arguments raised in this appeal concerning statutory interpretation of NRS 690C.150 on pages 30-31 and 42-54 of HWAN’s Opening Brief and on pages 2-5, 7-11, and 16-20 of HWAN’s Reply Brief, in that Section 50 of AB 45 seeks to change the language of NRS 690C.150 from prohibiting a statutorily-defined “provider” from issuing, selling, or offering for sale service contracts without a certificate of registration to

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<sup>1</sup> <https://www.leg.state.nv.us/Session/81st2021/Bills/AB/AB45.pdf>.

prohibiting “anyone” from issuing, selling, or offering for sale service contracts without a certificate of registration.

Sections 51 – 52 of AB 45 are also relevant to the arguments concerning who must fulfill financial security requirements on pages 46 and 49-51 of HWAN’s Opening Brief and pages 15-16 of HWAN’s Reply Brief, in that those sections carry the proposed change of NRS 690C.150 through the application and financial security requirements provisions of NRS 690C.160 and NRS 690C.170.

Section 2 of AB 45 is directly relevant to the due process arguments raised in this appeal concerning the failure of Respondent to hold a hearing before refusing to renew HWAN’s certificate of registration on pages 29-30 and 34-42 of HWAN’s Opening Brief and pages 21-22 of HWAN’s Reply Brief, in that Section 2 of AB 45 would allow the Commissioner to terminate a license without a hearing if the person fails to maintain a qualification of the license.

DATED this 7th day of January 2021.

/s/ Sydney R. Gambee  
Constance L. Akridge, Esq.  
Nevada Bar No. 3353  
Sydney R. Gambee, Esq.  
Nevada Bar No. 14201  
HOLLAND & HART LLP  
9555 Hillwood Drive, 2nd Floor  
Las Vegas, Nevada 89134

*Attorneys for Home Warranty Administrator of  
Nevada, Inc. dba Choice Home Warranty, a  
Nevada corporation*

## **CERTIFICATE OF SERVICE**

Pursuant to NRAP 25(1)(b) and 25(1)(d), I, the undersigned, hereby certify that I electronically filed the foregoing **APPELLANT'S NOTICE OF SUPPLEMENTAL AUTHORITY** with the Clerk of Court for the Supreme Court of Nevada by using the Supreme Court of Nevada's E-filing system on the 7th day of January 2021.

I further certify that all participants in this case are registered with the Supreme Court of Nevada's E-filing system, and that service has been accomplished to the following individuals through the Court's E-filing System or by first class United States mail, postage prepaid, at Las Vegas, Nevada as follows:

**Via Electronic Filing System:**

Richard P. Yien  
Joanna N. Grigoriev

/s/ Joyce Heilich  
An Employee of Holland & Hart LLP

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# EXHIBIT 1

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ASSEMBLY BILL NO. 45—COMMITTEE  
ON COMMERCE AND LABOR

(ON BEHALF OF THE DIVISION OF INSURANCE OF THE  
DEPARTMENT OF BUSINESS AND INDUSTRY)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to insurance.  
(BDR 57-316)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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

AN ACT relating to insurance; providing for the termination, under certain circumstances, of various licenses, permits, certificates of registration, certificates of authority and other authorizations to engage in an activity 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 insurers; 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; 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 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; providing peace officer status to certain employees of the Division of Insurance of the Department of Business and Industry who enforce statutes and regulations governing insurance and investigate violations of such statutes or regulations; revising provisions governing the applicability of laws to various persons regulated by the Commissioner; transferring duties for the licensing and regulation of employee leasing companies from the Administrator of the Division of Industrial Relations of the Department to the Commissioner; 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 authorizes the Commissioner to issue various licenses, permits, certificates of registration, certificates of authority and other authorizations to engage in an activity relating to insurance. (Title 57 of NRS) **Section 2** of this bill authorizes the Commissioner to terminate, under certain circumstances, any such license, permit, certificate of registration, certificate of authority or other authorization to engage in an activity relating to insurance.

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 **sections 2 and 3** within chapter 679B of NRS.

Existing law provides for service of process on certain insurers by serving the Commissioner. (NRS 680A.260) **Section 4** of this bill revises 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 provides for fees to be collected by the Commissioner for deposit in the Fund for Insurance Administration and Enforcement. (NRS 680C.110) These fees are paid by various persons regulated by the Commissioner, including service contract providers. (NRS 690C.160) **Section 6** of this bill makes conforming changes to account for the fee paid by service contract providers for deposit in the Fund being changed from an annual fee to a biennial fee in **section 51** of this bill. The amount of the fee remains unchanged.

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 adds requirements for firms and corporations to qualify for licensure as managing general agents. **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 governs service contract providers, including, without limitation, by providing for the issuance of certificates of registration as such a provider. (NRS 690C.160) **Sections 46-48** of this bill add standard provisions relating to child support obligations of natural persons who apply for or hold certificates of registration. **Section 50** of this bill clarifies that a person must be issued a certificate of registration before issuing, selling or offering for sale any service contracts. **Section 51** of this bill revises requirements relating to initial applications for certificates of registration and applications for the renewal of certificates, including, without limitation, by adding requirements specific to applicants who are natural persons. **Section 51** also revises the requirements relating to the fee collected for deposit in the Fund for Insurance Administration and Enforcement. Existing law requires this fee to be paid every year. (NRS 690C.160) **Section 51** requires the fee be paid only once every 2 years. The amount of this fee remains unchanged. Conforming changes to account for this fee changing from an annual fee to a biennial fee are contained in **section 6**. Existing law further requires that a bond or other security be provided by a service contract provider. (NRS 690C.170) **Section 52** of this bill revises the requirements relating to the bond and provides that the bond must meet the requirements set forth in **section 3**. Finally, existing law sets forth requirements to prohibit false or misleading language or omissions in service contracts. (NRS 690C.260) **Section 53** of this bill expands these prohibitions to cover advertisements as well as service contracts, and expands the persons who must comply with these prohibitions to cover not only the provider, but also affiliates or business partners of the provider.

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 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 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 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 also 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 provides that the Commissioner and the chief deputy of the Commissioner are peace officers for certain limited purposes. (NRS 289.310) **Section 76** of this bill provides peace officer status for certain limited purposes to certain employees of the Division of Insurance of the Department of Business and Industry who enforce statutes and regulations governing insurance and investigate violations of such statutes and regulations.

Existing law governs employee leasing companies. (NRS 616B.670-616B.697) An employee leasing company is an entity which places regular, full-time employees of a client company on the employee leasing company's payroll and, for a fee, leases the employees to the client company. (NRS 616B.670) Pursuant to existing law, employee leasing companies are licensed and regulated by the Administrator of the Division of Industrial Relations of the Department of Business and Industry. (NRS 616A.040, 616A.100, 616B.673, 616B.694) **Sections 77 and 80-85** of this bill transfer these duties from the Administrator of the Division to the Commissioner of Insurance. Specifically, **section 77** of this bill eliminates the



requirement in existing law that requires the Division to determine whether an employee leasing company is entitled to a certificate of registration. (NRS 616A.465) Existing law prohibits a person from operating an employee leasing company in this State without obtaining a certificate of registration issued by the Administrator. (NRS 616B.673) **Section 80** of this bill transfers the duty to issue a certificate of registration from the Administrator to the Commissioner. Existing law requires an applicant for the issuance or renewal of a certificate of registration to operate an employee leasing company to submit to the Administrator a written application upon a form provided by the Administrator. (NRS 616B.676) **Section 81** of this bill requires an applicant instead to submit an application to the Commissioner upon a form provided by the Commissioner. Existing law: (1) requires each application for a certificate of registration to operate an employee leasing company to include any information the Administrator requires; (2) requires an applicant to submit to the Administrator any change in the required application information; and (3) authorizes the Administrator to revoke the certificate of registration of an employee leasing company that fails to comply with certain statutory requirements. (NRS 616B.679) **Section 82** of this bill: (1) requires each application for a certificate of registration to operate an employee leasing company to include any information the Commissioner requires; (2) requires an applicant to submit to the Commissioner any change in the required application information; and (3) authorizes the Commissioner to revoke the certificate of registration of an employee leasing company that fails to comply with statutory requirements. Existing law authorizes the Administrator to adopt regulations setting forth qualifications for an assurance organization to act on behalf of an employee leasing company in complying with certain statutory requirements. (NRS 616B.693) **Section 83** of this bill authorizes instead the Commissioner to adopt the regulations. Existing law authorizes the Administrator generally to adopt regulations governing employee leasing companies. (NRS 616B.694) **Section 84** of this bill authorizes instead the Commissioner to adopt the regulations. Finally, **section 85** of this bill sets forth transitory provisions to account for the transferring of duties for the licensing and regulation of employee leasing companies from the Administrator to the Commissioner.

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.

**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:

**Section 1.** Chapter 679B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

**Sec. 2. 1.** *The Commissioner may terminate without a hearing a license if the person fails to maintain a qualification for the license.*

**2.** *Pursuant to NRS 679B.310:*

*(a) The person whose license is terminated may request a hearing for a determination by the Commissioner as to whether the termination was reasonable; and*

*(b) Pending the requested hearing and the determination, the Commissioner may suspend or postpone the effective date of the termination of the license.*

**3.** *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. 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. 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. 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 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 noted thereon, to the person currently designated by the insurer to receive the copy as provided in NRS 680A.250. 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



1 an additional 10 days beyond that otherwise allowed by Nevada  
2 Rules of Civil Procedure.

