

Chairman Robinson called the meeting to order at 3:09 p.m. in Room 200.

MEMBERS PRESENT: Mr. Bennett
Mr. Brady
Mr. Chaney
Mr. Dini
Mr. DuBois
Mr. Jeffrey
Mr. Kovacs
Mr. Prengaman
Mr. Rusk
Dr. Robinson

MEMBERS ABSENT: Mr. Bremner (Absent)

GUESTS PRESENT: See Attached Guest List

The Chairman remarked that he wanted to take action on A.B. 590 and S.B. 492 before the hearings on the other bills on the day's agenda.

A.B. 590: ALLOWS INSURANCE BROKER TO COLLECT FEE FROM INSURED FOR CERTAIN KINDS OF INSURANCE.

S.B. 492: EXTENDS REGULATION OVER BANK HOLDING COMPANIES AND CERTAIN MERGERS, CONVERSIONS OR CONSOLIDATIONS OF STATE BANK.

Dr. Robinson indicated that there was still another amendment forthcoming to S.B. 492 and would take action on the bill when it was received.

MR. RUSK THEN MOVED TO AMEND A.B. 590 BY ADOPTING AMENDMENT NO. 1112 AND TO DO PASS AS AMENDED. THE MOTION WAS SECONDED BY MR. DINI AND IT CARRIED UNANIMOUSLY OF THE MEMBERS PRESENT.

Chairman Robinson then opened the hearings on S.B. 523.

S.B. 523: EXPANDS CLASS OF GRADUATES OF FOREIGN MEDICAL SCHOOLS WHO MAY OBTAIN A LIMITED LICENSE TO PRACTICE MEDICINE.

Testifying on behalf of the bill was Joan Rogers, representing the Board of Medical Examiners. Ms. Rogers testimony, in favor of the bill, is attached in its entirety and marked EXHIBIT A.

Ms. Rogers indicated that the group of physicians that the bill was attempting to license had been inadvertently left out of previous legislation drafted by the Board of Medical Examiners. She added that the limited license would not permit the doctor to go into private practice; it would only allow him to participate in the training program under supervision.

There being no testimony in opposition to the bill, Chairman

Robinson closed the hearing on the bill and stated that he would entertain a motion.

MR. RUSK MOVED TO DO PASS S.B. 523. MR. JEFFREY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY OF THE MEMBERS PRESENT.

The Chairman then opened the hearing on S.B. 623.

S.B. 623: REQUIRES PHARMACISTS TO SUBSTITUTE GENERIC DRUG FOR PRESCRIBED DRUG IN CERTAIN CIRCUMSTANCES.

Presenting the bill to the Committee was Keith MacDonald, representing the Nevada State Welfare Department, Medicaid Program. Mr. MacDonald explained that the bill required that generic drugs be used in cases where prescriptions are being paid for by a governmental agency. He said this substitution would save the State of Nevada from \$100,000 to \$200,00 annually.

Mr. MacDonald said that the physician would still retain the right of not prescribing a generic drug, and the patient would also have the right of refusing a generic substitute.

Joe Midmore, representing the Nevada State Board of Pharmacy, remarked that the Board wished to take a neutral position on S.B. 623 as long as the doctors' right to prescribe either a generic substitution or the name brand drug was retained. He added that the Board also felt that the person who receives the drug should have the right to refuse a generic substitution.

Chairman Robinson asked for a motion on the bill.

MR. JEFFREY MOVED TO DO PASS S.B. 623. THE MOTION WAS SECONDED BY MR. PRENGAMAN AND CARRIED UNANIMOUSLY OF THE MEMBERS PRESENT.

Chairman Robinson opened the hearings on S.B. 544.

S.B. 544: PROVIDES PROCEDURE WHEREBY VENDOR OF CONTRACT FOR CONVEYANCE OF REAL PROPERTY MAY ELECT TO DECLARE FORFEITURE UPON DEFAULT.

There were no witnesses to testify either for or against the bill, so the Chairman opened the hearing on S.B. 533.

S.B. 533: REQUIRES USE OF SIMPLIFIED LANGUAGE IN INSURANCE CONTRACTS.

Testifying on S.B. 533 was Irma Edwards, representing the Nevada Insurance Division. Ms. Edwards indicated that the Division was in support of the bill with proposed amendments as attached in EXHIBIT B. She said that the bill, in its present form, includes property and casualty contracts under the simplified language requirements, and that was not the intent of the bill.

Milos Terzich, representing the American Counsel of Life Insurance,

said that the amendments (EXHIBIT B) were originally adopted by the Senate Commerce and Labor Committee, but were not properly incorporated into the bill by the bill drafter. He added that the amendments would make the bill conform to the NAIC model act.

Mr. Terzich explained that the bill was the result of a decision of the National Association of Insurance Commissioners (NAIC) to make insurance policies more readable. He said that the "Flesch Test" would be used to determine the readability of the policies. Any policy with a rating of less than 40 would not be in conformity with the law.

Ms. Edwards then explained how the "Flesch Test" worked. A copy of her explanation is as EXHIBIT C.

Mr. Terzich stressed that the bill was intended to apply only to life and health insurance policies.

