

Fiduciary Duty in Nevada

<http://nvsos.gov/sos/licensing/securities/new-fiduciary-duty>

**UPDATE: OCTOBER 3, 2017**

**\*\*NEW\*\* Courtesy Notice of Video Conference to Carson City Workshop to Solicit Comments on Proposed Regulations**

As a courtesy, the proceedings set forth in the below notice (previously published on September 8, 2017) will be video cast to the Legislative Building in Carson City, Nevada, Hearing Room 2134, 401 South Carson Street. In the event technical difficulties prevent these proceedings from being video cast, the Office of the Secretary of State, Securities Division, at its discretion, may conduct the meeting without the proceedings being video cast.

**[CLICK HERE TO READ COURTESY NOTICE](#)**

**UPDATE: SEPTEMBER 8, 2017**

**Notice of Workshop to Solicit Comments on Proposed Regulations and Agenda**

**[CLICK HERE TO VIEW ORIGINAL NOTICE](#)**

Members of the public are encouraged to submit written comments for record at [fiduciaryduty@sos.nv.gov](mailto:fiduciaryduty@sos.nv.gov)

**[Statutory Fiduciary Duty/Senate Bill 383](#)**

Effective July 1, 2017, Nevada law imposes a statutory fiduciary duty as set forth in Chapter 628A of the Nevada Revised Statutes on Broker-Dealers and Investment Advisers. The law was adopted pursuant to Nevada Senate Bill 383 ("SB 383") which can be found on the Nevada Legislature's website. The bill can be found by accessing the below link:

[https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB383\\_EN.pdf](https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB383_EN.pdf)

SB 383 also authorizes the Administrator of the Nevada Securities Division, Office of the Secretary of State ("Division"), to adopt regulations relating to this fiduciary duty. In order for the Division to adopt regulations as authorized by SB 383, the Division must adhere to Nevada's Administrative Procedures Act as codified in NRS Chapter 233B.

The Division is currently in the process of considering and drafting regulations for proposal as authorized by SB 383. At this time, the Division intends to include regulations that will further define acts, practices, or a course of business that are a violation of the fiduciary duty imposed by NRS 628A.020. The Division is also in the process of drafting regulations that will identify acts, practices, or a course of business that may be excluded as a violation

of the fiduciary duty. The regulatory authority granted also may allow the division to further define certain terms in Chapter 628A. The regulation adoption process generally requires, among other things, that the Division determine the impact of the regulations on small businesses, to conduct at least one workshop on the proposed regulations, submit the proposed regulations to the Legislative Counsel Bureau (“LCB”) for review, and to conduct public hearings on the proposed regulations. The Division’s tentative proposed timeline for the adoption of regulations as authorized by SB 383 is as follows:

### **Impact on Small Business.**

The Division will determine if proposed **regulations** adopted pursuant to SB 383 are likely to impose a direct and significant economic burden upon small business or directly restrict the formation, operation or expansion of a small business. This determination is focused on the impact of the regulations as opposed to the statutory language and duty originally imposed by SB 383. A small business is defined as a business conducted for profit that employs fewer than 150 full-time or part-time employees. If you believe your small business may be so affected by the Division’s adoption of regulations as generally described above, the Division invites written comments to be sent to the attention of the Administrator at [fiduciaryduty@sos.nv.gov](mailto:fiduciaryduty@sos.nv.gov) no later than August 15, 2017. Please explain in your comment how you qualify as a small business by identifying the number of your employees.

### **Workshop**

The Division anticipates conducting a workshop to formally solicit comments from interested persons regarding contemplated regulations during mid to late September. The Division will provide written notice of the specific time and place at least 15 days in advance of that workshop. The Division is currently considering if more than one workshop on the fiduciary duty law established by SB 383 would be beneficial. The Division will also hold a separate workshop on regulations not related to the new fiduciary duty law, but related to other provisions of Chapter 90 of the Nevada Administrative Code. Although not required by Nevada’s Administrative Procedures Act, the Division anticipates releasing a draft of at least a portion of the proposed regulations prior to the workshops so interested persons may provide specific comments and concerns.

Although a workshop on the fiduciary duty law will be held, the Division is encouraging Broker-Dealers and Investment Advisers to provide written comment at any time prior to this workshop. Such comment could include specific issues the licensee has experienced as a result of the enactment of SB 383, any specific terms or language in NRS Chapter 628A that a licensee believes may benefit from definition or clarification, and any comments on the current Department of Labor’s Fiduciary Duty rule or current case law which established a fiduciary duty on Broker-Dealers in certain cases. These suggestions are not exclusive.

### **Submission for LCB Review.**

The Division anticipates submitting proposed regulations to the Nevada Legislative Counsel Bureau (“LCB”) for review no later than November 2017. The LCB has 30 days to review and make any revisions to the Division’s proposed regulations.

### **Public Hearings.**

Subsequent to the initial review by LCB, the Division will conduct an oral public hearing after providing no less than 30 days' written notice of its intent to adopt the proposed regulations. Alternatively, interested persons may submit their views in writing. The Division anticipates conducting the required public hearing after January 1, 2018. If there are any revisions to the proposed regulations after the public hearing, the Division is required to submit them to the LCB for review again. As indicated above, the Division anticipates releasing a draft of the proposed regulations prior to the workshop. Therefore, the Division anticipates receiving many comments and suggestions from interested persons prior to initial submission to the LCB.

**The Division encourages you to check this web page frequently for updated information.**

Free viewers are required for some of the attached documents.  
They can be downloaded by clicking on the icons below.

### Senate Bill No. 383—Senator Ford

CHAPTER.....

AN ACT relating to financial planners; imposing a fiduciary duty on broker-dealers, sales representatives and investment advisers who for compensation advise other persons concerning the investment of money; authorizing the Administrator of the Securities Division of the Office of the Secretary of State to adopt regulations concerning such fiduciary duty; providing penalties; and providing other matters properly relating thereto. Legislative Counsel's Digest: Existing law: (1) defines a "financial planner" as a person who for compensation, among other activities, advises others as to the investment of money, but excludes certain persons from the definition; (2) provides that a financial planner has the duty of a fiduciary toward a client; and (3) provides for civil liability of a financial planner under certain circumstances. (Chapter 628A of NRS) Section 1 of this bill revises the definition of financial planner to remove the exclusions for a broker-dealer, a sales representative and an investment adviser, thereby making such persons subject to the provisions of existing law governing financial planners. Section 1.3 of this bill provides that the requirement for a financial planner to maintain certain insurance or a surety bond does not apply to broker-dealers, sales representatives and investment advisers included in the definition of "financial planner" pursuant to section 1. Existing law provides that certain persons defined as a financial planner must be licensed as insurance consultants for certain purposes related to viatical settlements. (NRS 688C.212) Section 2 of this bill maintains the existing definition of financial planner for such purposes. Existing law generally provides that the Administrator of the Securities Division of the Office of the Secretary of State licenses and regulates broker-dealers, sales representatives, investment advisers and representatives of investment advisers. (Chapter 90 of NRS) If a person violates a provision of law administered by the Administrator, the Administrator may impose certain sanctions on that person, including, without limitation, the imposition of a civil penalty of not more than \$25,000 for a willful violation of such a provision of law. (NRS 90.630, 90.640) Section 1.7 of this bill: (1) enacts a provision to enable the Administrator to enforce the fiduciary duty imposed on broker-dealers, sales representatives, investment advisers and representatives of investment advisers pursuant to section 1; and (2) authorizes the Administrator to adopt regulations defining or excluding acts, practices or courses of business as violations of that fiduciary duty and prescribing means to prevent violations of that fiduciary duty.

- 79th Session (2017)

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

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

**Section 1.** NRS 628A.010 is hereby **amended to read** as follows: 628A.010 As used in this chapter, unless the context otherwise requires: 1. **“Client”** means a person who receives advice from a financial planner. 2. **“Compensation”** means a fee for services provided by a financial planner to a client or a commission or other remuneration derived by a financial planner from a person other than the client as the result of the purchase of a good or service by the client. 3. **“Financial planner”** means a person who for compensation advises others upon the investment of money or upon provision for income to be needed in the future, or who holds himself or herself out as qualified to perform either of these functions, **but does not include:** (a) An attorney and counselor at law admitted by the Supreme Court of this State; (b) A certified public accountant or a public accountant licensed pursuant to NRS 628.190 to 628.310, inclusive, or 628.350; or (c) **[A broker-dealer or sales representative licensed pursuant to NRS 90.310 or exempt under NRS 90.320;** (d) An investment adviser licensed pursuant to NRS 90.330 or exempt under NRS 90.340; or (e) **A producer of insurance licensed pursuant to chapter 683A of NRS** or an insurance consultant licensed pursuant to chapter 683C of NRS, – whose advice upon investment or provision of future income is incidental to the practice of his or her profession or business. Sec. 1.3. NRS 628A.040 is hereby amended to read as follows: 628A.040 [A] 1. Except as otherwise provided in subsection 2, a financial planner shall maintain insurance covering liability for errors or omissions, or a surety bond to compensate clients for losses actionable pursuant to this chapter, in an amount of \$1,000,000 or more. 2. **The provisions of subsection 1 do not apply to:**

- 79th Session (2017)

(a) A broker-dealer or sales representative licensed pursuant to NRS 90.310 or exempt under NRS 90.320; or (b) An investment adviser licensed pursuant to NRS 90.330 or exempt under NRS 90.340. Sec. 1.7. Chapter 90 of NRS is hereby amended by adding thereto a new section to read as follows: 1. A broker-dealer, sales representative, investment adviser or representative of an investment adviser shall not violate the fiduciary duty toward a client imposed by NRS 628A.020. 2. The Administrator may by regulation: (a) Define or exclude an act, practice or course of business of a broker-dealer, sales representative, investment adviser or representative of an investment adviser as a violation of the fiduciary duty toward a client imposed by NRS 628A.020; and (b) Prescribe means reasonably designed to prevent broker-dealers, sales representatives, investment advisers and representatives of investment advisers from engaging in acts, practices and courses of business defined as a violation of such fiduciary duty. Sec. 2. NRS 688C.212 is hereby amended to read as follows: 688C.212 1. A financial planner [, as defined in subsection 3 of NRS 628A.010,] who, on behalf of a viator and for a fee, commission or other valuable consideration not paid by a provider or purchaser of viatical settlements, offers or attempts to negotiate a viatical settlement between the viator and one or more providers or brokers of viatical settlements must be licensed as an insurance consultant pursuant to NRS 683C.020. 2. As used in this section, "financial planner" means a person who for compensation advises others upon the investment of money or upon provision for income to be needed in the future, or who holds himself or herself out as qualified to perform either of these functions, but does not include: (a) An attorney and counselor at law admitted by the Supreme Court of this State; (b) A certified public accountant or a public accountant licensed pursuant to NRS 628.190 to 628.310, inclusive, or 628.350; (c) A broker-dealer or sales representative licensed pursuant to NRS 90.310 or exempt under NRS 90.320; (d) An investment adviser licensed pursuant to NRS 90.330 or exempt under NRS 90.340; or

- 4 -

- 79th Session (2017)

(e) A producer of insurance licensed pursuant to chapter 683A of NRS or an insurance consultant licensed pursuant to chapter 683C of NRS, - whose advice upon investment or provision of future income is incidental to the practice of his or her profession or business. Sec. 3. This act becomes effective on July 1, 2017.

# CHAPTER 683A - PERSONS INVOLVED IN SALE OR ADMINISTRATION OF INSURANCE

## GENERAL PROVISIONS

<a href="#"><u>NRS 683A.020</u></a>	Definitions.
<a href="#"><u>NRS 683A.025</u></a>	“Administrator” defined.
<a href="#"><u>NRS 683A.031</u></a>	“Business organization” defined.
<a href="#"><u>NRS 683A.041</u></a>	“Home state” defined.
<a href="#"><u>NRS 683A.051</u></a>	“License” defined.
<a href="#"><u>NRS 683A.060</u></a>	“Managing general agent” defined.
<a href="#"><u>NRS 683A.065</u></a>	“Negotiate” defined.
<a href="#"><u>NRS 683A.072</u></a>	“Sell” defined.
<a href="#"><u>NRS 683A.074</u></a>	“Solicit” defined.
<a href="#"><u>NRS 683A.076</u></a>	“Terminate” defined.
<a href="#"><u>NRS 683A.078</u></a>	“Uniform application” defined.

## ADMINISTRATORS

<a href="#"><u>NRS 683A.0805</u></a>	Definitions.
<a href="#"><u>NRS 683A.081</u></a>	“Affiliate” defined.
<a href="#"><u>NRS 683A.082</u></a>	“Control” defined.
<a href="#"><u>NRS 683A.083</u></a>	“Insurer” defined.
<a href="#"><u>NRS 683A.084</u></a>	“Underwrite” defined.
<a href="#"><u>NRS 683A.085</u></a>	Certificate of registration required.
<a href="#"><u>NRS 683A.0851</u></a>	Health maintenance organization authorized to act as administrator of program of health insurance; review of contract; exemption from licensing and bonding.
<a href="#"><u>NRS 683A.0852</u></a>	Nonprofit corporation for hospital or medical services authorized to act as administrator of program of health insurance; notice to Commissioner; exemption from licensing and bonding.
<a href="#"><u>NRS 683A.08522</u></a>	Contents of application for certificate of registration.
<a href="#"><u>NRS 683A.08524</u></a>	Issuance of certificate of registration; grounds for refusal to issue certificate of registration; final approval.
<a href="#"><u>NRS 683A.08526</u></a>	Renewal of certificate of registration; surrender of suspended or revoked certificate of registration.
<a href="#"><u>NRS 683A.08528</u></a>	Annual report: Requirements; review by Commissioner; fee.
<a href="#"><u>NRS 683A.0853</u></a>	Waiver of requirements for administrator’s certificate.
<a href="#"><u>NRS 683A.0857</u></a>	Bond: Requirement; amount; conditions; cancellation.
<a href="#"><u>NRS 683A.086</u></a>	Agreement with insurer required; contents of agreement; retention of copy of agreement; trust agreements; regulations specifying permissible functions; termination of agreement.
<a href="#"><u>NRS 683A.0863</u></a>	Payments to administrator.
<a href="#"><u>NRS 683A.0868</u></a>	Prohibiting fee to include provider of health care on panel; penalty; costs and attorney’s fees; suspension of activities.
<a href="#"><u>NRS 683A.087</u></a>	Advertising.
<a href="#"><u>NRS 683A.0873</u></a>	Records of administrator: Retention; examination by Commissioner and insurer.
<a href="#"><u>NRS 683A.0877</u></a>	<b>Fiduciary accounts:</b> Deposits; records; withdrawals.
<a href="#"><u>NRS 683A.0879</u></a>	Approval or denial of claims; payment of claims and interest; requests for additional information; award of costs and attorney’s fees; compliance with requirements.
<a href="#"><u>NRS 683A.088</u></a>	Payment of claims by check or draft.
<a href="#"><u>NRS 683A.0883</u></a>	Basis for compensation of administrator.
<a href="#"><u>NRS 683A.0887</u></a>	Disclosure of information to insurer and insured.
<a href="#"><u>NRS 683A.089</u></a>	Delivery to insureds of communications of insurer.
<a href="#"><u>NRS 683A.0892</u></a>	Suspension or revocation of certificate of registration; additional penalties.
<a href="#"><u>NRS 683A.0893</u></a>	Penalty for acting without certificate of registration.