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

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

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

10 680B.010 The Commissioner shall collect in advance and  
11 receipt for, and persons so served must pay to the Commissioner,  
12 fees and miscellaneous charges as follows:

13 1. Insurer's certificate of authority:

14 (a) Filing initial application ..... \$2,450

15 (b) Issuance of certificate:

16 (1) For any one kind of insurance as defined in  
17 NRS 681A.010 to 681A.080, inclusive ..... 283

18 (2) For two or more kinds of insurance as so  
19 defined ..... 578

20 (3) For a reinsurer ..... 2,450

21 (c) Each annual continuation of a certificate ..... 2,450

22 (d) Reinstatement pursuant to NRS 680A.180, 50  
23 percent of the annual continuation fee otherwise  
24 required.

25 (e) Registration of additional title pursuant to  
26 NRS 680A.240..... 50

27 (f) Annual renewal of the registration of  
28 additional title pursuant to NRS 680A.240..... 25

29 2. Charter documents, other than those filed  
30 with an application for a certificate of authority.  
31 Filing amendments to articles of incorporation,  
32 charter, bylaws, power of attorney and other  
33 constituent documents of the insurer, each document ..... \$10

34 3. Annual statement or report. For filing annual  
35 statement or report ..... \$25

36 4. Service of process:

37 (a) Filing of power of attorney..... \$5

38 (b) Acceptance of service of process ..... 30

39 5. Licenses, appointments and renewals for  
40 producers of insurance:

41 (a) Application and license ..... \$125

42 (b) Appointment fee for each insurer..... 15

43 (c) Triennial renewal of each license..... 125

44 (d) Temporary license..... 10

45 (e) Modification of an existing license ..... 50



|    |  |       |
|----|--|-------|
| 1  | 6. Surplus lines brokers:                              |       |
| 2  | (a) Application and license .....                      | \$125 |
| 3  | (b) Triennial renewal of each license.....             | 125   |
| 4  | 7. Managing general agents' licenses,                  |       |
| 5  | appointments and renewals:                             |       |
| 6  | (a) Application and license .....                      | \$125 |
| 7  | (b) Appointment fee for each insurer.....              | 15    |
| 8  | (c) Triennial renewal of each license.....             | 125   |
| 9  | 8. Adjusters', as defined in NRS 684A.030,             |       |
| 10 | licenses and renewals:                                 |       |
| 11 | (a) Application and license .....                      | \$125 |
| 12 | (b) Triennial renewal of each license.....             | 125   |
| 13 | 9. Licenses and renewals for appraisers of             |       |
| 14 | physical damage to motor vehicles:                     |       |
| 15 | (a) Application and license .....                      | \$125 |
| 16 | (b) Triennial renewal of each license.....             | 125   |
| 17 | 10. Additional title and property insurers             |       |
| 18 | pursuant to NRS 680A.240:                              |       |
| 19 | (a) Original registration .....                        | \$50  |
| 20 | (b) Annual renewal .....                               | 25    |
| 21 | 11. Insurance vending machines:                        |       |
| 22 | (a) Application and license, for each machine.....     | \$125 |
| 23 | (b) Triennial renewal of each license.....             | 125   |
| 24 | 12. Permit for solicitation for securities:            |       |
| 25 | (a) Application for permit.....                        | \$100 |
| 26 | (b) Extension of permit.....                           | 50    |
| 27 | 13. Securities salespersons for domestic               |       |
| 28 | insurers:  |       |
| 29 | (a) Application and license .....                      | \$25  |
| 30 | (b) Annual renewal of license.....                     | 15    |
| 31 | 14. Rating organizations:                              |       |
| 32 | (a) Application and license .....                      | \$500 |
| 33 | (b) Annual renewal .....                               | 500   |
| 34 | 15. Certificates and renewals for administrators       |       |
| 35 | licensed pursuant to chapter 683A of NRS:              |       |
| 36 | (a) Application and certificate of registration.....   | \$125 |
| 37 | (b) Triennial renewal .....                            | 125   |
| 38 | 16. For copies of the insurance laws of Nevada,        |       |
| 39 | a fee which is not less than the cost of producing the |       |
| 40 | copies.  |       |
| 41 | 17. Certified copies of certificates of authority      |       |
| 42 | and licenses issued pursuant to the Code.....          | \$10  |
| 43 | 18. For copies and amendments of documents             |       |
| 44 | on file in the Division, a reasonable charge fixed by  |       |
| 45 | the Commissioner, including charges for duplicating    |       |





|    |   |       |
|----|---|-------|
| 1  | or amending the forms and for certifying the copies |       |
| 2  | and affixing the official seal.                     |       |
| 3  | 19. Letter of clearance for a producer of           |       |
| 4  | insurance or other licensee if requested by someone |       |
| 5  | other than the licensee.....                        | \$10  |
| 6  | 20. Certificate of status as a producer of          |       |
| 7  | insurance or other licensee if requested by someone |       |
| 8  | other than the licensee.....                        | \$10  |
| 9  | 21. Licenses, appointments and renewals for bail    |       |
| 10 | agents:   |       |
| 11 | (a) Application and license .....                   | \$125 |
| 12 | (b) Appointment for each surety insurer.....        | 15    |
| 13 | (c) Triennial renewal of each license.....          | 125   |
| 14 | 22. Licenses and renewals for bail enforcement      |       |
| 15 | agents:   |       |
| 16 | (a) Application and license .....                   | \$125 |
| 17 | (b) Triennial renewal of each license.....          | 125   |
| 18 | 23. Licenses, appointments and renewals for         |       |
| 19 | general agents for bail:                            |       |
| 20 | (a) Application and license .....                   | \$125 |
| 21 | (b) Initial appointment by each insurer.....        | 15    |
| 22 | (c) Triennial renewal of each license.....          | 125   |
| 23 | 24. Licenses and renewals for bail solicitors:      |       |
| 24 | (a) Application and license .....                   | \$125 |
| 25 | (b) Triennial renewal of each license.....          | 125   |
| 26 | 25. Licenses and renewals for title agents and      |       |
| 27 | escrow officers:                                    |       |
| 28 | (a) Application and license .....                   | \$125 |
| 29 | (b) Triennial renewal of each license.....          | 125   |
| 30 | (c) Appointment fee for each title insurer.....     | 15    |
| 31 | 26. Certificate of authority and renewal for a      |       |
| 32 | seller of prepaid funeral contracts.....            | \$125 |
| 33 | 27. Licenses and renewals for agents for prepaid    |       |
| 34 | funeral contracts:                                  |       |
| 35 | (a) Application and license .....                   | \$125 |
| 36 | (b) Triennial renewal of each license.....          | 125   |
| 37 | 28. Reinsurance intermediary broker or              |       |
| 38 | manager:  |       |
| 39 | (a) Application and license .....                   | \$125 |
| 40 | (b) Triennial renewal of each license.....          | 125   |
| 41 | 29. Agents for and sellers of prepaid burial        |       |
| 42 | contracts:  |       |
| 43 | (a) Application and certificate or license.....     | \$125 |
| 44 | (b) Triennial renewal .....                         | 125   |
| 45 | 30. Risk retention groups:                          |       |



|    |  |              |
|----|--|--------------|
| 1  | (a) Initial registration .....                       | \$250        |
| 2  | (b) Each annual continuation of a certificate of     |              |
| 3  | registration .....                                   | \$250        |
| 4  | 31. Required filing of forms:                        |              |
| 5  | (a) For rates and policies .....                     | \$25         |
| 6  | (b) For riders and endorsements .....                | 10           |
| 7  | 32. Viatical settlements:                            |              |
| 8  | (a) Provider of viatical settlements:                |              |
| 9  | (1) Application and license .....                    | \$1,000      |
| 10 | (2) Annual renewal .....                             | 1,000        |
| 11 | (b) Broker of viatical settlements:                  |              |
| 12 | (1) Application and license .....                    | 500          |
| 13 | (2) Annual renewal .....                             | 500          |
| 14 | (c) Registration of producer of insurance acting     |              |
| 15 | as a viatical settlement broker .....                | 250          |
| 16 | 33. Insurance consultants:                           |              |
| 17 | (a) Application and license .....                    | \$125        |
| 18 | (b) Triennial renewal .....                          | 125          |
| 19 | 34. Licensee's association with or appointment       |              |
| 20 | or sponsorship by an organization:                   |              |
| 21 | (a) Initial appointment, association or              |              |
| 22 | sponsorship, for each organization .....             | \$50         |
| 23 | (b) Renewal of each association or sponsorship ..... | 50           |
| 24 | (c) Annual renewal of appointment .....              | 15           |
| 25 | 35. Purchasing groups:                               |              |
| 26 | (a) Initial registration and review of an            |              |
| 27 | application .....                                    | \$100        |
| 28 | (b) Each annual continuation of registration .....   | 100          |
| 29 | 36. Exchange enrollment facilitators:                |              |
| 30 | (a) Application and certificate .....                | \$125        |
| 31 | (b) Triennial renewal of each certificate .....      | 125          |
| 32 | (c) Temporary certificate .....                      | 10           |
| 33 | 37. <i>Agent who performs utilization reviews:</i>   |              |
| 34 | (a) <i>Application and registration .....</i>        | <i>\$250</i> |
| 35 | (b) <i>Renewal of registration .....</i>             | <i>250</i>   |
| 36 | 38. <i>Motor club:</i>                               |              |
| 37 | (a) <i>Filing of application .....</i>               | <i>\$500</i> |
| 38 | (b) <i>Issuance of certificate .....</i>             | <i>283</i>   |
| 39 | 39. <i>Motor club agent:</i>                         |              |
| 40 | (a) <i>Application and license .....</i>             | <i>\$78</i>  |
| 41 | (b) <i>Appointment by each motor club .....</i>      | <i>5</i>     |
| 42 | (c) <i>Triennial renewal of each license .....</i>   | <i>78</i>    |
| 43 | 40. <i>Title plant company:</i>                      |              |
| 44 | (a) <i>Application and license .....</i>             | <i>\$10</i>  |
| 45 | (b) <i>Renewal of license .....</i>                  | <i>10</i>    |



**41. Service contract provider:**

**(a) Application and registration ..... \$2,000**

**(b) Renewal of registration ..... 2,000**

**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.** NRS 680C.110 is hereby amended to read as follows:

680C.110 1. In addition to any other fee or charge, the Commissioner shall collect in advance and receipt for, and persons so served must pay to the Commissioner, the fees required by this section.

