

**MINUTES OF THE
SENATE COMMITTEE ON COMMERCE, LABOR AND ENERGY**

**Seventy-Eighth Session
February 9, 2015**

The Senate Committee on Commerce, Labor and Energy was called to order by Chair James A. Settelmeyer at 8:04 a.m. on Monday, February 9, 2015, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator James A. Settelmeyer, Chair
Senator Patricia Farley, Vice Chair
Senator Joe P. Hardy
Senator Becky Harris
Senator Mark A. Manendo
Senator Kelvin Atkinson
Senator Pat Spearman

STAFF MEMBERS PRESENT:

Marji Paslov Thomas, Policy Analyst
Dan Yu, Counsel
Renee Fletcher, Committee Secretary

OTHERS PRESENT:

Scott Kipper, Commissioner of Insurance, Division of Insurance, Department of Business and Industry
James Wadhams, American Insurance Association; Anthem Insurance Company; Association of Health Underwriters; Independent Insurance Agents; Captive Insurance Association
Keith Lee, Nevada Association of Health Plans
Jay Parmer, America's Health Insurance Plans
Brett Kandt, Special Assistant Attorney General, Office of the Attorney General
Peter Krueger, Alliance of Health Care Sharing Ministries
Joel Noble, Alliance of Health Care Sharing Ministries, Samaritan Ministries

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Elisa Cafferata, CEO, Nevada Advocates for Planned Parenthood Affiliates

Chairman Settlemeyer:

I will open the hearing on Senate Bill (S.B.) 67.

SENATE BILL 67: Revises provisions governing the regulation of insurance.
(BDR 57-371)

Scott Kipper (Commissioner of Insurance, Division of Insurance, Department of Business and Industry):

My written testimony has been provided ([Exhibit C](#)). The Division of Insurance (DOI) has one policy bill this year, S.B. 67, which addresses a variety of topics related to insurance regulation. First, I would like to advise you of Nevada's insurance industry and work done at the DOI. Insurance, in Nevada, is an \$11.9 billion industry, which breaks down to approximately \$4,500 per Nevadan, per year. There are 135,000 licensees, brokers and producers, of which 20,000 are Nevadans. We also license more than 2,200 traditional insurance companies and 159 captive insurers that are authorized to engage in insurance business in Nevada.

The insurance industry has generated over \$254 million in premium tax revenue and an additional \$28 million in fees in fiscal year 2014. Those amounts almost exclusively go to Nevada's General Fund. Additional fees and assessments on those whom we regulate fund our budget. This Division is the fourth largest contributor to the State General Fund.

The DOI is a consumer protection agency, protecting Nevadans in their insurance experiences, and it maintains a stable and competitive insurance marketplace. Staff must have specialized skills, and the DOI is responsible for 58 chapters within the *Nevada Revised Statutes* (NRS). A more comprehensive overview of our activities can be found in the Division's written report ([Exhibit D](#)).

The DOI has made great strides to make insurance more accessible and easier to understand. In September 2013, the DOI launched a user-friendly health insurance Website <<http://doi.nv.gov/health-rate-review>>. Consumers can view plans for the entire market, including rates for all plans and insurance carrier links. There is another application that allows consumers to look up licenses, rates and to file consumer complaints. The DOI added an additional

Website <<http://nvinsurance101.com>>, to provide greater education about insurance.

The DOI participates in the National Association of Insurance Commissioners (NAIC). The NAIC was created and is governed by state insurance regulators to set United States standards and offer regulatory support. The NAIC forms the national system of state-based insurance regulation in the United States and five U.S. territories. The DOI also uses NAIC systems to obtain information for purposes of licensure and enforcement.

The DOI is fully accredited, confirming that we have adequate solvency laws to protect consumers, effective and efficient financial analysis and examinations, and appropriate organizational and personnel practices. This accreditation gives consumers more options because accreditation makes operations easier and more efficient for Nevada insurance businesses.