## MANAGING GENERAL AGENTS

<a href="#"><u>NRS 683A.090</u></a>	License required; administrative fine.
<a href="#"><u>NRS 683A.140</u></a>	Licensing of firm or corporation.
<a href="#"><u>NRS 683A.160</u></a>	Application for license.

## PRODUCERS OF INSURANCE

<a href="#"><u>NRS 683A.191</u></a>	Definitions.
<a href="#"><u>NRS 683A.193</u></a>	“Offer and disseminate” defined.
<a href="#"><u>NRS 683A.195</u></a>	“Producer of limited lines travel insurance” defined.
<a href="#"><u>NRS 683A.197</u></a>	“Travel insurance” defined.
<a href="#"><u>NRS 683A.199</u></a>	“Travel retailer” defined.
<a href="#"><u>NRS 683A.201</u></a>	License required; exemption for insurers; administrative fine.
<a href="#"><u>NRS 683A.211</u></a>	Persons exempt from licensing.
<a href="#"><u>NRS 683A.221</u></a>	Employee of short-term lessor of vehicles exempt from licensing under certain circumstances.
<a href="#"><u>NRS 683A.231</u></a>	Licensing of bank.
<a href="#"><u>NRS 683A.241</u></a>	Examination for license: Requirement; contents; regulations; contracts for administration; fee; failure to appear.
<a href="#"><u>NRS 683A.242</u></a>	Exemption from examination and educational requirements for producers of limited lines travel insurance and travel retailers.
<a href="#"><u>NRS 683A.251</u></a>	Form and prerequisites for approval of application for license; licensing of business organization; certain applicants to submit fingerprints; report from Federal Bureau of Investigation; verification of information.
<a href="#"><u>NRS 683A.261</u></a>	Issuance, effect, renewal, failure to renew, contents and display of license; lines of authority; place of business; notice of change of address.
<a href="#"><u>NRS 683A.265</u></a>	Licensing of producer of limited lines travel insurance.
<a href="#"><u>NRS 683A.271</u></a>	Licensing of nonresident persons; participation by Commissioner in centralized registry; required notifications.
<a href="#"><u>NRS 683A.281</u></a>	Nonresident licensees: Service of process; agreement to appear.
<a href="#"><u>NRS 683A.291</u></a>	Licensing of producer previously licensed for same lines of authority in another state; exemption from examination for producer who confines activity to certain types of insurance.
<a href="#"><u>NRS 683A.301</u></a>	Use of true or fictitious name by applicant for license or licensee.
<a href="#"><u>NRS 683A.311</u></a>	Temporary licenses: Authority of Commissioner; expiration.
<a href="#"><u>NRS 683A.321</u></a>	Appointment of producer as agent of insurer; fees for agents; activities of producer as broker.
<a href="#"><u>NRS 683A.325</u></a>	Commissions and compensation.
<a href="#"><u>NRS 683A.331</u></a>	Termination of appointment, employment or other relationship of producer to insurer; civil immunity for provision of certain information regarding termination.
<a href="#"><u>NRS 683A.341</u></a>	Reports to Commissioner: Administrative action or criminal prosecution against producer.
<a href="#"><u>NRS 683A.351</u></a>	Records of transactions: Maintenance; examination by Commissioner; destruction.
<a href="#"><u>NRS 683A.361</u></a>	Payment, acceptance and assignment of commissions, brokerage, fees for service and other valuable considerations.
<a href="#"><u>NRS 683A.365</u></a>	Authorization of another producer to transact business on own behalf; notification.
<a href="#"><u>NRS 683A.367</u></a>	Restrictions concerning selling, soliciting and negotiating continuous care coverage; fine.
<a href="#"><u>NRS 683A.368</u></a>	Liability of producers of limited lines travel insurance for acts of travel retailers.
<a href="#"><u>NRS 683A.3683</u></a>	Applicability of certain provisions to producers of limited lines travel insurance and travel retailers.
<a href="#"><u>NRS 683A.3685</u></a>	Producer of limited lines travel insurance required to maintain register of travel retailers acting on behalf of producer.
<a href="#"><u>NRS 683A.3687</u></a>	Compensation of travel retailer by producer of limited lines travel insurance; limitations.
<a href="#"><u>NRS 683A.369</u></a>	Travel retailers: Authorized scope of activities.
<a href="#"><u>NRS 683A.3693</u></a>	Travel retailers: Prohibited activities.
<a href="#"><u>NRS 683A.3695</u></a>	Travel retailers: Required written disclosures.
<a href="#"><u>NRS 683A.370</u></a>	Use and licensing of vending machines to solicit for and issue personal travel accident insurance policies.

## INDEPENDENT REVIEW ORGANIZATIONS

<a href="#"><u>NRS 683A.3715</u></a>	Approval to conduct external reviews: Application; fee; termination of approval; list.
<a href="#"><u>NRS 683A.372</u></a>	Approval to conduct external reviews: Minimum qualifications; conflicts of interest.
<a href="#"><u>NRS 683A.373</u></a>	Submission of annual list to Office for Consumer Health Assistance.

## AGENTS WHO PERFORM UTILIZATION REVIEW

<a href="#"><u>NRS 683A.375</u></a>	Purposes.
<a href="#"><u>NRS 683A.376</u></a>	Definitions.
<a href="#"><u>NRS 683A.377</u></a>	Applicability.

- [NRS 683A.378](#) Prerequisites to conducting utilization review; registration of agent; plan for utilization review; agent to report changes.
- [NRS 683A.379](#) Penalty.

#### MISCELLANEOUS PROVISIONS

- [NRS 683A.383](#) Payment of child support: Statement by applicant for certificate of registration or license; grounds for denial of certificate of registration or license; duty of Commissioner. [Effective until the date of the repeal of 42 U.S.C. § 666, the federal law requiring each state to establish procedures for withholding, suspending and restricting the professional, occupational and recreational licenses for child support arrearages and for noncompliance with certain processes relating to paternity or child support proceedings.]
- [NRS 683A.385](#) Suspension of certificate of registration or license for failure to pay child support or comply with certain subpoenas or warrants; reinstatement of certificate of registration or license. [Effective until the date of the repeal of 42 U.S.C. § 666, the federal law requiring each state to establish procedures for withholding, suspending and restricting the professional, occupational and recreational licenses for child support arrearages and for noncompliance with certain processes relating to paternity or child support proceedings.]
- [NRS 683A.387](#) Application for certificate of registration or license to include social security number of applicant. [Effective until the date of the repeal of 42 U.S.C. § 666, the federal law requiring each state to establish procedures for withholding, suspending and restricting the professional, occupational and recreational licenses for child support arrearages and for noncompliance with certain processes relating to paternity or child support proceedings.]
- [NRS 683A.400](#) Money received and held in fiduciary capacity by producer of insurance, surplus lines broker, motor club agent or bail agent.
- [NRS 683A.405](#) Submission of schedule of payments to provider of health care by administrator, managing general agent, producer of insurance or certain entities acting as administrator.

#### DISCIPLINARY ACTION

- [NRS 683A.451](#) Authority of Commissioner; grounds for action.
- [NRS 683A.461](#) Denial, suspension or revocation of license; administrative fines; authority of Commissioner after surrender or lapse of license or registration.
- [NRS 683A.480](#) Return of license to Commissioner.
- [NRS 683A.490](#) Notice to district attorney of violation; penalty for violation of provision of chapter.
- [NRS 683A.500](#) Insurer prohibited from permitting person whose license has been revoked or suspended to transact insurance.
- [NRS 683A.510](#) Failure of insurer or its authorized agent to report certain information regarding producer of insurance; report of such information with actual malice.
- [NRS 683A.520](#) Failure of producer of insurance or surplus lines broker to remit premiums: Notice; suspension of license.

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#### GENERAL PROVISIONS

**NRS 683A.020 Definitions.** As used in this Code, unless the context otherwise requires, the words and terms defined in [NRS 683A.025](#) to [683A.078](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by [1971, 1636](#); A [1977, 733](#); [2001, 2201](#))

**NRS 683A.025 “Administrator” defined.**

1. Except as limited by this section, “administrator” means a person who:
  - (a) Directly or indirectly underwrites or collects charges or premiums from or adjusts or settles claims of residents of this State or any other state from within this State in connection with workers’ compensation insurance, life or health insurance coverage or annuities, including coverage or annuities provided by an employer for his or her employees;
  - (b) Administers an internal service fund pursuant to [NRS 287.010](#);
  - (c) Administers a trust established pursuant to [NRS 287.015](#), under a contract with the trust;



(d) Administers a program of self-insurance for an employer;  
(e) Administers a program which is funded by an employer and which provides pensions, annuities, health benefits, death benefits or other similar benefits for his or her employees; or

(f) Is an insurance company that is licensed to do business in this State or is acting as an insurer with respect to a policy lawfully issued and delivered in a state where the insurer is authorized to do business, if the insurance company performs any act described in paragraphs (a) to (e), inclusive, for or on behalf of another insurer unless the insurers are affiliated and each insurer is licensed to do business in this State.

2. "Administrator" does not include:

(a) An employee authorized to act on behalf of an administrator who holds a certificate of registration from the Commissioner.

(b) An employer acting on behalf of his or her employees or the employees of a subsidiary or affiliated concern.

(c) A labor union acting on behalf of its members.

(d) Except as otherwise provided in paragraph (f) of subsection 1, an insurance company licensed to do business in this State or acting as an insurer with respect to a policy lawfully issued and delivered in a state in which the insurer was authorized to do business.

(e) A producer of life or health insurance licensed in this State, when his or her activities are limited to the sale of insurance.

(f) A creditor acting on behalf of his or her debtors with respect to insurance covering a debt between the creditor and debtor.

(g) A trust and its trustees, agents and employees acting for it, if the trust was established under the provisions of 29 U.S.C. § 186.

(h) Except as otherwise provided in paragraph (c) of subsection 1, a trust and its trustees, agents and employees acting for it, if the trust was established pursuant to [NRS 287.015](#).

(i) A trust which is exempt from taxation under section 501(a) of the Internal Revenue Code, 26 U.S.C. § 501(a), its trustees and employees, and a custodian, his or her agents and employees acting under a custodial account which meets the requirements of section 401(f) of the Internal Revenue Code, 26 U.S.C. § 401(f).

(j) A bank, credit union or other financial institution which is subject to supervision by federal or state banking authorities.

(k) A company which issues credit cards, and which advances for and collects premiums or charges from credit card holders who have authorized it to do so, if the company does not adjust or settle claims.

(l) An attorney at law who adjusts or settles claims in the normal course of his or her practice or employment, but who does not collect charges or premiums in connection with life or health insurance coverage or with annuities.

3. As used in this section, "affiliated" means any insurer or other person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another insurer or other person.

(Added to NRS by [1977, 729](#); A [1979, 974](#); [1981, 1324](#); [1985, 479](#); [1999, 2792](#); [2001, 2201](#); [2003, 2741](#); [2011, 3356](#))

**NRS 683A.031 "Business organization" defined.** "Business organization" means a corporation, association, partnership, limited-liability company, limited-liability partnership or other legal form of organization.

(Added to NRS by [2001, 2191](#))

**NRS 683A.041 "Home state" defined.** "Home state" means the District of Columbia or any state or territory of the United States or Canada in which a producer of insurance maintains his or her principal place of residence or principal place of business and is licensed to act as a producer of insurance.

(Added to NRS by [2001, 2191](#))

**NRS 683A.051 "License" defined.** "License" means a document issued by the Commissioner authorizing a person to act as a producer of insurance for the lines of authority specified in the document.

(Added to NRS by [2001, 2191](#))

**NRS 683A.060 "Managing general agent" defined.**

1. A "managing general agent" is a person who:

(a) Negotiates and binds ceding reinsurance contracts on behalf of an insurer or manages all or part of the insurance business of an insurer, including the management of a separate division, department of underwriting office; or

(b) Acts as an agent for the insurer and with or without the authority, either separately or together with affiliates:

(1) Produces, directly or indirectly, and underwrites an amount of gross direct written premiums equal to or more than 5 percent of the policyholder surplus as reported in the last annual statement of the insurer in any one quarter or year; and

(2) Adjusts or pays claims in excess of an amount determined by the Commissioner or negotiates reinsurance on behalf of the insurer.

2. A managing general agent includes a person with authority to appoint and to terminate the appointment of an agent for an insurer.

3. For the purposes of this chapter, the following are not managing general agents:

(a) An employee of the insurer;

(b) A manager of the United States branch of an alien insurer;

(c) An attorney authorized by and acting for the subscribers of a reciprocal insurer or interinsurance exchange; and

(d) An underwriting manager who, pursuant to a contract, manages all or part of the insurance operations of the insurer, is under common control with the insurer, is subject to the provisions of [chapter 692C](#) of NRS and whose compensation is not based on the volume of premiums written or the profit of the business written.

(Added to NRS by [1971, 1637](#); A [1991, 2030](#); [2001, 2202](#))

**NRS 683A.065 “Negotiate” defined.** “Negotiate” means to confer directly with, or offer advice directly to, a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms or conditions of the contract, if the person conferring or offering the advice sells insurance or obtains insurance from insurers or purchasers.

(Added to NRS by [2001, 2191](#))

**NRS 683A.072 “Sell” defined.** “Sell” means to exchange a contract of insurance, by any means, for money or its equivalent on behalf of an insurer.

(Added to NRS by [2001, 2191](#))

**NRS 683A.074 “Solicit” defined.** “Solicit” means to attempt to sell insurance or to ask or urge a person to apply for a particular kind of insurance from a particular insurer.

(Added to NRS by [2001, 2191](#))

**NRS 683A.076 “Terminate” defined.** “Terminate” means to cancel the relationship between a producer of insurance and the insurer or to terminate a producer’s authority to transact insurance.

(Added to NRS by [2001, 2191](#))

**NRS 683A.078 “Uniform application” defined.** “Uniform application” means the uniform application for licensing of producers of insurance prepared by the National Association of Insurance Commissioners and adopted by the Commissioner.

(Added to NRS by [2001, 2191](#))

## ADMINISTRATORS

**NRS 683A.0805 Definitions.** As used in [NRS 683A.0805](#) to [683A.0893](#), inclusive, unless the context otherwise requires, the words and terms defined in [NRS 683A.081](#) to [683A.084](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by [1999, 2789](#); A [2007, 3318](#))

**NRS 683A.081 “Affiliate” defined.** “Affiliate” has the meaning ascribed to it in [NRS 692C.030](#).

(Added to NRS by [1999, 2789](#))

**NRS 683A.082 “Control” defined.** “Control” has the meaning ascribed to it in [NRS 692C.050](#).

(Added to NRS by [1999, 2789](#))

**NRS 683A.083 “Insurer” defined.** “Insurer” includes, without limitation:

1. An insurance company licensed pursuant to the provisions of this Code;

2. A prepaid limited health service organization that has been issued a certificate of authority pursuant to [chapter 695F](#) of NRS;

3. A health maintenance organization that has been issued a certificate of authority pursuant to [chapter 695C](#) of NRS;
4. A multiple employer welfare arrangement as defined in 29 U.S.C. § 1002;
5. An employer for whom a program of self-insurance is administered by an administrator; and
6. An organization for dental care that has been issued a certificate of authority pursuant to [chapter 695D](#) of NRS.