2. A fee required by this section must be:

(a) If an initial fee, paid at the time of an initial application or issuance of a license, as applicable;

(b) Except as otherwise provided in NRS 680A.180, 683A.378, 686A.380, ~~690C.160,~~ 694C.230, 695A.080, 695B.135, 695D.150, 695H.090 and 696A.150, if an annual fee, paid on or before the date established by regulation of the Commissioner;

(c) If a triennial fee, paid on or before the time of continuation, renewal or other similar action in regard to a certificate, license, permit or other type of authorization, as applicable; and

(d) Deposited in the Fund for Insurance Administration and Enforcement created by NRS 680C.100.

3. The fees required pursuant to this section are not refundable.

4. The following fees must be paid by the following persons to the Commissioner:

(a) Associations of self-insured private employers, as defined in NRS 616A.050:

(1) Initial fee ..... \$1,300

(2) Annual fee ..... \$1,300

(b) Associations of self-insured public employers, as defined in NRS 616A.055:

(1) Initial fee ..... \$1,300

(2) Annual fee ..... \$1,300

(c) Independent review organizations, as provided for in NRS 616A.469 or 683A.3715, or both:

(1) Initial fee ..... \$60

(2) Annual fee ..... \$60

(d) Producers of insurance, as defined in NRS 679A.117:

(1) Initial fee ..... \$60

(2) Triennial fee ..... \$60

(e) Reinsurers, as provided for in NRS 681A.1551 or 681A.160, as applicable:

(1) Initial fee ..... \$1,300



|    |  |         |
|----|--|---------|
| 1  | (2) Annual fee.....                              | \$1,300 |
| 2  | (f) Intermediaries, as defined in NRS 681A.330:  |         |
| 3  | (1) Initial fee.....                             | \$60    |
| 4  | (2) Triennial fee.....                           | \$60    |
| 5  | (g) Reinsurers, as defined in NRS 681A.370:      |         |
| 6  | (1) Initial fee.....                             | \$1,300 |
| 7  | (2) Annual fee.....                              | \$1,300 |
| 8  | (h) Administrators, as defined in NRS 683A.025:  |         |
| 9  | (1) Initial fee.....                             | \$60    |
| 10 | (2) Triennial fee.....                           | \$60    |
| 11 | (i) Managing general agents, as defined in       |         |
| 12 | NRS 683A.060:                                    |         |
| 13 | (1) Initial fee.....                             | \$60    |
| 14 | (2) Triennial fee.....                           | \$60    |
| 15 | (j) Agents who perform utilization reviews, as   |         |
| 16 | defined in NRS 683A.376:                         |         |
| 17 | (1) Initial fee.....                             | \$60    |
| 18 | (2) Annual fee.....                              | \$60    |
| 19 | (k) Insurance consultants, as defined in         |         |
| 20 | NRS 683C.010:                                    |         |
| 21 | (1) Initial fee.....                             | \$60    |
| 22 | (2) Triennial fee.....                           | \$60    |
| 23 | (l) Independent adjusters, as defined in         |         |
| 24 | NRS 684A.030:                                    |         |
| 25 | (1) Initial fee.....                             | \$60    |
| 26 | (2) Triennial fee.....                           | \$60    |
| 27 | (m) Public adjusters, as defined in              |         |
| 28 | NRS 684A.030:                                    |         |
| 29 | (1) Initial fee.....                             | \$60    |
| 30 | (2) Triennial fee.....                           | \$60    |
| 31 | (n) Motor vehicle physical damage appraisers, as |         |
| 32 | defined in NRS 684B.010:                         |         |
| 33 | (1) Initial fee.....                             | \$60    |
| 34 | (2) Triennial fee.....                           | \$60    |
| 35 | (o) Brokers, as defined in NRS 685A.031:         |         |
| 36 | (1) Initial fee.....                             | \$60    |
| 37 | (2) Triennial fee.....                           | \$60    |
| 38 | (p) Companies, as defined in NRS 686A.330:       |         |
| 39 | (1) Initial fee.....                             | \$1,300 |
| 40 | (2) Annual fee.....                              | \$1,300 |
| 41 | (q) Rate service organizations, as defined in    |         |
| 42 | NRS 686B.020:                                    |         |
| 43 | (1) Initial fee.....                             | \$1,300 |
| 44 | (2) Annual fee.....                              | \$1,300 |



|    |  |         |
|----|--|---------|
| 1  | (r) Brokers of viatical settlements, as defined in   |         |
| 2  | NRS 688C.030:  |         |
| 3  | (1) Initial fee.....                                 | \$60    |
| 4  | (2) Annual fee.....                                  | \$60    |
| 5  | (s) Providers of viatical settlements, as defined in |         |
| 6  | NRS 688C.080:  |         |
| 7  | (1) Initial fee.....                                 | \$60    |
| 8  | (2) Annual fee.....                                  | \$60    |
| 9  | (t) Agents for prepaid burial contracts subject to   |         |
| 10 | the provisions of chapter 689 of NRS:                |         |
| 11 | (1) Initial fee.....                                 | \$60    |
| 12 | (2) Triennial fee.....                               | \$60    |
| 13 | (u) Agents for prepaid funeral contracts subject to  |         |
| 14 | the provisions of chapter 689 of NRS:                |         |
| 15 | (1) Initial fee.....                                 | \$60    |
| 16 | (2) Triennial fee.....                               | \$60    |
| 17 | (v) Sellers of prepaid burial contracts subject to   |         |
| 18 | the provisions of chapter 689 of NRS:                |         |
| 19 | (1) Initial fee.....                                 | \$60    |
| 20 | (2) Triennial fee.....                               | \$60    |
| 21 | (w) Sellers of prepaid funeral contracts subject to  |         |
| 22 | the provisions of chapter 689 of NRS:                |         |
| 23 | (1) Initial fee.....                                 | \$60    |
| 24 | (2) Triennial fee.....                               | \$60    |
| 25 | (x) Providers, as defined in NRS 690C.070:           |         |
| 26 | (1) Initial fee.....                                 | \$1,300 |
| 27 | (2) <del>Annual</del> <i>Biennial</i> fee.....       | \$1,300 |
| 28 | (y) Escrow officers, as defined in NRS 692A.028:     |         |
| 29 | (1) Initial fee.....                                 | \$60    |
| 30 | (2) Triennial fee.....                               | \$60    |
| 31 | (z) Title agents, as defined in NRS 692A.060:        |         |
| 32 | (1) Initial fee.....                                 | \$60    |
| 33 | (2) Triennial fee.....                               | \$60    |
| 34 | (aa) Captive insurers, as defined in                 |         |
| 35 | NRS 694C.060:  |         |
| 36 | (1) Initial fee.....                                 | \$250   |
| 37 | (2) Annual fee.....                                  | \$250   |
| 38 | (bb) Purchasing groups, as defined in                |         |
| 39 | NRS 695E.100:  |         |
| 40 | (1) Initial fee.....                                 | \$250   |
| 41 | (2) Annual fee.....                                  | \$250   |
| 42 | (cc) Risk retention groups, as defined in            |         |
| 43 | NRS 695E.110:  |         |
| 44 | (1) Initial fee.....                                 | \$250   |
| 45 | (2) Annual fee.....                                  | \$250   |



(dd) Medical discount plans, as defined in  
NRS 695H.050:

- (1) Initial fee.....\$1,300
- (2) Annual fee.....\$1,300

(ee) Club agents, as defined in NRS 696A.040:

- (1) Initial fee.....\$60
- (2) Triennial fee.....\$60

(ff) Motor clubs, as defined in NRS 696A.050:

- (1) Initial fee.....\$1,300
- (2) Annual fee.....\$1,300

(gg) Bail agents, as defined in NRS 697.040:

- (1) Initial fee.....\$60
- (2) Triennial fee.....\$60

(hh) Bail enforcement agents, as defined in  
NRS 697.055:

- (1) Initial fee.....\$60
- (2) Triennial fee.....\$60

(ii) Bail solicitors, as defined in NRS 697.060:

- (1) Initial fee.....\$60
- (2) Triennial fee.....\$60

(jj) General agents, as defined in NRS 697.070:

- (1) Initial fee.....\$60
- (2) Triennial fee.....\$60

(kk) Exchange enrollment facilitators, as defined  
in NRS 695J.050:

- (1) Initial fee.....\$60
- (2) Triennial fee.....\$60

5. An initial fee of \$1,000 must be paid to the Commissioner  
by each:

(a) Insurer who is authorized to transact casualty insurance, as  
defined in NRS 681A.020;

(b) Insurer who is authorized to transact health insurance, as  
defined in NRS 681A.030;

(c) Insurer who is authorized to transact life insurance, as  
defined in NRS 681A.040;

(d) Insurer who is authorized to transact property insurance, as  
defined in NRS 681A.060;

(e) Title insurer, as defined in NRS 692A.070;

(f) Fraternal benefit society, as defined in NRS 695A.010;

(g) Corporation subject to the provisions of chapter 695B of  
NRS;

(h) Health maintenance organization, as defined in  
NRS 695C.030;

(i) Organization for dental care, as defined in NRS 695D.060;  
and



(j) Prepaid limited health service organization, as defined in NRS 695F.050.