This information has been supplied as backup and clarification to S.B. 67. I have also submitted proposed amendments ([Exhibit E](#)) for consideration. Following is an overview of S.B. 67, including the language incorporated by the proposed amendments, [Exhibit E](#). Sections 1 and 42–231 of S.B. 67 adopt the current version of the NAIC’s model law on investments. Nevada’s current investments chapter in NRS has not been updated, and the NAIC model balances principal and risk.

Section 2 of S.B. 67 clarifies which fees apply to certified reinsurers, as provided by law, and removes fees that have been preempted by the Dodd-Frank Act. Sections 3–21 revise the NAIC Credit for Reinsurance Model Law and amends related existing statutes. The Model Law is an accreditation standard which must be followed in order to maintain our accreditation. These provisions strengthen a carrier’s liquidity without harming its solvency, and also pertain to reinsurers domiciled outside the United States.

Sections 22–39 and 41 revise the NAIC Standard Valuation Law Model Act, which applies to life insurance companies. The revisions change the Standard Valuation Law from a one-size-fits-all approach to a principles-based reserving approach, based on principles rather than a set formula, to reflect and adjust to different circumstances rather than a set formula. This provision is not effective until 42 states, constituting more that 75 percent of all direct premiums written,

adopt the provision. Currently, 20 states have adopted this legislation, and it is pending in 20 others, including Nevada.

Section 233 changes annual report filing requirements and clarifies what other financial reporting documents should be included with the filing. Sections 234 through 237 seek to modernize and streamline the DOI's ability to conduct more licensing activities via electronic means, such as allowing official email communication, which would result in cost savings by not having to mail 3,000 plus license renewals per month, by mail.

Changes to section 238 give the DOI more latitude to consider criminal backgrounds of license and certificate applicants, for the further protection of consumers. Sections 240–249 and 251–253 make changes to the Nevada Life and Health Insurance Guaranty Act (NLHGA) to allow assumed claims to be covered under the Nevada Insurance Guaranty Association (NIGA), and to make technical corrections to existing statutes. Section 250 was proposed to add HMOs and nonprofit insurers to the NLHGA. However, HMOs and nonprofit insurers are required by law to have insolvency reinsurance contracts. Therefore, I ask that S.B. 67 be amended to exclude section 250.

Sections 254–256 would allow the NIGA to cover assumed claims for property and casualty insurers should they become insolvent. Sections 257, subsection 1 through section 260 have minor updates relating to cash values of life insurance policies according to statutory definitions. Sections 263 and 315–317 would allow the automobile insurers to issue electronic evidence of insurance cards. Sections 264–289 would adopt the NAIC Model on Own Risk and Solvency Assessment (ORSA) to give regulators an enhanced view of an insurer's ability to withstand financial stress.

Sections 290–304 update Nevada's law on insurance mergers and acquisitions to adopt recent NAIC Model Law changes. Sections 306–311 amend Nevada's laws on domestic captive insurers and risk retention groups to clarify that domestic risk retention groups are licensed as domestic captives and held to the same standards. In sections 312–313, the DOI requests authority to inspect and copy certain sealed records of insurance applicants and licensees for the purpose of determining suitability for a license or liability to discipline for misconduct or conviction.

Section 318 will authorize the commissioner to alter the 120-day annual reporting requirement for self-insured employers for workers' compensation coverage. Amendments to section 318 would permit the DOI to accept financial statements audited by independent Certified Public Accountants (CPAs) or the foreign equivalent. This change eliminates the requirement that audits will only be accepted from Nevada CPAs. Lastly, section 319 repeals statutes that will become irrelevant because of the adoption of the model law provisions, as well as repealing three provisions that were consolidated and added under section 239 of S.B. 67.

Chair Settlemeyer:

Senate Bill 67 is quite lengthy, as are the proposed amendments [Exhibit E](#). Please summarize the main points of the proposed amendments.

Mr. Kipper:

Specifically, the amendments proposed by the DOI make the following changes to S.B. 67. We want to eliminate fees to surplus lines insurers that were preempted under the Dodd-Frank Act; amend provisions regarding NAIC Credit for Reinsurance Law Model that were inadvertently omitted; and incorporate provisions from the NAIC Standard Valuation Law Model Act that were also inadvertently omitted. The DOI wants to amend language regarding due dates for financial statements, and ensure consumers are given notice regarding changes to individual, non-grandfathered plans under the Affordable Care Act (ACA) at the same time the rate information becomes public.