(Added to NRS by [1999, 2789](#))

**NRS 683A.084 “Underwrite” defined.** “Underwrite” includes, without limitation:

1. Accepting applications for insurance coverage in accordance with the written rules of an insurer;
2. Planning and coordinating a program of insurance; and
3. Procuring bonds and excess insurance.

(Added to NRS by [1999, 2790](#))

**NRS 683A.085 Certificate of registration required.** No person may act as, offer to act as or hold himself or herself out to the public as an administrator, unless the person has obtained a certificate of registration as an administrator from the Commissioner pursuant to [NRS 683A.08524](#).

(Added to NRS by [1977, 732](#); A [1981, 1324](#); [1999, 2793](#))

**NRS 683A.0851 Health maintenance organization authorized to act as administrator of program of health insurance; review of contract; exemption from licensing and bonding.**

1. A health maintenance organization licensed under [chapter 695C](#) of NRS may enter into a contract to act as an administrator of a program of health insurance.

2. Before entering into a contract pursuant to subsection 1, a health maintenance organization must file a copy of the contract with the Commissioner for approval. The Commissioner shall disapprove the contract if in his or her opinion it would have a substantial adverse effect on the financial soundness of the health maintenance organization and endanger its ability to meet its obligations. The Commissioner shall approve or disapprove the contract within 60 days after the filing.

3. A health maintenance organization that enters into a contract pursuant to this section is exempt from the provisions of this chapter relating to licensing and bonding of administrators, but is subject to all other provisions of this chapter.

(Added to NRS by [1987, 534](#))

**NRS 683A.0852 Nonprofit corporation for hospital or medical services authorized to act as administrator of program of health insurance; notice to Commissioner; exemption from licensing and bonding.**

1. A nonprofit corporation for hospital or medical services licensed pursuant to [chapter 695B](#) of NRS may enter into a contract to act as an administrator of a program of health insurance.

2. Before entering into a contract pursuant to subsection 1, the nonprofit corporation must notify the Commissioner in writing and provide the Commissioner with a copy of the contract and a summary of the corporation’s liabilities and costs under the contract.

3. A nonprofit corporation for hospital or medical services that enters into a contract pursuant to this section is exempt from the provisions of this chapter relating to licensing and bonding of administrators, but is subject to all other provisions of this chapter.

(Added to NRS by [1987, 534](#))

**NRS 683A.08522 Contents of application for certificate of registration.** Each application for a certificate of registration as an administrator must include or be accompanied by:

1. A financial statement that is certified by an officer of the applicant and must include:

(a) The amount of money that the applicant expects to collect from or disburse to residents of this state during the next calendar year;

(b) Financial information for the 90 days immediately preceding the date the application was filed with the Commissioner; and

(c) An income statement and balance sheet for the 2 years immediately preceding the application that are prepared in accordance with generally accepted accounting principles. The submission by the applicant of his or her consolidated income statement and balance sheet does not constitute compliance with the provisions of this paragraph.

2. The documents used to create the business association of the administrator, including articles of incorporation, articles of association, a partnership agreement, a trust agreement and a shareholders’ agreement.

3. The documents used to regulate the internal affairs of the administrator, including the bylaws, rules or regulations of the administrator.

4. A certificate of registration issued pursuant to [NRS 600.350](#) for a trade name or trademark used by the administrator.

5. An organizational chart that identifies each person who directly or indirectly controls the administrator and each affiliate of the administrator.

6. A notarized affidavit from each person who manages or controls the administrator, including each member of the board of directors or board of trustees, each officer, partner and member of the business association of the administrator, and each shareholder of the administrator who holds not less than 10 percent of the voting stock of the administrator. The affidavit must include:

(a) The personal history, business record and insurance experience of the affiant;

(b) Whether the affiant has been investigated by any regulatory authority or has had any license or certificate denied, suspended or revoked in any state; and

(c) Any other information that the Commissioner may require.

7. The complete name and address of each office of the administrator, including offices located outside this state.

8. A statement that sets forth whether the administrator has:

(a) Held a license or certificate to transact any kind of insurance in this state or any other state and whether that license or certificate has been refused, suspended or revoked;

(b) Been indebted to any person and, if so, the circumstances of that debt; and

(c) Had an administrative agreement cancelled and, if so, the circumstances of that cancellation.

9. A statement that describes the business plan of the administrator. The statement must include information:

(a) Concerning the number of persons on the staff of the administrator and the activities proposed in this state or in any other state.

(b) That demonstrates the capability of the administrator to provide a sufficient number of experienced and qualified persons for the processing of claims, the keeping of records and, if applicable, underwriting.

10. If the applicant intends to solicit new or renewal business, proof that the applicant employs or has contracted with a producer of insurance licensed in this state to solicit and take applications. An applicant who intends to solicit insurance contracts directly or to act as a producer must provide proof that the applicant is licensed as a producer in this state.

(Added to NRS by [1999, 2790](#); A [2001, 2202](#))

**NRS 683A.08524 Issuance of certificate of registration; grounds for refusal to issue certificate of registration; final approval.**

1. Except as otherwise provided in subsection 2 or 3, the Commissioner shall issue a certificate of registration as an administrator to an applicant who:

(a) Submits an application on a form prescribed by the Commissioner;

(b) Has complied with the provisions of [NRS 683A.08522](#); and

(c) Pays the fee for the issuance of a certificate of registration prescribed in [NRS 680B.010](#) and, in addition to any other fee or charge, all applicable fees required pursuant to [NRS 680C.110](#).

2. The Commissioner may refuse to issue a certificate of registration as an administrator to an applicant if the Commissioner determines that the applicant or any person who has completed an affidavit pursuant to subsection 6 of [NRS 683A.08522](#):

(a) Is not competent to act as an administrator;

(b) Is not trustworthy or financially responsible;

(c) Does not have a good personal or business reputation;

(d) Has had a license or certificate to transact insurance denied for cause, suspended or revoked in this state or any other state;

(e) Has failed to comply with any provision of this chapter; or

(f) Is financially unsound.

3. The Commissioner shall submit the information supplied by an applicant pursuant to subsection 1 to the Division of Industrial Relations of the Department of Business and Industry for final approval in accordance with the regulations adopted pursuant to subsection 8 of [NRS 616A.400](#). Unless the Division provides final approval for the applicant to the Commissioner, the Commissioner shall not issue a certificate of registration as an administrator to the applicant.

(Added to NRS by [1999, 2792](#); A [2003, 3289](#); [2009, 1771, 3045](#))

**NRS 683A.08526 Renewal of certificate of registration; surrender of suspended or revoked certificate of registration.**

1. A certificate of registration as an administrator is valid for 3 years after the date the Commissioner issues the certificate to the administrator.
2. An administrator may renew a certificate of registration if the administrator submits to the Commissioner:
  - (a) An application on a form prescribed by the Commissioner; and
  - (b) The fee for the renewal of the certificate of registration prescribed in [NRS 680B.010](#) and, in addition to any other fee or charge, all applicable fees required pursuant to [NRS 680C.110](#).
3. A certificate of registration that is suspended or revoked must be surrendered immediately to the Commissioner.  
(Added to NRS by [1999, 2792](#); A [2009, 1771](#))

**NRS 683A.08528 Annual report: Requirements; review by Commissioner; fee.**

1. Not later than 90 days after the expiration of the fiscal year of the administrator, or within such other period as the Commissioner may allow, each holder of a certificate of registration as an administrator shall file with the Commissioner an annual report for that fiscal year. Each annual report must be verified by at least two officers of the administrator.
2. Each annual report filed pursuant to this section must include all the following:
  - (a) A financial statement of the administrator that has been reviewed by an independent certified public accountant.
  - (b) The complete name and address of each person, if any, for whom the administrator agreed to act as an administrator during the fiscal year.
  - (c) A statement regarding the total money handled by the administrator on behalf of contracted entities in connection with his or her activities as an administrator. The statement must be on a form prescribed or approved by the Commissioner for the purpose of calculating the amount of the bond required by [NRS 683A.0857](#).
  - (d) Any other information required by the Commissioner.
3. Except as otherwise provided in subsection 4, in addition to the information required pursuant to subsection 2, if an annual report is prepared on a consolidated basis, the annual report must include supplemental exhibits that:
  - (a) Have been reviewed by an independent certified public accountant; and
  - (b) Include a balance sheet and income statement for each holder of a certificate of registration as an administrator in this State.
4. In lieu of complying with the requirements set forth in paragraphs (a) and (b) of subsection 3, an administrator who is a wholly owned subsidiary of a parent company may submit to the Commissioner:
  - (a) The financial statement of the parent company that has been audited by an independent certified public accountant; and
  - (b) A parental guaranty that is signed by an officer of the parent company and which guarantees the financial solvency of the administrator.
5. Each administrator who files an annual report pursuant to this section shall, at the time of filing the annual report, pay a filing fee in an amount determined by the Commissioner.
6. 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 accompanying financial statement, 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 accompanying financial statement, 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.  
(Added to NRS by [1999, 2792](#); A [2003, 3290](#); [2007, 3318](#); [2015, 3464](#))

**NRS 683A.0853 Waiver of requirements for administrator's certificate.** The Commissioner may waive any requirement which the Commissioner has promulgated for issue of an administrator's certificate to any person or class of persons. In so doing the Commissioner shall consider, without limitation:

1. Whether the person acting as an administrator is primarily involved in a business other than that of administrator.
  2. Whether the financial strength and history of the organization to which the applicant belongs, or which is the applicant, indicates stability in its continuity of doing business.
  3. Whether the regular duties being performed by an administrator are such that the persons to be insured are not likely to be injured by a waiver of requirements.
- (Added to NRS by [1977, 732](#))

**NRS 683A.0857 Bond: Requirement; amount; conditions; cancellation.**

1. Each administrator shall file with the Commissioner a bond with an authorized surety in favor of the State of Nevada, continuous in form and in an amount determined by the Commissioner of not less than \$100,000.
2. The Commissioner shall establish schedules for the amount of the bond required, based on the amount of money received and distributed by an administrator.
3. The bond must inure to the benefit of any person damaged by any fraudulent act or conduct of the administrator and must be conditioned upon faithful accounting and application of all money coming into the administrator's possession in connection with his or her activities as an administrator.
4. The bond remains in force until released by the Commissioner or cancelled by the surety. Without prejudice to any liability previously incurred, the surety may cancel the bond upon 90 days' advance notice to the administrator and the Commissioner. An administrator's certificate is automatically suspended if the administrator does not file with the Commissioner a replacement bond before the date of cancellation of the previous bond. A replacement bond must meet all requirements of this section for the initial bond.

(Added to NRS by [1977, 732](#); A [1985, 480](#); [1999, 2794](#))

**NRS 683A.086 Agreement with insurer required; contents of agreement; retention of copy of agreement; trust agreements; regulations specifying permissible functions; termination of agreement.**

1. No person may act as an administrator unless the person has entered into a written agreement with an insurer, and the written agreement contains provisions to effectuate the requirements contained in [NRS 683A.08522](#) to [683A.08528](#), inclusive, [683A.087](#) to [683A.0883](#), inclusive, and [683A.0892](#) which apply to the duties of the administrator.
2. The written agreement must set forth:
  - (a) The duties the administrator will be required to perform on behalf of the insurer; and
  - (b) The lines, classes or types of insurance that the administrator is authorized to administer on behalf of the insurer.
3. A copy of an agreement entered into under the provisions of this section must be retained in the records of the administrator and of the insurer for a period of 5 years after the termination of the agreement.
4. When a policy is issued to a trustee or trustees, a copy of the trust agreement and amendments must be obtained by the administrator and a copy forwarded to the insurer. Each agreement must be retained by the administrator and the insurer for a period of 5 years after the termination of the policy.
5. The Commissioner may adopt regulations which specify the functions an administrator may perform on behalf of an insurer.
6. The insurer or administrator may, upon written notice to the other party to the agreement and to the Commissioner, terminate the written agreement for any cause specified in the agreement. The insurer may suspend the authority of the administrator while any dispute regarding the cause for termination is pending. The insurer shall perform any obligations with respect to the policies affected by the agreement regardless of any dispute with the administrator.

(Added to NRS by [1977, 730](#); A [1985, 480](#); [1999, 1646, 2794](#))

**NRS 683A.0863 Payments to administrator.**

1. Payment by or on behalf of an insured to an administrator shall be deemed to have been received by the insurer.
2. Payment to the administrator by the insurer of return premiums or claim settlements shall not be deemed to be payment to the insured or claimant until the money is received by the insured or claimant.

3. This section does not limit any right of the insurer against the administrator resulting from a failure to make payments to an insurer, insured or claimant.

(Added to NRS by [1977, 730](#))

**NRS 683A.0868 Prohibiting fee to include provider of health care on panel; penalty; costs and attorney's fees; suspension of activities.**

1. If an administrator establishes a panel of providers of health care or contracts with an organization that establishes a panel of providers of health care, the administrator shall not charge a provider of health care or such an organization:

(a) Any fee to include the name of the provider of health care on the panel; or

(b) Any other fee related to establishing the provider of health care as a provider on the panel.

2. If an administrator violates the provisions of subsection 1, the administrator shall pay to the provider of health care or organization, as appropriate, an amount that is equal to twice the fee charged to the provider of health care or the organization.

3. A court shall award costs and reasonable attorney's fees to the prevailing party in any action brought to enforce the provisions of this section.

4. In addition to any relief granted pursuant to this section, if an administrator violates the provisions of subsection 1, the Division shall require the administrator to suspend the prohibited activities until the administrator, as determined by the Division:

(a) Complies with the provisions of subsection 1; and

(b) Refunds to all providers of health care or organizations, as appropriate, all fees obtained by the administrator in violation of subsection 1.

(Added to NRS by [2007, 3318](#))

**NRS 683A.087 Advertising.** An administrator may advertise the insurance which he or she administers only after the administrator receives the approval of the insurer who underwrites the business involved.

(Added to NRS by [1977, 731](#); A [1999, 2795](#))

**NRS 683A.0873 Records of administrator: Retention; examination by Commissioner and insurer.**

1. Each administrator shall maintain at his or her principal office adequate books and records of all transactions between the administrator, the insurer and the insured. The books and records must be maintained in accordance with prudent standards of recordkeeping for insurance and with regulations of the Commissioner for a period of 5 years after the transaction to which they respectively relate. After the 5-year period, the administrator may remove the books and records from the State, store their contents on microfilm or return them to the appropriate insurer.

2. The Commissioner may examine, audit and inspect books and records maintained by an administrator under the provisions of this section to carry out the provisions of [NRS 679B.230](#) to [679B.300](#), inclusive.

3. The names and addresses of insured persons and any other material which is in the books and records of an administrator are confidential except as otherwise provided in [NRS 239.0115](#) and except when used in proceedings against the administrator.

4. The insurer may inspect and examine all books and records to the extent necessary to fulfill all contractual obligations to insured persons, subject to restrictions in the written agreement between the insurer and administrator.

(Added to NRS by [1977, 730](#); A [1983, 462](#); [1999, 2795](#); [2007, 2157](#))

**NRS 683A.0877 Fiduciary accounts: Deposits; records; withdrawals.**

1. All insurance charges and premiums collected by an administrator on behalf of an insurer and return premiums received from an insurer are held by the administrator in a fiduciary capacity.