6. An insurer who is required to pay an initial fee of \$1,000 pursuant to subsection 5 shall also pay to the Commissioner an annual fee in an amount determined by the Commissioner. When determining the amount of the annual fee, the Commissioner must consider:

(a) The direct written premiums reported to the Commissioner by the insurer during the previous year;

(b) The number of insurers who are required to pay an annual fee pursuant to this subsection;

(c) The direct written premiums reported during the previous year by all insurers paying such fees; and

(d) The budget of the Division.

7. An insurer who is not required to pay an initial or annual fee pursuant to subsection 4 or subsections 5 and 6 shall pay to the Commissioner an initial fee of \$1,300 and an annual fee of \$1,300.

**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



1 licensed in an individual capacity must obtain a separate license in  
2 his or her own name. The Commissioner shall charge appropriate  
3 fees for each person who is licensed to act for a firm or corporation .  
4 ~~[and who is named on the license.]~~

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

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

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

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

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

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

21 683A.160 1. Each applicant for a license as a managing  
22 general agent must submit with his or her application:

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

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

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

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

34 (b) Submit to the Commissioner:

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

41 (2) Written verification, on a form prescribed by the  
42 Commissioner, stating that the fingerprints of the applicant were  
43 taken and directly forwarded electronically or by another means to  
44 the Central Repository and that the applicant has given written  
45 permission to the law enforcement agency or other authorized entity



1 taking the fingerprints to submit the fingerprints to the Central  
2 Repository for submission to the Federal Bureau of Investigation for  
3 a report on the applicant's background and to such other law  
4 enforcement agencies as the Commissioner deems necessary.

5 3. The Commissioner may:

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

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

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

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

19 (a) *A request for renewal is submitted;*

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

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

25 *5. A managing general agent may submit a request for*  
26 *renewal of his or her license within 30 days after the renewal date*  
27 *if the managing general agent otherwise complies with the*  
28 *provisions of subsection 4 and pays, in addition to any fee paid*  
29 *pursuant to subsection 4, a penalty of 50 percent of all applicable*  
30 *fees for renewal, except for any fee required pursuant to*  
31 *NRS 680C.110.*

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

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

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

43 *9. A license must state the licensee's name, address, personal*  
44 *identification number, the date of issuance, the lines of authority*  
45 *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. 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.*

*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. 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 ~~the~~ ~~a \$250~~ *the fee 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 ~~the~~ ~~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. 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.*

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



1 subsidiaries, to perform any ministerial function, including, without  
2 limitation, the collection of fees and data, related to licensing that  
3 the Commissioner may deem appropriate.

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

6 7. *As used in this section, “renewal date” means:*

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

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

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

14 684B.030 1. Before the issuance of a motor vehicle physical  
15 damage appraiser’s license the applicant shall file with the  
16 Commissioner, and thereafter maintain in force while so licensed, a  
17 surety bond ~~[in the]~~ *which complies with section 3 of this act and is*  
18 *in an amount [of \$2,500 in favor of the people of the State of*  
19 *Nevada, executed by an authorized surety insurer approved]*  
20 *determined* by the Commissioner . ~~[, and conditioned for the faithful~~  
21 ~~performance of required duties.]~~

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

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

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

33 684B.060 1. If the Commissioner finds that the application is  
34 complete and the applicant is otherwise eligible and qualified for the  
35 license as a motor vehicle physical damage appraiser, the  
36 Commissioner shall promptly issue the license. If the Commissioner  
37 refuses to issue the license the Commissioner shall promptly notify  
38 the applicant in writing of the refusal, stating the grounds for the  
39 refusal.

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

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

44 684B.080 1. Each license issued *or renewed* under this  
45 chapter continues in force for 3 years unless it is suspended, revoked



1 or otherwise terminated. A license may be renewed upon payment  
2 of all applicable fees for renewal to the Commissioner and  
3 submission of the statement required pursuant to NRS 684B.083 if  
4 the licensee is a natural person. The statement, if required, must be  
5 submitted and all applicable fees must be paid on or before the ~~last~~  
6 ~~day of the month in which~~ *renewal date for* the license . ~~is~~  
7 ~~renewable.~~

8 2. Any license not so renewed expires ~~at midnight~~ on the ~~last~~  
9 ~~day specified for its~~ renewal ~~[ ]~~ *date*. The Commissioner may  
10 accept a request for renewal received by the Commissioner within  
11 30 days after the expiration of the license if the request is  
12 accompanied by a fee for renewal of 150 percent of all applicable  
13 fees otherwise required, except for any fee required pursuant to NRS  
14 680C.110, and the statement required pursuant to NRS 684B.083 if  
15 the person requesting renewal is a natural person.

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

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

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

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

24 685A.120 1. No person may act as, hold himself or herself  
25 out as or be a surplus lines broker with respect to subjects of  
26 insurance for which this State is the insured's home state unless the  
27 person is licensed as such by the Commissioner pursuant to this  
28 chapter.

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

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

37 (b) Submitting the statement required pursuant to NRS  
38 685A.127; and

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

41 3. An application for a license must be submitted to the  
42 Commissioner on a form designated and furnished by the  
43 Commissioner. The application must include the social security  
44 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 ~~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. 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.



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

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

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

12     **Sec. 25.** *“Group health plan” has the meaning ascribed to it*  
13 *in NRS 689B.390.*

14     **Sec. 26.** *“Health care services” has the meaning ascribed to*  
15 *it in NRS 687B.620.*

16     **Sec. 27.** *“Multiple employer welfare arrangement” has the*  
17 *meaning ascribed to it in NRS 680A.028.*

18     **Sec. 28.** *“Network” has the meaning ascribed to it in*  
19 *NRS 687B.640.*

20     **Sec. 29.** *“Policy of provider stop-loss insurance” means a*  
21 *policy of stop-loss insurance which:*

22         1. *Is issued to a provider of health care or a network;*  
23         2. *Provides coverage for losses of the provider of health care*  
24 *or network above an attachment point which is stated in the*  
25 *policy; and*

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

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

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

41     **Sec. 32.** *An insurer authorized in this State to issue policies*  
42 *or contracts of property and casualty insurance, accident and*  
43 *health insurance or health insurance shall report to the*  
44 *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



1 *to any other applicable requirements, the policy form must satisfy*  
2 *the following requirements:*

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

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

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

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

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

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

17 *(1) The date the loss is incurred; or*

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

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

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

25 688C.200 1. Upon the filing of an application and payment  
26 of all applicable fees, the Commissioner shall investigate the  
27 applicant, and issue a license if the Commissioner finds that the  
28 applicant:

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

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

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

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

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

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

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

43 (I) A surety bond ~~[executed and issued by an authorized~~  
44 ~~surety in favor of the State of Nevada, continuous in form]~~ *which*  
45 *complies with section 3 of this act* and *is* in an amount ~~[as]~~





determined by the Commissioner, ~~to~~ *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





1 or the agents of the seller, or to satisfy any judgments against the  
2 seller for failure to perform a prepaid contract. The aggregate  
3 liability of the surety for all breaches of the conditions of the bond  
4 must not exceed the sum of the bond. ~~[The surety on the bond has~~  
5 ~~the right to cancel the bond upon giving 30 days' notice to the~~  
6 ~~Commissioner and thereafter is relieved of liability for any breach~~  
7 ~~of condition occurring after the effective date of the cancellation.~~

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

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

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

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

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

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

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

25 689.255 1. Each agent's license issued *or renewed* pursuant  
26 to NRS 689.150 to 689.375, inclusive, continues in force for 3 years  
27 unless it is suspended, revoked or otherwise terminated.

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

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

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

43 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



1 interest of the ~~{mother}~~ *pregnant or postpartum individual* and  
2 ~~{her}~~ *the* newborn infant.

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

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

7 689C.194 1. Except as otherwise provided in this subsection,  
8 a health benefit plan issued pursuant to this chapter that includes  
9 coverage for maternity care and pediatric care for newborn infants  
10 may not restrict benefits for any length of stay in a hospital in  
11 connection with childbirth for a ~~{mother}~~ *pregnant or postpartum*  
12 *individual* or newborn infant covered by the plan to:

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

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

15 ➔ If a different length of stay is provided in the guidelines  
16 established by the American College of Obstetricians and  
17 Gynecologists, or its successor organization, and the American  
18 Academy of Pediatrics, or its successor organization, the health  
19 benefit plan may follow such guidelines in lieu of following the  
20 length of stay set forth above. The provisions of this subsection do  
21 not apply to any health benefit plan in any case in which the  
22 decision to discharge the ~~{mother}~~ *pregnant or postpartum*  
23 *individual* or newborn infant before the expiration of the minimum  
24 length of stay set forth in this subsection is made by the attending  
25 physician of the ~~{mother}~~ *pregnant or postpartum individual* or  
26 newborn infant.

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

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

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

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

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

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

42 (c) Penalize, or otherwise reduce or limit, the reimbursement of  
43 an attending provider of health care because the attending provider  
44 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.}*

**Sec. 46.** Chapter 690C of NRS is hereby amended by adding thereto the provisions set forth as sections 47 and 48 of this act.

