

SENATE BILL NO. 92—SENATOR BUCK

PREFILED JANUARY 13, 2025

Referred to Committee on Commerce and Labor

SUMMARY—Authorizes a proposed increase or decrease in a rate for certain kinds and lines of insurance to be implemented pending approval or disapproval by the Commissioner of Insurance. (BDR 57-93)

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

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

AN ACT relating to insurance; authorizing an insurer to implement a proposed increase or decrease in a rate for certain kinds and lines of insurance while the proposal is pending approval or disapproval by the Commissioner of Insurance; setting forth certain requirements applicable in the event that such a proposal is ultimately disapproved; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, with certain exceptions, insurers and certain rate service
2 organizations are required to file with the Commissioner of Insurance all rates and
3 proposed increases thereto, as well as the forms of policies to which the rates
4 apply, supplementary rate information and any changes or amendments to the
5 rates. Existing law requires that such a filing include a proposed effective date and
6 be filed not less than 30 days before that proposed effective date, except that
7 the insurer or rate service organization is authorized to request that the
8 Commissioner authorize an earlier effective date. (NRS 686B.070) Existing law
9 sets forth procedures by which the Commissioner is required to approve or
10 disapprove a proposed increase or decrease in a rate for any kind or line of
11 insurance other than certain health plans. Under existing law, the Commissioner is
12 required to approve or disapprove each proposal not later than 30 days after it is
13 determined by the Commissioner to be complete. Existing law sets forth procedures
14 to allow an insurer or rate service organization to request reconsideration of a
15 disapproved proposed increase or decrease and a hearing to be held on the matter.
16 (NRS 686B.110)

17 This bill revises those provisions to allow an insurer to implement a proposed
18 increase or decrease in certain rates while the process for the approval or
19 disapproval proceeds. **Section 1** of this bill requires a filing for a proposed increase



20 or decrease in a rate for any kind or line of insurance for which the filing of rates is
21 required, other than certain health plans, to be filed on or before the proposed
22 effective date included in the filing. **Section 1** authorizes an insurer to implement
23 such a proposed increase or decrease while the proposal is pending approval or
24 disapproval by the Commissioner.

25 **Section 3** of this bill provides that if the Commissioner disapproves such a
26 proposed increase or decrease and the insurer has implemented the proposed
27 increase or decrease, the Commissioner is required to issue a written order that
28 includes, among other things, the date on which the disapproved increased or
29 decreased rate must no longer be used for the issuance of new policies or contracts
30 or the renewal of existing policies or contracts. **Section 3** requires that date to be
31 not less than 90 days after the written order is issued. Under **section 3**, the order
32 does not affect any policy or contract made before the effective date of the order,
33 except that the Commissioner is authorized to require that the premiums be
34 adjusted after the effective date of the order for those policies or contracts in effect
35 on the effective date of the order.

36 Under existing law, if a filing for a proposed increase in a rate is not
37 accompanied by certain information, the Commissioner is authorized to inform the
38 insurer and the filing is deemed to be made when the information is furnished.
39 (NRS 686B.100) **Section 2** of this bill deems a filing for a proposed increase in a
40 rate for any kind or line of insurance, other than certain health plans, for the
41 purpose of implementing the proposed increase pending the approval or
42 disapproval of the Commissioner to be filed on the date on which it is filed with the
43 Commissioner, regardless of whether the filing is accompanied by such
44 information. Similarly, existing law provides that if the Commissioner determines
45 that a proposal to increase or decrease a rate is incomplete, the Commissioner must
46 notify the insurer or rate service organization of that determination and, if the
47 insurer does not provide the necessary documents or other information within 30
48 days after the receipt of that notice, the Commissioner is authorized to disapprove
49 the proposal. (NRS 686B.110) **Section 3** provides that a determination that a
50 proposal to increase or decrease a rate for any kind or line of insurance, other than
51 certain health plans, is incomplete does not prohibit an insurer from implementing
52 the proposed increase or decrease pending approval or disapproval.

53 **Sections 4 and 5** of this bill make conforming changes to refer to provisions
54 that have been renumbered by **section 1**.

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

1 **Section 1.** NRS 686B.070 is hereby amended to read as
2 follows:

3 686B.070 1. Every authorized insurer and every rate service
4 organization licensed under NRS 686B.140 which has been
5 designated by any insurer for the filing of rates under subsection 2
6 of NRS 686B.090 shall file with the Commissioner all:

- 7 (a) Rates and proposed increases thereto;
- 8 (b) Forms of policies to which the rates apply;
- 9 (c) Supplementary rate information; and
- 10 (d) Changes and amendments thereof,

11 ➔ made by it for use in this state.