2. Money must be remitted within 15 days to the person or persons entitled to it, or be deposited within 15 days in one or more fiduciary accounts established and maintained by the administrator in a bank, credit union or other financial institution in this state. The fiduciary accounts must be separate from the personal or business accounts of the administrator.

3. If charges or premiums deposited in an account have been collected for or on behalf of more than one insurer, the administrator shall cause the bank, credit union or other financial institution where the fiduciary account is maintained to record clearly the deposits and withdrawals from the account on behalf of each insurer.

4. The administrator shall promptly obtain and keep copies of the records of each fiduciary account and shall furnish any insurer with copies of the records which pertain to him or her upon demand of the insurer.

5. The administrator shall not pay any claim by withdrawing money from his or her fiduciary account in which premiums or charges are deposited.

6. Withdrawals must be made as provided in the agreement between the insurer and the administrator for:

(a) Remittance to the insurer.

(b) Deposit in an account maintained in the name of the insurer.

(c) Transfer to and deposit in an account for the payment of claims.

(d) Payment to a group policyholder for remittance to the insurer entitled to the money.

(e) Payment to the administrator of the commission, fees or charges of the administrator.

(f) Remittance of return premiums to persons entitled to them.

7. The administrator shall maintain copies of all records relating to deposits or withdrawals and, upon the request of an insurer, provide the insurer with copies of those records.

(Added to NRS by [1977, 731](#); A [1999, 1549, 2795](#))

**NRS 683A.0879 Approval or denial of claims; payment of claims and interest; requests for additional information; award of costs and attorney's fees; compliance with requirements.**

1. Except as otherwise provided in subsection 2, an administrator shall approve or deny a claim relating to health insurance coverage within 30 days after the administrator receives the claim. If the claim is approved, the administrator shall pay the claim within 30 days after it is approved. Except as otherwise provided in this section, if the approved claim is not paid within that period, the administrator shall pay interest on the claim at a rate of interest equal to the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institutions, on January 1 or July 1, as the case may be, immediately preceding the date on which the payment was due, plus 6 percent. The interest must be calculated from 30 days after the date on which the claim is approved until the date on which the claim is paid.

2. If the administrator requires additional information to determine whether to approve or deny the claim, the administrator shall notify the claimant of the administrator's request for the additional information within 20 days after receiving the claim. The administrator shall notify the provider of health care of all the specific reasons for the delay in approving or denying the claim. The administrator shall approve or deny the claim within 30 days after receiving the additional information. If the claim is approved, the administrator shall pay the claim within 30 days after receiving the additional information. If the approved claim is not paid within that period, the administrator shall pay interest on the claim in the manner prescribed in subsection 1.

3. An administrator shall not request a claimant to resubmit information that the claimant has already provided to the administrator, unless the administrator provides a legitimate reason for the request and the purpose of the request is not to delay the payment of the claim, harass the claimant or discourage the filing of claims.

4. An administrator shall not pay only part of a claim that has been approved and is fully payable.

5. A court shall award costs and reasonable attorney's fees to the prevailing party in an action brought pursuant to this section.

6. The payment of interest provided for in this section for the late payment of an approved claim may be waived only if the payment was delayed because of an act of God or another cause beyond the control of the administrator.

7. The Commissioner may require an administrator to provide evidence which demonstrates that the administrator has substantially complied with the requirements set forth in this section, including, without limitation, payment within 30 days of at least 95 percent of approved claims or at least 90 percent of the total dollar amount for approved claims.

8. If the Commissioner determines that an administrator is not in substantial compliance with the requirements set forth in this section, the Commissioner may require the administrator to pay an administrative fine in an amount to be determined by the Commissioner. Upon a second or subsequent determination that an administrator is not in substantial compliance with the requirements set forth in this section, the Commissioner may suspend or revoke the certificate of registration of the administrator.

(Added to NRS by [1999, 1646](#); A [2001, 2728](#); [2003, 3350](#))



**NRS 683A.088 Payment of claims by check or draft.** Each claim paid by the administrator from money collected for or on behalf of an insurer must be paid by a check or draft upon and as authorized by the insurer.

(Added to NRS by [1977, 731](#); A [1999, 2796](#))

**NRS 683A.0883 Basis for compensation of administrator.**

1. The compensation paid to an administrator for his or her services may be based upon premiums or charges collected, on number of claims paid or processed or on any other basis agreed upon by the administrator and the insurer, except as provided in subsection 2.

2. Compensation paid to an administrator may not be based upon or contingent upon:

(a) The claim experience of the policies that he or she handles; or

(b) The savings realized by the administrator by adjusting, settling or paying the losses covered by an insurer.

(Added to NRS by [1977, 731](#); A [1999, 2796](#))

**NRS 683A.0887 Disclosure of information to insurer and insured.**

1. Each administrator shall advise each insured, by means of a written notice approved by the insurer, of the identity of and relationship among the insurer, administrator and insured.

2. An administrator who seeks to collect premiums or charges shall clearly set forth in writing to the insured the amount of premium or charge set by the insurer for the insurance coverage and the reason for the collection of the premium or charge. Each charge must be set forth separately from the premium.

3. The administrator shall disclose to an insurer, in writing, all charges, fees and commissions the administrator receives in connection with the provision of administrative services for the insurer, including, without limitation, the fees and commissions paid by insurers providing reinsurance or excess of loss insurance.

(Added to NRS by [1977, 732](#); A [1999, 2796](#))

**NRS 683A.089 Delivery to insureds of communications of insurer.** The administrator shall deliver or cause to be delivered to insured persons any written communications of an insurer which are given to the administrator for delivery.

(Added to NRS by [1977, 733](#))

**NRS 683A.0892 Suspension or revocation of certificate of registration; additional penalties.**

1. The Commissioner:

(a) Shall suspend or revoke the certificate of registration of an administrator if the Commissioner has determined, after notice and a hearing, that the administrator:

(1) Is in an unsound financial condition;

(2) Uses methods or practices in the conduct of business that are hazardous or injurious to insured persons or members of the general public; or

(3) Has failed to pay any judgment against the administrator in this State within 60 days after the judgment became final.

(b) May suspend or revoke the certificate of registration of an administrator if the Commissioner determines, after notice and a hearing, that the administrator:

(1) Has willfully violated or failed to comply with any provision of this Code, any regulation adopted pursuant to this Code or any order of the Commissioner;

(2) Has refused to be examined by the Commissioner or has refused to produce accounts, records or files for examination upon the request of the Commissioner;

(3) Has, without just cause, refused to pay claims or perform services pursuant to the administrator's contracts or has, without just cause, caused persons to accept less than the amount of money owed to them pursuant to the contracts, or has caused persons to employ an attorney or bring a civil action against the administrator to receive full payment or settlement of claims;

(4) Is affiliated with, managed by or owned by another administrator or an insurer who transacts insurance in this State without a certificate of authority or certificate of registration;

(5) Fails to comply with any of the requirements for a certificate of registration;

(6) Has been convicted of, or has entered a plea of guilty, guilty but mentally ill or nolo contendere to, a felony, whether or not adjudication was withheld;

(7) Has had his or her authority to act as an administrator in another state limited, suspended or revoked; or

(8) Has failed to file an annual report in accordance with [NRS 683A.08528](#).

(c) May suspend or revoke the certificate of registration of an administrator if the Commissioner determines, after notice and a hearing, that a responsible person:

(1) Has refused to provide any information relating to the administrator's affairs or refused to perform any other legal obligation relating to an examination upon request by the Commissioner; or

(2) Has been convicted of, or has entered a plea of guilty, guilty but mentally ill or nolo contendere to, a felony committed on or after October 1, 2003, whether or not adjudication was withheld.

(d) May, upon notice to the administrator, suspend the certificate of registration of the administrator pending a hearing if:

(1) The administrator is impaired or insolvent;

(2) A proceeding for receivership, conservatorship or rehabilitation has been commenced against the administrator in any state; or

(3) The financial condition or the business practices of the administrator represent an imminent threat to the public health, safety or welfare of the residents of this State.

(e) May, in addition to or in lieu of the suspension or revocation of the certificate of registration of the administrator, impose a fine of \$2,000 for each act or violation.

2. As used in this section, "responsible person" means any person who is responsible for or controls or is authorized to control or advise the affairs of an administrator, including, without limitation:

(a) A member of the board of directors, board of trustees, executive committee or other governing board or committee of the administrator;

(b) The president, vice president, chief executive officer, chief operating officer or any other principal officer of an administrator, if the administrator is a corporation;

(c) A partner or member of the administrator, if the administrator is a partnership, association or limited-liability company; and

(d) Any shareholder or member of the administrator who directly or indirectly holds 10 percent or more of the voting stock, voting securities or voting interest of the administrator.

(Added to NRS by [1999, 2790](#); A [2003, 3291](#); [2007, 1479](#))

**NRS 683A.0893 Penalty for acting without certificate of registration.** Any person who acts as an administrator without having applied for and received from the Commissioner a certificate of registration as an administrator shall be fined not less than \$300 nor more than \$2,000.

(Added to NRS by [1977, 733](#))

## MANAGING GENERAL AGENTS

### **NRS 683A.090 License required; administrative fine.**

1. A managing general agent, whether or not located in this state, shall not be or act as such with respect to the business of an insurer in this state unless licensed as such under this Code.

2. A person who acts as a managing general agent in this state without a license may be assessed an administrative fine of not more than \$1,000 for each violation.

(Added to NRS by [1971, 1637](#); A [1997, 3024](#); [2001, 2203](#))

### **NRS 683A.140 Licensing of firm or corporation.**

1. A firm or corporation may be licensed as a managing general agent.

2. A resident firm or corporation which has more than one office in this state is a single licensee for the purposes of being appointed by insurers and the authority of natural persons to act for the firm or corporation. Such a firm or corporation must obtain a copy of its license for each location, but only must obtain one original license as a managing general agent.

3. For licensing as a managing general agent, each general partner and each natural person to act for the firm, or each natural person to act for the corporation, must be named in the license and must qualify as an individual licensee. A natural person who is authorized to act for a firm or corporation and who also wishes to be licensed in an individual capacity must obtain a separate license in his or her own name. The Commissioner shall charge appropriate fees for each person who is licensed to act for a firm or corporation and who is named on the license.

4. The licensee shall promptly notify the Commissioner of all changes among its members, directors and officers, and among other persons named in the license. The licensee shall provide to the Commissioner upon request information concerning officers or owners of the firm or corporation who are not named in the license.

(Added to NRS by [1971, 1639](#); A [1981, 488](#); [1983, 915](#); [1985, 481](#); [2001, 2204](#))

**NRS 683A.160 Application for license.**

1. Each applicant for a license as a managing general agent must submit with his or her application:
  - (a) The appointment of the applicant as a managing general agent by each insurer or underwriter department to be so represented; and
  - (b) The application and license fee specified in [NRS 680B.010](#) and, in addition to any other fee or charge, all applicable fees required pursuant to [NRS 680C.110](#).
2. Each applicant must, as part of his or her application and at the applicant's own expense:
  - (a) Arrange to have a complete set of his or her fingerprints taken by a law enforcement agency or other authorized entity acceptable to the Commissioner; and
  - (b) Submit to the Commissioner:
    - (1) A completed fingerprint card and written permission authorizing the Commissioner to submit the applicant's fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Commissioner deems necessary; or
    - (2) Written verification, on a form prescribed by the Commissioner, stating that the fingerprints of the applicant were taken and directly forwarded electronically or by another means to the Central Repository and that the applicant has given written permission to the law enforcement agency or other authorized entity taking the fingerprints to submit the fingerprints to the Central Repository for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Commissioner deems necessary.
3. The Commissioner may:
  - (a) Unless the applicant's fingerprints are directly forwarded pursuant to subparagraph (2) of paragraph (b) of subsection 2, submit those fingerprints to the Central Repository for submission to the Federal Bureau of Investigation and to such other law enforcement agencies as the Commissioner deems necessary;
  - (b) Request from each such agency any information regarding the applicant's background as the Commissioner deems necessary; and
  - (c) Adopt regulations concerning the procedures for obtaining this information.

(Added to NRS by [1971, 1641](#); A [2003, 2867](#); [2009, 1771](#); [2011, 3357](#))

**PRODUCERS OF INSURANCE**

**NRS 683A.191 Definitions.** As used in [NRS 683A.191](#) to [683A.370](#), inclusive, unless the context otherwise requires, the words and terms defined in [NRS 683A.193](#) to [683A.199](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by [2015, 1198](#))

**NRS 683A.193 "Offer and disseminate" defined.** "Offer and disseminate" means the provision of general information, including, without limitation, a description of the coverage and price of travel insurance, as well as the processing of applications, collection of premiums and performance of other activities that are allowed without obtaining a license issued pursuant to this chapter.

(Added to NRS by [2015, 1198](#))

**NRS 683A.195 "Producer of limited lines travel insurance" defined.** "Producer of limited lines travel insurance" means a person licensed pursuant to [NRS 683A.265](#) who is authorized by an insurer to solicit travel insurance either directly or through a travel retailer.

(Added to NRS by [2015, 1198](#))

**NRS 683A.197 "Travel insurance" defined.**

1. "Travel insurance" means insurance coverage for personal risks incident to planned travel, including, without limitation:

- (a) Interruption or cancellation of a trip or event;
- (b) Loss of baggage or personal effects;
- (c) Damages to accommodations or rental vehicles; or
- (d) Sickness, accident, disability or death occurring during travel.

2. The term does not include major medical plans which provide comprehensive medical protection for travelers whose trips are intended to last longer than 6 months, including, without limitation, persons working overseas as expatriates or deployed military personnel.

(Added to NRS by [2015, 1199](#))

**NRS 683A.199 “Travel retailer” defined.** “Travel retailer” means a person that makes, arranges or offers travel services and, as an ancillary service to its customers, may offer and disseminate travel insurance on behalf of, and under the general direction and supervision of, a producer of limited lines travel insurance.

(Added to NRS by [2015, 1199](#))

**NRS 683A.201 License required; exemption for insurers; administrative fine.**

1. A person shall not sell, solicit or negotiate insurance in this state for any class of insurance unless the person is licensed for that class of insurance.

2. An insurer is exempt from the requirement for licensure as a producer of insurance, but this exemption does not extend to an insurer’s officers, directors, employees, subsidiaries or affiliates who sell, solicit or negotiate insurance.

3. A person required to be licensed in this state who transacts insurance without a license is subject to an administrative fine of not more than \$1,000 for each violation.

(Added to NRS by [2001, 2191](#); A [2003, 3292](#))

**NRS 683A.211 Persons exempt from licensing.** The following persons need not be licensed as producers of insurance:

1. An officer, director or employee of an insurer or of a producer of insurance if the officer, director or employee does not receive any commission on policies written or sold to insure risks residing, located or to be performed in this state and:

(a) The officer, director or employee’s activities are executive, administrative, managerial or clerical, or a combination thereof, and are only indirectly related to the sale, solicitation or negotiation of insurance;

(b) The officer, director or employee’s function relates to underwriting, control of losses, inspection or the processing, adjusting, investigating or settling of claims on contracts of insurance; or

(c) The officer, director or employee is acting in the capacity of a special agent or supervisor of an agency assisting producers of insurance where his or her activities are limited to providing technical advice and assistance to licensed producers and do not include sale, solicitation or negotiation of insurance.