**Sec. 47. 1.** *In addition to any other requirements set forth in this chapter, a natural person who applies for the issuance or renewal of a certificate of registration as a provider shall:*

*(a) Include the social security number of the applicant in the application submitted to the Commissioner.*

*(b) Submit to the Commissioner the statement prescribed by the Division of Welfare and Supportive Services of the Department*





1 of Health and Human Services pursuant to NRS 425.520. The  
2 statement must be completed and signed by the applicant.

3 2. The Commissioner shall include the statement required  
4 pursuant to subsection 1 in:

5 (a) The application or any other forms that must be submitted  
6 for the issuance or renewal of the certificate; or

7 (b) A separate form prescribed by the Commissioner.

8 3. A certificate may not be issued or renewed by the  
9 Commissioner if the applicant:

10 (a) Fails to submit the statement required pursuant to  
11 subsection 1; or

12 (b) Indicates on the statement submitted pursuant to  
13 subsection 1 that the applicant is subject to a court order for the  
14 support of a child and is not in compliance with the order or a  
15 plan approved by the district attorney or other public agency  
16 enforcing the order for the repayment of the amount owed  
17 pursuant to the order.

18 4. If an applicant indicates on the statement submitted  
19 pursuant to subsection 1 that the applicant is subject to a court  
20 order for the support of a child and is not in compliance with the  
21 order or a plan approved by the district attorney or other public  
22 agency enforcing the order for the repayment of the amount owed  
23 pursuant to the order, the Commissioner shall advise the applicant  
24 to contact the district attorney or other public agency enforcing  
25 the order to determine the actions that the applicant may take to  
26 satisfy the arrearage.

27 **Sec. 48. 1.** If the Commissioner receives a copy of a court  
28 order issued pursuant to NRS 425.540 that provides for the  
29 suspension of all professional, occupational and recreational  
30 licenses, certificates and permits issued to a person who is the  
31 holder of a certificate of registration as a provider, the  
32 Commissioner shall deem the certificate issued to that person to be  
33 suspended at the end of the 30th day after the date on which the  
34 court order was issued unless the Commissioner receives a letter  
35 issued to the holder of the certificate by the district attorney or  
36 other public agency pursuant to NRS 425.550 stating that the  
37 holder of the certificate has complied with the subpoena or  
38 warrant or has satisfied the arrearage pursuant to NRS 425.560.

39 2. The Commissioner shall reinstate a certificate that has  
40 been suspended by a district court pursuant to NRS 425.540 if the  
41 Commissioner receives a letter issued to the holder of the  
42 certificate by the district attorney or other public agency pursuant  
43 to NRS 425.550 stating that the person whose certificate was  
44 suspended has complied with the subpoena or warrant or has  
45 satisfied the arrearage pursuant to NRS 425.560.



**Sec. 49.** NRS 690C.120 is hereby amended to read as follows:

690C.120 1. Except as otherwise provided in this chapter, the marketing, issuance, sale, offering for sale, making, proposing to make and administration of service contracts are not subject to the provisions of title 57 of NRS, except, when applicable, the provisions of:

(a) NRS 679B.020 to 679B.152, inclusive;

(b) NRS 679B.159 to 679B.300, inclusive ~~[ ]~~, *and sections 2 and 3 of this act;*

(c) NRS 679B.310 to 679B.370, inclusive;

(d) NRS 679B.600 to 679B.690, inclusive;

(e) NRS 685B.090 to 685B.190, inclusive;

(f) NRS 686A.010 to 686A.095, inclusive;

(g) NRS 686A.160 to 686A.187, inclusive; and

(h) NRS 686A.260, 686A.270, 686A.280, 686A.300 and 686A.310.

2. A provider, person who sells service contracts, administrator or any other person is not required to obtain a certificate of authority from the Commissioner pursuant to chapter 680A of NRS to issue, sell, offer for sale or administer service contracts.

**Sec. 50.** NRS 690C.150 is hereby amended to read as follows:

690C.150 A ~~[provider]~~ *person* shall not issue, sell or offer for sale service contracts in this state unless the ~~[provider]~~ *person* has been issued a certificate of registration *as a provider* pursuant to the provisions of this chapter.

**Sec. 51.** NRS 690C.160 is hereby amended to read as follows:

690C.160 1. A ~~[provider who wishes to issue, sell or offer]~~ *person who issues, sells or offers* for sale service contracts in this state must submit to the Commissioner:

(a) A registration application on a form prescribed by the Commissioner;

(b) Proof that the ~~[provider]~~ *person* has complied with the requirements for financial security set forth in NRS 690C.170;

(c) A copy of each type of service contract the ~~[provider]~~ *person* proposes to issue, sell or offer for sale;

(d) The name, address and telephone number of each administrator with whom the ~~[provider]~~ *person* intends to contract;

(e) ~~[A]~~ *The* fee ~~[of \$2,000]~~ *specified in NRS 680B.010* and all applicable fees required pursuant to NRS 680C.110 to be paid at the time of application; ~~[and]~~

(f) ~~[The]~~ *If the applicant is a natural person, the following information:*

*(1) Whether the applicant, in the last 10 years, has been:*

*(I) Convicted of a felony or misdemeanor of which an essential element is fraud;*



(II) *Adjudged bankrupt;*

(III) *Refused a license or registration in the business of a service contract provider or had an existing license or registration in the business of a service contract provider suspended or revoked by any state or governmental agency or authority; or*

(IV) *Fined by any state or governmental agency or authority in any matter regarding service contracts; and*

(2) *Whether there are any pending criminal actions against the applicant other than moving traffic violations; and*

(g) *If the applicant is not a natural person, the* following information for each controlling person:

(1) Whether the person, in the last 10 years, has been:

(I) Convicted of a felony or misdemeanor of which an essential element is fraud;

(II) Insolvent or adjudged bankrupt;

(III) Refused a license or registration as a service contract provider or had an existing license or registration as a service contract provider suspended or revoked by any state or governmental agency or authority; or

(IV) Fined by any state or governmental agency or authority in any matter regarding service contracts; and

(2) Whether there are any pending criminal actions against the person other than moving traffic violations.

2. In addition to the fee required by subsection 1, a provider must pay , ~~a fee of \$25~~ for each type of service contract the provider files with the Commissioner ~~[-]~~ , *the fee specified in NRS 680B.010 for filing rates and policies.*

3. ~~Each year,~~ *Every 2 years*, not later than the anniversary date of his or her certificate of registration, a provider must pay the ~~annual~~ *biennial* fee required pursuant to NRS 680C.110 in addition to any other fee required pursuant to this section.

4. A certificate of registration is valid for 2 years after the date the Commissioner issues the certificate to the *applicant or renews the certificate for the* provider. A provider may renew his or her certificate of registration if, not later than 60 days before the certificate expires, the provider submits to the Commissioner ~~[-]~~ *for the Commissioner's review and approval:*

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

(b) ~~A~~ *The* fee ~~of \$2,000~~ *specified in NRS 680B.010* and, in addition to any other fee or charge, all applicable fees required pursuant to ~~subsection~~ *subsections 2 and 3; and*

(c) The information required by paragraph (f) of subsection 1 ~~[-]~~ *, if the provider is a natural person and the provider has had a*



1 *change in any of the information previously submitted to the*  
2 *Commissioner; and*

3 *(d) If the provider is not a natural person, the information*  
4 *required by paragraph (g) of subsection 1:*

5 (1) If an existing controlling person has had a change in any  
6 of the information previously submitted to the Commissioner; or

7 (2) For a controlling person who has not previously  
8 submitted the information required by paragraph ~~[(f)]~~ (g) of  
9 subsection 1 to the Commissioner.

10 5. All fees paid pursuant to this section are nonrefundable.

11 6. Each application submitted pursuant to this section,  
12 including, without limitation, an application for renewal, must:

13 (a) *If the applicant is a natural person, be signed by the*  
14 *applicant; and*

15 *(b) If the applicant is not a natural person:*

16 (1) Be signed by an executive officer, if any, of the  
17 ~~[provider]~~ applicant or, if the ~~[provider]~~ applicant does not have an  
18 executive officer, by a controlling person of the ~~[provider];~~  
19 applicant; and

20 ~~[(b)]~~ (2) Have attached to it an affidavit signed by the person  
21 described in ~~[paragraph (a)]~~ subparagraph (1) which meets the  
22 requirements of subsection 7.

23 7. Before signing the application described in subsection 6, the  
24 person who signs the application shall verify that the information  
25 provided is accurate to the best of his or her knowledge.

26 **Sec. 52.** NRS 690C.170 is hereby amended to read as follows:

27 690C.170 1. ~~[To be issued]~~ *Each person who applies for a*  
28 *certificate of registration [ ] as a provider pursuant to NRS*  
29 *690C.160 and each provider who has been issued a certificate*  
30 *must comply with one of the following to provide for financial*  
31 *security:*

32 (a) Purchase a contractual liability insurance policy which  
33 insures the obligations of each service contract the provider issues,  
34 sells or offers for sale. The contractual liability insurance policy  
35 must:

36 (1) Be issued by an insurer which is licensed, registered or  
37 otherwise authorized to transact insurance in this state or pursuant to  
38 the provisions of chapter 685A of NRS.

39 (2) Contain a provision prohibiting the insurer from  
40 terminating the policy until a notice of termination has been mailed  
41 or delivered to the Commissioner at least 60 days prior to the  
42 termination of the policy. Any such termination shall not reduce  
43 the responsibility of the insurer for service contracts issued by the  
44 provider prior to the effective date of termination.