1 2. ~~[A]~~ *Except as otherwise provided in subsection 3, a* filing
2 made pursuant to this section must include a proposed effective date
3 and must be filed not less than 30 days before that proposed
4 effective date, except that a filing for a proposed increase or
5 decrease in a rate *for a health plan described in NRS 686B.112*
6 may include a request that the Commissioner authorize an effective
7 date that is earlier than the proposed effective date.

8 3. *A filing made pursuant to this section for a proposed*
9 *increase or decrease in a rate for any kind or line of insurance or*
10 *subdivision thereof, other than a health plan described in NRS*
11 *686B.112, must be filed on or before the proposed effective date*
12 *included in the filing. An insurer may implement the proposed*
13 *increase or decrease on the proposed effective date included in the*
14 *filing while the proposed increase or decrease is pending approval*
15 *or disapproval by the Commissioner pursuant to NRS 686B.110.*

16 4. If an insurer makes a filing for a proposed increase in a rate
17 for insurance covering the liability of a practitioner licensed
18 pursuant to chapter 630, 631, 632 or 633 of NRS for a breach of the
19 practitioner's professional duty toward a patient, the insurer shall
20 not include in the filing any component that is directly or indirectly
21 related to the following:

22 (a) Capital losses, diminished cash flow from any dividends,
23 interest or other investment returns, or any other financial loss that
24 is materially outside of the claims experience of the professional
25 liability insurance industry, as determined by the Commissioner.

26 (b) Losses that are the result of any criminal or fraudulent
27 activities of a director, officer or employee of the insurer.

28 ➔ If the Commissioner determines that a filing includes any such
29 component, the Commissioner shall, pursuant to NRS 686B.110,
30 disapprove the proposed increase, in whole or in part, to the extent
31 that the proposed increase relies upon such a component.

32 ~~[4.]~~ 5. If an insurer makes a filing for a proposed increase in a
33 rate for a health benefit plan, as that term is defined in NRS
34 687B.470, the filing must include a unified rate review template, a
35 written description justifying the rate increase and any rate filing
36 documentation.

37 ~~[5.]~~ 6. As used in this section, "rate filing documentation,"
38 "unified rate review template" and "written description
39 justifying the rate increase" have the meanings ascribed in 45 C.F.R.
40 § 154.215.

41 **Sec. 2.** NRS 686B.100 is hereby amended to read as follows:
42 686B.100 1. By rule, the Commissioner may require the
43 filing of supporting data as to any or all kinds or lines of insurance
44 or subdivisions thereof or classes of risks or combinations thereof as
45 the Commissioner deems necessary for the proper functioning of the



1 process for monitoring and regulating rates. The supporting data
2 must include:

- 3 (a) The experience and judgment of the filer, and, to the extent it
- 4 wishes or the Commissioner requires, of other insurers or rate
- 5 service organizations;
- 6 (b) Its interpretation of any statistical data relied upon;
- 7 (c) Descriptions of the actuarial and statistical methods
- 8 employed in setting the rates; and
- 9 (d) Any other relevant matters required by the Commissioner.

10 2. ~~Whenever~~ *Except as otherwise provided in this*
11 *subsection, whenever* a filing of a proposed increase in a rate is not
12 accompanied by such information as the Commissioner has required
13 under subsection 1, the Commissioner may so inform the insurer
14 and the filing shall be deemed to be made when the information is
15 furnished. *For the purposes of implementing a proposed increase*
16 *in a rate for any kind or line of insurance or subdivision thereof,*
17 *other than a health plan described in NRS 686B.112, pursuant to*
18 *subsection 3 of NRS 686B.070, the filing of such a proposed*
19 *increase shall be deemed to be made on the date on which it is*
20 *filed with the Commissioner, regardless of whether the filing is*
21 *accompanied by any information required by the Commissioner*
22 *pursuant to subsection 1.*

23 **Sec. 3.** NRS 686B.110 is hereby amended to read as follows:

24 686B.110 1. Except as otherwise provided in NRS 686B.112,
25 the Commissioner shall consider each proposed increase or decrease
26 in the rate of any kind or line of insurance or subdivision thereof
27 filed with the Commissioner pursuant to subsection 1 of NRS
28 686B.070. If the Commissioner finds that a proposed increase will
29 result in a rate which is not in compliance with NRS 686B.050 or
30 subsection ~~3~~ 4 of NRS 686B.070, the Commissioner shall
31 disapprove the proposal. The Commissioner shall approve or
32 disapprove each proposal no later than 30 days after it is determined
33 by the Commissioner to be complete pursuant to subsection 6. If the
34 Commissioner fails to approve or disapprove the proposal within
35 that period, the proposal shall be deemed approved.