2. A person who secures and furnishes information for the purpose of group life insurance, group property and casualty insurance, group annuities, or group or blanket accident and health insurance, or for the purpose of enrolling natural persons under plans, issuing certificates under plans or otherwise assisting in administering plans, or who performs administrative services related to mass marketed property and casualty insurance, if no commission is paid to the person for the service and the person does not sell, solicit or negotiate insurance. As used in this subsection, “blanket accident and health insurance” has the meaning ascribed to it in [NRS 689B.070](#).

3. An employer or association or its officers, directors or employees, or the trustees of an employees’ trust plan, to the extent that the employer, association, officers, directors, employees or trustees are engaged in the administration or operation of a program of employees’ benefits for the employer’s or association’s own employees or the employees of its subsidiaries or affiliates, if the program involves the use of insurance issued by an insurer and the employer, association, officers, directors, employees or trustees are not compensated by the insurer issuing the contracts.

4. Employees of insurers or organizations employed by insurers who are engaged in the inspection, rating or classification of risks or in the supervision of the training of producers of insurance and are not individually engaged in the sale, solicitation or negotiation of insurance.

5. A person whose activities in this state are limited to advertising, without the intent to solicit insurance in this state, through communications in printed publications or electronic mass media whose distribution is not limited to residents of this state, if the person does not sell, solicit or negotiate insurance of risks residing, located or to be performed in this state.

6. A salaried full-time employee who counsels or advises his or her employer concerning the interests of the employer, or of the subsidiaries or affiliates of the employer, in insurance, if the employee does not sell or solicit insurance or receive a commission.

7. An employee of a producer of insurance or an insurer who responds to requests from holders of policies previously issued, if the employee is not directly compensated according to the volume of premiums that may result from those services and does not solicit insurance or offer advice concerning terms or conditions of policies.

(Added to NRS by [2001, 2191](#); A [2003, 3292](#))

**NRS 683A.221 Employee of short-term lessor of vehicles exempt from licensing under certain circumstances.** If a short-term lessor of vehicles licensed pursuant to [NRS 482.363](#) holds a limited license as a producer of insurance issued pursuant to [NRS 683A.271](#), an employee of the short-term lessor may engage in the

solicitation and sale of insurance requested by a lessee pursuant to [NRS 482.3158](#) without a license issued pursuant to this chapter if the solicitation and sale of such insurance is done on behalf of, and under the supervision of, the short-term lessor.

(Added to NRS by [1999, 820](#); A [2001, 2204](#); [2015, 3358](#))

**NRS 683A.231 Licensing of bank.**

1. For the purposes of this section:
  - (a) “Affiliate” means a person that directly, or indirectly through one or more intermediaries, is controlled by, or is under common control with, a bank.
  - (b) “Bank” means any institution that accepts deposits that the depositor has a legal right to withdraw on demand.
  - (c) “Financial holding company” means a bank holding company as defined in section 4(1)(2) of the Bank Holding Company Act of 1956, 12 U.S.C. § 1841(1)(1).
  - (d) “Parent” means a person that owns or controls a bank, directly or indirectly, in whole or in part.
  - (e) “Subsidiary” means a person owned or controlled by a bank, directly or indirectly, in whole or in part.
2. A bank may be licensed as a producer of insurance in this state:
  - (a) To the extent permitted by Title V of Public Law 106-102, 15 U.S.C. §§ 6801 et seq.; and
  - (b) For credit insurance, as defined in [NRS 690A.015](#), and credit property insurance.
3. A bank must not be licensed or admitted as an insurer.
4. The provisions of subsection 3 do not prohibit the licensing by the Commissioner of an affiliate, financial holding company, parent or subsidiary of a bank to sell insurance or be admitted as an insurer.

(Added to NRS by [1971, 1638](#); A [1987, 2285](#); [1993, 2281](#); [1995, 1614](#); [1997, 782](#); [2001, 2204](#))

**NRS 683A.241 Examination for license: Requirement; contents; regulations; contracts for administration; fee; failure to appear.**

1. A resident natural person applying for a license as a producer of insurance must pass a written examination unless exempt under [NRS 683A.291](#). The examination must test knowledge concerning the lines of authority for which application is made, the duties and responsibilities of a producer and the laws and regulations of this state relating to insurance. The Commissioner shall adopt regulations for developing and conducting examinations required by this section.
2. The Commissioner may contract with a person outside the Division for administering examinations, processing applications, collecting fees and performing any other functions the Commissioner considers appropriate.
3. Each natural person applying for an examination shall pay a nonrefundable fee in an amount prescribed by the Commissioner to defray the cost of processing the application and administering the examination.
4. An applicant who fails to appear for the examination as scheduled or fails to pass the examination must reapply for examination and pay the required fee in order to be scheduled for another examination.

(Added to NRS by [2001, 2192](#))

**NRS 683A.242 Exemption from examination and educational requirements for producers of limited lines travel insurance and travel retailers.**

1. An applicant for, or holder of, a license issued pursuant to [NRS 683A.265](#) is not required to pass a written examination or meet any preclicensing education or continuing education requirements to receive or renew a license.
2. A travel retailer who is listed in the register maintained pursuant to [NRS 683A.3685](#) or any employee or authorized representative of such a travel retailer who is listed in the register of a producer of limited lines travel insurance, is not required to pass any written examination or complete any education requirements other than the program of instruction or training required by paragraph (f) of subsection 1 of [NRS 683A.369](#).

(Added to NRS by [2015, 1200](#))

**NRS 683A.251 Form and prerequisites for approval of application for license; licensing of business organization; certain applicants to submit fingerprints; report from Federal Bureau of Investigation; verification of information.**

1. The Commissioner shall prescribe the form of application by a natural person for a license as a resident producer of insurance. The applicant must declare, under penalty of refusal to issue, or suspension or revocation of, the license, that the statements made in the application are true, correct and complete to the best of his or her knowledge and belief. Before approving the application, the Commissioner must find that the applicant has:
  - (a) Attained the age of 18 years;
  - (b) Not committed any act that is a ground for refusal to issue, or suspension or revocation of, a license;

(c) Completed a course of study for the lines of authority for which the application is made, unless the applicant is exempt from this requirement;

(d) Paid all applicable fees prescribed for the license, which may not be refunded; and

(e) Successfully passed the examinations for the lines of authority for which application is made, unless the applicant is exempt from this requirement.

2. A business organization must be licensed as a producer of insurance in order to act as such. Application must be made on a form prescribed by the Commissioner. Before approving the application, the Commissioner must find that the applicant has:

(a) Paid all applicable fees prescribed for the license, which may not be refunded;

(b) Designated a natural person who is licensed as a producer of insurance and who is authorized to transact business on behalf of the business organization to be responsible for the organization's compliance with the laws and regulations of this State relating to insurance;

(c) If the business organization has authorized a producer of insurance not designated pursuant to paragraph (b) to transact business on behalf of the business organization, submitted to the Commissioner on a form prescribed by the Commissioner the name of each producer of insurance authorized to transact business on behalf of the business organization; and

(d) Established and maintains a valid electronic mail address at the applicant's own expense.

3. A natural person who is a resident of this State applying for a license must, as part of his or her application and at the applicant's own expense:

(a) Arrange to have a complete set of his or her fingerprints taken by a law enforcement agency or other authorized entity acceptable to the Commissioner;

(b) Submit to the Commissioner:

(1) A completed fingerprint card and written permission authorizing the Commissioner to submit the applicant's fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Commissioner deems necessary; or

(2) Written verification, on a form prescribed by the Commissioner, stating that the fingerprints of the applicant were taken and directly forwarded electronically or by another means to the Central Repository and that the applicant has given written permission to the law enforcement agency or other authorized entity taking the fingerprints to submit the fingerprints to the Central Repository for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Commissioner deems necessary; and

(c) Establish and maintain a valid electronic mail address.

4. The Commissioner may:

(a) Unless the applicant's fingerprints are directly forwarded pursuant to subparagraph (2) of paragraph (b) of subsection 3, submit those fingerprints to the Central Repository for submission to the Federal Bureau of Investigation and to such other law enforcement agencies as the Commissioner deems necessary;

(b) Request from each such agency any information regarding the applicant's background as the Commissioner deems necessary; and

(c) Adopt regulations concerning the procedures for obtaining this information.

5. The Commissioner may require any document reasonably necessary to verify information contained in an application.

(Added to NRS by [2001, 2193](#); A [2003, 3293](#); [2005, 2122](#); [2007, 3319](#); [2009, 1772](#); [2011, 3358](#); [2015, 2837, 3466](#))

**NRS 683A.261 Issuance, effect, renewal, failure to renew, contents and display of license; lines of authority; place of business; notice of change of address.**

1. Unless the Commissioner refuses to issue the license under [NRS 683A.451](#), the Commissioner shall issue a license as a producer of insurance to a person who has satisfied the requirements of [NRS 683A.241](#) and [683A.251](#). A producer of insurance may qualify for a license in one or more of the lines of authority permitted by statute or regulation, including:

(a) Life insurance on human lives, which includes benefits from endowments and annuities and may include additional benefits from death by accident and benefits for dismemberment by accident and for disability income.

(b) Accident and health insurance for sickness, bodily injury or accidental death, which may include benefits for disability income.

(c) Property insurance for direct or consequential loss or damage to property of every kind.

(d) Casualty insurance against legal liability, including liability for death, injury or disability and damage to real or personal property. For the purposes of a producer of insurance, this line of insurance includes surety indemnifying financial institutions or providing bonds for fidelity, performance of contracts or financial guaranty.

(e) Variable annuities and variable life insurance, including coverage reflecting the results of a separate investment account.

(f) Credit insurance, including credit life, credit accident and health, credit property, credit involuntary unemployment, guaranteed asset protection, and any other form of insurance offered in connection with an extension of credit that is limited to wholly or partially extinguishing the obligation which the Commissioner determines should be considered as limited-line credit insurance.

(g) Personal lines, consisting of automobile and motorcycle insurance and residential property insurance, including coverage for flood, of personal watercraft and of excess liability, written over one or more underlying policies of automobile or residential property insurance.

(h) Fixed annuities, including, without limitation, indexed annuities, as a limited line.

(i) Travel insurance, as defined in [NRS 683A.197](#), as a limited line.

(j) Rental car agency as a limited line.

(k) Portable electronics as a limited line.

(l) Crop as a limited line.

2. A license as a producer of insurance remains in effect unless revoked, suspended or otherwise terminated if a request for a renewal is submitted on or before the date for the renewal specified on the license, all applicable fees for renewal are paid for each license and each authorization to transact business on behalf of a business organization licensed pursuant to subsection 2 of [NRS 683A.251](#), and any requirement for education or any other requirement to renew the license is satisfied by the date specified on the license for the renewal. A producer of insurance may submit a request for a renewal of his or her license within 30 days after the date specified on the license for the renewal if the producer of insurance otherwise complies with the provisions of this subsection and pays, in addition to any fee paid pursuant to this subsection, a penalty of 50 percent of all applicable renewal fees, except for any fee required pursuant to [NRS 680C.110](#). A license as a producer of insurance expires if the Commissioner receives a request for a renewal of the license more than 30 days after the date specified on the license for the renewal. A fee paid pursuant to this subsection is nonrefundable.

3. A natural person who allows his or her license as a producer of insurance to expire may reapply for the same license within 12 months after the date specified on the license for a renewal without passing a written examination or completing a course of study required by paragraph (c) of subsection 1 of [NRS 683A.251](#), but a penalty of twice all applicable renewal fees, except for any fee required pursuant to [NRS 680C.110](#), is required for any request for a renewal of the license that is received after the date specified on the license for the renewal.

4. A licensed producer of insurance who is unable to renew his or her license because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.

5. A license must state the licensee's name, address, personal identification number, the date of issuance, the lines of authority and the date of expiration and must contain any other information the Commissioner considers necessary. The license must be made available for public inspection upon request.

6. A licensee shall inform the Commissioner of each change of business, residence or electronic mail address, in writing or by other means acceptable to the Commissioner, within 30 days after the change. If a licensee changes his or her business, residence or electronic mail address without giving written notice and the Commissioner is unable to locate the licensee after diligent effort, the Commissioner may revoke the license without a hearing. The mailing of a letter by certified mail, return receipt requested, addressed to the licensee at his or her last mailing address appearing on the records of the Division, and the return of the letter undelivered, constitutes a diligent effort by the Commissioner.

(Added to NRS by [2001, 2193](#); A [2003, 3294](#); [2005, 2122](#); [2007, 3320](#); [2009, 1772, 3045](#); [2011, 1832, 2028, 3359](#); [2015, 1201, 2838, 3467](#))

**NRS 683A.265 Licensing of producer of limited lines travel insurance.** In accordance with the provisions of [NRS 683A.191](#) to [683A.370](#), inclusive, the Commissioner may issue a license as a producer of limited lines travel insurance to a person who has filed with the Commissioner. A license issued pursuant to this section authorizes the licensee to sell, solicit or negotiate travel insurance through a licensed agent.

(Added to NRS by [2015, 1199](#))

**NRS 683A.271 Licensing of nonresident persons; participation by Commissioner in centralized registry; required notifications.**

1. Unless the Commissioner refuses to issue the license under [NRS 683A.451](#), the Commissioner shall issue a license as a producer of insurance to a nonresident person if the nonresident person:

- (a) Is currently licensed as a resident and in good standing in his or her home state;
- (b) Has made the proper request for licensure and paid all applicable fees prescribed for the license;
- (c) Has sent to the Commissioner the application for licensure that the nonresident person made in his or her home state, or a completed uniform application;
- (d) Has a home state which issues nonresident licenses as producers of insurance to residents of this State pursuant to substantially the same procedure; and
- (e) Establishes and maintains a valid electronic mail address at the applicant's own expense.

2. The Commissioner may participate with the National Association of Insurance Commissioners or a subsidiary in a centralized registry in which licensing and appointment of producers of insurance may be effected for all states that require licensing and participate in the registry. If the Commissioner finds that participation is in the public interest, the Commissioner may adopt by regulation any uniform standards and procedures necessary for participation, including central collection of fees for licensing and appointment that are handled through the registry.

3. A nonresident producer who moves from one state to another state shall file a change of address and certification from the new state of residence within 30 days after the change of legal residence. No fee or application for license is required.

4. A nonresident licensed as a producer for surplus lines in his or her home state must be issued a nonresident license of that kind in this State pursuant to subsection 1, subject in all other respects to [chapter 685A](#) of NRS. A nonresident licensed as a producer for limited lines in his or her home state is entitled to a nonresident license of that kind in this State pursuant to subsection 1, granting the same scope of authority as the license issued in the home state. As used in this subsection, insurance for limited lines is authority granted by the home state which is restricted to less than the total authority prescribed for the associated major lines pursuant to [NRS 683A.261](#).

5. A nonresident firm or corporation maintaining a physical business location in this State shall notify the Commissioner of each physical location in this State from which it transacts business. A nonresident firm or corporation shall maintain a list identifying the locations outside this State from which it transacts business and provide the list to the Commissioner upon request.

