

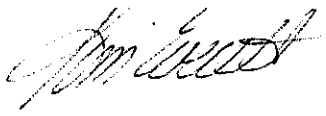
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STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE
788 FAIRVIEW DRIVE, SUITE 300
CARSON CITY, NEVADA 89701-5491

PROPOSED AMENDMENTS TO AB 79

1. Amend the bill as a whole by adding a new section to read as follows:

NRS 679B.240 is hereby amended to read as follows: NRS 679B.240 To ascertain compliance with law, or relationships and transactions between any person and any insurer or proposed insurer, the commissioner may, as often as he deems advisable, examine the accounts, records, documents and transactions relating to such compliance or relationships of:

1. Any insurance agent, solicitor, broker, surplus lines broker, general agent, adjuster, insurer representative, bail agent, motor club agent or any other licensee or any other person the commissioner has reason to believe may be acting as or holding himself out as any of the foregoing.
2. Any person having a contract under which he enjoys in fact the exclusive or dominant right to manage or control an insurer.
3. Any insurance holding company or other person holding the shares of voting stock or the proxies of policyholders of a domestic insurer, to control the management thereof, as voting trustee or otherwise.
4. Any subsidiary of the insurer.
5. Any person engaged in this state in, or proposing to be engaged in this state in, or holding himself out in this state as so engaging or proposing, or in this state assisting in, the promotion, formation or financing of an insurer or insurance holding corporation, or corporation or other group to finance an insurer or the production of its business.

6. Any external review organization, as defined in section 19 of this act.

2. Amend the bill as a whole by adding a new section to read as follows:

NRS 679B.290 is hereby amended to read as follows: 679B.290 1. Except as otherwise provided in subsection 2:

(a) The expense of examination of an insurer, or of any person referred to in subsection 1, 2, 5 or 6 of NRS 679B.240, must be borne by the person examined. Such expense includes only the reasonable and proper hotel and travel expenses of the commissioner and his examiners and assistants, including expert assistance, reasonable compensation as to such examiners and assistants and incidental expenses as necessarily incurred in the examination. As to expense and compensation involved in any such examination the commissioner shall give due consideration to scales and limitations recommended by the National Association of Insurance Commissioners and outlined in the examination manual sponsored by that association.

(b) The person examined shall promptly pay to the commissioner the expenses of the examination upon presentation by the commissioner of a reasonably detailed written statement thereof.

2. The commissioner may bill an insurer for the examination of any person referred to in subsection 1 of NRS 679B.240 and shall adopt regulations governing such billings.