(b) Maintain a reserve account in this State and deposit with the Commissioner security as provided in this subsection. The reserve account must contain at all times an amount of money equal to at least 40 percent of the unearned gross consideration received by the provider for any unexpired service contracts. The reserve account must be kept separate from the operating accounts of the provider and must be clearly identified as the “ (Provider’s Name) Nevada Service Contracts Funded Reserve Account.” The Commissioner may examine the reserve account at any time. The provider shall also deposit with the Commissioner security in an amount that is equal to \$25,000 or 10 percent of the unearned gross consideration received by the provider for any unexpired service contracts, whichever is greater. The security must be:

(1) A surety bond ~~issued by a surety company authorized to do business in this State;~~ *which complies with section 3 of this act;*

(2) Securities of the type eligible for deposit pursuant to NRS 682B.030;

(3) Cash;

(4) An irrevocable letter of credit issued by a financial institution approved by the Commissioner; or

(5) In any other form prescribed by the Commissioner.

(c) Maintain, or be a subsidiary of a parent company that maintains, a net worth or stockholders’ equity of at least \$100,000,000. Upon request, a provider shall provide to the Commissioner a copy of the most recent Form 10-K report or Form 20-F report filed by the provider or parent company of the provider with the Securities and Exchange Commission within the previous year. If the provider or parent company is not required to file those reports with the Securities and Exchange Commission, the provider shall provide to the Commissioner a copy of the most recently audited financial statements of the provider or parent company. If the net worth or stockholders’ equity of the parent company of the provider is used to comply with the requirements of this subsection, the parent company must guarantee to carry out the duties of the provider under any service contract issued or sold by the provider.

2. A provider shall not use any money in a reserve account described in paragraph (b) of subsection 1 for any purpose other than to pay an obligation of the provider under an unexpired service contract.

3. A provider shall maintain the financial security required by subsection 1 until:

(a) The provider ceases doing business in this State; and

(b) The provider has performed or otherwise satisfied all liabilities and obligations under all unexpired service contracts issued by the provider.



4. If the certificate of registration of a provider has not expired and the provider fails to maintain the financial security required by subsection 1, including, without limitation, if the financial security is cancelled or lapses, the provider shall not issue or sell a service contract on or after the effective date of such failure until the provider submits to the Commissioner proof satisfactory to the Commissioner that the provider is in compliance with subsection 1.

**Sec. 53.** NRS 690C.260 is hereby amended to read as follows:

690C.260 1. A service contract must:

(a) Be written in language that is understandable and printed in a typeface that is easy to read.

(b) Indicate that it is insured by a contractual liability insurance policy if it is so insured, and include the name and address of the issuer of the policy or that it is backed by the full faith and credit of the provider if the service contract is not insured by a contractual liability insurance policy.

(c) Include the amount of any deductible that the holder is required to pay.

(d) Include the name and address of the provider and, if applicable:

(1) The name and address of the administrator; and

(2) The name of the holder, if provided by the holder.

➤ The names and addresses of such persons are not required to be preprinted on the service contract and may be added to the service contract at the time of the sale.

(e) Include the purchase price of the service contract. The purchase price must be determined pursuant to a schedule of fees established by the provider. The purchase price is not required to be preprinted on the service contract and may be negotiated with the holder and added to the service contract at the time of sale.

(f) Include a description of the goods covered by the service contract.

(g) Specify the duties of the provider and any limitations, exceptions or exclusions.

(h) If the service contract covers a motor vehicle, indicate whether replacement parts that are not made for or by the original manufacturer of the motor vehicle may be used to comply with the terms of the service contract.

(i) Include any restrictions on transferring or renewing the service contract.

(j) Include the terms, restrictions or conditions for cancelling the service contract before it expires and the procedure for cancelling the service contract. The conditions for cancelling the service contract must include, without limitation, the provisions of



(k) Include the duties of the holder under the contract, including, without limitation, the duty to protect against damage to the goods covered by the service contract or to comply with any instructions included in the owner's manual for the goods.

(l) Indicate whether the service contract authorizes the holder to recover consequential damages.

(m) Indicate whether any defect in the goods covered by the service contract existing on the date the contract is purchased is not covered under the service contract.

2. A provider shall not allow, make or cause to be made a false or misleading statement in any of the service contracts *or advertisements* of the provider *or its affiliates or business partners* or intentionally omit a material statement that causes a service contract *or advertisement* to be misleading. The Commissioner may require the provider to amend any service contract *or advertisement* that the Commissioner determines is false or misleading.

**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





1 of the statement required pursuant to NRS 692A.1033 and payment  
2 of all applicable fees for renewal to the Commissioner on or before  
3 the ~~[last day of the month in which]~~ *renewal date* for the license . ~~[is~~  
4 ~~renewable.]~~

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

12 6. *Except as otherwise provided in subsection 9, a license as*  
13 *an escrow officer expires if the Commissioner does not receive*  
14 *from the escrow officer an application for renewal pursuant to*  
15 *subsection 4 or 5 on or before the date which is 30 days after the*  
16 *renewal date.*

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

19 8. *A natural person who allows his or her license as an*  
20 *escrow officer to expire pursuant to subsection 6 may, within 12*  
21 *months after the renewal date, reinstate the license without*  
22 *passing a written examination if the natural person:*

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

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

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

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

37 11. *A licensee shall inform the Commissioner of each change*  
38 *of business, residence or electronic mail address, in writing or by*  
39 *other means acceptable to the Commissioner, within 30 days after*  
40 *the change. If a licensee changes his or her business, residence or*  
41 *electronic mail address without giving written notice and the*  
42 *Commissioner is unable to locate the licensee after diligent effort,*  
43 *the Commissioner may revoke the license without a hearing. The*  
44 *mailing of a letter by certified mail, return receipt requested,*  
45 *addressed to the licensee at his or her last mailing address*





1 *appearing on the records of the Division, and the return of the*  
2 *letter undelivered, constitutes a diligent effort by the*  
3 *Commissioner.*

4 **12.** The Commissioner shall adopt regulations to carry out the  
5 provisions of this section.

6 **13.** *As used in this section, “renewal date” means:*

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

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

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

15 692A.1041 1. In addition to all other requirements set forth  
16 in this title and except as otherwise provided in ~~{subsection 4}~~  
17 **subsections 2 and 3** and NRS 692A.1042, as a condition to doing  
18 business in this State, each title agent and title insurer shall deposit  
19 with the Commissioner and keep in full force and effect a corporate  
20 surety bond ~~{payable to the State of Nevada, in the amount set forth~~  
21 ~~in subsection 3, which is executed by a corporate surety satisfactory~~  
22 ~~to}~~ **which complies with section 3 of this act and is in an amount**  
23 **as determined by the Commissioner . {and which names} The bond**  
24 **must name** as principals the title agency or title insurer and all  
25 escrow officers employed by or associated with the title agent or  
26 title insurer.

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

28  
29 ~~— Know All Persons by These Presents, that .....,~~  
30 ~~as principal, and ....., as surety, are held and~~  
31 ~~firmly bound unto the State of Nevada for the use and benefit~~  
32 ~~of any person who suffers damages because of a violation of~~  
33 ~~any of the provisions of chapter 692A of NRS, in the sum of~~  
34 ~~....., lawful money of the United States, to be paid to the~~  
35 ~~State of Nevada for such use and benefit, for which payment~~  
36 ~~well and truly to be made, and that we bind ourselves, our~~  
37 ~~heirs, executors, administrators, successors and assigns,~~  
38 ~~jointly and severally, firmly by these presents.~~

39 ~~— The condition of that obligation is such that: Whereas, the~~  
40 ~~Commissioner of Insurance of the Department of Business~~  
41 ~~and Industry of the State of Nevada has issued the principal a~~  
42 ~~license or certificate of authority as a title agent or title~~  
43 ~~insurer, and the principal is required to furnish a bond, which~~  
44 ~~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.

~~[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.

~~[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;



1 (b) The persons who will be operating the business are qualified;  
2 (c) The rules of operation expressed in the articles of  
3 incorporation or association and the bylaws, or in the partnership  
4 agreement, will promote the efficiency of the operation of the  
5 owners or participants; and

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

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

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

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

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

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

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

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

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

33 692C.3504 1. Each insurer, or the insurance group of which  
34 the insurer is a member, shall, not later than June 1 of each calendar  
35 year, submit to the Commissioner a corporate governance annual  
36 disclosure which contains the information prescribed by the  
37 Commissioner by regulation pursuant to subsection 2 of NRS  
38 692C.3506. If an insurer is a member of an insurance group, the  
39 insurer shall submit the report required by this section to the  
40 insurance commissioner of the lead state for the insurance group in  
41 accordance with the laws of the lead state, as determined by the  
42 procedures contained in the most recent Financial Analysis  
43 Handbook published by the National Association of Insurance  
44 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 also 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.



~~5.1~~ 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.

~~6.1~~ 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. 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



1 captive insurer. The effective date of such a contract of insurance or  
2 reinsurance must be before the date on which the Commissioner  
3 issued a certificate of dormancy to the captive insurer.

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

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

9 (b) Required to:

10 (1) Prepare audited financial statements;

11 (2) Obtain actuarial certifications or opinions; or

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

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

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

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

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

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

32 694C.310 1. The board of directors of a captive insurer shall  
33 meet at least once each year in this State. The captive insurer shall:

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

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

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

44 (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. 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.1799, 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, 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.1799, 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.]~~ *comply with section 3 of this act and be in an amount determined by the Commissioner.*

**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 ~~and~~, *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.1799, 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.