(Added to NRS by [2001, 2195](#); A [2005, 2124](#); [2009, 1774](#); [2015, 2840, 3469](#))

**NRS 683A.281 Nonresident licensees: Service of process; agreement to appear.**

1. Every nonresident licensed by this state as a producer of insurance shall appoint the Commissioner in writing as his or her attorney upon whom may be served all legal process issued in connection with any action or proceeding brought or pending in this state against or involving the licensee and relating to transactions under his or her Nevada license. The appointment is irrevocable and continues in force for so long as any such action or proceeding may arise or exist. Duplicate copies of process must be served upon the Commissioner or other person in apparent charge of the Division during the Commissioner's absence, accompanied by payment of the fee for service of process. Upon such service the Commissioner shall promptly forward a copy of the process by certified mail with return receipt requested to the nonresident licensee at his or her business address last of record with the Division. Process served and the copy thereof forwarded as provided in this subsection constitutes for all purposes personal service thereof upon the licensee.

2. Every such licensee shall likewise file with the Commissioner his or her written agreement to appear before the Commissioner pursuant to notice of hearing, show cause order or subpoena issued by the Commissioner and deposited, postage paid, by certified mail with the United States Postal Service, addressed to the licensee at his or her address last of record in the Division, and that upon failure of the licensee so to appear the licensee thereby consents to any subsequent suspension, revocation or refusal of the Commissioner to continue the licensee's license.

(Added to NRS by [1971, 1651](#); A [1987, 735](#); [1991, 1625](#); [1993, 1914](#); [2001, 2206](#))

**NRS 683A.291 Licensing of producer previously licensed for same lines of authority in another state; exemption from examination for producer who confines activity to certain types of insurance.**

1. An applicant for licensing in this state as a producer of insurance who was previously licensed for the same lines of authority in another state need not complete any education or examination if the applicant is currently licensed in that state or, if the application is received within 90 days after the cancellation of the license, the other state certifies that the applicant was in good standing at the time of cancellation. Alternatively, the exemption is available if the records of the National Association of Insurance Commissioners show that the applicant is or was licensed and in good standing for the lines of authority requested.



2. An examination is not required for a producer of insurance who confines his or her activity to insurance categorized as limited line, credit, travel, portable electronics, baggage or fixed annuity, or covering vehicles leased for a short term.

3. A person licensed in another state who moves to this state and desires to become licensed as a resident producer of insurance with the benefit of the exemption provided in subsection 1 must apply for licensing within 90 days after establishing legal residence.

(Added to NRS by [2001, 2195](#); A [2011, 2030](#))

**NRS 683A.301 Use of true or fictitious name by applicant for license or licensee.**

1. An applicant for a license as a producer of insurance or a licensee who desires to use a name other than his or her true name as shown on the license shall submit a request for approval of the name and file with the Commissioner a certified copy of the certificate or any renewal certificate filed pursuant to [chapter 602](#) of NRS. An incorporated applicant or licensee shall file with the Commissioner a document showing the corporation's true name and all fictitious names under which it conducts or intends to conduct business. A licensee shall file promptly with the Commissioner a written notice of any change in or discontinuance of the use of a fictitious name.

2. The Commissioner may disapprove in writing the use of a true name, other than the true name of a natural person who is the applicant or licensee, or a fictitious name of any applicant or licensee, on any of the following grounds:

(a) The name interferes with or is deceptively similar to a name already filed and in use by another licensee.  
(b) Use of the name may mislead the public in any respect.  
(c) The name states or implies that the applicant or licensee is an insurer, motor club or hospital service plan or is entitled to engage in activities related to insurance not permitted under the license applied for or held.

(d) The name states or implies that the licensee is an underwriter, but:  
(1) A natural person licensed as an agent or broker for life insurance may describe himself or herself as an underwriter or "chartered life underwriter" if entitled to do so;

(2) A natural person licensed for property and casualty insurance may use the designation "chartered property and casualty underwriter" if entitled thereto; and

(3) An insurance agent or brokers' trade association may use a name containing the word "underwriter."

(e) The licensee submits a request to use more than one fictitious name at a single business location.

3. A licensee shall not use a name after written notice from the Commissioner indicates that its use violates the provisions of this section. If the Commissioner determines that the use is justified by mitigating circumstances, the Commissioner may permit, in writing, the use of the name to continue for a specified reasonable period upon conditions imposed by the Commissioner for the protection of the public consistent with this section.

4. Paragraphs (a), (c) and (d) of subsection 2 do not apply to the true name of an organization which on July 1, 1965, held under that name a type of license similar to those governed by this chapter, or to a fictitious name used on July 1, 1965, by a natural person or organization holding such a license, if the fictitious name was filed with the Commissioner on or before July 1, 1965.

(Added to NRS by [2001, 2196](#); A [2003, 156, 3296](#))

**NRS 683A.311 Temporary licenses: Authority of Commissioner; expiration.**

1. The Commissioner may issue a temporary license as a producer of insurance to any of the following for 180 days or less without requiring an examination if the Commissioner believes that the temporary license is necessary to carry on the business of insurance:

(a) The surviving spouse, personal representative or guardian of a licensed producer who dies or becomes incompetent, to allow adequate time for the sale of the business, the recovery or return of the producer, or the training and licensing of new personnel to operate the business;

(b) A member or employee of a business organization licensed as a producer, upon the death or disability of the natural person designated in its application or license;

(c) The designee of a licensed producer entering active service in the Armed Forces of the United States; or

(d) A person in any other circumstance where the Commissioner believes that the public interest will be best served by issuing the license.

2. The Commissioner may limit by order the authority of a temporary licensee as the Commissioner believes necessary to protect persons insured and the public. The Commissioner may require the temporary licensee to have a suitable sponsor who is licensed as a producer of insurance or authorized as an insurer and who assumes responsibility for all acts of the temporary licensee, and may impose similar requirements to protect persons insured and the public. The Commissioner may revoke a temporary license by order if the interests of persons insured or the public are

endangered. A temporary license expires when the owner or the personal representative or guardian of the owner disposes of the business.

(Added to NRS by [2001, 2196](#))

**NRS 683A.321 Appointment of producer as agent of insurer; fees for agents; activities of producer as broker.**

1. A producer of insurance shall not act as an agent unless he or she is appointed as an agent by the insurer. A producer who is not acting as an agent is a broker who does not need to be appointed.

2. To appoint a producer of insurance as its agent, an insurer must file, in a form approved by the Commissioner, a notice of appointment within 15 days after the contract is executed or the first application for insurance is submitted. An insurer may appoint a producer to act as agent for all or some insurers within its holding company or group by filing a single notice of appointment. A notice of appointment may include several agents.

3. Upon receipt of a notice of appointment, the Commissioner shall determine within 30 days whether the producer of insurance is eligible for appointment. If the producer of insurance is not, the Commissioner shall so notify the insurer within 5 days after the determination is made.

4. An insurer shall pay an appointment fee and remit an annual renewal fee for each producer of insurance appointed as its agent. A payment or remittance may include fees for several agents.

5. A broker shall not place insurance, other than life insurance, health insurance, annuity contracts or coverage written pursuant to the Nonadmitted Insurance Law set forth in [chapter 685A](#) of NRS, that covers property or risks within this state unless the broker does so with a licensed agent of an authorized insurer.

6. A producer who is acting as an agent may also act as and be a broker with regard to insurers for which he or she is not acting as an agent. The sole relationship between an insurer and a broker who is appointed as an agent by the insurer as to any transactions arising during the period in which the broker is appointed as an agent is that of insurer and agent, and not insurer and broker.

7. As used in this section:

(a) "Agent" means a producer of insurance who is compensated by the insurer and sells, solicits or negotiates insurance for the insurer.

(b) "Broker" means a producer of insurance who:

(1) Is not an agent of an insurer;

(2) Solicits, negotiates or procures insurance on behalf of an insured or prospective insured; and

(3) Does not have the power, by his or her own actions as a broker, to obligate an insurer upon any risk or with reference to any transaction of insurance.

(Added to NRS by [2001, 2199](#); A [2011, 2009](#))

**NRS 683A.325 Commissions and compensation.**

1. Except as otherwise provided in [NRS 683A.3687](#), a producer of insurance who is appointed as an agent may pay a commission or compensation for or on account of the selling, soliciting, procuring or negotiating of insurance in this State only to a licensed and appointed producer of insurance of the insurer with whom insurance was placed or to a licensed producer acting as a broker.

2. A licensee shall not accept any commission or compensation to which the licensee is not entitled pursuant to the provisions of this title.

(Added to NRS by [2005, 2121](#); A [2015, 1203](#))

**NRS 683A.331 Termination of appointment, employment or other relationship of producer to insurer; civil immunity for provision of certain information regarding termination.**

1. An insurer or its authorized representative who terminates the appointment, employment or other relationship of a producer of insurance to the insurer for any reason shall notify the Commissioner within 30 days after the effective date of the termination, in a form prescribed by the Commissioner. The insurer shall provide additional information or documents if so requested in writing by the Commissioner.

2. If the reason for termination is an activity described in [NRS 683A.451](#) as a cause for disciplinary action or the insurer knows that the producer has been found to have engaged in such an activity by a court, governmental agency or self-regulatory organization authorized by law, the insurer or its authorized representative shall notify the Commissioner, in a form acceptable to the Commissioner, if upon further review or investigation the insurer discovers additional information that would have been reportable originally to the Commissioner if the insurer had then known it.

3. Within 15 days after notifying the Commissioner under subsection 1 or 2, the insurer shall mail a copy of the notification to the producer of insurance at his or her last known address. If the termination was for an activity described in subsection 2, the copy must be sent by certified mail, return receipt requested, or by overnight delivery using a nationally recognized carrier.

4. Within 30 days after the producer has received the original or additional notification, the producer may file written comments concerning the substance of the notification with the Commissioner. The producer shall send a copy of the comments, by the same means and at the same time, to the reporting insurer. The comments become a part of the Commissioner's file and must accompany every copy of the underlying report that is distributed or disclosed by the Commissioner.

5. In the absence of actual malice, an insurer, its authorized representative, a producer of insurance, the Commissioner, and any organization of which the Commissioner is a member which compiles information and makes it available to other commissioners of insurance or to regulatory or law enforcement agencies are not subject to civil liability, and no cause of action arises against any of them or their respective agents or employees, as a result of any statement or information required by or provided pursuant to this section or any statement by a terminating insurer or a producer to another insurer or producer limited to whether a termination for a cause described in subsection 2 was reported to the Commissioner, if in the latter case the propriety of termination for that cause is certified in writing by an officer or authorized representative of the insurer or by the producer.

6. In an action brought against a person who may have immunity under subsection 5 for making a statement or providing information required by this section or requested by the Commissioner under this section, the plaintiff must plead specifically that subsection 5 does not apply because the person making the statement or providing the information did so with actual malice.

7. Subsections 5 and 6 do not abrogate or modify any other privilege or immunity under statute or the common law.

(Added to NRS by [2001, 2199](#))

**NRS 683A.341 Reports to Commissioner: Administrative action or criminal prosecution against producer.** A producer of insurance shall report to the Commissioner:

1. Any administrative action taken against the producer of insurance in another jurisdiction or by another governmental agency in this state, within 30 days after the final disposition of the matter. The report must include a copy of the complaint filed, the order issued and any other relevant legal documents.

2. Any criminal prosecution against the producer of insurance in any jurisdiction, within 30 days after the initial pretrial hearing. The report must include a copy of the complaint filed, the order as a result of the pretrial hearing and other relevant legal documents.

(Added to NRS by [2001, 2200](#))

**NRS 683A.351 Records of transactions: Maintenance; examination by Commissioner; destruction.**

1. Every producer of insurance shall keep complete records of transactions under his or her license. The records must show, for each insurance policy placed or countersigned by or through the licensee, not less than the names of the insurer and insured, the number and expiration date of, and premium payable as to, the policy or contract, the names of all other persons from whom business is accepted or to whom commissions are promised or paid, all premiums collected, and such additional information as the Commissioner may reasonably require.

2. The records must be open to examination of the Commissioner at all times, and the Commissioner may at any time require the licensee to furnish to the Commissioner, in such a manner or form as the Commissioner requires, any information kept or required to be kept in those records. The records may be kept in an electronic format if, using the electronic format, the records are retained in accordance with this section.

3. Records of a particular policy or contract may be destroyed 3 years after expiration of the policy or contract.

(Added to NRS by [1971, 1653](#); A [1977, 218](#); [1985, 484](#); [1993, 2388](#); [2001, 2208](#); [2003, 3297](#))

**NRS 683A.361 Payment, acceptance and assignment of commissions, brokerage, fees for service and other valuable considerations.**

1. An insurer or a producer of insurance shall not pay a commission, brokerage, fee for service or other valuable consideration to a person for selling, soliciting or negotiating insurance in this State if the activities of the person require the person to be licensed under this title and the person is not so licensed.

2. A person shall not accept a commission, brokerage, fee for service or other valuable consideration for selling, soliciting or negotiating insurance in this State if the activities of the person require the person to be licensed under this title and the person is not so licensed.

3. Commissions for renewal and other deferred commissions may be paid to a person whose activities required the person to be licensed under this title at the time of the sale, solicitation or negotiation and the person was so licensed at that time.

4. An insurer or producer of insurance may pay or assign commissions, brokerage, fees for service or other valuable considerations to a person who does not sell, solicit or negotiate insurance in this State unless the payment would violate the provisions of [NRS 686A.110](#) or [686A.120](#).

5. An insurer shall not pay a commission, directly or indirectly, to a producer of insurance for selling, soliciting or negotiating insurance in this State unless the producer of insurance is appointed as an agent of the insurer as provided in [NRS 683A.321](#). This subsection does not apply to a broker for reinsurance or to business placed pursuant to subsection 3, [NRS 683A.325](#) or [685A.155](#), or contracts entered into pursuant to [NRS 693A.110](#) which are approved by the Commissioner.

6. A producer of insurance shall not accept a commission from an insurer for selling, soliciting or negotiating insurance in this State unless the producer of insurance is appointed as an agent of the insurer as provided in [NRS 683A.321](#). This subsection does not apply to a broker for reinsurance or to business placed pursuant to subsection 3, [NRS 683A.325](#) or [685A.155](#), or contracts entered into pursuant to [NRS 693A.110](#) which are approved by the Commissioner.

7. As used in this section, "broker for reinsurance" has the meaning ascribed to it in [NRS 681A.280](#).

(Added to NRS by [2001, 2198](#); A [2005, 2125](#))

**NRS 683A.365 Authorization of another producer to transact business on own behalf; notification.**

1. A business organization which is licensed as a producer of insurance and which authorizes another producer of insurance to transact business on its behalf shall notify the Commissioner within 15 days after the effective date of the authorization in the manner prescribed by the Commissioner.

2. A business organization which is licensed as a producer of insurance and which terminates the authorization of a producer of insurance for any reason shall notify the Commissioner within 30 days after the effective date of the termination in the manner prescribed by the Commissioner. The business organization shall provide additional information or documents if so requested in writing by the Commissioner.

3. If the reason for termination is an activity described in [NRS 683A.451](#) as a cause for disciplinary action or the business organization knows that the producer of insurance has been found to have engaged in such an activity by a court, governmental agency or self-regulatory organization authorized by law, the business organization shall notify the Commissioner, in the manner prescribed by the Commissioner, if the business organization discovers additional information that would have been reportable originally to the Commissioner if the business organization had then known it.

