

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R224-97

Effective November 16, 1998

EXPLANATION – Matter in *italics* is new; matter in brackets [] is material to be omitted.

AUTHORITY: §2, NRS 679B.130 and 689A.740; §§3 and 4, NRS 679B.130, 689A.670 and 689A.740; §5, NRS 679B.130, 689A.700 and 689A.740; §§6 and 7, NRS 679B.130, 689A.710 and 689A.740; §8, NRS 679B.130 and 689A.710; §10, NRS 679B.130 and 689B.480; §11, NRS 679B.130 and 689B.590; §13, NRS 679B.130, 689C.155 and 689C.157; §14, NRS 679B.130, 689C.155, 689C.191 and 689C.203; §§15 and 16, NRS 679B.130, 689C.155 and 689C.203; §§17 and 19, 679B.130; §18, NRS 679B.130, 689C.155 and 689C.940.

Section 1. Chapter 689A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this regulation.

Sec. 2. *1. The commissioner hereby adopts by reference “Bulletin No. 87-4, Policy and Form Filing Procedures” excluding paragraphs (c), (d) and (e) of subsection 3 of the bulletin. A copy of the bulletin may be obtained at no cost from the Department of Business and Industry, Division of Insurance, 1665 Hot Springs Road, No. 152, Carson City, Nevada 89706.*

2. An individual carrier that is required to file with the commissioner its basic health benefit plans and standard health benefit plans pursuant to NRS 689A.655 shall comply with the filing procedures set forth in the publication adopted in subsection 1 and shall stamp “HIPAA” on the FFD100 form which is required to be filed pursuant to that publication.

Sec. 3. *1. An individual carrier that elected to operate as an individual risk-assuming or reinsuring carrier pursuant to NRS 689A.670 may apply to the commissioner to change its status.*

2. The commissioner will approve an application to change the status of an individual carrier if the individual carrier provides adequate evidence that a change in status is necessary for the individual carrier to meet its contractual and statutory obligations.

3. An individual carrier that applies for a change in its status pursuant to subsection 2 may request that the information on its application be kept confidential if disclosure of the information would adversely affect the financial solvency of the individual carrier or promote unfair competition among other individual carriers. The commissioner will notify an individual carrier in writing of his decision to approve or disapprove a request for confidentiality within 30 days after receipt of the request.

4. The commissioner will notify an individual carrier in writing of his decision to approve or disapprove an application to change the status of an individual carrier pursuant to subsection 2 within 60 days after receipt of the application.

Sec. 4. *1. If an individual carrier wishes to change its election to operate as an individual risk-assuming or reinsuring carrier pursuant to NRS 689A.670 at the end of the current period of election, it shall notify the commissioner not later than 30 days before the expiration of the current period of election.*

2. If no such notice is provided, the individual carrier shall be deemed to have elected to operate with the same status for the next period of election.

Sec. 5. *In addition to the information required to be included in the actuarial certification of an individual carrier pursuant to NRS 689A.690, the actuarial certification must include:*

1. The number of blocks of business for individual health benefit plans established by the individual carrier;

2. After adjusting for rating characteristics and the design of benefits, the ratio of the highest written premium per natural person in a block of business for an individual health benefit plan to the lowest written premium per natural person in a block of business for an individual health benefit plan;

3. After adjusting for rating characteristics and the design of benefits, the ratio of the written premium per natural person in the block of business containing the basic and standard health benefit plan to the lowest written premium per natural person in a block of business for an individual health benefit plan; and

4. For each rating characteristic used in establishing premium rates, the ratio of the highest rating factor associated with any classification of that rating characteristic to the lowest rating factor associated with any classification of that rating characteristic.

