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April 24, 2003

Amendment to AB 453
Submitted by Don Jayne
On behalf of Nevada Self Insured Association
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Intent of proposed amendment:

This amendment has been reviewed with the Insurance Commissioner who is in support of this change.

The intent of this amendment is to make the financial reporting requirement more reasonable for smaller administrators, and still provide the Division of Insurance with the necessary information to determine if the administrator is financially sound.

Sec. 21. NRS 683A.08528 is hereby amended to read as follows:

683A.08528 1. Not later than ~~March~~ **July** 1 of each year, each holder of a certificate of registration as an administrator shall file ~~{a financial statement}~~ **an annual report** with the Commissioner. ~~{on a form approved by the Commissioner.}~~ **The report must be verified by at least two officers of the administrator.**

2. **Each annual report filed pursuant to subsection 1 must include:**

(a) **An audited financial statement of the administrator prepared by an independent certified public accountant or if the administrator's total business assets are less than \$100,000 at the end of the reporting fiscal year or if an administrator had no agreements to act as an administrator during that reporting fiscal year, a financial statement reviewed by an independent certified public accountant may be submitted in lieu of an audited financial statement;**

(b) **The complete name and address of each person for whom the administrator agreed to act as an administrator during the immediately preceding fiscal year; and**

(c) **Any other information required by the Commissioner.**

3. **In addition to the information required pursuant to subsection 2, if an annual report is prepared on a consolidated basis, the report must include a columnar or combining worksheet that:**

(a) **Includes the amounts shown on the required consolidated financial statement;**

(b) **Separately sets forth the amounts for each entity included in the worksheet;**
and

(c) **Includes an explanation of each consolidating and eliminating entry included in the worksheet.**

4. Each administrator who files an annual report pursuant to this section shall, at the time of filing the report, pay a filing fee in an amount determined by the Commissioner.

5. On or before September 1 of each year, the Commissioner shall, for each administrator, review the annual report that is most recently filed by the administrator. As soon as practicable after reviewing the report, the Commissioner shall:

(a) Issue a certificate to the administrator:

(1) Indicating that, based on the annual report and the required financial statement included in the report, the administrator has a positive net worth and is currently licensed and in good standing in this state; or

(2) Setting forth any deficiency found by the Commissioner in the annual report and accompanying financial statement; or

(b) Submit a statement to any electronic database maintained by the National Association of Insurance Commissioners or any affiliate or subsidiary of the Association:

(1) Indicating that, based on the annual report and the required financial statement included in the report, the administrator has a positive net worth and is in compliance with existing law; or

(2) Setting forth any deficiency found by the Commissioner in the annual report and accompanying financial statement.