Ms. Edwards explained that the reason it did not apply to casualty or other insurance policies was because there was no input from the property and casualty companies with regard to making their policies and forms more readable.

Dick Garrod, with Farmers Insurance Group, testified that he supported the amended version of the bill.

There was no opposition to the bill or the amendment, so the Chairman opened the hearing on S.B. 534.

S.B. 534: INCLUDES ADDITIONAL LINES OF INSURANCE WHICH MAY BE SOLD UNDER AGENT'S LIMITED LICENSE.

Testifying for the bill was Patsy Redmond, Commissioner of the Insurance Division. Ms. Redmond's testimony is attached in its entirety as EXHIBIT D.

Ms. Redmond also explained that persons covered under the limited licenses that the bill was addressing were the ones that sell insurance for an automobile dealership or a mortgage or thrift company. She added that they do not sell other kinds of insurance, and the bill actually precluded these persons from selling other kinds of insurance.

MR. DINI MOVED TO AMEND AND DO PASS S.B. 534. MR. KOVACS SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY OF THE MEMBERS PRESENT.

The Chairman opened the hearing on S.B. 540.

S.B. 540: PROVIDES FOR CONVERSION OF ESSENTIAL INSURANCE ASSOCIATIONS INTO DOMESTIC STOCK INSURERS.

Testifying for the bill were Patsy Redmond, Insurance Commissioner and Don Winne, representing the Nevada Medical Liability Association.

Ms. Redmond read a prepared statement explaining the provisions of S.B. 540. That statement is attached as EXHIBIT E. She added that the bill would permit future essential insurance association to be converted to a domestic stock insurer.

There was discussion between the Committee members and members of the Insurance Division regarding how such essential insurance companies are initiated.

Dr. Robinson explained the history behind the Nevada Medical Liability Insurance Association and there was further discussion concerning the origination of the Association.

Mr. Winne added that there were excess funds in the Association and that the Association, which had some state backing, wanted to be self-supporting and self-run. Mr. Winne also explained how the conversion would be accomplished. He added that the conversion would not affect the payment of claims because it pertained only to the ownership of the company.

There was additional discussion between Mr. Winne and the Committee members with regard to the types of doctors that the Association insured. Mr. Winne said that the Association insured about 300 doctors, which represents approximately 40 to 45 percent of the active, practicing doctors in the State.

Mr. Chuck Knaus, from the Insurance Division, indicated that the Association was required to file a monthly report to the Insurance Division detailing its investment program.

At this point, Mr. Dini introduced the former Senator from Douglas County, Fred H. Settelmeyer.

MR. DINI MOVED TO DO PASS S.B. 540. THE MOTION WAS SECONDED BY MR. BENNETT AND PASSED UNANIMOUSLY OF THE MEMBERS PRESENT.

The Chairman opened the hearing on S.B. 556.

S.B. 556: REQUIRES CERTAIN REVISIONS TO RISK CLASSIFICATION SYSTEM OF INDUSTRIAL INSURANCE.

Testifying on the bill was Joe Nusbaum, Chairman of the Nevada Industrial Commission. Mr. Nusbaum indicated that the bill had been introduced by the Senate Committee on Commerce and Labor and that it would require NIC to increase the number risk classifications and report back to the Legislature in 1983. He added that the Commission supports the bill, although there were some reservations at first.

Mr. Nusbaum then read from a prepared statement that is attached as EXHIBIT F.

Dr. Robinson asked Mr. Nusbaum if it was the intent of NIC to revert back to its previous classification system after it had

reported its results to the 1983 Legislature.

Mr. Nusbaum indicated that it was not the intent of NIC to revert to the old system. He added that NIC had the ability to expand its classifications now but had not been doing so as rapidly as the Legislature would like; hence, the reason for the bill.

Mr. Nusbaum also stated that NIC was not a member of the National Council on Compensation Insurance, of which 40 other states were members. He reasoned that NIC was not a member because, "NIC has always taken the position in the past that it is better to use Nevada loss experience and have broader classifications than to have more narrow classifications and use mainly experience in other states."

There was some discussion between the Committee members and Mr. Nusbaum regarding the insurance rates for taxi cab drivers. Mr. Nusbaum commented that although Nevada's rates may seem high, they are low when compared to California, Arizona and Oregon. He also explained that a sole proprietor's rate is much higher than it would be if he were an employee because a sole proprietor is both the employer and the employee and NIC would be covering him on a 24 hour basis because there was no way to determine whether he was injured on or off of the job.

Mr. Chaney asked Mr. Nusbaum to compare NIC's rates to those of other states or a national average. Mr. Nusbaum explained that such a comparison would not be possible because of all of the variables involved. He added that he was sure that Nevada's rates would be low when compared to any state that had comparable benefits.

Also testifying on S.B. 556 was Willard Meneley, representing the Nevada Independent Insurance Agents. Mr. Meneley indicated that Nevada Independent Insurance Agents had advocated a 3-way system of workmen's compensation insurance for a long time but were hampered by the very limited classification system in Nevada. He added that he would suggest that NIC move toward a trend of using the National Council's classification system.