The amendments will also incorporate provisions regarding the Standard Nonforfeiture Law for Life Insurance Model Act, which were inadvertently omitted; add language to clarify applicability of words and terms related to the NAIC Risk Management and Own Risk and Solvency Model Act; and to amend confidentiality provisions under the Insurance Holding Company System Regulatory Act.

Senator Hardy:

Is there a mechanism in place that will verify that a recipient received and read an email sent by the DOI?

Mr. Kipper:

I agree that we should have confirmation of emails being received and read. We will make sure we include that language either in the statute or through the regulations.

Senator Harris:

Under section 258, page 105, lines 10 and 16, the language is being changed from "insurer" to "company." Is that change requested to deal with the financial integrity of holding companies?

Mr. Kipper:

This does not change the intent, it only clarifies that this applies to the entire company as a whole, taking into account the holding company concept versus the insurer.

Senator Harris:

Thank you, that answers my question.

Chair Settlemeyer:

In sections 23–32 of the proposed amendment, there are requested changes to the Valuation Manual. Is there a definition of this manual within the bill, or does it exist within the NRS or *Nevada Administrative Code*?

Mr. Kipper:

The Valuation Manual exists, as it is something we use consistently. The manual has been under review and amended over the last 10 years at the NAIC. The Valuation Manual is the document we use at the DOI, as opposed to the legislative language that exists elsewhere.

James Wadhams (American Insurance Association; Anthem Insurance Company; Association of Health Underwriters; Independent Insurance Agents; Captive Insurance Association):

We support S.B. 67; however, I have not yet had the opportunity to discuss the amendments with Commissioner Kipper. The proposed changes are mainly drafting issues. We would be most appreciative if given a short amount of time to go over these with Mr. Kipper before the vote on the bill.

Keith Lee (Nevada Association of Health Plans):

Many members of the Nevada Association of Health Plans have been discussing this bill with Mr. Kipper, and we are working through a good portion of the issues. We have not had an opportunity to review the amendments. We would like the time to continue discussions with Mr. Kipper to work towards a conclusion on S.B. 67.

Chair Settlemeyer:

Do you see these changes as technical in nature?

Mr. Lee:

From what I can see, the changes appear technical in nature.

Jay Parmer (America's Health Insurance Plans):

Our trade association has started reviewing the amendments. Prior to the introduction of these amendments, we had concerns regarding the ORSA and holding company provisions. We now see the intent of the DOI to address our concerns. If we have another conversation with the DOI, along with my colleagues who have just spoken, we will be able to resolve any further issues and would like to return in favor of S.B. 67.

Mr. Kipper:

The DOI enjoys a great relationship with those whom we regulate. We take all suggestions in determining what is best for the industry.

Chair Settlemeyer:

When you are ready to move forward with S.B. 67, please contact the Committee so we can schedule this bill for a work session.

I would like to note that I have received a proposed amendment offered by the Service Contract Industry Council ([Exhibit F](#)), a letter in support of S.B. 67 from Lloyd's of America, Inc. ([Exhibit G](#)), as well as a letter in support of S.B. 67 from Property Casualty Insurers Association of America ([Exhibit H](#)).

I will close the hearing on S.B. 67 and open the hearing on S.B. 85.

SENATE BILL 85: Revises certain provisions of the Nevada Insurance Code.
(BDR 57-153)

Brett Kandt (Special Assistant Attorney General, Office of the Attorney General):

The Attorney General has primary jurisdiction to investigate and prosecute any alleged act of insurance fraud in Nevada pursuant to *Nevada Revised Statute* (NRS) 228.412. Senate Bill 85 clarifies in the Nevada Insurance Code (NIC) that persons who commit insurance fraud are subject to prosecution, even if the insurance policy is issued outside of Nevada.