(Added to NRS by [2007, 3317](#))

**NRS 683A.367 Restrictions concerning selling, soliciting and negotiating continuous care coverage; fine.**

1. A person licensed as a producer of insurance shall not sell, solicit or negotiate continuous care coverage unless the person is licensed as a producer of:

(a) Accident and health insurance and casualty insurance; or

(b) Accident and health insurance and has received approval from the Commissioner to market continuous care coverage.

2. A person who violates the provisions of subsection 1 is subject to an administrative fine pursuant to subsection 3 of [NRS 683A.201](#).

(Added to NRS by [2009, 3045](#); A [2011, 3361](#))

**NRS 683A.368 Liability of producers of limited lines travel insurance for acts of travel retailers.** A producer of limited lines travel insurance is responsible for the acts of each travel retailer, or employee or authorized representative of a travel retailer, who offers or disseminates travel insurance under the license of the producer of limited lines travel insurance and shall use every reasonable means to ensure compliance by the travel retailers with the provisions of this chapter and any regulations adopted pursuant thereto.

(Added to NRS by [2015, 1201](#))

**NRS 683A.3683 Applicability of certain provisions to producers of limited lines travel insurance and travel retailers.** A producer of limited lines travel insurance and each travel retailer, or employee or authorized representative of a travel retailer, who offers or disseminates travel insurance under the license of a producer of limited

lines travel insurance shall be subject to the provisions of [NRS 683A.451](#) to [683A.520](#), inclusive, and [chapter 686A](#) of NRS.

(Added to NRS by [2015, 1201](#))

**NRS 683A.3685 Producer of limited lines travel insurance required to maintain register of travel retailers acting on behalf of producer.**

1. Each producer of limited lines travel insurance shall, at the time of licensure, establish and maintain a register, on a form and in a manner prescribed by the Commissioner, which includes a list of each travel retailer that offers and disseminates travel insurance on behalf of the producer of limited lines travel insurance. The register must include, without limitation:

(a) The name, address and contact information of the travel retailer;

(b) The name, address and contact information for each officer or other person who directs or controls the travel retailer's operations; and

(c) The travel retailer's federal tax identification number.

2. The producer of limited lines travel insurance shall regularly update the register and shall submit a copy of the register to the Commissioner on an annual basis as directed by the Commissioner. In addition to the annual submission of the register required by this subsection, the Commissioner may require, with reasonable notice and at the Commissioner's sole discretion, a producer of limited lines travel insurance to submit a copy of the register upon request.

3. A producer of limited lines travel insurance shall certify that the register required pursuant to subsection 1 does not violate the provisions of 18 U.S.C. § 1033(c).

(Added to NRS by [2015, 1200](#))

**NRS 683A.3687 Compensation of travel retailer by producer of limited lines travel insurance; limitations.**

1. A travel retailer, or any employee or authorized representative of a travel retailer, who is listed in the register of a producer of limited lines travel insurance as being authorized to offer and disseminate travel insurance pursuant to [NRS 683A.3685](#) may receive from the producer of limited lines travel insurance compensation related to the offering and disseminating of travel insurance.

2. A travel retailer, or employee or authorized representative of a travel retailer, who does not hold a valid license as a producer of insurance or a producer of limited lines travel insurance pursuant to this chapter shall not receive any compensation for the performance of any insurance related activity or service, other than the offering and disseminating of travel insurance as authorized pursuant to subsection 1.

(Added to NRS by [2015, 1201](#))

**NRS 683A.369 Travel retailers: Authorized scope of activities.**

1. A travel retailer may offer and disseminate policies of travel insurance on behalf of and within the scope of a license issued pursuant to [NRS 683A.265](#) under the following conditions:

(a) The producer of limited lines travel insurance or travel retailer provides to a purchaser or prospective purchaser of travel insurance:

(1) A description of the material terms, or the actual material terms, of the insurance coverage;

(2) A description of the process for filing a claim;

(3) A description of the review or cancellation process for the policy of travel insurance; and

(4) The identity and contact information of the insurer and the producer of limited lines travel insurance;

(b) The travel retailer is included in the register maintained by the producer of limited lines travel insurance pursuant to [NRS 683A.3685](#);

(c) The producer of limited lines travel insurance has designated one of its employees who is licensed as a producer of insurance pursuant to this chapter to be responsible for compliance with the provisions of this title and any rules or regulations adopted pursuant thereto;

(d) The person designated pursuant to paragraph (c) and the officers of the producer of limited lines travel insurance, or any person who directs or controls the insurance operations of the producer of limited lines travel insurance, are in compliance with the provisions of this title and the laws, rules and regulations governing the provision and sale of insurance in any other state in which the producer of limited lines travel insurance is a resident or conducts insurance operations;

(e) The producer of limited lines travel insurance has paid all applicable licensing fees in accordance with the provisions of this chapter; and

(f) The producer of limited lines travel insurance requires each employee and authorized representative of the travel retailer whose duties include offering and disseminating travel insurance to receive a program of instruction or training approved by the Commissioner. The training material provided as part of such a program must, at a minimum, contain instructions on the types of insurance offered, ethical sales practices and required disclosures to prospective purchasers.

2. Travel insurance may be provided as an individual policy or under a group or master policy.

(Added to NRS by [2015, 1199](#))

**NRS 683A.3693 Travel retailers: Prohibited activities.** Any travel retailer, or an employee or authorized representative of the travel retailer, who does not hold a valid license as a producer of insurance pursuant to this chapter shall not:

1. Evaluate or interpret the technical terms, benefits and conditions of an offered travel insurance policy;
2. Evaluate, provide advice or render an opinion concerning a prospective purchaser's existing insurance coverage or whether such insurance provides adequate coverage for travel related risks; or
3. Hold himself or herself out as a licensed insurer, licensed producer of insurance or insurance expert.

(Added to NRS by [2015, 1200](#))

**NRS 683A.3695 Travel retailers: Required written disclosures.** A travel retailer offering or disseminating travel insurance shall make available to prospective purchasers a brochure or other written material that:

1. Provides the identity and contact information of the insurer and the producer of limited lines travel insurance;
2. Explains that the purchase of travel insurance may not be required to purchase any other product or service from the travel retailer; and

3. Discloses that a travel retailer may provide general information about the insurance offered by the travel retailer, including a description of the coverage and the price, but is not qualified or authorized to answer technical questions about the terms and conditions of the insurance offered by the travel retailer or to evaluate the adequacy of any existing travel insurance the prospective purchaser may have.

(Added to NRS by [2015, 1200](#))

**NRS 683A.370 Use and licensing of vending machines to solicit for and issue personal travel accident insurance policies.**

1. A licensed producer of insurance or insurer may solicit for and issue personal travel accident insurance policies by means of mechanical vending machines supervised by the producer and placed at airports and similar places of convenience to the traveling public, if the Commissioner finds that:

(a) The policy provides reasonable coverage and benefits, is suitable for sale and issuance by vending machine, and that use of such a machine in a proposed location would be of material convenience to the public;

(b) The type of machine proposed to be used is reasonably suitable for the purpose;

(c) Reasonable means are provided for informing prospective purchasers of policy coverages and restrictions;

(d) Reasonable means are provided for the refund of money inserted in defective machines and for which insurance so paid for is not received; and

(e) The cost of maintaining such a machine at a particular location is reasonable in amount.

2. For each machine to be used, the Commissioner shall issue to the producer upon the producer's application a special vending machine license. The license is subject to annual continuation, to expiration, suspension or revocation coincidentally with that of the producer. The Commissioner shall also revoke the license of any machine as to which the Commissioner finds that the license qualifications no longer exist. Proof of the existence of a subsisting license must be displayed on or about each machine in use in such manner as the Commissioner reasonably requires.

(Added to NRS by [1971, 1652](#); A [2001, 2206](#))

## INDEPENDENT REVIEW ORGANIZATIONS

**NRS 683A.3715 Approval to conduct external reviews: Application; fee; termination of approval; list.**

1. An independent review organization must be approved by the Commissioner to be eligible to be assigned to conduct external reviews.

2. In order to be eligible for approval or reapproval by the Commissioner to conduct external reviews, an independent review organization:

(a) Except as otherwise provided in this section, must be accredited by a nationally recognized private accrediting entity which the Commissioner has determined has standards for the accreditation of independent review organizations

that are equivalent to or exceed the minimum qualifications for independent review organizations established under [NRS 683A.372](#); and

(b) Must submit an application in accordance with subsection 4.

3. The Commissioner shall develop an application form for the initial approval and reapproval of an independent review organization to conduct external reviews.

4. An independent review organization wishing to be approved or reapproved to conduct external reviews must submit the application form and include with the form all documentation and information necessary for the Commissioner to determine if the independent review organization satisfies the minimum qualifications established under [NRS 683A.372](#).

5. The Commissioner may approve an independent review organization that is not accredited by a nationally recognized private accrediting entity if there are no acceptable nationally recognized private accrediting entities providing accreditation of independent review organizations.

6. The Commissioner may charge any applicable fee which an independent review organization must submit to the Commissioner with its application for initial approval or reapproval.

7. An approval or reapproval is effective for 2 years unless the Commissioner determines before its expiration that the independent review organization does not satisfy the minimum qualifications established under [NRS 683A.372](#).

8. Whenever the Commissioner determines that an independent review organization has lost its accreditation or no longer satisfies the minimum requirements established under [NRS 683A.372](#), the Commissioner shall terminate the approval of the independent review organization and remove the independent review organization from the list of independent review organizations approved to conduct external reviews that is maintained by the Commissioner pursuant to subsection 9.

9. The Commissioner shall maintain and periodically update a list of approved independent review organizations.

10. The Commissioner may adopt regulations to carry out the provisions of this section.

11. As used in this section, "independent review organization" has the meaning ascribed to it in [NRS 695G.026](#).

(Added to NRS by [2011, 3353](#))

**NRS 683A.372 Approval to conduct external reviews: Minimum qualifications; conflicts of interest.**

1. To be approved under [NRS 683A.3715](#) to conduct external reviews, an independent review organization shall have and maintain written policies and procedures that govern all aspects of both the standard external review process and the expedited external review process which include, without limitation:

(a) A quality assurance mechanism which ensures:

(1) That an external review is conducted within the specified time frames and required notices are provided in a timely manner;

(2) The selection of qualified and impartial clinical reviewers to conduct external reviews on behalf of the independent review organization, suitable matching of reviewers to specific cases and that the independent review organization employs or contracts with an adequate number of clinical reviewers to meet this requirement;

(3) The confidentiality of medical and treatment records and clinical review criteria; and

(4) That a person employed by or under contract with the independent review organization adheres to the requirements of the external review process;

(b) A toll-free telephone service that is capable of accepting, recording or providing appropriate instruction relating to external reviews to incoming telephone callers 24 hours a day, 7 days a week; and

(c) An agreement to maintain and provide to the Office for Consumer Health Assistance the information required pursuant to [NRS 695G.303](#).

2. A clinical reviewer assigned by an independent review organization to conduct an external review must be a physician or other appropriate health care provider who must:

(a) Be an expert in the treatment of the covered person's medical condition that is the subject of the external review;

(b) Be knowledgeable about the recommended health care service or treatment through recent or current actual clinical experience treating patients with the same or similar medical condition as the covered person;

(c) Hold a nonrestricted license in a state or territory of the United States and, if a physician, hold a current certification by a specialty board of the American Board of Medical Specialties in the area or areas appropriate to the subject of the external review; and

(d) Have no history of disciplinary actions or sanctions, including loss of staff privileges or participation restrictions, that have been taken or are pending by any hospital, governmental agency or unit, or regulatory body that

raise a substantial question as to the clinical reviewer's physical, mental or professional competence or moral character.

3. In addition to the requirements set forth in subsection 1, an independent review organization may not own or control, be a subsidiary of or in any way be owned or controlled by, or exercise control with a health benefit plan, a national, state or local trade association of health benefit plans, or a national, state or local trade association of health care providers.

4. In addition to the requirements set forth in subsections 1, 2 and 3, to be approved pursuant to [NRS 683A.3715](#) to conduct an external review of a specific case, neither the independent review organization selected to conduct the external review nor a clinical reviewer assigned by the independent review organization to conduct the external review may have a material professional, familial or financial conflict of interest with any of the following:

- (a) The health carrier that is the subject of the external review;
- (b) The covered person whose treatment is the subject of the external review or the covered person's authorized representative;
- (c) Any officer, director or management employee of the health carrier that is the subject of the external review;
- (d) The health care provider, the health care provider's medical group or independent practice association recommending the health care service or treatment that is the subject of the external review;
- (e) The facility at which the recommended health care service or treatment would be provided; or
- (f) The developer or manufacturer of the principal drug, device, procedure or other therapy being recommended for the covered person whose treatment is the subject of the external review.

5. In determining whether an independent review organization or a clinical reviewer of the independent review organization has a material professional, familial or financial conflict of interest for purposes of subsection 4, the Office for Consumer Health Assistance shall take into consideration situations where the independent review organization to be assigned to conduct an external review of a specific case or a clinical reviewer to be assigned by the independent review organization to conduct an external review of a specific case may have an apparent professional, familial or financial relationship or connection with a person described in subsection 4, but that the characteristics of that relationship or connection are such that they are not a material professional, familial or financial conflict of interest that results in the disapproval of the independent review organization or the clinical reviewer from conducting the external review.

6. The Commissioner shall initially review and periodically review the standards of a nationally recognized private accrediting entity for accreditation of independent review organizations to determine whether the entity's standards are equivalent to or exceed the minimum qualifications established in this section. The Commissioner may accept a review conducted by the National Association of Insurance Commissioners for the purpose of the determination under this subsection and subsection 7.

7. Upon request, a nationally recognized private accrediting entity shall make its current standards for the accreditation of independent review organizations available to the Commissioner or to the National Association of Insurance Commissioners in order for the Commissioner to determine if the entity's standards are equivalent to or exceed the minimum qualifications established in this section. The Commissioner may exclude any private accrediting entity that is not reviewed by the National Association of Insurance Commissioners.

8. An independent review organization must be unbiased. An independent review organization shall establish and maintain written procedures to ensure that it is unbiased in addition to any other procedures required under this section.

9. As used in this section, the words and terms defined in [NRS 695G.012](#) to [695G.085](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by [2011, 3354](#))

**NRS 683A.373 Submission of annual list to Office for Consumer Health Assistance.** As soon as practicable after preparing an annual list of independent review organizations pursuant to subsection 9 of [NRS 683A.3715](#), the Commissioner shall submit a copy of the list to the Office for Consumer Health Assistance. If a change occurs in the list, the Commissioner shall notify the Office for Consumer Health Assistance of the change.

(Added to NRS by [2003, 774](#); A [2011, 3362](#))

#### AGENTS WHO PERFORM UTILIZATION REVIEW

**NRS 683A.375 Purposes.** The purposes of [NRS 683A.375](#) to [683A.379](#), inclusive, are to:

1. Promote the delivery of health care of high quality in a manner that limits the cost of such care; and
2. Foster greater cooperation between providers of health care and agents who perform utilization review.