Mr. Dini remarked that expanding the classification system was one of the steps required in order for Nevada to be able to go to a 3-way system.

Jack Kenney, representing the Southern Nevada Home Builders, indicated that the Home Builders were in support of S.B. 556. He explained about a problem that construction companies were having with NIC coverage in that the clerical help was rated the same as the construction workers with regard to premium amounts.

MR. DINI MADE A MOTION TO DO PASS S.B. 556. THE MOTION WAS SECONDED BY MR. RUSK AND CARRIED UNANIMOUSLY OF THE MEMBERS PRESENT.

Mr. DuBois volunteered to handle the floor work on the bill.

Chairman Robinson opened the hearing on S.B. 557.

S.B. 557: INCREASES AND PROLONGS REQUIRED TRUST FUND FOR ALIEN INSURERS.

Presenting the bill was Patsy Redmond, Commissioner of the Insurance Division. Ms. Redmond read a brief statement explaining the bill. The statement is attached as EXHIBIT G.

There were no questions from the committee on S.B. 557, so Vice-chairman Prengaman closed the hearing and opened the hearing on S.B. 558.

S.B. 558: TIGHTENS CRITERIA OF ELIGIBILITY TO WRITE "SURPLUS LINES" OF INSURANCE.

Patsy Redmond read a brief statement on S.B. 558. The statement is attached as EXHIBIT H.

Mr. DuBois expressed concern with the fact that the Insurance Division would be judging which companies would be eligible to conduct surplus lines business in Nevada.

Ms. Redmond explained that the Division already had the powers to judge the companies' eligibility and that the new criteria would apply only to companies not licensed to do business as carriers in Nevada.

Dick Garrod, representing Farmers Insurance Group, indicated his support for S.B. 558 and remarked that the Insurance Division needed to be able to determine which companies were eligible to handle surplus lines business from Nevada.

There was no further testimony on S.B. 558, so Vice-chairman Prengaman opened the hearing on S.B. 635.

S.B. 635: BROADENS ASSIMILATION OF FEDERAL POWERS BY SAVINGS AND LOAN ASSOCIATIONS.

Testifying on S.B. 635 was Norm O'Kada, Acting Savings and Loan Commissioner. With Mr. O'Kada was Fred Settlemeyer, Director of Family Savings Association. Mr. O'Kada stated that the bill was an industry bill, which he called "a wild card statute" that gives state charters parity with the federal charters. He added that a provision had been put into the bill whereby Nevada could reject any federal regulations which it felt would be detrimental to the citizens of the State. Mr. O'Kada also said that the language in the bill was the same as is present in the banking statutes now.

Mr. Settlemeyer said that he was in attendance at the request of George Folsom, who was unable to attend the meeting. He indicated

Date: May 21, 1981

Page: 7

that he was in support of the bill.

Jim Joyce indicated that the Savings and Loan League also endorsed the bill.

MR. KOVACS MOVED TO DO PASS THE BILL. MR. BENNETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY OF THE MEMBERS PRESENT.

Mr. Dini indicated that he would handle S.B. 635 on the floor.

Chairman Robinson opened the hearing on S.B. 671.

S.B. 671: PERMITS BANKS TO MAIL STATEMENTS OF SMALL SAVINGS ACCOUNTS ANNUALLY.

There was no testimony on the bill; however, the Chairman said that the bill had come from the Senate Judiciary Committee.

MR. JEFFREY MOVED TO DO PASS S.B. 671. MR. RUSK SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY OF THE MEMBERS PRESENT.

Mr. Kovacs indicated that he would handle S.B. 671 on the floor.

MR. DINI MOVED TO DO PASS S.B. 557. MR. BENNETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY OF THE MEMBERS PRESENT.

Mr. Prengaman was assigned to handle the bill on the floor.

MR. KOVACS MOVED TO DO PASS S.B. 558. MR. DINI SECONDED THE MOTION AND IT PASSED UNANIMOUSLY OF THE MEMBERS PRESENT.

Mr. Kovacs volunteered to handle S.B. 558 on the floor.

MR. RUSK MOVED TO AMEND S.B. 533 AND TO PASS IT AS AMENDED. MR. PRENGAMAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY OF THE MEMBERS PRESENT.

Chairman Robinson assigned the bill to Mr. Brady to handle on the floor.

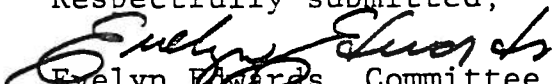
There was discussion between Mr. DuBois and Dr. Robinson with regard to the Surplus Lines Association. Dr. Robinson remarked that he had spoken with Randy Capurro about S.B. 633, and he felt that there was no need for the Surplus Lines Association.

MR. DUBOIS MOVED TO DO PASS A.B. 633 MR. KOVACS SECONDED THE MOTION WHICH DIED FOR LACK OF A MAJORITY.

Dr. Robinson stated that the Committee would try to take action on the bill at a later date when there were more members present.

There being no further business, the meeting was adjourned at 4:53.

