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SYDNEY H. WICKLIFFE, C.P.A. Director



### DEPARTMENT OF BUSINESS AND INDUSTRY DIVISION OF INSURANCE

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April 4, 2003

The Honorable David E. Goldwater Nevada State Assemblyman Chairman, Assembly Committee on Commerce and Labor State Legislative Building Carson City, Nevada 89710

Re: Assembly Bill 453

Statement of Intent on Proposed Amendments

Dear Chairman Goldwater:

The Department of Business and Industry, Division of Insurance (Division) would like to amend Assembly Bill 453 as follows:

#### A. Section 4(1)(b)(2):

Amend subsection (1)(b)(2) to change "medical malpractice as defined in NRS 41A.009;" to "Medical or dental malpractice of a practitioner licensed pursuant to chapters 630 to 637B of NRS, inclusive, chapters 639 to 640 of NRS, inclusive; a hospital or other health care facility; or any related corporate entity;"

This change would be consistent with the Division's intent to require closed claim reports from all sectors of the medical community including hospitals, corporations, laboratories and allied health care providers. The definition in NRS 41A.009 is limited to physicians, hospitals and employees of hospitals.

The Honorable David E. Goldwater April 4, 2003 Page 2

#### B. Section 22:

The amendment is intended to clarify the effective date, in that the felony conviction must have occurred after passage of the bill.

#### D. Sections 43-64:

The amendments to these sections permit an essential insurance association to become a domestic reciprocal insurer. Current law permits an essential insurance association to become a domestic stock insurer. The bill proposed language to permit the association to become a domestic mutual insurer. These amendments allow the additional option of becoming a domestic reciprocal insurer

#### E. Section 48(3):

The amendment is intended for the statute to apply only to industrial insurance.

#### F. Delete Section 76:

This section was enacted under SB 11 earlier during this legislative session.

Enclosed are proposals for amendments that address the points raised above.

I will appreciate your consideration of these suggestions and would be happy to answer any questions you may have.

Sincerely,

ALICE A. MOLASKY-ARMAI Commissioner of Insurance

AAMA/pd

cc: Marybel Batjer, Chief of Staff
Michael Hillerby, Deputy Chief of Staff
Sydney Wickliffe, Director
Vance Hughey, Principal Research Analyst

## STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY DIVISION OF INSURANCE

# PROPOSED AMENDMENTS TO AB 453 Assembly Committee on Commerce and Labor April 4, 2003

Amend section 4, page 4, by deleting line 15 and inserting:

"Medical or dental malpractice of a practitioner licensed pursuant to chapters 630 to 637B of NRS, inclusive, and chapters 639 to 640 of NRS, inclusive; or a hospital or other health care facility; or any related corporate entity;"

Amend section 22, page 21, line 19, after "felony" by inserting "committed on or after October 1, 2003,"

Amend section 48, page 36, line 20, after "returned" by inserting, "for a policy of Industrial Insurance"

Amend section 43, page 34, line 35, after "insurer" by inserting, "or to a domestic reciprocal insurer"

Amend section 44, page 34, line 39, after "insurer" by inserting, "or as a domestic reciprocal insurer"

Amend section 44, page 34, line 45, after "insurer" by inserting, "or a domestic reciprocal insurer"

Amend section 44, page 35, line 3, by deleting "insurer;" and inserting, "insurer or as a domestic reciprocal insurer;"

Amend section 45, page 35, line 10, after "insurer" by inserting, "or as a domestic reciprocal insurer"

Amend section 45, page 35, line 16, by deleting "insurer." and inserting, "insurer or as a domestic reciprocal insurer."

Amend section 45, page 35, between lines 19 and 20, by inserting,

"4. An association must comply with the provisions of chapter 694B of NRS, as applicable to reciprocal insurers, to qualify as a domestic reciprocal insurer."

Amend section 46, page 35, line 22, after "insurers" by inserting, "or to domestic reciprocal insurers,"

Amend section 46, page 35, line 24, by deleting "insurer." and inserting, "insurer or as a domestic reciprocal insurer."

Amend the bill as a whole by deleting section 76 and inserting: "Sec. 76. (Deleted by amendment.)".