Nevada Revised Statute 686A.2815 defines insurance fraud as when a claimant makes a false statement, verbally or written on an application, concerning a policy of insurance "issued pursuant to the NIC." The language of the current statute is unclear as to whether an insurance policy must be written in Nevada for a person to be charged with insurance fraud.

In approximately 95 percent of insurance fraud cases in Nevada, the issuing state of the policy is not an issue. Most insurance fraud crimes happen with a policy that was written in Nevada and concerns Nevada property. The issue our prosecutors have run into is on the other 5 percent of policies due to the transient nature of our population, particularly in Southern Nevada. It is common to have property, such as a vehicle, coming into the State that is insured under another state's policy.

There have been fraudulent acts, such as a person burning a vehicle and claiming it stolen, to claim the insurance money. There have been other people who have provided misinformation to their insurance providers after an accident. When an insurance company determines a claimant is lying, that case is reported to the Office of the Attorney General.

Under the current law, if an insurance policy was written in another state, it is unclear if that person could be charged with insurance fraud. Senate Bill 85 clarifies the statute for the Fraud Control Unit for Insurance in our office to charge any act of insurance fraud relating to property that is physically located in Nevada, at the time of the fraudulent activity.

Senate Bill 85 revises the statutory definition of insurance fraud set forth in NRS 686A.2815 to include fraudulent activities involving policies of insurance issued pursuant to Title 57 of NRS by an authorized insurer, and policies of insurance issued outside Nevada by an authorized insurer relating to property located in Nevada at the time of the alleged fraud.

Chair Settlemeyer:

I see you have submitted a letter from Attorney General Adam Paul Laxalt, giving support for S.B. 85 ([Exhibit I](#)). I have also received a letter from Property Casualty Insurers Association of America, in support of S.B. 85 ([Exhibit J](#)).

Chair Settlemeyer:

I will close the hearing on S.B. 85 and open the hearing on S.B. 113.

SENATE BILL 113: Revises provisions relating to insurance. (BDR 57-690)

Senator Joe P. Hardy (Senatorial District No. 12):

I was intrigued by the concept of health care sharing ministries (HCSMs) and wanted to facilitate the ability for people to donate of their own means, without compulsion, to other people in need who share in similar religious or ethical beliefs.

Peter Krueger (Alliance of Health Care Sharing Ministries):

Senate Bill 113 is not about authorizing or creating HCSMs. These ministries already exist in Nevada. There are approximately 500 households that are currently involved in the three larger HCSMs. This is not a new concept, it has existed for nearly 20 years. Senate Bill 113 is a safe harbor bill, and it is not to be included as health insurance, as these ministries do not assume any risk.

Joel Noble (Alliance of Health Care Sharing Ministries, Samaritan Ministries):

There are over 130,000 households using HCSMs, 500 of which are in Nevada. Health care sharing ministries were formed to meet the health care cost needs of members by voluntarily sharing funds among members of similar beliefs. The monthly amounts, or shares, each member contributes are sent to another member to help pay for medical expenses and are administered by the HCSMs who act as clearinghouses for the shares. The ministry does not assume any risk or guarantee payment of medical bills and operates a voluntary, cooperative sharing plan without a contractual transfer of risk.

There is a heavy priority placed on seeking the spiritual and emotional needs of members through prayer and encouragement. Senate Bill 113 would remove any vagueness that may arise in the future that HCSMs do not constitute the transaction of insurance business. Due to the unique nature of HCSMs, insurance commissioners occasionally attempt to subject HCSMs to the same

regulations as insurance companies. It is impossible to meet the insurance regulations without destroying the voluntary nature of these ministries.

Fighting the regulators in court is extremely expensive, which strains the finances of the HCSM membership. Additionally, regulatory litigation can harm the function of the ministry. We request your support of S.B. 113, which will explicitly clarify the nature of HCSMs as ministries, and avoid any uncertainty that may arise in the future.

The ACA recognizes that HCSMs are not insurance and includes an exemption to HCSM members, as outlined in our handout ([Exhibit K](#)), from purchasing health insurance without receiving a penalty. Because HCSMs are not insurance, we do not send out 1095 insurance forms and we have no impact on risk adjustment.