~~((c))~~ (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. ~~[ ]~~





|   |   |      |
|---|---|------|
| 1 | —(a) Application and license.....           | \$78 |
| 2 | —(b) Appointment by each motor club.....    | 5    |
| 3 | —(c) Triennial renewal of each license..... | 78]  |

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

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

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

11     **Sec. 74.** NRS 697.190 is hereby amended to read as follows:

12     697.190 1. Each applicant for a license as a bail agent, bail  
13 solicitor or general agent must file with the application, and  
14 thereafter maintain in force while so licensed, a bond ~~[in favor of the~~  
15 ~~people of the State of Nevada executed by an authorized surety~~  
16 ~~insurer. The bond may be continuous in form with total aggregate~~  
17 ~~liability limited to payment as follows:~~

|    |                          |          |
|----|--------------------------|----------|
| 18 | —(a) Bail agent.....     | \$25,000 |
| 19 | —(b) Bail solicitor..... | 10,000   |
| 20 | —(c) General agent.....  | 50,000]  |

21 *which complies with section 3 of this act and is in an amount*  
22 *determined by the Commissioner.*

23     2. The bond must be conditioned upon full accounting and  
24 payment to the person entitled thereto of money, property or other  
25 matters coming into the licensee’s possession through bail bond  
26 transactions under the license.

27     ~~[3. The bond must remain in force until released by the~~  
28 ~~Commissioner, or cancelled by the surety. Without prejudice to any~~  
29 ~~liability previously incurred under the bond, the surety may cancel~~  
30 ~~the bond upon 30 days’ advance written notice to the licensee and~~  
31 ~~the Commissioner.]~~

32     **Sec. 75.** NRS 697.230 is hereby amended to read as follows:

33     697.230 1. Except as otherwise provided in NRS 697.177,  
34 each license issued to *or renewed for* a general agent, bail agent,  
35 bail enforcement agent or bail solicitor under this chapter continues  
36 in force for 3 years unless it is suspended, revoked or otherwise  
37 terminated. A license may be renewed upon payment of all  
38 applicable fees for renewal to the Commissioner on or before the  
39 ~~[last day of the month in which]~~ *renewal date for* the license . ~~[is~~  
40 ~~renewable.]~~ All applicable fees must be accompanied by:

41     (a) Proof that the licensee has completed a 3-hour program of  
42 continuing education that is:

43     (1) Offered by the authorized surety insurer from whom the  
44 licensee received written appointment, if any, a state or national  
45 organization of bail agents or another organization that administers





1 training programs for general agents, bail agents, bail enforcement  
2 agents or bail solicitors; and

3 (2) Approved by the Commissioner;

4 (b) If the licensee is a natural person, the statement required  
5 pursuant to NRS 697.181; and

6 (c) A written request for renewal of the license. The request  
7 must be made and signed:

8 (1) By the licensee in the case of the renewal of a license as a  
9 general agent, bail enforcement agent or bail agent.

10 (2) By the bail solicitor and the bail agent who employs the  
11 solicitor in the case of the renewal of a license as a bail solicitor.

12 2. Any license that is not renewed on or before the ~~last day~~  
13 ~~specified for its~~ renewal *date for the license* expires ~~[at midnight~~  
14 ~~on that day.] on the renewal date~~. The Commissioner may accept a  
15 request for renewal received by the Commissioner within 30 days  
16 after the date of expiration if the request is accompanied by a fee for  
17 renewal of 150 percent of all applicable fees otherwise required,  
18 except for any fee required pursuant to NRS 680C.110, and, if the  
19 person requesting renewal is a natural person, the statement required  
20 pursuant to NRS 697.181.

21 3. A bail agent's license continues in force while there is in  
22 effect an appointment of him or her as a bail agent of one or more  
23 authorized insurers. Upon termination of all the bail agent's  
24 appointments and the bail agent's failure to replace any appointment  
25 within 30 days thereafter, the bail agent's license expires and the  
26 bail agent shall promptly deliver his or her license to the  
27 Commissioner.

28 4. The Commissioner shall terminate the license of a general  
29 agent for a particular insurer upon a written request by the insurer.

30 5. This section does not apply to temporary licenses issued  
31 under NRS 683A.311 or 697.177.

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

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

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

39 **Sec. 76.** NRS 289.310 is hereby amended to read as follows:

40 289.310 1. The Commissioner of Insurance and the chief  
41 deputy of the Commissioner of Insurance are peace officers for the  
42 limited purposes of obtaining and exchanging information on  
43 applicants and licensees under title 57 of NRS.

44 2. *For the purpose of the administration and enforcement of*  
45 *the provisions of chapter 679B or 686A of NRS involving*



*investigations of insurance fraud, the fraud unit within the Division of Insurance of the Department of Business and Industry and those agents of the fraud unit within the Division whose duties include the enforcement, or the investigation of suspected violations, of statutes or regulations, have the powers of a peace officer.*

**Sec. 77.** NRS 616A.465 is hereby amended to read as follows:  
616A.465 1. Except as otherwise provided in this section, the Division shall:

(a) Regulate insurers pursuant to chapters 616A to 617, inclusive, of NRS;

(b) Investigate insurers regarding compliance with statutes and the Division's regulations; *and*

(c) ~~Determine whether an employee leasing company is entitled to a certificate of registration pursuant to NRS 616B.673; and~~

~~—(d)—~~ Regulate employee leasing companies pursuant to the provisions of NRS ~~[616B.670 to 616B.697, inclusive.]~~ **616B.692.**

2. The Commissioner is responsible for reviewing rates, investigating the solvency of insurers, authorizing private carriers pursuant to chapter 680A of NRS and certifying:

(a) Self-insured employers pursuant to NRS 616B.300 to 616B.330, inclusive, and 616B.336;

(b) Associations of self-insured public or private employers pursuant to NRS 616B.350 to 616B.446, inclusive; and

(c) Third-party administrators pursuant to chapter 683A of NRS.

3. The Department of Administration is responsible for contested claims relating to industrial insurance pursuant to NRS 616C.310 to 616C.385, inclusive. The Administrator is responsible for administrative appeals pursuant to NRS 616B.215.

4. The Nevada Attorney for Injured Workers is responsible for legal representation of claimants pursuant to NRS 616A.435 to 616A.460, inclusive, and 616D.120.

5. The Division is responsible for the investigation of complaints. If a complaint is filed with the Division, the Administrator shall cause to be conducted an investigation which includes a review of relevant records and interviews of affected persons. If the Administrator determines that a violation may have occurred, the Administrator shall proceed in accordance with the provisions of NRS 616D.120 and 616D.130.

6. As used in this section, "employee leasing company" has the meaning ascribed to it in NRS 616B.670.

**Sec. 78.** NRS 616B.306 is hereby amended to read as follows:

616B.306 ~~[H-]~~ 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



1 special assignment for the benefit of creditors or fails to pay  
2 compensation under chapters 616A to 616D, inclusive, or chapter  
3 617 of NRS after an order for payment of any claim becomes final,  
4 the Commissioner may, after giving at least 10 days' notice to the  
5 employer and any insurer or guarantor, use money or interest on  
6 securities, sell securities or institute legal proceedings on surety  
7 bonds deposited or filed with the Commissioner *pursuant to section*  
8 *3 of this act* to the extent necessary to make those payments. Until  
9 the Commissioner gives a 10-day notice pursuant to this subsection,  
10 the employer is entitled to all interest and dividends on bonds or  
11 securities on deposit *pursuant to section 3 of this act* and to  
12 exercise all voting rights, stock options and other similar incidents  
13 of ownership thereof.

14 ~~[2.— A company providing a surety bond under NRS 616B.300~~  
15 ~~may terminate liability on its surety bond by giving the~~  
16 ~~Commissioner and the employer 90 days' written notice. The~~  
17 ~~termination does not limit liability which was incurred under the~~  
18 ~~surety bond before the termination. If the employer fails to requalify~~  
19 ~~as a self insured employer on or before the termination date, the~~  
20 ~~employer's certification is withdrawn when the termination becomes~~  
21 ~~effective.]~~

22 **Sec. 79.** NRS 616B.440 is hereby amended to read as follows:

23 616B.440 1. For the purposes of NRS 616B.350 to  
24 616B.446, inclusive, an association of self-insured public or private  
25 employers is insolvent if it is unable to pay its outstanding  
26 obligations as they mature in the regular course of its business.

27 2. If an association of self-insured public or private employers  
28 becomes insolvent, institutes any voluntary proceeding pursuant to  
29 the Bankruptcy Act or is named in any voluntary proceeding  
30 thereunder, makes a general or special assignment for the benefit of  
31 creditors or fails to pay compensation pursuant to chapters 616A to  
32 616D, inclusive, or chapter 617 of NRS after an order for the  
33 payment of any claim becomes final, the Commissioner may, after  
34 giving at least 10 days' notice to the association and any insurer or  
35 guarantor, use money or interest on securities, sell securities or  
36 institute legal proceedings on surety bonds deposited with the  
37 Commissioner *pursuant to section 3 of this act* to the extent  
38 necessary to make those payments.

39 3. A licensed surety providing a surety bond pursuant to NRS  
40 616B.353 may terminate liability on its surety bond by giving the  
41 Commissioner and the association, association's administrator or  
42 third-party administrator 90 days' written notice. The termination  
43 does not limit liability that was incurred under the surety bond  
44 before the termination. ~~[If the association fails to requalify as an~~  
45 ~~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.]~~

**Sec. 80.** NRS 616B.673 is hereby amended to read as follows:

616B.673 1. A person shall not operate an employee leasing company in this State unless the person has complied with the provisions of NRS 616B.670 to 616B.697, inclusive. The ~~{Administrator}~~ **Commissioner** shall issue a certificate of registration to each applicant who complies with the provisions of NRS 616B.670 to 616B.697, inclusive.