36 2. If the Commissioner disapproves a proposed increase or
37 decrease in any rate pursuant to subsection 1, the Commissioner
38 shall send a written notice of disapproval to the insurer or the rate
39 service organization that filed the proposal. The notice must set
40 forth the reasons the proposal is not in compliance with NRS
41 686B.050 or subsection ~~3~~ 4 of NRS 686B.070 and must be sent to
42 the insurer or the rate service organization not more than 30 days
43 after the Commissioner determines that the proposal is complete
44 pursuant to subsection 6.



1 3. Upon receipt of a written notice of disapproval from the
2 Commissioner pursuant to subsection 2 or 6, the insurer or rate
3 service organization may request that the Commissioner reconsider
4 the proposed increase or decrease. The request for reconsideration
5 must be received by the Commissioner not more than 30 days after
6 the insurer or rate service organization receives the written notice of
7 disapproval from the Commissioner, except that if the insurer or rate
8 service organization requests, in writing, an extension of 30
9 additional days in which to request a reconsideration, the
10 Commissioner shall grant the extension. A request for
11 reconsideration submitted pursuant to this subsection may include,
12 without limitation, any documents or other information for review
13 by the Commissioner in reconsidering the proposal. The
14 Commissioner shall approve or disapprove the proposal upon
15 reconsideration not later than 30 days after receipt of the request for
16 reconsideration and shall notify the insurer or rate service
17 organization of his or her approval or disapproval.

18 4. Whenever an insurer has no legally effective rates as a result
19 of the Commissioner's disapproval of rates or other act, the
20 Commissioner shall on request specify interim rates for the insurer
21 that are high enough to protect the interests of all parties and may
22 order that a specified portion of the premiums be placed in an
23 escrow account approved by the Commissioner. When new rates
24 become legally effective, the Commissioner shall order the
25 escrowed funds or any overcharge in the interim rates to be
26 distributed appropriately, except that refunds to policyholders that
27 are de minimis must not be required.

28 5. If the Commissioner disapproves a proposed rate pursuant to
29 subsection 1 or subsection 6 or upon reconsideration pursuant to
30 subsection 3 and an insurer requests a hearing to determine the
31 validity of the action of the Commissioner, the insurer has the
32 burden of showing compliance with the applicable standards for
33 rates established in NRS 686B.010 to 686B.1799, inclusive. Any
34 such hearing must be held:

35 (a) Within 30 days after the request for a hearing has been
36 submitted to the Commissioner; or

37 (b) Within a period agreed upon by the insurer and the
38 Commissioner.

39 ↪ If the hearing is not held within the period specified in paragraph
40 (a) or (b), or if the Commissioner fails to issue an order concerning
41 the proposed rate for which the hearing is held within 45 days after
42 the hearing, the proposed rate shall be deemed approved.

43 6. The Commissioner shall by regulation specify the
44 documents or any other information which must be included in a
45 proposal to increase or decrease a rate submitted to the



1 Commissioner pursuant to subsection 1. Each such proposal shall be
2 deemed complete upon its filing with the Commissioner, unless the
3 Commissioner, within 15 business days after the proposal is filed
4 with the Commissioner, determines that the proposal is incomplete
5 because the proposal does not comply with the regulations adopted
6 by the Commissioner pursuant to this subsection. *The*
7 *determination of the Commissioner that a proposal is incomplete*
8 *does not prohibit an insurer from implementing a proposed*
9 *increase or decrease in a rate pursuant to subsection 3 of NRS*
10 *686B.070.* The Commissioner shall notify the insurer or rate service
11 organization if the Commissioner determines that the proposal is
12 incomplete. The notice must be sent within 15 business days after
13 the proposal is filed with the Commissioner and must set forth
14 the documents or other information that is required to complete the
15 proposal. The Commissioner may disapprove the proposal if the
16 insurer or rate service organization fails to provide the documents or
17 other information to the Commissioner within 30 days after the
18 insurer or rate service organization receives the notice that the
19 proposal is incomplete. If the Commissioner disapproves the
20 proposal pursuant to this subsection, the Commissioner shall notify
21 the insurer or rate service organization of that fact in writing.