Respectfully submitted,


Evelyn Edwards, Committee Secretary
(Committee Minutes)

337

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT A.B. 590: ALLOWS INSURANCE BROKER TO COLLECT FEE FROM INSURED FOR CERTAIN KINDS OF INSURANCE.

MOTION: AMEND AND DO PASS AS AMENDED.

Do Pass X Amend X Indefinitely Postpone Reconsider

Moved By MR. RUSK Seconded By MR. DINI

AMENDMENT: ADOPT AMENDMENT NO. 1112

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns: VOTE, MOTION (Yes/No), AMEND (Yes/No), AMEND (Yes/No). Rows include BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON, and TALLY (8/0).

ORIGINAL MOTION: Passed X Defeated Withdrawn

AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes May 21, 1981

1981 REGULAR SESSION (61st)

ASSEMBLY ACTION	SENATE ACTION	Assembly	AMENDMENT BLANK
Adopted <input type="checkbox"/>	Adopted <input type="checkbox"/>	AMENDMENTS to	Assembly
Lost <input type="checkbox"/>	Lost <input type="checkbox"/>	Bill No. 590	Joint Resolution No.
Date: <input type="checkbox"/>	Date: <input type="checkbox"/>	BDR. 57-1665	
Initial: <input type="checkbox"/>	Initial: <input type="checkbox"/>	Proposed by	Committee on Commerce and Labor
Concurred in <input type="checkbox"/>	Concurred in <input type="checkbox"/>		
Not concurred in <input type="checkbox"/>	Not concurred in <input type="checkbox"/>		
Date: <input type="checkbox"/>	Date: <input type="checkbox"/>		
Initial: <input type="checkbox"/>	Initial: <input type="checkbox"/>		

Amendment N^o 1112



Amend section 1, pages 1 and 2, by deleting lines 23 and 24 on page 1 and lines 1 through 4 on page 2, and inserting:

13. The commissioner may adopt regulations to allow the charging and collection of an insurance broker's fee:

(a) In lieu of any other charge or commission for solicitation, negotiation or procurement of a policy of insurance which covers commercial or business risks; and

(b) For consultation or any related advice on the insuring of commercial or business risks which does not result in the procurement of a policy of insurance.

flush

The regulations adopted pursuant to this subsection must not permit these fees on life or health insurance or annuities."

Amend the title of the bill on the first line before "allowing" by inserting:

"authorizing the commissioner of insurance to adopt regulations".

To: E & E
LCB File
Journal
Engrossment
Bill

Drafted by DGS:smc Date 5-19-81

1339

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT S.B. 523: EXPANDS CLASS OF GRADUATES OF FOREIGN MEDICAL SCHOOLS WHO MAY OBTAIN A LIMITED LICENSE TO PRACTICE MEDICINE

MOTION:

Do Pass X Amend Indefinitely Postpone Reconsider

Moved By Mr. Rusk Seconded By Mr. Jeffrey

AMENDMENT:

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns: VOTE, MOTION (Yes/No), AMEND (Yes/No), AMEND (Yes/No). Rows include BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON, and TALLY (7/0).

ORIGINAL MOTION: Passed X Defeated Withdrawn
AMENDED & PASSED AMENDED & DEFEATED
AMENDED & PASSED AMENDED & DEFEATED

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT S.B. 623: REQUIRES PHARMACISTS TO SUBSTITUTE GENERIC DRUG FOR PRESCRIBED DRUG IN CERTAIN CIRCUMSTANCES.

MOTION:

Do Pass X Amend Indefinitely Postpone Reconsider

Moved By Mr. Jeffrey Seconded By Mr. Prengaman

AMENDMENT:

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns: VOTE, MOTION (Yes, No), AMEND (Yes, No), AMEND (Yes, No). Rows include names like BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON and a TALLY row showing 6 Yes and 0 No.

ORIGINAL MOTION: Passed X Defeated Withdrawn

AMENDED & PASSED AMENDED & DEFEATED

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT S.B. 534: INCLUDES ADDITIONAL LINES OF INSURANCE WHICH MAY BE SOLD UNDER AGENT'S LIMITED LICENSE.

MOTION:

Do Pass X Amend X Indefinitely Postpone _____ Reconsider _____

Moved By Mr. Dini Seconded By Mr. Kovacs

AMENDMENT: Remove the brackets on line 23, page 2

Moved By _____ Seconded By _____

AMENDMENT: _____

Moved By _____ Seconded By _____

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
BENNETT	X	_____	_____	_____	_____	_____
BRADY	Absent	_____	_____	_____	_____	_____
BREMNER	Absent	_____	_____	_____	_____	_____
CHANEY	Absent	_____	_____	_____	_____	_____
DINI	X	_____	_____	_____	_____	_____
DUBOIS	X	_____	_____	_____	_____	_____
JEFFREY	Absent	_____	_____	_____	_____	_____
KOVACS	X	_____	_____	_____	_____	_____
PRENGAMAN	X	_____	_____	_____	_____	_____
RUSK	X	_____	_____	_____	_____	_____
ROBINSON	X	_____	_____	_____	_____	_____
TALLY:	<u>7</u>	<u>0</u>	_____	_____	_____	_____

ORIGINAL MOTION: Passed X Defeated _____ Withdrawn _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

Attached to Minutes May 21, 1981

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT S.B. 540: PROVIDES FOR CONVERSION OF ESSENTIAL INSURANCE ASSOCIATIONS INTO DOMESTIC STOCK INSURERS.