2. Any person who violates the provisions of subsection 1 is guilty of a misdemeanor.

3. Each certificate of registration issued by the ~~{Administrator}~~ **Commissioner** pursuant to NRS 616B.670 to 616B.697, inclusive, expires 1 year after it is issued unless renewed before that date.

**Sec. 81.** NRS 616B.676 is hereby amended to read as follows:

616B.676 An applicant for the issuance or renewal of a certificate of registration must submit to the ~~{Administrator}~~ **Commissioner** a written application upon a form provided by the ~~{Administrator}~~ **Commissioner**.

**Sec. 82.** NRS 616B.679 is hereby amended to read as follows:

616B.679 1. Each application must include:

(a) The applicant's name and title of his or her position with the employee leasing company.

(b) The applicant's age, place of birth and social security number.

(c) The applicant's address.

(d) The business address of the employee leasing company.

(e) The business address of the registered agent of the employee leasing company, if the applicant is not the registered agent.

(f) If the applicant is a:

(1) Partnership, the name of the partnership and the name, address, age, social security number and title of each partner.

(2) Corporation, the name of the corporation and the name, address, age, social security number and title of each officer of the corporation.

(g) Proof of:

(1) Compliance with the provisions of chapter 76 of NRS.

(2) The payment of any premiums for industrial insurance required by chapters 616A to 617, inclusive, of NRS.

(3) The payment of contributions or payments in lieu of contributions required by chapter 612 of NRS.

(4) Insurance coverage for any benefit plan from an insurer authorized pursuant to title 57 of NRS that is offered by the employee leasing company to its employees.



(h) A financial statement of the applicant setting forth the financial condition of the employee leasing company. Except as otherwise provided in subsection 5, the financial statement must include, without limitation:

(1) For an application for issuance of a certificate of registration, the most recent audited financial statement that includes the applicant, which must have been completed not more than 13 months before the date of application; or

(2) For an application for renewal of a certificate of registration, an audited financial statement that includes the applicant and which must have been completed not more than 180 days after the end of the applicant's fiscal year.

(i) A registration or renewal fee of \$500.

(j) Any other information the ~~Administrator~~ Commissioner requires.

2. Each application must be notarized and signed under penalty of perjury:

(a) If the applicant is a sole proprietorship, by the sole proprietor.

(b) If the applicant is a partnership, by each partner.

(c) If the applicant is a corporation, by each officer of the corporation.

3. An applicant shall submit to the ~~Administrator~~ Commissioner any change in the information required by this section within 30 days after the change occurs. The ~~Administrator~~ Commissioner may revoke the certificate of registration of an employee leasing company which fails to comply with the provisions of NRS 616B.670 to 616B.697, inclusive.

4. If an insurer cancels an employee leasing company's policy, the insurer shall immediately notify the ~~Administrator~~ Commissioner in writing. The notice must comply with the provisions of NRS 687B.310 to 687B.355, inclusive, and must be served personally on or sent by first-class mail or electronic transmission to the ~~Administrator~~ Commissioner.

5. A financial statement submitted with an application pursuant to this section must be prepared in accordance with generally accepted accounting principles, must be audited by an independent certified public accountant certified or licensed to practice in the jurisdiction in which the accountant is located and must be without qualification as to the status of the employee leasing company as a going concern. Except as otherwise provided in subsection 6, an employee leasing company that has not had sufficient operating history to have an audited financial statement based upon at least 12 months of operating history must present financial statements reviewed by a certified public accountant covering its entire



operating history. The financial statements must be prepared not more than 13 months before the submission of an application and must:

(a) Demonstrate, in the statement, positive working capital, as defined by generally accepted accounting principles, for the period covered by the financial statements; or

(b) Be accompanied by a bond, irrevocable letter of credit or securities with a minimum market value equaling the maximum deficiency in working capital for the period covered by the financial statements plus \$100,000. The bond, irrevocable letter of credit or securities must be held by a depository institution designated by the ~~Administrator~~ Commissioner to secure payment by the applicant of all taxes, wages, benefits or other entitlements payable by the applicant.

6. An applicant required to submit a financial statement pursuant to this section may submit a consolidated or combined audited financial statement that includes, but is not exclusive to, the applicant.

**Sec. 83.** NRS 616B.693 is hereby amended to read as follows:

616B.693 1. The ~~Administrator~~ Commissioner may adopt regulations authorizing and setting forth qualifications for an assurance organization selected by an employee leasing company to act on behalf of the employee leasing company in complying with the requirements of NRS 616B.670 to 616B.697, inclusive, and any regulations adopted pursuant thereto, including, without limitation, any requirements regarding obtaining or renewing a certificate of registration. Such an assurance organization must be independent of the employee leasing company and approved by the ~~Administrator~~ Commissioner.

2. Nothing in this section or any regulations adopted pursuant thereto:

(a) Limits or otherwise affects the authority of the ~~Administrator~~ Commissioner to issue or revoke a certificate of registration of an employee leasing company subject to the appeals process;

(b) Limits or otherwise affects the authority of the ~~Administrator~~ Commissioner to investigate compliance with or enforce any provision of NRS 616B.670 to 616B.697, inclusive, and any regulations adopted pursuant thereto; or

(c) Requires an employee leasing company to authorize an assurance organization to act on its behalf.

3. As used in this section, “assurance organization” means a person who meets the qualifications set forth by the ~~Administrator~~ Commissioner pursuant to regulations adopted pursuant to subsection 1.



1     **Sec. 84.** NRS 616B.694 is hereby amended to read as follows:  
2     616B.694 The ~~Administrator~~ **Commissioner** may adopt  
3 regulations to carry out the provisions of NRS 616B.670 to  
4 616B.697, inclusive.

5     **Sec. 85.** 1. Any administrative regulations adopted by an  
6 officer or an agency whose name has been changed or whose  
7 responsibilities have been transferred pursuant to the provisions of  
8 this act to another officer or agency remain in force until amended  
9 by the officer or agency to which the responsibility for the adoption  
10 of the regulations has been transferred.

11     2. Any contracts or other agreements entered into by an officer  
12 or agency whose name has been changed or whose responsibilities  
13 have been transferred pursuant to the provisions of this act to  
14 another officer or agency are binding upon the officer or agency to  
15 which the responsibility for the administration of the provisions of  
16 the contract or other agreement has been transferred. Such contracts  
17 and other agreements may be enforced by the officer or agency to  
18 which the responsibility for the enforcement of the provisions of the  
19 contract or other agreement has been transferred.

20     3. Any action taken by an officer or agency whose name has  
21 been changed or whose responsibilities have been transferred  
22 pursuant to the provisions of this act to another officer or agency  
23 remains in effect as if taken by the officer or agency to which the  
24 responsibility for the enforcement of such actions has been  
25 transferred.

26     4. The Legislative Counsel shall:

27     (a) In preparing the reprint and supplements to the Nevada  
28 Revised Statutes, appropriately change any references to an officer,  
29 agency or other entity whose name is changed or whose  
30 responsibilities are transferred pursuant to the provisions of this act  
31 to refer to the appropriate officer, agency or other entity.

32     (b) In preparing supplements to the Nevada Administrative  
33 Code, appropriately change any references to an officer, agency or  
34 other entity whose name is changed or whose responsibilities are  
35 transferred pursuant to the provisions of this act to refer to the  
36 appropriate officer, agency or other entity.

37     **Sec. 86.** NRS 692A.1043 and 695F.180 are hereby repealed.

38     **Sec. 87.** 1. This section and section 76 of this act become  
39 effective upon passage and approval.

40     2. Section 13 of this act becomes effective on July 1, 2021.

41     3. Sections 1 to 12, inclusive, 14 to 75, inclusive, and 77 to 86,  
42 inclusive, become effective on October 1, 2021.

43     4. Sections 47 and 48 of this act expire by limitation on the  
44 date on which the provisions of 42 U.S.C. § 666, the federal law  
45 requiring each state to establish procedures under which the state



- 1 has authority to withhold or suspend, or to restrict the use of
- 2 professional, occupational and recreational licenses of persons who:
- 3 (a) Have failed to comply with a subpoena or warrant relating to
- 4 a proceeding to determine the paternity of a child or to establish or
- 5 enforce an obligation for the support of a child; or
- 6 (b) Are in arrears in the payment for the support of one or more
- 7 children,
- 8 ➤ are repealed by the Congress of the United States.

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### TEXT OF REPEALED SECTIONS

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#### **692A.1043 Cancellation of bond: Notices required; revocation of license unless equivalent bond or substitute form of security furnished.**

1. The surety may cancel a bond upon giving 60 days' notice to the Commissioner by certified mail. Upon receipt by the Commissioner of such a notice, the Commissioner immediately shall notify the title agent or title insurer who is the principal on the bond of the effective date of cancellation of the bond, and that the license or certificate of authority of the title agent or title insurer will be revoked unless the title agent or title insurer furnishes an equivalent bond or a substitute form of security authorized by NRS 692A.1042 before the effective date of the cancellation. The notice must be sent to the title agent or title insurer by certified mail to his or her last address of record filed in the office of the Division.

2. If the title agent or title insurer does not comply with the requirements set out in the notice from the Commissioner, the license or certificate of authority of the title agent or title insurer must be revoked on the date the bond is cancelled.

**695F.180 Investments.** The money of the prepaid limited health service organization must be invested in accordance with the guidelines established by the National Association of Insurance Commissioners for investments by health maintenance organizations.

