

ASSEMBLY BILL NO. 439—COMMITTEE
ON COMMERCE AND LABOR

MARCH 27, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing certain contracts of insurance. (BDR 57-1044)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to insurance; providing, with certain exceptions, that no provision for arbitration in a contract for health insurance is binding upon any person insured under the contract who makes a claim; repealing certain provisions related to provisions for arbitration in a contract for health insurance; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law establishes the Nevada Insurance Code, which governs certain
2 contracts of insurance. (Title 57 of NRS) Existing law provides that no provision
3 for arbitration contained in an automobile liability or motor vehicle liability
4 insurance policy delivered, issued for delivery or renewed in this State is binding
5 upon the named insured or any other person who makes a claim under the policy.
6 (NRS 690B.017) **Sections 4, 6, 7, 15, 16.5, 17, 18.5, 19 and 20** of this bill similarly
7 provide that no provision for arbitration is binding that is contained in any: (1)
8 policy of health insurance by an insurer; (2) policy of group or blanket health
9 insurance; (3) health benefit plan; (4) benefit contract; (5) contract for hospital,
10 medical or dental services; (6) evidence of coverage by a health maintenance
11 organization; (7) plan for dental care; (8) evidence of coverage by a prepaid limited
12 health service organization; or (9) evidence of coverage by a managed care
13 organization. **Sections 4, 6, 7, 15, 16.5, 17, 18.5, 19 and 20** further provide that a
14 provision for arbitration included in any such contract of insurance must contain a
15 statement that the provision for arbitration is not binding. **Section 16.5** further
16 provides that such provisions do not apply to a contract between: (1) a plan
17 sponsor; and (2) a hospital or a provider of health care. **Sections 5 and 8** of this bill
18 make conforming changes to indicate the proper placement of **sections 4 and 7** of
19 this bill, respectively, in the Nevada Revised Statutes.



20 **Section 22** of this bill repeals certain provisions of the Nevada Insurance Code
21 to eliminate requirements related to provisions for arbitration in certain contracts
22 for insurance. **Section 18** of this bill makes a conforming change to eliminate a
23 reference to a repealed section.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** (Deleted by amendment.)

2 **Sec. 2.** (Deleted by amendment.)

3 **Sec. 3.** (Deleted by amendment.)

4 **Sec. 4.** Chapter 689A of NRS is hereby amended by adding
5 thereto a new section to read as follows:

6 1. *No provision for arbitration contained in any policy of*
7 *health insurance delivered, issued for delivery or renewed in this*
8 *State is binding upon any person insured under the policy who*
9 *makes a claim.*

10 2. *If a policy of health insurance contains a provision for*
11 *arbitration, the policy of health insurance must include a*
12 *statement that the arbitration provision is not binding upon any*
13 *person insured under the policy of health insurance who makes a*
14 *claim.*

15 **Sec. 5.** NRS 689A.330 is hereby amended to read as follows:

16 689A.330 If any policy is issued by a domestic insurer for
17 delivery to a person residing in another state, and if the insurance
18 commissioner or corresponding public officer of that other state has
19 informed the Commissioner that the policy is not subject to approval
20 or disapproval by that officer, the Commissioner may by ruling
21 require that the policy meet the standards set forth in NRS 689A.030
22 to 689A.320, inclusive **[H]**, *and section 4 of this act.*

23 **Sec. 6.** Chapter 689B of NRS is hereby amended by adding
24 thereto a new section to read as follows:

25 1. *No provision for arbitration contained in any policy of*
26 *group or blanket health insurance delivered, issued for delivery or*
27 *renewed in this State is binding upon any person insured under*
28 *the policy who makes a claim.*

29 2. *If a policy of group or blanket health insurance contains a*
30 *provision for arbitration, the policy of group or blanket health*
31 *insurance must include a statement that the arbitration provision*
32 *is not binding upon any person insured under the policy of group*
33 *or blanket health insurance who makes a claim.*

34 **Sec. 7.** Chapter 689C of NRS is hereby amended by adding
35 thereto a new section to read as follows:

36 1. *No provision for arbitration contained in any health*
37 *benefit plan delivered, issued for delivery or renewed in this State*



1 *is binding upon any person insured under the health benefit plan*
2 *who makes a claim.*

3 *2. If a health benefit plan contains a provision for*
4 *arbitration, the health benefit plan must include a statement that*
5 *the arbitration provision is not binding upon any person insured*
6 *under the health benefit plan who makes a claim.*

7 **Sec. 8.** NRS 689C.425 is hereby amended to read as follows:

8 689C.425 A voluntary purchasing group and any contract
9 issued to such a group pursuant to NRS 689C.360 to 689C.600,
10 inclusive, are subject to the provisions of NRS 689C.015 to
11 689C.355, inclusive, *and section 7 of this act*, to the extent
12 applicable and not in conflict with the express provisions of NRS
13 687B.408 and 689C.360 to 689C.600, inclusive.

14 **Sec. 9.** (Deleted by amendment.)

15 **Sec. 10.** (Deleted by amendment.)

16 **Sec. 11.** (Deleted by amendment.)

17 **Sec. 12.** (Deleted by amendment.)

18 **Sec. 13.** (Deleted by amendment.)

19 **Sec. 14.** (Deleted by amendment.)

20 **Sec. 15.** Chapter 695A of NRS is hereby amended by adding
21 thereto a new section to read as follows:

22 *1. No provision for arbitration contained in any benefit*
23 *contract delivered, issued for delivery or renewed in this State is*
24 *binding upon any person insured under the contract who makes a*
25 *claim.*

26 *2. If a benefit contract contains a provision for arbitration,*
27 *the benefit contract must include a statement that the arbitration*
28 *provision is not binding upon any person insured under the*
29 *benefit contract who makes a claim.*

30 **Sec. 16.** (Deleted by amendment.)

31 **Sec. 16.5.** Chapter 695B of NRS is hereby amended by adding
32 thereto a new section to read as follows:

33 *Except as otherwise provided in subsection 3:*

34 *1. No provision for arbitration contained in any contract for*
35 *hospital, medical or dental services delivered, issued for delivery*
36 *or renewed in this State is binding upon any person insured under*
37 *the contract for hospital, medical or dental services.*

38 *2. If a contract for hospital, medical or dental services*
39 *contains a provision for arbitration, the contract must include a*
40 *statement that the arbitration provision is not binding upon any*
41 *person insured under the contract for hospital, medical or dental*
42 *services.*

43 *3. The provisions of this section do not apply to a contract*
44 *between:*



1 (a) A plan sponsor, as defined in section 3(16)(B) of the
2 Employee Retirement Income Security Act of 1974, 29 U.S.C. §
3 1002(16)(B), as that section existed on July 16, 1997; and

4 (b) A hospital or a provider of health care, as defined in
5 NRS 439.820.

6 **Sec. 17.** Chapter 695C of NRS is hereby amended by adding
7 thereto a new section to read as follows:

8 *1. No provision for arbitration contained in any evidence of*
9 *coverage delivered, issued for delivery or renewed in this State is*
10 *binding upon any person insured under the evidence of coverage*
11 *who makes a claim.*

12 *2. If an evidence of coverage contains a provision for*
13 *arbitration, the evidence of coverage must include a statement that*
14 *the arbitration provision is not binding upon any person insured*
15 *under the evidence of coverage who makes a claim.*

16 **Sec. 18.** NRS 695C.050 is hereby amended to read as follows:

17 695C.050 1. Except as otherwise provided in this chapter or
18 in specific provisions of this title, the provisions of this title are not
19 applicable to any health maintenance organization granted a
20 certificate of authority under this chapter. This provision does not
21 apply to an insurer licensed and regulated pursuant to this title
22 except with respect to its activities as a health maintenance
23 organization authorized and regulated pursuant to this chapter.

24 2. Solicitation of enrollees by a health maintenance
25 organization granted a certificate of authority, or its representatives,
26 must not be construed to violate any provision of law relating to
27 solicitation or advertising by practitioners of a healing art.

28 3. Any health maintenance organization authorized under this
29 chapter shall not be deemed to be practicing medicine and is exempt
30 from the provisions of chapter 630 of NRS.

