



Pacific Law Journal Review of Selected Nevada Legislative

Volume 1989 | Issue 1

Article 106

1-1-1989

Insurance; rate increases

The University of the Pacific, McGeorge School of Law

Follow this and additional works at: <https://scholarlycommons.pacific.edu/nlr>



Part of the [Legislation Commons](#)

Recommended Citation

The University of the Pacific, McGeorge School of Law, *Insurance; rate increases*, 1989 U. PAC. L. REV. (2019).

Available at: <https://scholarlycommons.pacific.edu/nlr/vol1989/iss1/106>

This Legislative Review is brought to you for free and open access by the Journals and Law Reviews at Scholarly Commons. It has been accepted for inclusion in Pacific Law Journal Review of Selected Nevada Legislative by an authorized editor of Scholarly Commons. For more information, please contact mgibney@pacific.edu.

parent; (2) the policy of the spouse of the custodial parent; and (3) the policy of the non-custodial parent.¹¹ If, however, a court decrees which parent is responsible for the child's health care expenses, that parent's policy is primary.¹²

Prior law imposed a limit of \$500 per admission on the deductible that subscribers must pay when using non-preferred inpatient health care facilities.¹³ Chapter 237 provides that the insurer may require up to a \$600 difference in the deductible charged for preferred and non-preferred inpatient facilities, and a \$500 difference in the deductible charged for other preferred and non-preferred providers.¹⁴

Prior law allowed for a twenty percent difference in the copayments that may be required of subscribers who use non-preferred health care providers.¹⁵ Chapter 237 increases the permitted copayment difference to thirty percent.¹⁶

KAO

11. *Id.*

12. *Id.* A parent under a court order to provide health care for a child has a duty to notify the insurer of the terms of the decree. *Id.*

13. 1987 Nev. Stat. Ch. 729, sec. 2, at 1782 (amended by 1989 Nev. Stat. ch. 237, sec. 3, at 1680-81) (limiting deductibles and copayments charged under group contracts that offer different payments for health services depending on whether the provider was preferred or non-preferred).

14. 1989 Nev. Stat. ch. 237, sec. 3, at 515-16 (amending NEV. REV. STAT. § 695B.185).

15. 1987 Nev. Stat. Ch. 729, sec. 2, at 1782 (amended by 1989 Nev. Stat. Ch. 237, sec. 3, at 1680).

16. 1989 Nev. Stat. ch. 237, sec. 3, at 1515-16 (amending NEV. REV. STAT. § 695B.185).

Insurance; rate increases

NEV. REV. STAT. § 686B.120 (repealed); §§ 680A.150, 686B.070, 686B.100, 686B.110 (amended).

AB 399 (Porter); 1989 STAT. Ch. 885

Prior law required all insurers and rate service organizations¹ to file their established rates with the Insurance Commissioner.² Chapter

1. See NEV. REV. STAT. § 686B.020 2 (1987) (defining rate service organization as any entity other than an employee of an insurer who aids insurers in establishing or filing rates by: (1) collecting and furnishing statistics; (2) recommending or filing rates or supplementary rate information; or (3) advising insurers about rates).

2. 1987 Nev. Stat. ch. 655, sec. 3, at 1533 (amended by 1989 Nev. Stat. ch. 885, sec. 2, at 2176). In addition to established rates, life and health insurers were required to file

885 requires all insurers applying for an original certificate of authorization to file rate books and copies of policies.³ Under Chapter 885, proposed rate increases must be filed by all insurers.⁴ The filing of proposed rate increases is not complete until the insurer furnishes supporting data.⁵ The Commissioner may disapprove the proposed increase upon deciding that the rate is not in compliance with rate standards.⁶ Chapter 885 eliminates special restrictions on insurers whose rating practices or financial instability made them subject to closer regulation.⁷

KAO

copies of their rate books and each type of policy used in the state. 1971 Nev. Stat. ch. 660, sec. 71, at 1581 (amended by 1989 Nev. Stat. ch. 885, sec. 1, at 2175-76).

3. 1989 Nev. Stat. ch. 885, sec. 1, at 2175-76 (amending NEV. REV. STAT. § 680A.150).

4. *Id.* sec. 2, at 2176 (amending NEV. REV. STAT. § 686B.070).

5. *Id.* sec. 3, at 2176-77 (amending NEV. REV. STAT. § 686B.100). The supporting data must include the experience and judgment of the filer, the filer's interpretation of the statistical data used, descriptions of the statistical data used, and any other relevant information that the Commissioner requests. NEV. REV. STAT. § 686B.100 (1987).

6. 1989 Nev. Stat. ch. 885, sec. 4, at 2177 (amending NEV. REV. STAT. § 686B.110). The Commissioner will approve or disapprove the proposed rate increase within 60 days after filing. *Id.* The insurer may request a hearing to determine whether the Commissioner's disapproval of a rate is valid. *Id.* The insurer has the burden of proving that it has complied with statutory requirements. *Id.* See NEV. REV. STAT. §§ 686B.010-.175 (1987) (setting forth the rules governing rates and service organizations). See also *id.* § 686B.050 (1987) (defining the standards for rates as follows: (1) Rates must not be excessive, inadequate, discriminatory, or tend to cause a monopoly; (2) the Commissioner must determine that there is a reasonable amount of price competition in the class of business to which the rates apply by considering the number of insurers in the class of business, the degree of profitability in relation to the risk, consumer knowledge of the particular market, and whether the competition is artificial; (3) rates and the income resulting from their investment must be sufficient to sustain projected losses and expenses; and (4) rates must accurately reflect the differences in expected losses and expenses for different policyholders so as not to be unfairly discriminatory).

7. 1989 Nev. Stat. ch. 885, sec. 5, at 2177 (repealing NEV. REV. STAT. § 686B.120). Compare 1987 Nev. Stat. ch. 655, sec. 7, at 1535 (allowing the Commissioner to require individual insurers to file any or all of their rates 30 days before they became effective in order to protect the public interest) with 1989 Nev. Stat. ch. 885, sec. 2, at 2176 (requiring all insurers to file their proposed rate increases).