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Insurance

Insurance; regulation of group insurance providers

NEV. REV. STAT. §689B.— (new).

AB 461 (Committee on Commerce); 1983 STAT. Ch 394

Chapter 394 expands provisions relating to group¹ and blanket insurance² coverage for health and medical costs.³ Under Chapter 394, an insurer⁴ providing coverage for specified health care⁵ within the state is subject to the provisions of the Nevada Insurance Code⁶ (hereinafter referred to as Code), unless the insurer can demonstrate to the Commissioner of Insurance⁷ (hereinafter referred to as Commissioner) that it is subject to regulation by an agency of the federal government.⁸ If the insurer is not subject to federal regulation, Chapter 394 authorizes the Commissioner to examine the insurance company to determine organization, solvency, and compliance with the Code.⁹

Furthermore, if apparent violations of the Code are found, the Commissioner is authorized to (1) hold a hearing¹⁰ to determine compliance,¹¹ (2) issue orders of compliance,¹² and (3) impose fines for violations in specified circumstances.¹³ An order of the Commissioner may be appealed for review¹⁴ unless the order has become final upon expiration of the time for appeal¹⁵ or a final decision by the court.¹⁶

1. NEV. REV. STAT. §689B.020 (definition of group health insurance).

2. *Id.* §689B.070 (definition of blanket health insurance).

3. *See* 1983 Nev. Stat. c. 394, §§1-9, at 959.

4. Chapter 394 applies to both authorized and unauthorized foreign insurers doing business in the state. NEV. REV. STAT. §679A.030. *See id.* §685B.030(2)(e) (allowing an unauthorized group policy if legally issued, delivered and authorized in another state).

5. 1983 Nev. Stat. c. 394, §2, at 960 (includes coverage for the cost of medical care, surgery, chiropractic, physical therapy, speech pathology, audiology, professional care of mental health, dental care, hospital care, or ophthalmologic care).

6. NEV. REV. STAT. §679A.050 (defines code as Nevada Insurance Code).

7. *Id.* §679A.060 (defines commissioner as Commissioner of Insurance).

8. 1983 Nev. Stat. c. 394, §2, at 959; *see id.* c. 394, §3, at 960 (prescribes methods for demonstrating that an insurer is subject to federal regulation).

9. *Id.* c. 394, §4, at 960.

10. *Id.* c. 394, §6, at 960; *see* NEV. REV. STAT. §679B.320 (twenty day notice requirement).

11. 1983 Nev. Stat. c. 394, §6, at 960.

12. *See id.* c. 394, §7(1), at 960. The Commissioner may modify or set aside an order before the time for appeal has expired or the official record has been filed with the court. *Id.* c. 394, §7(3), at 960.

13. *Id.* c. 394, §7(2), at 960 (fine of up to \$1,000 for each violation with a maximum aggregate fine of \$10,000 if the person knew or should have known of the violation).

14. *Id.* c. 394, §8(1), at 959 (review is pursuant to NEV. REV. STAT. §679B.370).

15. *Id.* c. 394, §8(2)(a), at 961.

16. *Id.* c. 394, §8(2)(b), at 961.

Moreover, the Commissioner may subsequently issue a fine for the violation of a compliance order.¹⁷ Finally, Chapter 394 requires all insurers to provide information regarding the elements of coverage,¹⁸ including the existence of any excess insurance or reinsurance in effect,¹⁹ to disseminators of insurance.²⁰

17. *Id.* c. 394, §9, at 959. After notice and a hearing a maximum \$5,000 fine for each violation may be imposed. *Id.*

18. *Id.* c. 394, §5(2), at 959.

19. *Id.* *But cf.* NEV. REV. STAT. §680A.070(4)-(5) (surplus insurance and reinsurance exempted from authorization requirement).

20. *See* 1983 Nev. Stat. c. 394, §5(2), at 959 (disseminator includes an agent, broker, or advertiser).

Insurance; domestic and foreign insurers

NEV. REV. STAT. §680A.— (new); §§679A.090, 680A.060 (amended).
SB 305 (Committee on Commerce and Labor); 1983 STAT. Ch 288

Prior law defined a domestic insurer¹ as an insurer formed under the laws of Nevada.² Chapter 288 redefines a domestic insurer³ as either (1) an insurer formed under the laws of Nevada that has not converted into a foreign insurer,⁴ or (2) a foreign insurer that has converted into a domestic insurer.⁵ Furthermore, a foreign insurer with a certificate of authority⁶ to transact insurance⁷ in Nevada will be permitted to become a domestic insurer by complying with statutory requirements.⁸ Chapter 288 also provides that when a foreign insurer becomes a domestic insurer, the insurer will be entitled to the same rights and obligations held by other domestic insurers.⁹

Prior law defined a foreign insurer as one formed under the laws of a jurisdiction other than Nevada.¹⁰ With the enactment of Chapter 288, the definition of foreign insurer¹¹ excludes insurers formed under the

1. NEV. REV. STAT. §679A.100 (definition of insurer).

2. 1971 Nev. Stat. c. 660, §9(1), at 1558 (enacting NEV. REV. STAT. §679A.090(1)).

3. *Compare* NEV. REV. STAT. §679A.090(1) (amended by 1983 Nev. Stat. c. 288, §1(1), at 683) *with* 1971 Nev. Stat. c. 660, §9(1), at 1558 (enacting NEV. REV. STAT. §679A.090(1)).

4. NEV. REV. STAT. §679A.090(1)(a) (amended by 1983 Nev. Stat. c. 288, §1, at 683).

5. *Id.* §679A.090(1)(b) (amended by 1983 Nev. Stat. c. 288, §1, at 683).

6. *See id.* §680A.060(1) (amended by 1981 Nev. Stat. c. 788, §6(1), at 684) (certificate of authority required).

7. *Id.* §679A.130 (definition of transacting insurance).

8. 1983 Nev. Stat. c. 288, §3, at 683. *See generally* NEV. REV. STAT. §§692B.010-.260 (formation and financing of insurers).

9. 1983 Nev. Stat. c. 288, §3, at 683.

10. 1971 Nev. Stat. c. 660, §9(2), at 1558 (enacting NEV. REV. STAT. §679A.090(2)).

11. *Compare* NEV. REV. STAT. §679A.090(2) (amended by 1983 Nev. Stat. c. 288, §1(2), at 683) *with* 1971 Nev. Stat. c. 660, §9(2), at 1558 (enacting NEV. REV. STAT. §679A.090(2)).