Chair Settlemeyer:

Who can or cannot participate in a HCSM? Are these ministries governed by the federal government or individual states?

Mr. Noble:

Each of the ministries has its own guidelines and statements of belief, which is what the members need to agree to and sign. It is a basic Christian statement of belief similar to the Nicene Creed.

Chair Settlemeyer:

Does the federal government need to dictate any part of membership?

Mr. Noble:

The ACA does have some requirements on how the ministries function, but not on who can become a member. The ACA will conduct an annual audit and the ministries needed to be in existence before December 31, 1999, and members need to have a similar system of belief.

Senator Harris:

Are HCSMs primarily religious in nature or can others with similar ethical perspectives form a HCSM?

Mr. Noble:

The three largest national ministries are religious in nature. According to the United States Department of Health and Human Services, there are approximately 53 HCSMs certified. Aside from the national ministries, the other HCSMs are small, Mennonite-type churches, which would share among themselves in a localized setting. Yes, all certified HCSMs are religious in nature.

Senator Spearman:

Can someone or an organization who does not believe in the Nicene Creed or the Doctrine of the Trinity join a HCSM?

Mr. Noble:

Each member must sign the belief statement of the ministry that person is joining. If someone wanted to start a new HCSM based on any other faith, or even an ethical belief system, that person would certainly be able to do so. I do not know how the federal government would treat any insurance exemption for that HCSM. There is nothing that precludes someone from starting a new HCSM based on any criteria.

Senator Spearman:

Can anyone join one of the larger, national HCSMs if that person does not believe in the Doctrine of the Trinity or join your trade association, unless that person was Christian? Would they have to start their own HCSM?

Mr. Noble:

Yes, that is correct. The Alliance of Health Care Ministries is a trade association which represents the current HCSMs. The individual ministries are comprised of individual members who must agree to that particular ministry's membership plan. There are no current national HCSMs that are not Christian. If someone started a new ministry that was not Christian, we would welcome that ministry into the trade association.

Chair Settlemeyer:

You indicated earlier that a ministry needed to be formed prior to December 31, 1999, as dictated by the ACA. If someone started a new ministry now, they would be precluded, which would be beyond our purview. Would the new ministry need to speak with their federal representative to change the ACA mandate and actually be able to start a new ministry?

Mr. Noble:

You are correct. There is nothing precluding anyone from starting a new ministry; however, the members would not be exempt from the tax penalty for not having health insurance.

Senator Farley:

You mentioned that some individuals are exempt from purchasing health insurance under the ACA. How much are the members assuming the HCSMs are going to pay for their medical expenses? What is the understanding of the members that belong to HCSMs?

Mr. Noble:

All members have the understanding that they are not purchasing insurance. They do understand they will bear each other's burdens when there is a medical need. Members share directly with each other to pay medical expenses.

As an example, for the birth of each of my children, I was able to approach the hospital to negotiate a flat rate for the birth at the hospital. Once I started receiving medical bills, which included the obstetrician and flat rate hospital amount, I turned them in to the ministry. I then started to receive personal checks in the mail, which I deposited so I could pay the bills. The checks did not go to the ministry, nor did I receive money from the ministry.

Mr. Krueger:

Please note, on S.B. 113, below subsection 6 of section 1, there is a specific notice that all applicants would see, need to understand, and agree to. Members are fully aware that a HCSM is not insurance.

Senator Harris:

In section 1, subsection 5, where it states, "as well as the amount actually published or assigned to participants for their contribution," is this voluntary in every organization to contribute or are they required to remit a certain amount every month?

Mr. Noble:

Each of the ministries has a set amount based on family size. Every month, each family writes a personal check that goes directly to another member for their medical payment needs, which is listed on a statement received from the ministry.

Senator Harris:

What happens if someone falls on economic hardship and can no longer remit their monthly amount?

Mr. Noble:

The HCSM also offers a sponsorship program where members can be partnered with other members in case one or the other has an economic hardship. The other member, without the hardship, would pay all, or a portion of, the amount due. This is another benefit of the HCSM, where if a member has not paid the monthly share for a few months, that person is not automatically dropped from membership like a traditional insurance company would do.