MOTION:

Do Pass X Amend Indefinitely Postpone Reconsider

Moved By Mr. Dini Seconded By Mr. Bennett

AMENDMENT:

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns: VOTE, MOTION (Yes/No), AMEND (Yes/No), AMEND (Yes/No). Rows include names like BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON and a TALLY row showing 7 Yes and 0 No.

ORIGINAL MOTION: Passed X Defeated Withdrawn
AMENDED & PASSED AMENDED & DEFEATED
AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes May 21, 1981

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT S.B. 556: REQUIRES CERTAIN REVISIONS TO RISK CLASSIFICATION SYSTEM OF INDUSTRIAL INSURANCE.

MOTION:

Do Pass X Amend Indefinitely Postpone Reconsider

Moved By Mr. Dini Seconded By Mr. Rusk

AMENDMENT:

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns: VOTE, MOTION (Yes/No), AMEND (Yes/No), AMEND (Yes/No). Rows include BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON, and TALLY (8/0).

ORIGINAL MOTION: Passed X Defeated Withdrawn

AMENDED & PASSED AMENDED & DEFEATED

AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes May 21, 1981

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT S.B. 635: BROADENS ASSIMILATION OF FEDERAL POWERS BY SAVINGS AND LOAN ASSOCIATIONS.

MOTION:

Do Pass X Amend Indefinitely Postpone Reconsider

Moved By Mr. Kovacs Seconded By Mr. Bennett

AMENDMENT:

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns: VOTE, MOTION (Yes/No), AMEND (Yes/No), AMEND (Yes/No). Rows include BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON, and TALLY (8/0).

ORIGINAL MOTION: Passed X Defeated Withdrawn

AMENDED & PASSED AMENDED & DEFEATED

AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes May 21, 1981

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT S.B. 671: PERMITS BANKS TO MAIL STATEMENTS OF SMALL SAVINGS ACCOUNTS ANNUALLY

MOTION:

Do Pass X Amend Indefinitely Postpone Reconsider

Moved By Mr. Jeffrey Seconded By Mr. Rusk

AMENDMENT:

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns: MOTION (Yes, No), AMEND (Yes, No), AMEND (Yes, No) and rows for VOTE: BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON, TALLY: 8, 0

ORIGINAL MOTION: Passed X Defeated Withdrawn

AMENDED & PASSED AMENDED & DEFEATED

AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes May 21, 1981

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT S.B. 557: INCREASES AND PROLONGS REQUIRED TRUST FUND FOR ALIEN INSURERS.

MOTION:

Do Pass X Amend Indefinitely Postpone Reconsider

Moved By Mr. Dini Seconded By Mr. Bennett

AMENDMENT:

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns for MOTION, AMEND, AMEND and rows for VOTE: BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON, TALLY: 8, 0

ORIGINAL MOTION: Passed X Defeated Withdrawn

AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes May 21, 1981

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT S.B. 558: Tightens criteria of eligibility to write "surplus lines" of insurance.

MOTION:

Do Pass X Amend Indefinitely Postpone Reconsider

Moved By Mr. Kovacs Seconded By Mr. Dini

AMENDMENT:

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns: VOTE, MOTION (Yes/No), AMEND (Yes/No), AMEND (Yes/No). Rows include BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON, and TALLY (8/0).

ORIGINAL MOTION: Passed X Defeated Withdrawn

AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes May 21, 1981

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT A.B. 633: -ALLOWS COORDINATING ORGANIZATION OF SURPLUS LINES INSURANCE TO CHARGE FEES

MOTION:

Do Pass X Amend Indefinitely Postpone Reconsider

Moved By Mr. Dubois Seconded By Mr. Kovacs

AMENDMENT:

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns: VOTE, MOTION (Yes/No), AMEND (Yes/No), AMEND (Yes/No). Rows include BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON, TALLY.

MOTION DIED FOR LACK OF SUPPORT

ORIGINAL MOTION: Passed Defeated Withdrawn

AMENDED & PASSED AMENDED & DEFEATED

AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes May 21, 1981

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE May 21, 1981

SUBJECT S.B. 533: REQUIRES USE OF SIMPLIFIED LANGUAGE IN INSURANCE CONTRACTS

MOTION: AMEND AND DO PASS AS AMENDED.