22 *7. If the Commissioner disapproves a proposed increase or*
23 *decrease in a rate pursuant to subsection 1 or 6, upon*
24 *reconsideration pursuant to subsection 3 or after a hearing*
25 *conducted pursuant to subsection 5 and the insurer has*
26 *implemented the proposed increase or decrease pending approval*
27 *or disapproval by the Commissioner pursuant to subsection 3 of*
28 *NRS 686B.070, the Commissioner shall issue a written order that*
29 *includes, without limitation, the specific reasons for the*
30 *disapproval, with citations to relevant statutes, and the date on*
31 *which the disapproved increased or decreased rate must no longer*
32 *be used for the issuance of new policies or contracts or the*
33 *renewal of existing policies or contracts. The date established by*
34 *the Commissioner must be not less than 90 days after the written*
35 *order is issued. Except as otherwise provided in this subsection,*
36 *the order does not affect any policy or contract made before the*
37 *effective date of the order. The Commissioner may require that the*
38 *premiums be adjusted after the effective date of the order for those*
39 *policies or contracts in effect on the effective date of the order.*

40 **Sec. 4.** NRS 686B.112 is hereby amended to read as follows:

41 686B.112 1. The Commissioner shall perform an actuarial
42 review of and consider each rate filing of a health plan issued
43 pursuant to the provisions of chapter 689A, 689B, 689C, 695B,
44 695C, 695D or 695F of NRS, including, without limitation, long-
45 term care and Medicare supplement plans, filed with the



1 Commissioner pursuant to subsection 1 of NRS 686B.070. If the
2 Commissioner finds that a proposed rate which is contained in a rate
3 filing will result in a rate which is not in compliance with NRS
4 686B.050 or subsection ~~3~~ 4 of NRS 686B.070, the Commissioner
5 shall disapprove the rate filing. The Commissioner shall approve or
6 disapprove each rate filing not later than 60 days after the rate filing
7 is determined by the Commissioner to be complete pursuant to
8 subsection 4. If the Commissioner fails to approve or disapprove the
9 rate filing within that period, the rate filing shall be deemed
10 approved.

11 2. Whenever an insurer has no legally effective rates as a result
12 of the Commissioner's disapproval of rates or other act, the
13 Commissioner shall on request specify interim rates for the insurer
14 that are high enough to protect the interests of all parties and may
15 order that a specified portion of the premiums be placed in an
16 escrow account approved by the Commissioner. When new rates
17 become legally effective, the Commissioner shall order the
18 escrowed funds or any overcharge in the interim rates to be
19 distributed appropriately, except that refunds to policyholders that
20 are de minimis must not be required.

21 3. If the Commissioner disapproves a rate filing pursuant to
22 subsection 1, and an insurer requests a hearing to determine the
23 validity of the action of the Commissioner, the insurer has the
24 burden of showing compliance with the applicable standards for
25 rates established in NRS 686B.010 to 686B.1799, inclusive. Any
26 such hearing must be held:

27 (a) Within 30 days after the request for a hearing has been
28 submitted to the Commissioner; or

29 (b) Within a period agreed upon by the insurer and the
30 Commissioner.

31 ➤ If the hearing is not held within the period specified in paragraph
32 (a) or (b), or if the Commissioner fails to issue an order concerning
33 the rate filing for which the hearing is held within 45 days after the
34 hearing, the rate filing shall be deemed approved.

35 4. The Commissioner shall by regulation specify the
36 documents or any other information which must be included in a
37 rate filing submitted to the Commissioner pursuant to subsection 1.
38 Each such rate filing shall be deemed complete upon its filing with
39 the Commissioner, unless the Commissioner, within 15 business
40 days after the rate filing is filed with the Commissioner, determines
41 that the rate filing is incomplete because the rate filing does not
42 comply with the regulations adopted by the Commissioner pursuant
43 to this subsection.



1 5. The Commissioner may assess against an insurer the actual
2 cost for the external actuarial review of a rate filing submitted
3 pursuant to subsection 1.

4 **Sec. 5.** NRS 686B.117 is hereby amended to read as follows:

5 686B.117 If a filing made with the Commissioner pursuant
6 to paragraph (a) of subsection 1 of NRS 686B.070 pertains to
7 insurance covering the liability of a practitioner licensed pursuant to
8 chapter 630, 631, 632 or 633 of NRS for a breach of the
9 practitioner's professional duty toward a patient, any interested
10 person, and any association of persons or organization whose
11 members may be affected, may intervene as a matter of right in any
12 hearing or other proceeding conducted to determine whether the
13 applicable rate or proposed increase thereto:

14 1. Complies with the standards set forth in NRS 686B.050 and
15 subsection ~~3~~ 4 of NRS 686B.070.

16 2. Should be approved or disapproved.

17 **Sec. 6.** This act becomes effective on July 1, 2025.

