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Insurance; regulating costs

NEV. REV. STAT. § 679B.— (new).
AB 401 (Porter); 1989 STAT. Ch. 575

Under existing law, the Insurance Commissioner must enforce the provisions of the Nevada Insurance Code.¹ Chapter 575 expands the responsibilities of the Commissioner to collect and disseminate data relevant to providing adequate insurance, while stabilizing insurance prices.² Under Chapter 575, the Commissioner must determine profit ratios of insurers transacting casualty and property insurance within Nevada, based on mandatory reports submitted by casualty and property insurers.³ This information must be made available to the legislature, general public, and any requesting government agency.⁴ The Commissioner may issue orders, employ technical and professional consultants and impose penalties upon insurers refusing to

1. NEV. REV. STAT. § 679B.120 (1987) (establishing general powers and duties of the Insurance Commissioner).

2. 1989 Nev. Stat. ch. 575, secs. 2-7, at — (enacting NEV. REV. STAT. § 679B.—). The legislature declares that it is necessary to develop a comprehensive data collection and processing system that will assist in stabilizing insurance costs, while providing adequate insurance coverage to Nevada residents. *Id.* sec. 2, at —. The purpose of Chapter 575 is to promote the public welfare by studying the relationship of insurers' income and the related costs and expenses of insurers, develop measures to ensure adequate insurance at stabilized rates, and to encourage competition between insurers. *Id.*

3. *Id.* secs. 5-6, at — (enacting NEV. REV. STAT. § 679B.—). Casualty and property insurers must report data relevant to determining the profit ratio, such as their losses, expenses, claims, income, and premiums. *Id.* The basis for these reports may be either information directly related to insurance within this state or to the insurer in its entirety. *Id.* The Commissioner may also gather insurers' information regarding recoverable federal income tax, net unrealized capital gain or loss, and all other expenses not previously delineated. *Id.* The Commissioner may designate advisory or rate service organizations that may assist insurers in compiling the required reports. *Id.* Insurers are to absorb any filing fees imposed by the advisory or rate service organizations. *Id.* Insurers must submit their reports on forms provided by the Commissioner. *Id.* The Commissioner may define the scope of required reports to include information regarding liability insurance provided to governmental agencies for malpractice and products liability, and vehicle insurance and property damage insurance. *Id.* See NEV. REV. STAT. § 679A.130 (1987) (defining transacting insurance as either solicitation or inducement, negotiations, effectuation of a contract of insurance, or matters subsequent to effectuation and arising out of such contract). See also *id.* §§ 681A.020 (1987) (defining casualty insurance as including vehicle, liability, theft, personal property, and livestock insurance); 681A.060 (1987) (defining property insurance as insurance on any kind of real or personal property); 686C.110 (1987) (defining premiums as direct gross insurance premiums and annuity considerations written on covered policies).

4. 1989 Nev. Stat. ch. 575, sec. 3, at — (enacting NEV. REV. STAT. § 679B.—). The Commissioner must make profit ratio determinations available to the legislature and general public. *Id.* The Commissioner must respond to requests from governmental agencies and the legislature for special studies and analysis of insurers' reports. *Id.*

comply with Chapter 575 or the Commissioner's orders.⁵ Reporting insurers must pay a fee to the Insurance Division of the Department of Commerce in order to cover the administration and enforcement costs of Chapter 575.⁶

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5. *Id.* secs. 4, 5, 8, at ___ (enacting NEV. REV. STAT. § 679B.____). Insurers who willfully and repeatedly violate the provisions and orders arising from Chapter 575 are subject to administrative fines subsequent to notice and a hearing. *Id.* Failure of an insurer to comply with an order of the Commissioner relative to Chapter 575 can result in a suspension or revocation of an insurer's certificate of authority to transact insurance, subsequent to notice and a hearing. *Id.*

6. *Id.* sec. 7, at ___ (enacting NEV. REV. STAT. § 679B.____). The fee due from reporting insurers will not be greater than \$500. *Id.* The costs of furnishing insurers' reports must be paid by the party requesting the report, except for the legislature. *Id.*

Insurance; reimbursement for health care services

NEV. REV. STAT. §§ 689A.____, 689B.____, 695B.____, 695C.____ (new);
§§ 287.010, 689A.330, 695C.190 (amended).

AB 814 (Committee on Commerce); 1989 STAT. Ch. 597

Existing law regulates the health insurance¹ industry by codifying requirements for health insurance policies,² group and blanket health insurance,³ non-profit health service corporations,⁴ and health maintenance organizations.⁵ Under Chapter 597, insurers that provide for medical transportation coverage must provide direct reimbursement

1. See NEV. REV. STAT. § 681A.030 (1987) (defining health insurance as insurance against bodily injury, disablement, or death, by accident or illness).

2. See NEV. ADMIN. CODE ch. 689A § 060 (1972) (defining policy as a certificate, contract, coverage statement, rider, endorsement, or plan providing accident or sickness expense benefits). See also NEV. REV. STAT. § 689A.030 (1971) (establishing general terms and form required for health insurance contract formation).

3. See NEV. REV. STAT. §§ 689B.020 (1987) (defining group health insurance as insurance coverage for a group of two or more people, formed for purposes other than securing insurance); 689B.070 (1971) (defining blanket insurance as insurance covering specified groups such as passengers of common carriers, or employees and students of a school district).

4. See *id.* § 695B.010 (1987) (regulations for hospital, medical and dental non-profit service corporations).

5. *Id.* § 679A.140 1(d) (1987) (the purpose of the code is to improve and preserve state regulation of insurance). A health maintenance organization is any person which provides or arranges to provide medical service to its enrollees. *Id.* § 695C.030 7 (1987). See *id.* § 0.039