

CHAPTER.....

AN ACT relating to insurance; providing that certain owners of corporations and companies may elect to reject coverage for themselves for industrial insurance and occupational diseases under certain circumstances; clarifying that a sole proprietor is not required to obtain industrial insurance or coverage for occupational diseases before performing work under a contract with the state or a political subdivision of the state or a metropolitan police department under certain circumstances; clarifying that the state or a political subdivision of the state or a metropolitan police department is not an employer of and is not liable to a sole proprietor or his employees under certain circumstances; and providing other matters properly relating thereto.

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

**Section 1.** NRS 616A.230 is hereby amended to read as follows:

616A.230 “Employer” means:

1. ~~The~~ *Except as otherwise provided in subsection 4 of NRS 616B.627, the* state, and each county, city, school district, and all public and quasi-public corporations therein without regard to the number of persons employed.
2. Every person, firm, voluntary association ~~H~~ and private corporation, including any public service corporation, which has in service any person under a contract of hire.
3. The legal representative of any deceased employer.
4. The Nevada rural housing authority.
5. An owner or principal contractor who establishes and administers a consolidated insurance program pursuant to NRS 616B.710, with respect to the employees covered under that consolidated insurance program.

**Sec. 2.** NRS 616B.618 is hereby amended to read as follows:

616B.618 ~~Where~~ *Except as otherwise provided in subsection 4 of NRS 616B.627, when* the state or a county, city, school district, metropolitan police department, or other political subdivision, or a contractor under such a governmental entity is the employer, the provisions of chapters 616A to 616D, inclusive, of NRS for the payment of compensation and the amount thereof for any injury sustained by an employee are conclusive, compulsory and obligatory upon both employer and employee without regard to the number of persons in the service of any such employer.

**Sec. 3.** NRS 616B.624 is hereby amended to read as follows:

616B.624 1. If a quasi-public or private corporation or a limited-liability company is required to be insured pursuant to chapters 616A to 616D, inclusive, of NRS, an officer of the corporation or a manager of the company who:

(a) Receives pay for services performed as an officer, manager or employee of the corporation or company shall be deemed for the purposes of those chapters to receive a minimum pay of \$6,000 per year the policy of industrial insurance for the employer is effective and a maximum pay of \$36,000 per year the policy of industrial insurance is effective.

(b) Does not receive pay for services performed as an officer, manager or employee of the corporation or company shall be deemed for the

purposes of those chapters to receive a minimum pay of \$500 per month or \$6,000 per year the policy of industrial insurance is effective.

2. An officer or manager who does not receive pay for services performed as an officer, manager or employee of the corporation or company may elect to reject coverage *for himself* by filing written notice thereof with the corporation or company and the insurer. The rejection is effective upon receipt of the notice by the insurer.

3. *An officer or manager of such a corporation or company who:*

*(a) Owns the corporation or company;*

*(b) Operates the corporation or company exclusively from his primary residence; and*

*(c) Receives pay for the services performed, may elect to reject coverage for himself by filing written notice thereof with the insurer. The rejection is effective upon receipt of the notice by the insurer.*

4. An officer or manager who has rejected coverage may rescind that rejection by filing written notice thereof with the corporation or company and the insurer. The rescission is effective upon receipt of the notice by the insurer. ~~HH~~ *Except as otherwise provided in subsection 3, if* an officer or manager who has rejected coverage receives pay for services performed as an officer, manager or employee of the corporation or company, the officer or manager shall be deemed to have rescinded that rejection.

~~I4-I~~ 5. A nonprofit corporation whose officers do not receive pay for services performed as officers or employees of the corporation may elect to reject coverage for its current officers and all future officers who do not receive such pay by filing written notice thereof with the corporation and the insurer. The rejection is effective upon receipt of the notice by the insurer.

~~I5-I~~ 6. A nonprofit corporation which has rejected coverage for its officers who do not receive pay for services performed as officers or employees of the corporation may rescind that rejection by filing written notice thereof with the corporation and the insurer. The rescission is effective upon receipt of the notice by the insurer. If an officer of a nonprofit corporation which has rejected coverage receives pay for services performed as an officer or employee of the corporation, the corporation shall be deemed to have rescinded that rejection.

Sec. 4. NRS 616B.627 is hereby amended to read as follows:

616B.627 ~~IBeforeI~~

1. *Except as otherwise provided in this section, before* any person, firm or corporation commences work under any contract with the state or any political subdivision thereof, or a metropolitan police department, the contractor shall furnish to the state agency, political subdivision or metropolitan police department having charge of the letting of the contract a certificate of the insurer certifying that the contractor has complied with the provisions of chapters 616A to 616D, inclusive, of NRS. A *state agency*, political subdivision or metropolitan police department ~~Ishall notI~~ *may* furnish coverage for industrial insurance for a contractor ~~Iexcept as otherwise agreedI as specified~~ in the contract.