Do Pass X Amend X Indefinitely Postpone Reconsider

Moved By Mr. Rusk Seconded By Mr. Prengaman

AMENDMENT: SEE ATTACHED AMENDMENTS (EXHIBIT B OF THESE MINUTES)

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
BENNETT	X					
BRADY	Absent					
BREMNER	Absent					
CHANEY	Absent					
DINI	X					
DUBOIS	X					
JEFFREY	X					
KOVACS	X					
PRENGAMAN	X					
RUSK	X					
ROBINSON	X					
TALLY:	8	0				

ORIGINAL MOTION: Passed X Defeated Withdrawn

AMENDED & PASSED AMENDED & DEFEATED

AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes May 21, 1981

ASSEMBLY COMMERCE COMMITTEE

GUEST LIST

DATE: 5/21/81

PLEASE PRINT YOUR NAME	PLEASE PRINT WHO YOU REPRESENT	I WISH TO SPEAK		
		FOR	AGAINST	BILL NO.
Greg Millsbaugh	same	✓		SB492
JUAN ROBERTS	BD MEDICAL EXAMINERS	✓		SB 523
K. McDonald <small>MICRONAL</small>	NEV. STATE WELFARE - OFFICER	✓		SA 623
R. Caputo	P. I. A.			
M. /bs Przych	A C L I			SB 533
Emma Edwards	Neu. Ins. Div.	✓		SB 533
Joe Midmore	Nev State Bd. of Examiners			SB 623
Don Winne	New Medical Liability Ins. Com	✓		
PATSY REDMOND	INS. DIVISION	✓		
MIRIAM ANDERSON	AAA			
Dick Jordan	Former Ins Group		✓	533?
JACK KENNEY	SO NEV HOME BUILDERS	✓		SB 556
Bud Crowley	Nev. Ind. Insurance Agents	✓		SB 556
H. T. White	SEL DIV	✓		SB 625

TESTIMONY OF THE NEVADA STATE BOARD OF MEDICAL EXAMINERS BEFORE THE ASSEMBLY COMMERCE COMMITTEE ON SENATE BILL 523

May 21, 1981

The Nevada State Board of Medical Examiners initially requested the introduction of Senate Bill 523 to modify the medical practice act in relation to the issuance of a Limited License to resident physicians training in Nevada hospitals. (See NRS 630.265).

At present the Board of Medical Examiners is permitted under the law to give a limited license to a resident physician training in a Nevada hospital provided the resident has either graduated from an accredited Medical School in the United States or has a certificate of the Educational Council of Foreign Medical Graduates (ECFMG). There are numerous resident physicians now licensed by the Board under this provision and are now serving in resident training programs both in Reno and Las Vegas.

It has come to the Boards attention, that there are Nevadans now studying in foreign medical schools who desire to return to Nevada and participate in residency training programs in Nevada hospitals. A number of these students seek eligibility for resident training by entering a graduate training through the "5th Pathway". Through the "5th Pathway" program, American medical students studying in foreign medical schools can return to the United States after four years of education in those foreign schools and take a fifth year in an accredited medical school in the United States. Those students who chose this "5th Pathway" still receive their Doctor of Medicine from their foreign medical school and not from the American school in which they took the 5th year. In addition, since they do not serve the one year internship required by their foreign medical schools, they are not eligible to receive the ECFMG certificate. As a result, these qualified young physicians are ineligible to return to Nevada to enter a residency training program since they have neither received their M.D. degree from an American medical school nor the ECFMG certificate. Many other states however, accept these students. We wish to see qualified Nevadans returning to Nevada.

The Board of Medical Examiners respectfully requests that the Nevada State Assembly approve Senate Bill 523 which would permit the Board to grant limited licenses to American

students (and especially Nevadans) studying in foreign medical schools who return to the United States through the "5th Pathway" in order that they might participate in residency training programs in Nevada and thereby be more likely to stay and practice.

we respectfully request a "DO PASS".

* * *

1 S.B. 533

2 PROPOSED AMENDMENTS TO S.B. 533

3 I. Add the following language as Sec. 2:

4 Sec. 2. The provisions of sections 2 to 5,
5 inclusive, of this act does not increase the risk assumed by
6 insurance companies or other entities subject to these provisions,
7 or to supersede their obligation to comply with other insurance
8 laws applicable to life, health, credit life or credit health
9 insurance policies, nor should it impede flexibility and innova-
10 tion in the development of policy forms or content or lead
11 to the standardization of policy forms or content.

12
13 II. Add new Sec. 3 in the following language:

14 Sec. 3. "Policy" means any policy, contract, plan
15 or agreement of life or health insurance including credit life
16 and health insurance, delivered or issued for delivery in
17 this state; any certificate, contract or policy issued by
18 fraternal benefit societies and hospitals, medical or dental
19 service corporations, health maintenance organizations and
20 other similar organizations; any certificate issued pursuant to
21 a group insurance policy delivered or issued for delivery in
22 this state.

23
24 III. Change existing Sec. 2 commencing at line 3, page 1
25 to Sec. 4 and to read as follows:

26 Sec. 4. 1. The provisions of sections 2 to 7,
27 inclusive, of this act apply to all policies delivered or
28 issued for delivery in this State except:

29 (a) Any policy which is a security subject to
30 federal jurisdiction;

31 (b) Any policy covering the lives of a group of
32 1,000 or more persons as of its date of issuance, other than

1 a group policy and credit life insurance or credit health
2 insurance and any certificate issued pursuant to a group policy
3 delivered or issued for delivery in the state;

4 (c) Any group annuity which serves to finance
5 pension, profit-sharing or deferred compensation plans;

6 (d) Any form used in connection with, as a conversion
7 from, as an addition to or in exchange for a policy delivered
8 or issued for delivery on a form approved or permitted to be issued
9 before July 1, 1983.