Senator Farley:

Why are the HCSM members choosing not to purchase traditional insurance?

Mr. Noble:

Many members choose not to purchase insurance since some of the services covered are outside their belief system or they do not want to pay for other services they will not be using. Insurance premiums continue to rise as additional services are added, which not all members will use. At a HCSM, the members are in charge of the guidelines. Members vote on what services will be covered.

The ministry is Christian-based and the early church believed that members shared each other's burdens. Even if members are able to find lower-cost insurance or are allowed subsidies, they still choose to stay with a HCSM because part of their Christian walk is to share each other's burdens.

Senator Atkinson:

Is there a chart of particular services of which members share costs, or specific services that are not covered? Which services go against their beliefs?

Mr. Noble:

Purchased health insurance coverage is mandated by the state where it is purchased, by which a person is bound to abide. In a HCSM plan, you know exactly which service costs are shared, and members are not paying for services they will never need.

Senator Atkinson:

Give me an example of services covered.

Mr. Noble:

Maternity, sleep apnea, getting stitches, heart attacks, broken bones and cancer, are examples.

Senator Atkinson:

What would not be covered or go against beliefs? Is there a particular account where the money is saved? If there are several large needs, will the money run out?

Mr. Noble:

The three national ministries have been operating for 20 years. Each shares approximately \$7 million to \$8 million, per month, among its members. We have never had a need that was not met in full. Keep in mind with uninsured individuals, doctors and hospitals are willing to negotiate lower prices since they are tremendously inflated to insurance companies.

Senator Harris:

What is the process for someone wanting to leave a HCSM?

Mr. Noble:

The member just contacts us to advise the HCSM of their decision. We only ask that the member remit the current month's share.

Senator Farley:

If the HCSM does not cover a particular expense and the member does not have insurance, who is stuck with the bill? Does the ministry help negotiate prices, or does the individual just pay what that person can?

Mr. Noble:

The members do not decide what amount they share for any given month. There is a set of guidelines to which the member agrees. This includes the amount of money each will pay every month and what can or cannot be published, such as a preexisting condition. If the HCSM does not pay expenses for such non-published services, the church also advertises special prayer needs among church members where there is a free-will offering. Some members also

send money into a special needs fund, which is set aside for some uncovered services.

Chair Settlemeyer:

To your knowledge, have all needs been met so the general public has not had to pick up any costs of any individual that may have become indigent?

Mr. Noble:

Yes, every publishable need has been met. If there is an unpublished need, the special needs fund does not always pay 100 percent of the cost. Therefore, there may be some personal financial responsibility.

Senator Farley:

Several Committee members are still concerned about the end user's belief in what that person is actually participating, and the understanding of what is fully covered. Since the concept is not quite clear to us, I would like to invite individual discussion so the full Committee has very clear understanding.

Mr. Noble:

The HCSM members are fully knowledgeable. When they sign their applications, they are well aware that it is not insurance; they understand the guidelines.

Senator Atkinson:

Are you stating that the members do not have any other type of insurance?

Mr. Noble:

Some members, such as those over 65, might have Medicare which would pay 80 percent of medical expenses, and 20 percent would be eligible for payment through the HCSM. A member could be on a spouse's employer insurance plan. Most members do not use any type of state assistance. Less than 4 percent of members have some traditional insurance.

Senator Atkinson:

I understand how devastating health care bills can be for a family. Since I am not clear on this concept, I would like to join an off-the-record discussion.

Senator Spearman:

Does the HCSM cover services in women's health care, substance abuse counseling and some other controversial issues that a traditional insurance company would cover?

Mr. Noble:

The ministry would not cover abortions of live fetuses. We do cover counseling. The HCSM board and its members control the guidelines. The three national ministries have stated they do not want to participate in certain areas. Therefore, we are honoring their beliefs.

Mr. Lee:

Our members are the health insurers within the State and are currently neutral on S.B. 113, as we still have unanswered questions. Our biggest concern is what burden would be on the health insurers if a HCSM member withdraws from the ministry. We plan to meet with the sponsors and proponents, and would like to participate in any off-the-record meeting so we can learn more.