31 4. The provisions of NRS 695C.110, 695C.125, 695C.1691,
32 695C.1693, 695C.170, 695C.1703, 695C.1705, 695C.1709 to
33 695C.173, inclusive, 695C.1733, 695C.17335, 695C.1734,
34 695C.1751, 695C.1755, 695C.1759 ~~and~~ and 695C.176 to 695C.200,
35 inclusive, ~~and 695C.265~~ do not apply to a health maintenance
36 organization that provides health care services through managed
37 care to recipients of Medicaid under the State Plan for Medicaid or
38 insurance pursuant to the Children's Health Insurance Program
39 pursuant to a contract with the Division of Health Care Financing
40 and Policy of the Department of Health and Human Services. This
41 subsection does not exempt a health maintenance organization from
42 any provision of this chapter for services provided pursuant to any
43 other contract.

44 5. The provisions of NRS 695C.1694 to 695C.1698, inclusive,
45 695C.1701, 695C.1708, 695C.1728, 695C.1731, 695C.17333,



1 695C.17345, 695C.17347, 695C.1735, 695C.1737, 695C.1743,
2 695C.1745 and 695C.1757 apply to a health maintenance
3 organization that provides health care services through managed
4 care to recipients of Medicaid under the State Plan for Medicaid.

5 **Sec. 18.5.** Chapter 695D of NRS is hereby amended by adding
6 thereto a new section to read as follows:

7 *1. No provision for arbitration contained in any plan for*
8 *dental care delivered, issued for delivery or renewed in this State is*
9 *binding upon any person insured under the plan for dental care*
10 *who makes a claim.*

11 *2. If a plan for dental care contains a provision for*
12 *arbitration, the plan for dental care must include a statement that*
13 *the arbitration provision is not binding upon any person insured*
14 *under the plan for dental care who makes a claim.*

15 **Sec. 19.** Chapter 695F of NRS is hereby amended by adding
16 thereto a new section to read as follows:

17 *1. No provision for arbitration contained in any evidence of*
18 *coverage delivered, issued for delivery or renewed in this State is*
19 *binding upon any person insured under the evidence of coverage*
20 *who makes a claim.*

21 *2. If an evidence of coverage contains a provision for*
22 *arbitration, the evidence of coverage must include a statement that*
23 *the arbitration provision is not binding upon any person insured*
24 *under the evidence of coverage who makes a claim.*

25 **Sec. 20.** Chapter 695G of NRS is hereby amended by adding
26 thereto a new section to read as follows:

27 *1. No provision for arbitration contained in any evidence of*
28 *coverage delivered, issued for delivery or renewed in this State is*
29 *binding upon any person insured under the evidence of coverage*
30 *who makes a claim.*

31 *2. If an evidence of coverage contains a provision for*
32 *arbitration, the evidence of coverage must include a statement that*
33 *the arbitration provision is not binding upon any person insured*
34 *under the evidence of coverage who makes a claim.*

35 **Sec. 21.** The provisions of this act do not apply to any contract
36 for insurance existing on October 1, 2023, but apply to any renewal
37 of such a contract.

38 **Sec. 22.** NRS 689A.0403, 689B.067, 689B.270, 695B.181,
39 695B.182, 695C.265 and 695C.267 are hereby repealed.



LEADLINES OF REPEALED SECTIONS

689A.0403 Procedure for arbitration of disputes concerning independent medical, dental or chiropractic evaluations.

689B.067 Provision in policy requiring binding arbitration for disputes with insurer authorized; procedure for arbitration; declaratory relief.

689B.270 Required procedure for arbitration of disputes concerning independent medical, dental or chiropractic evaluations.

695B.181 Provision in contract requiring binding arbitration authorized; procedures for arbitration; declaratory relief.

695B.182 Required procedure for arbitration of disputes concerning independent medical, dental or chiropractic evaluations.

695C.265 Required procedure for arbitration of disputes concerning independent medical, dental or chiropractic evaluations.

695C.267 Provision requiring binding arbitration authorized; procedures for arbitration; declaratory relief.