10 (e) The renewal of a policy delivered or issued
11 for delivery prior to the dates such forms must be approved
12 under the provisions of sections 2 to 5, inclusive, of this
13 act.

14 2. Any policy written in a language other than English
15 shall be deemed to comply with section 5 of this act if the
16 insurer certifies that it is translated from a policy written
17 in English which complies with that section.

18

19 IV.. Amend line 21, page 1, by changing Sec. 3 to Sec. 5
20 and changing section 2 to section 4.

21

22 V. Change paragraph (b) of Subsection 4, lines 41 to 46,
23 page 2 to read as follows:

24 (b) Any language of the policy which is defined
25 in a particular manner so as to meet the requirements of
26 any federal or state law, regulation or interpretation of law
27 or regulation by a federal or state agency; any policy language
28 required by a collective bargaining agreement; any medical
29 terms; and any terms defined in the policy; if the insurer
30 so identifies this language and certifies in writing that it
31 is excepted by this paragraph.

32

1 VI. Amend line 49 page 2 by changing Sec. 4 to Sec. 6.

2

3 VII. Amend line 14 page 3 by changing Sec. 5 to Sec. 7 and
4 section 3 to section 5.

5

6 VIII. Amend lines 19 and 20, page 3 to read as follows:

7

8 Sec. 8. The commissioner shall not approve
9 any policy filed after July 1, 1983, unless it complies with
10 section 5 of this act.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

STATE OF NEVADA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION
201 SOUTH FALL STREET
CARSON CITY, NEVADA 89710
(702) 865-4270

Patsy Redmond, Acting
~~XXXXXXXXXXXXXXXXXXXX~~
COMMISSIONER OF INSURANCE

ROBERT LIST
GOVERNOR

JAMES L. WADHAMS
DIRECTOR

April 28, 1981

Committee on Commerce and Labor
Nevada State Legislature
Capital Complex
Carson City, NV 89710

Re: SB 533

Dear Chairman and Members of the Committee:

The Flesch test was developed by a Rudolf Flesch in his book The Art of Plain Talk in 1946. It employs a numerical formula based on statistical assumptions which produce a "score" on a scale from 0 (very difficult) to 100 (very easy). Theoretically, the longer the words and sentences in a paragraph, the harder it is to read. Simplified vocabulary and simple sentence structure is encouraged.

The Flesch test can be expressed as the following formula:

$$\text{Flesch Test} = 206.835 - 1.015 \frac{\text{words}}{\text{sentences}} - 84.6 \frac{\text{syllables}}{\text{words}}$$

A text with an average sentence length of 15 words and average syllables per word of 2 would score 22. The highest possible score would be 121. The test for this would have to consist of all one-syllable words and all one-word sentences.

EXAMPLE:

Jack be nimble.
Jack be quick.
Jack jump over the candlestick.

Flesch test score

$$87.89 = \frac{11}{3} = 3.666 \times 1.015 = 3.720$$
$$\frac{15}{11} = 1.3636 \times 84.6 = 115.23$$

$$206.835 - 3.720 + 115.23 = 87.89 \text{ (fairly easy)}$$

Committee on Commerce and Labor

Re: SB 533

April 28, 1981

Page 2

EXAMPLE:

Simulative means to have the appearance or form of without the reality. In many situations management problems are so complex that they cannot be depicted by a standard mathematical model.

Flesch test score

$$39.33 = \frac{30}{2} = 15 \times 1.015 = 15.225$$

$$\frac{54}{30} = 1.8 \times 84.6 = 152.28$$

$$206.835 - 15.225 + 152.28 = 39.33 \text{ (hard to read)}$$

Very truly yours,

ERMA EDWARDS,
Life Health Supervisor

EE:ms

TO Assemblyman Robinson
Chairman-Committee on Commerce

Memo

FROM Patsy Redmond, Commissioner
Division of Insurance

DATE 5-21-81

SUBJECT SB 534

This bill as amended will allow a limited license status for those licensees in the credit life and health, credit property and casualty and fixed annuities only.

The bill will allow the Commissioner to determine need for pre-licensing examinations. We do request that the brackets on line 23, page 2 be taken out as the division does not feel the applicants in credit insurance should be exempt from the possibility of examination.

By allowing limited license status the division can also exempt such licensees from any requirement for continuing education.

PR:GM:jr

STATE OF NEVADA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION
201 SOUTH FALL STREET
CARSON CITY, NEVADA 89710
(702) 685-4270

EXHIBIT E

ROBERT LIST
GOVERNOR

JAMES L. WADHAMS
DIRECTOR

PATSY REDMOND
XXXXXXXXXXXXXXXXXXXX
COMMISSIONER OF INSURANCE

May 21, 1981

Assembly Committee on Commerce
Nevada State Legislature
Capital Complex
Carson City, NV 89710

Re: SB 540

Dear Chairman Robinson and Committee Members:

The immediate impact of Senate Bill 540 will be to allow the Nevada Medical Liability Insurance Association to convert to a domestic stock insurer.