(Added to NRS by [1991, 802](#))

**NRS 683A.376 Definitions.** As used in [NRS 683A.375](#) to [683A.379](#), inclusive:

1. “Agent who performs utilization review” includes any person who performs such review except a person acting on behalf of the Federal Government, but only to the extent that the person provides the service for the Federal Government or an agency thereof.

2. “Insured” means a natural person who has contracted for or participates in coverage under a policy of insurance, a contract with a health maintenance organization, a plan for hospital, medical or dental services or any other program providing payment, reimbursement or indemnification for the costs of health care for the natural person, his or her dependents, or both.

3. “Utilization review” means a system that provides, at a minimum, for review of the necessity and appropriateness of the allocation of health care resources and services provided or proposed to be provided to an insured or to any person claiming benefits against a policy of the insured. The term does not include responding to requests made by an insured for clarification of his or her coverage.

(Added to NRS by [1991, 802](#); A [2001, 2207](#))

**NRS 683A.377 Applicability.** The provisions of [NRS 683A.375](#) to [683A.379](#), inclusive, do not apply to:

1. An authorized insurer;
2. A fraternal benefit society that is certified pursuant to [chapter 695A](#) of NRS;
3. A nonprofit corporation for hospital, medical or dental services that is certified pursuant to [chapter 695B](#) of NRS;
4. A health maintenance organization that is certified pursuant to [chapter 695C](#) of NRS; or
5. An organization for dental care that is certified pursuant to [chapter 695D](#) of NRS,  
↳ which performs its own utilization review. This section does not limit the applicability of [NRS 683A.375](#) to [683A.379](#), inclusive, to affiliates and subsidiaries of such entities or to contracts between such entities and independent agents who perform utilization review.

(Added to NRS by [1991, 802](#))

**NRS 683A.378 Prerequisites to conducting utilization review; registration of agent; plan for utilization review; agent to report changes.**

1. A person shall not conduct utilization review unless the person is:
  - (a) Registered with the Commissioner as an agent who performs utilization review and has a medical director who is a physician or, in the case of an agent who reviews dental services, a dentist, licensed in any state; or
  - (b) Employed by a registered agent who performs utilization review.
2. A person may apply for registration by filing with the Commissioner a \$250 fee and, in addition to any other fee or charge, all applicable fees required pursuant to [NRS 680C.110](#) and the following information on a form provided by the Commissioner:
  - (a) The applicant’s name, address, telephone number, valid electronic mail address and normal business hours;
  - (b) The name and telephone number of a person the Commissioner may contact for information concerning the applicant;
  - (c) The name of the medical director of the applicant and the state in which he or she is licensed to practice medicine or dentistry; and
  - (d) A summary of the plan for utilization review, including procedures for appealing determinations made through utilization review.
3. An agent who performs utilization review shall file with the Commissioner any material changes in the information provided pursuant to subsection 1 within 30 days after the change occurs.
4. The Commissioner shall not evaluate the plan submitted pursuant to paragraph (d) of subsection 2. The Commissioner shall make the plan available upon request and shall charge a reasonable fee for providing a copy of the plan.
5. Registration pursuant to this section must be renewed on or before March 1 of each year by providing the information specified in subsection 2 and paying a renewal fee of \$250 and, in addition to any other fee or charge, all applicable fees required pursuant to [NRS 680C.110](#).

(Added to NRS by [1991, 802](#); A [2009, 1776](#); [2015, 3469](#))

**NRS 683A.379 Penalty.** A person who violates any provision of [NRS 683A.375](#) to [683A.378](#), inclusive, shall be punished by a fine of not more than \$1,000.

(Added to NRS by [1991, 803](#))

## MISCELLANEOUS PROVISIONS

**NRS 683A.383 Payment of child support: Statement by applicant for certificate of registration or license; grounds for denial of certificate of registration or license; duty of Commissioner. [Effective until the date of the repeal of 42 U.S.C. § 666, the federal law requiring each state to establish procedures for withholding, suspending and restricting the professional, occupational and recreational licenses for child support arrearages and for noncompliance with certain processes relating to paternity or child support proceedings.]**

1. A natural person who applies for the issuance or renewal of a certificate of registration as an administrator or a license as a producer of insurance or managing general agent shall submit to the Commissioner the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to [NRS 425.520](#). The statement must be completed and signed by the applicant.

2. The Commissioner shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the certificate of registration or license; or

(b) A separate form prescribed by the Commissioner.

3. A certificate of registration as an administrator or a license as a producer of insurance or managing general agent may not be issued or renewed by the Commissioner if the applicant is a natural person who:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that he or she is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Commissioner shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

(Added to NRS by [1997, 2186](#); A [2001, 2207](#))

**NRS 683A.385 Suspension of certificate of registration or license for failure to pay child support or comply with certain subpoenas or warrants; reinstatement of certificate of registration or license. [Effective until the date of the repeal of 42 U.S.C. § 666, the federal law requiring each state to establish procedures for withholding, suspending and restricting the professional, occupational and recreational licenses for child support arrearages and for noncompliance with certain processes relating to paternity or child support proceedings.]**

1. If the Commissioner receives a copy of a court order issued pursuant to [NRS 425.540](#) that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is the holder of a certificate of registration as an administrator or a license as a producer of insurance or managing general agent, the Commissioner shall suspend the certificate of registration or license issued to that person at the end of the 30th day after the date on which the court order was issued unless the Commissioner receives a letter issued to the holder of the certificate of registration or license by the district attorney or other public agency pursuant to [NRS 425.550](#) stating that the holder of the certificate of registration or license has complied with the subpoena or warrant or has satisfied the arrearage pursuant to [NRS 425.560](#).

2. The Commissioner shall reinstate a certificate of registration as an administrator or a license as a producer of insurance or managing general agent that has been suspended by a district court pursuant to [NRS 425.540](#) if the Commissioner receives a letter issued by the district attorney or other public agency pursuant to [NRS 425.550](#) to the person whose certificate of registration or license was suspended stating that the person whose certificate of registration or license was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to [NRS 425.560](#).

(Added to NRS by [1997, 2187](#); A [2001, 2208](#))

**NRS 683A.387 Application for certificate of registration or license to include social security number of applicant. [Effective until the date of the repeal of 42 U.S.C. § 666, the federal law requiring each state to establish procedures for withholding, suspending and restricting the professional, occupational and recreational licenses for child support arrearages and for noncompliance with certain processes relating to**

**paternity or child support proceedings.]** The application of a natural person who applies for the issuance of a certificate of registration as an administrator or a license as a producer of insurance or managing general agent must include the social security number of the applicant.

(Added to NRS by [1997, 2188](#); A [2001, 2208](#))

**NRS 683A.400 Money received and held in fiduciary capacity by producer of insurance, surplus lines broker, motor club agent or bail agent.**

1. All money of others received by any person in any way licensed or acting as a producer of insurance, surplus lines broker, motor club agent or bail agent under any insurance policy or undertaking of bail is received and held by the person in a fiduciary capacity. Any such person who diverts or appropriates such fiduciary money to his or her own use is guilty of embezzlement.

2. Each such person who does not make immediate remittance of the money to the insurer or other person entitled thereto, shall elect and follow with respect to money received for the account of a particular insurer or person either of the following methods:

(a) Remit received premiums, less applicable commissions, if any, and return premiums to the insurer or other person entitled thereto within 15 days after receipt; or

(b) Establish and maintain in a commercial bank, credit union or other established financial institution depository in this state one or more accounts, separate from accounts holding his or her general personal, firm or corporate money, and forthwith deposit and retain in the accounts pending transmittal to the insurer or other person entitled thereto, all such premiums, net of applicable commissions, if any, and return premiums. Money belonging to more than one principal may be so deposited and held in the same such account if the amount so held for each principal is readily ascertainable from the records of the depositor. The depositor may commingle with such fiduciary money in a particular account such additional money as the depositor may deem prudent to advance premiums, establish reserves for the payment of return commissions, or for other contingencies arising in his or her business of receiving and transmitting premiums or return premiums.

3. Such a person may commingle with his or her own money to an unlimited amount money of a particular principal if the principal in writing in advance has specifically waived the segregation requirements of subsection 2.

4. Any commingling of money with money of any such person permitted under this section does not alter the fiduciary capacity of that person with respect to the money of others.

(Added to NRS by [1971, 1653](#); A [1997, 3378](#); [1999, 1550](#); [2001, 2209](#))

**NRS 683A.405 Submission of schedule of payments to provider of health care by administrator, managing general agent, producer of insurance or certain entities acting as administrator.** If an administrator, managing general agent or producer of insurance, or a health maintenance organization when acting as an administrator pursuant to [NRS 683A.0851](#) or a nonprofit corporation for hospital or medical services when acting as an administrator pursuant to [NRS 683A.0852](#), contracts with a provider of health care to provide health care to an insured pursuant to this chapter, the administrator, managing general agent, producer of insurance, health maintenance organization or nonprofit corporation for hospital or medical services shall:

1. If requested by the provider of health care at the time the contract is made, submit to the provider of health care a copy of the schedule of payments applicable to the provider of health care; or

2. If requested by the provider of health care at any other time, submit to the provider of health care the schedule of payments specified in subsection 1 within 7 days after receiving the request.

(Added to NRS by [2003, 3350](#))

## DISCIPLINARY ACTION

**NRS 683A.451 Authority of Commissioner; grounds for action.** The Commissioner may refuse to issue a license or certificate pursuant to this chapter or may place any person to whom a license or certificate is issued pursuant to this chapter on probation, suspend the person for not more than 12 months, or revoke or refuse to renew his or her license or certificate, or may impose an administrative fine or take any combination of the foregoing actions, for one or more of the following causes:

1. Providing incorrect, misleading, incomplete or partially untrue information in his or her application for a license.

2. Violating a law regulating insurance, or violating a regulation, order or subpoena of the Commissioner or an equivalent officer of another state.

3. Obtaining or attempting to obtain a license through misrepresentation or fraud.

4. Misappropriating, converting or improperly withholding money or property received in the course of the business of insurance.
  5. Intentionally misrepresenting the terms of an actual or proposed contract of or application for insurance.
  6. Conviction of a felony or a crime which involves theft, fraud, dishonesty or moral turpitude.
  7. Admitting or being found to have committed an unfair trade practice or fraud.
  8. Using fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business, or otherwise, in this State or elsewhere.
  9. Denial, suspension or revocation of a license as a producer of insurance, or its equivalent, in any other state, territory or province.
  10. Forging another's name to an application for insurance or any other document relating to the transaction of insurance.
  11. Improperly using notes or other reference material to complete an examination for a license related to insurance.
  12. Knowingly accepting business related to insurance from an unlicensed person.
  13. Failing to comply with an administrative or judicial order imposing an obligation of child support.
  14. Failing to pay a tax as required by law.
- (Added to NRS by [2001, 2197](#); A [2005, 1784](#); [2015, 2950, 3470](#))

**NRS 683A.461 Denial, suspension or revocation of license; administrative fines; authority of Commissioner after surrender or lapse of license or registration.**

1. If the Commissioner denies an application for, or refuses to renew, a license, the Commissioner shall notify the applicant or licensee and state in writing the reason for the denial or refusal. The applicant or licensee may apply in writing, pursuant to [NRS 679B.310](#), for a hearing before the Commissioner to determine the reasonableness of the denial or refusal. The hearing must be held within 30 days and conducted pursuant to [NRS 679B.330](#). The applicant or licensee may waive the requirement to hold the hearing within 30 days, in writing, before a hearing is held.
2. The Commissioner may suspend, revoke or refuse to renew the license of a business organization if the Commissioner finds, after hearing, that a violation by a natural person was known or should have been known by one or more of the partners, officers or managers acting on behalf of the organization, the violation was not reported to the Commissioner and no corrective action was taken.
3. In addition to or in lieu of a denial, suspension or revocation of, or refusal to renew, a license, an administrative fine of not less than \$25 nor more than \$500 may be imposed for each violation or act. An order imposing a fine must specify the date, not less than 15 days nor more than 30 days after the date of the order, before which the fine must be paid. If the fine is not paid when due, the Commissioner shall immediately revoke the license of a licensee and the fine must be recovered in a civil action brought on behalf of the Commissioner by the Attorney General. The Commissioner shall immediately deposit all such fines collected with the State Treasurer for credit to the State General Fund.
4. The Commissioner retains the authority to enforce the provisions of, and impose any penalty or pursue any remedy authorized by, this title against any person who is under investigation for or charged with a violation of a provision of this title even if the license or registration of the person has been surrendered or has lapsed by operation of law.
5. A licensee must pay all applicable fees, including renewal fees, and maintain any required education during a period of suspension of his or her license.

(Added to NRS by [2001, 2198](#))

**NRS 683A.480 Return of license to Commissioner.**

1. All licenses issued under this Code, although issued and delivered to the licensee or the employer of the licensee, shall at all times be the property of the State of Nevada. Upon any expiration, termination, suspension or revocation of the license, the licensee or other person having possession or custody of the license shall forthwith deliver it to the Commissioner.
2. As to any license lost, stolen or destroyed while in the possession of any such licensee or person, the Commissioner may accept in lieu of the return of the license, the affidavit of the licensee or other person responsible for or involved in the safekeeping of the license, concerning the facts of such loss, theft or destruction.

(Added to NRS by [1971, 1657](#))

**NRS 683A.490 Notice to district attorney of violation; penalty for violation of provision of chapter.**

1. The Commissioner may inform the appropriate district attorney of any violation of any provision of this chapter.

2. In addition to any other penalty provided in this chapter any person violating any provision of this chapter is guilty of a misdemeanor.

(Added to NRS by [1971, 1658](#))

**NRS 683A.500 Insurer prohibited from permitting person whose license has been revoked or suspended to transact insurance.** A person licensed to transact insurance in this state shall not knowingly permit any other person whose license to transact insurance in this state has been revoked or suspended to transact insurance or in any manner participate in the transaction of insurance in this state.

(Added to NRS by [1997, 3024](#))

**NRS 683A.510 Failure of insurer or its authorized agent to report certain information regarding producer of insurance; report of such information with actual malice.** An insurer or its authorized representative who fails to report as required by [NRS 683A.331](#) or is found by a court of competent jurisdiction to have reported with actual malice is subject to the suspension or revocation of its license, after notice and hearing, and may be further punished by a fine under [NRS 679A.180](#).

(Added to NRS by [2001, 2200](#))

**NRS 683A.520 Failure of producer of insurance or surplus lines broker to remit premiums: Notice; suspension of license.**

1. If within 30 days after the contractual due date of any premium received by a producer of insurance or a surplus lines broker, the producer of insurance or surplus lines broker fails to remit the premium to the insurer or agency to whom it is owing, the insurer or agency, as the case may be, shall promptly report the failure to the Commissioner in writing.

2. The Commissioner may suspend the licenses of the producer or surplus lines broker so failing to remit, until the remittance has been made or the insurer or agency has filed with the Commissioner a release of the indebtedness satisfactory to the Commissioner.

3. The applicable procedures provided for in [NRS 683A.461](#) apply to suspensions of license under this section.

4. If the Commissioner, by the admission of the producer or surplus lines broker, or by examination of the records of the producer or surplus lines broker, determines that the charged failure to remit is true, the Commissioner may suspend the license without hearing.

(Added to NRS by [1971, 1654](#); A [2001, 2209](#))