5. As used in this section, “characteristic” has the meaning ascribed to it in subsection 5 of NRS 689A.680.

Sec. 6. *If a person is unable to obtain a certificate of creditable coverage pursuant to NRS 689A.720, an individual carrier shall accept from the person other evidence of creditable coverage if it determines that the evidence reasonably establishes prior continuous creditable coverage. Such evidence may include, without limitation, a copy of:*

1. A policy of health insurance or evidence of coverage;

2. *A billing statement for the payment of premiums;*
3. *A canceled check evidencing payment for health insurance coverage;*
4. *A proof of insurance card issued by an insurer;*
5. *An explanation of benefits relating to a specific claim for medical services that were provided to the person by an insurer;*
6. *A letter notifying the person that he is eligible for coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub. L. No. 99-272);*
7. *A letter written by the liquidator of an insurer that verifies the dates that the person was covered by the insurer under a policy of health insurance;*
8. *A statement written by the person that includes the name and telephone number of any insurer under which he previously received health insurance coverage;*
9. *Evidence of a payroll deduction from the person's salary for health insurance coverage;*
10. *Any record from a provider of medical care that indicates that the person had health insurance coverage; or*
11. *Any combination thereof.*

Sec. 7. *If an individual carrier quotes a premium rate for an individual health benefit plan to a producer or a person who seeks health insurance coverage from the individual carrier, the individual carrier shall disclose how much the premium rate may vary from the quoted premium rate because of the health status of the person to be covered by the health insurance.*

Sec. 8. *On or before March 1 of each calendar year, an individual carrier that issues health insurance on a franchise plan pursuant to NRS 689A.370 shall file with the*

commissioner a report concerning its operation during the preceding calendar year. The report must include, without limitation, the number of:

1. Policies of health insurance on a franchise plan that were in effect as of December 31 of the preceding calendar year; and

2. Employers who authorized policies of health insurance on a franchise plan during the preceding calendar year.

Sec. 9. Chapter 689B of NAC is hereby amended by adding thereto the provisions set forth as sections 10 and 11 of this regulation.

Sec. 10. *If a person is unable to obtain a certificate of creditable coverage pursuant to NRS 689B.490, a carrier shall accept from the person other evidence of creditable coverage if it determines that the evidence reasonably establishes prior continuous creditable coverage.*

Such evidence may include, without limitation, a copy of:

- 1. A policy of health insurance or evidence of coverage;*
- 2. A billing statement for the payment of premiums;*
- 3. A canceled check evidencing payment for health insurance coverage;*
- 4. A proof of insurance card issued by an insurer;*
- 5. An explanation of benefits relating to a specific claim for medical services that were provided to the person by an insurer;*
- 6. A letter notifying the person that he is eligible for coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub. L. No. 99-272);*
- 7. A letter written by the liquidator of an insurer that verifies the dates that the person was covered by the insurer under a policy of health insurance;*

8. *A statement written by the person that includes the name and telephone number of any insurer under which he previously received health insurance coverage;*
9. *Evidence of a payroll deduction from the person's salary for health insurance coverage;*
10. *Any record from a provider of medical care that indicates that the person had health insurance coverage; or*
11. *Any combination thereof.*

Sec. 11. *1. If a person is issued a converted policy before the date on which a basic and standard health benefit plan were required to be offered pursuant to subsection 1 of NRS 689B.590, the carrier shall notify the person in writing, not less than 60 days before the annual renewal date of the converted policy, of his right to elect a basic or standard health benefit plan as a substitute to his current converted policy. The notice must include, without limitation, the premium rates charged by the carrier for the basic and standard health benefit plans.*

2. A carrier that issues health benefit plans to small employers and large employers in this state shall allocate premium and loss experience on its converted policies issued pursuant to NRS 689B.590 based on:

(a) The number of persons with converted policies whose most recent coverage was under a health benefit plan issued to a small employer or a large employer relative to the total number of persons with converted policies; or

(b) The proportion of total premiums earned in the book of health benefit plan business containing small employers or large employers relative to the total premiums earned from all health benefit plans for small employers and large employers during the period of experience.

3. *As used in this section:*

(a) *“Large employer” has the meaning ascribed to it in 42 U.S.C. § 300gg-91(e)(2).*

(b) *“Small employer” has the meaning ascribed to it in NRS 689C.095.*

Sec. 12. Chapter 689C of NAC is hereby amended by adding thereto the provisions set forth as sections 13 to 18, inclusive, of this regulation.