Senator Atkinson:

If a HCSM member decides to withdraw and is in the midst of medical care, what is the burden on the health insurers? Would a traditional health insurer even offer insurance?

Mr. Lee:

We have been thinking about what the degree of risk any particular individuals and their families present and how to underwrite particular policies. Under the ACA mandate, we must offer insurance. The question is the shifting of the cost burden and a timing issue of whether there is open enrollment, loss of coverage or if there is a 3-month waiting period.

Senator Hardy:

Are there preclusions in your members' health plans for abortions? Does the ACA have mandatory abortion coverage?

Mr. Lee:

I do not know the answer to that question. I will get back to you with the answer.

Senator Spearman:

I just wanted to clarify that I was not asking about abortion services. I was more interested to know if HCSM covered services such as birth control, which can be used for other conditions besides controlling pregnancy.

Elisa Cafferata (CEO, Nevada Advocates for Planned Parenthood Affiliates):

I am testifying neutral, as I am also unclear about the HCSMs, and need more information on how they operate. Although the members understand they are not getting insurance, I am not clear on how much of the disclaimer states what services are, or are not, covered. I know the ACA exempts these organizations; however, I do not know if Nevada exempts them from regulation by the DOI. Insurance regulations are specific about listing services and exclusions. If HCSMs are not regulated under the Division of Insurance, the disclaimer needs to be clear. Women's health care is a very large and complicated area, and every woman should know what services are available. We have three health centers which offer preventive care such as well-women exams, birth control, education, STD testing and treatment, cancer screening and more. The ACA does not require insurance companies to offer coverage on abortions. There are very clear outlines for insurers who do cover abortions. There needs to be a way to have a separate or additional payment for that service. It is not required coverage under the ACA, nor is it mandated coverage in any state.

Chair Settlemeyer:

For the proponents of S.B. 113, you need to follow up with the Committee members who still have questions to make sure everyone has a clear understanding before we vote on this bill. If a member leaves your organization, for any reason, can that person get traditional insurance?

Mr. Noble:

If any member decides to leave the ministry, that person would not have continued coverage. That person would be treated as someone who did not have any insurance and would have to purchase a new policy.

Chair Settlemeyer:

I would like to note that I have received a United States map showing which states have safe harbor laws for HCSM ([Exhibit L](#)). I have also received a letter from John D. Doak, Oklahoma Insurance Commissioner, dated August 16, 2011 ([Exhibit M](#)), as well as additional letters from Indiana Department of Insurance Commissioner, James Atterholt, dated May 7, 2009 ([Exhibit N](#)), and

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Ralph T. Hudgens, Insurance and Safety Fire Commissioner, of the state of Georgia, dated March 4, 2011 ([Exhibit O](#)); both support S.B. 113.

I will now close the hearing on S.B. 113. With no further comments or business before the Committee, the meeting is adjourned at 9:32 a.m.

RESPECTFULLY SUBMITTED:

Renee Fletcher,
Committee Secretary

APPROVED BY:

Senator James A. Settlemeyer, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A	1		Agenda
	B	7		Attendance Roster
S.B. 67	C	6	Scott Kipper	Written Testimony
S.B. 67	D	44	Scott Kipper	Written Report
S.B. 67	E	21	Scott Kipper	Proposed Amendments
S.B. 67	F	1	Senator James A. Settlemeyer	Proposed Amendments
S.B. 67	G	1	Senator James A. Settlemeyer	Letter
S.B. 67	H	2	Senator James A. Settlemeyer	Support Letter
S.B. 85	I	1	Brett Kandt	Letter of Support
S.B. 85	J	1	Senator James A. Settlemeyer	Support Letter
S.B. 113	K	2	Joel Noble	Handout
S.B. 113	L	1	Senator James A. Settlemeyer	Handout
S.B. 113	M	2	Senator James A. Settlemeyer	Letter
S.B. 113	N	2	Senator James A. Settlemeyer	Letter of Support
S.B. 113	O	1	Senator James A. Settlemeyer	Letter of Support