2. *In lieu of furnishing a certificate of an insurer pursuant to the provisions of subsection 1, a sole proprietor who does not use the services*

*of his employees, if any, in the performance of a contract with the state or any political subdivision thereof, or a metropolitan police department, may submit to a state agency, political subdivision or metropolitan police department specified in subsection 1 an affidavit indicating that the sole proprietor:*

*(a) In accordance with the provisions of NRS 616B.659, has not elected to be included within the terms, conditions and provisions of chapters 616A to 616D, inclusive, of NRS; and*

*(b) Is otherwise in compliance with those terms, conditions and provisions.*

*3. If a sole proprietor submits an affidavit specified in subsection 2 to a state agency, political subdivision or metropolitan police department specified in subsection 1, the state agency, political subdivision or metropolitan police department shall not require the sole proprietor to obtain industrial insurance for himself during any period in which he performs work under the contract for which he submitted the affidavit.*

*4. A state agency, political subdivision or metropolitan police department that lets a contract to a sole proprietor in accordance with this section:*

*(a) Must not, for any purpose, be considered to be the employer of the sole proprietor or his employees, if any; and*

*(b) Is not liable as a principal contractor to the sole proprietor or his employees, if any, for any compensation or other damages as a result of an industrial injury or occupational disease incurred in the performance of the contract.*

**Sec. 5.** NRS 617.110 is hereby amended to read as follows:

617.110 "Employer" means:

1. ~~The~~ *Except as otherwise provided in subsection 4 of NRS 617.210, the* state and each county, city, school district, and all public and quasi-public corporations therein, without regard to the number of persons employed.

2. Every person, firm, voluntary association ~~and~~ and private corporation, including any public service corporation, which has in service any employee under a contract of hire.

3. The legal representative of any deceased employer.

4. The Nevada rural housing authority.

**Sec. 6.** NRS 617.207 is hereby amended to read as follows:

617.207 1. If a quasi-public or private corporation or limited-liability company is required to be insured pursuant to this chapter, an officer of the corporation or a manager of the company who:

(a) Receives pay for service performed shall be deemed for the purposes of this chapter to receive a minimum pay of \$6,000 per year the policy of industrial insurance for the employer is effective and a maximum pay of \$36,000 per year the policy of industrial insurance is effective.

(b) Does not receive pay for services performed shall be deemed for the purposes of this chapter to receive a minimum pay of \$500 per month or \$6,000 per year the policy of industrial insurance is effective.

2. An officer or manager who does not receive pay for services performed may elect to reject coverage *for himself* by filing written notice

thereof with the corporation or company and the insurer. The rejection is effective upon receipt of the notice by the insurer.

3. *An officer or manager of such a corporation or company who:*

(a) *Owens the corporation or company;*

(b) *Operates the corporation or company exclusively from his primary residence; and*

(c) *Receives pay for the services performed, may elect to reject coverage for himself by filing written notice thereof with the insurer. The rejection is effective upon receipt of the notice by the insurer.*

4. An officer or manager who has rejected coverage may rescind that rejection by filing written notice thereof with the corporation or company and the insurer. The rescission is effective upon receipt of the notice by the insurer.

**Sec. 7.** NRS 617.210 is hereby amended to read as follows:

617.210 ~~Before~~

1. *Except as otherwise provided in this section, before* any person, firm or corporation commences work under any contract with the state or any political subdivision thereof, *or a metropolitan police department*, the contractor shall furnish to the state agency, political subdivision or metropolitan police department having charge of the letting of the contract a certificate of the insurer certifying that the contractor has complied with the provisions of this chapter. A *state agency*, political subdivision ~~shall not~~ *or metropolitan police department may* furnish coverage under this chapter for a contractor ~~except as otherwise agreed~~ *as specified* in the contract.

2. *In lieu of furnishing a certificate of an insurer pursuant to the provisions of subsection 1, a sole proprietor who does not use the services of his employees, if any, in the performance of a contract with the state or any political subdivision thereof, or a metropolitan police department, may submit to a state agency, political subdivision or metropolitan police department an affidavit indicating that the sole proprietor:*

(a) *In accordance with the provisions of NRS 617.225, has not elected to be included within the terms, conditions and provisions of this chapter; and*

(b) *Is otherwise in compliance with those terms, conditions and provisions.*

3. *If a sole proprietor submits an affidavit specified in subsection 2 to a state agency, political subdivision or metropolitan police department specified in subsection 1, the state agency, political subdivision or metropolitan police department shall not require the sole proprietor to obtain coverage for himself under this chapter during any period in which he performs work under the contract for which he submitted the affidavit.*

4. *A state agency, political subdivision or metropolitan police department that lets a contract to a sole proprietor pursuant to subsection 1:*

(a) *Shall be deemed not to be the employer of the sole proprietor or his employees, if any; and*

*(b) Is not liable as a principal contractor to the sole proprietor or his employees, if any, for any compensation or other damages as a result of an industrial injury or occupational disease incurred in the performance of the contract.*

**Sec. 8.** This act becomes effective on July 1, 2001.