Sec. 13. 1. *The commissioner hereby adopts by reference “Bulletin No. 87-4, Policy and Form Filing Procedures” excluding paragraphs (c), (d) and (e) of subsection 3 of the bulletin. A copy of the bulletin may be obtained at no cost from the Department of Business and Industry, Division of Insurance, 1665 Hot Springs Road, No. 152, Carson City, Nevada 89706.*

2. *A carrier that is required to file with the commissioner its basic health benefit plans and standard health benefit plans pursuant to NRS 689C.157 shall comply with the filing procedures set forth in the publication adopted in subsection 1 and shall stamp “HIPAA” on the FFD100 form which is required to be filed pursuant to that publication.*

Sec. 14. *If a person is unable to obtain a certificate of creditable coverage pursuant to NRS 689C.192, a carrier shall accept from the person other evidence of creditable coverage if it determines that the evidence reasonably establishes prior continuous creditable coverage. Such evidence may include, without limitation, a copy of:*

1. *A policy of health insurance or evidence of coverage;*
2. *A billing statement for the payment of premiums;*
3. *A canceled check evidencing payment for health insurance coverage;*
4. *A proof of insurance card issued by an insurer;*

5. *An explanation of benefits relating to a specific claim for medical services that were provided to the person by an insurer;*
6. *A letter notifying the person that he is eligible for coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub. L. No. 99-272);*
7. *A letter written by the liquidator of an insurer that verifies the dates that the person was covered by the insurer under a policy of health insurance;*
8. *A statement written by the person that includes the name and telephone number of any insurer under which he previously received health insurance coverage;*
9. *Evidence of a payroll deduction from the person's salary for health insurance coverage;*
10. *Any record from a provider of medical care that indicates that the person had health insurance coverage; or*
11. *Any combination thereof.*

Sec. 15. *A carrier serving small employers shall offer the same benefits to all of the small employers it serves regardless of the number of eligible employees employed by the small employer.*

Sec. 16. *If a carrier serving small employers quotes a premium rate for a health benefit plan to a producer or a small employer who seeks health insurance coverage from the carrier, the carrier shall disclose how much the premium rate may vary from the quoted premium rate because of the health status of a person to be covered by the health insurance.*

Sec. 17. *On behalf of a small employer, a producer may request a copy of the disclosure required to be filed with the commissioner pursuant to NRS 689C.270.*

Sec. 18. *A policy issued as a stop-loss policy is a health benefit plan for the purposes of this chapter and chapter 689C of NRS if the insurer is required to reimburse the insured for:*

- 1. The claims made by an employee or his dependent for an amount less than \$10,000; or*
- 2. The claims made by all the employees and their dependents for an amount less than 115 percent of expected claims.*

Sec. 19. NAC 689C.160 is hereby amended to read as follows:

689C.160 *1. A carrier serving small employers that offers a health benefit plan shall, on or before March 1 [, 1997, and annually thereafter,] of each calendar year, file with the commissioner a report concerning the operation of the carrier during the preceding calendar year.*

The report must include:

[1.] (a) A statement indicating whether the carrier intends to continue to offer health benefit plans; [and

2.] (b) A list of the health benefit plans offered by the carrier, including the name of each health benefit plan and a name or number of the form filed pursuant to NAC 689C.180 for each health benefit plan [.] ;

(c) The total claims incurred in the preceding calendar year for health benefit plans for small employers in this state;

(d) The index rate as of December 31 of the preceding calendar year; and

(e) For each calendar quarter of the preceding calendar year:

- (1) The total premiums earned from health benefit plans for small employers in this state;*
- (2) The number of health benefit plans that were in effect for small employers in this state;*
- (3) The number of health benefit plans that were in effect for small employers in this state that employed not less than two nor more than ten employees; and*

(4) The total number of natural persons covered by health benefit plans for small employers in this state.

2. The commissioner will keep confidential the index rate that is submitted pursuant to this section.

3. As used in this section, "index rate" has the meaning ascribed to it in paragraph (b) of subsection 3 of NRS 689C.230.

Sec. 20. In addition to the information required to be included in a report of an individual carrier pursuant to section 8 of this regulation, a report filed with the commissioner of insurance on or before March 1, 1999, must include the number of policies of health insurance on a franchise plan that were in effect as of June 30, 1997.