The Nevada Medical Liability Insurance Association is an essential insurance association formed in 1975 pursuant to NRS 686B.180 and Nevada Insurance Division Regulation PC-19. In 1975, the Nevada insurance market for medical malpractice coverage had diminished to a point where most physicians had problems related to both cost and availability. Currently, there is a reasonably active market for medical malpractice insurance as evidenced by the fact that there are at least three insurers licensed in Nevada who aggressively market this form of insurance.

As of December 3, 1980, the Nevada Medical Liability Insurance Association had slightly in excess of \$8.5 million in assets. This \$8.5 million represents premiums paid by Nevada physicians to the Nevada Medical Liability Insurance Association together with investment income attributable to those premiums. Senate Bill 540 is designed to give the participating physician equitable stock ownership in the domestic stock insurer into which the Nevada Medical Liability Insurance Association will be converted. Thus, the Nevada physicians will have an opportunity through this stock ownership to exercise control over the assets represented by their premium contributions and the investment income attributable thereto.

Assembly Committee on Commerce

SB 540

May 21, 1981

Page 2

The President of the Nevada Medical Liability Insurance Association, Robert A. Byrd, and the Chairman of the Board, Donald W. Winn, acknowledge that their Board of Directors is in favor of SB 540 as worded in the Second Reprint now before this committee.

Sincerely yours,

Patsy Redmond
PATSY REDMOND,
Commissioner of Insurance.

PR:ms

APPEARANCE ON SB 556JOE E. NUSBAUMNEVADA INDUSTRIAL COMMISSION

In my appearance on SB 556 in the Senate, I expressed the Commission's "mild objection" to the bill but later withdrew the objection. The Commission's only concern was that the bill might raise expectations beyond what can be done over a two-year period.

We caution the Committee that we cannot greatly expand the number of classifications and rating groups as long as we continue to use Nevada loss experience and use actuarially sound methods of establishing rates based on credible experience. The only way to greatly expand the classification system is to join the National Council on Compensation Insurance (at a cost of \$200,000 to \$250,000 per year) and use primarily national loss experience, not Nevada experience. We believe this would not be a good choice.

However, if NIC is willing to spend more money on classification work than the very modest amounts we have spent in the past, we can accelerate the expansion of our classifications. Since a minimum of two years and normally three or more years of experience with a classification is necessary before we can set a separate rate, you can appreciate that even a stepped up effort will take some time before large numbers of new classes and rating groups come into use.

Let me assure you that the Commission will accelerate our work on new classifications.

STATE OF NEVADA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION
201 SOUTH FALL STREET
CARSON CITY, NEVADA 89710
(702) 885-4270

EXHIBIT G

ROBERT LIST
GOVERNOR

JAMES L. WADHAMS
DIRECTOR

PATSY REDMOND
~~XXXXXXXXXXXXXXXXXXXX~~
COMMISSIONER OF INSURANCE

May 21, 1981

MEMO

TO: CHAIRMAN ROBINSON
ASSEMBLY COMMERCE COMMITTEE

FROM: PATSY REDMOND,
COMMISSIONER OF INSURANCE

RE: SENATE BILL NO. 557

* * * * *

Senate Bill No. 557 was requested by the Insurance Division to conform with the amount of the trust fund required of alien insurers by the National Association of Insurance Commissioners (N.A.I.C.).

The N.A.I.C. has the facilities to completely review qualifications of alien insurers. The Insurance Division receives a quarterly list of those insurers that meet the N.A.I.C. requirements. Surplus lines brokers and the Insurance Division are dependent upon this list as a source for determining the eligibility of an alien insurer to accept risks in Nevada.

The N.A.I.C. increased the minimum trust fund amount from \$1,000,000 to \$1,500,000 two years ago. At the same time, they established a new requirement which would ensure the duration of the trust fund for at least five years from any time that an alien insurer continued to meet the qualifications. The purpose of a continuing status of the trust fund is to guarantee that the trust fund will remain intact for claims which might not be reported until long after a policy had expired.

PR/ld

1363

STATE OF NEVADA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION
201 SOUTH FALL STREET
CARSON CITY, NEVADA 89710

EXHIBIT H

ROBERT LIST
GOVERNOR

(702) 885-4270

PATSY REDMOND
XXXXXXXXXXXXXXXXXXXX
COMMISSIONER OF INSURANCE

JAMES L. WADHAMS
DIRECTOR

May 21 1981

MEMO

TO: CHAIRMAN ROBINSON
ASSEMBLY COMMERCE COMMITTEE

FROM: PATSY REDMOND,
COMMISSIONER OF INSURANCE

RE: SENATE BILL NO. 558

* * * * *

Senate Bill 558 is a proposal of the Insurance Division. The purpose of the bill is to broaden the criteria for judging the eligibility of surplus lines insurers to conduct business in the State of Nevada.

At the present time, surplus lines brokers primarily consider only the financial strength of an insurer with little consideration for the equal importance of financial integrity and good claims practices.

The addition would also provide the Commissioner with more discretion to declare that an insurer is not eligible if it is discovered that the reputation of that insurer is impaired.

PR/ld