

ASSEMBLY BILL NO. 309—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF DEPARTMENT OF BUSINESS AND
INDUSTRY—DIVISION OF INDUSTRIAL RELATIONS)

MARCH 8, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Repeals provisions that require commissioner of insurance to assign actuary to review establishment of certain rates of assessment. (BDR 53-555)

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

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

AN ACT relating to industrial insurance; repealing the provisions that require the commissioner of insurance to assign an actuary to review the establishment of certain rates of assessment; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 616A.425 is hereby amended to read as follows:
2 616A.425 1. There is hereby established in the state treasury the fund
3 for workers' compensation and safety as a special revenue fund. All money
4 received from assessments levied on insurers and employers by the
5 administrator pursuant to NRS 232.680 must be deposited in this fund.
6 2. All assessments, penalties, bonds, securities and all other properties
7 received, collected or acquired by the division for functions supported in
8 whole or in part from the fund must be delivered to the custody of the state
9 treasurer for deposit to the credit of the fund.
10 3. All money and securities in the fund must be used to defray all costs
11 and expenses of administering the program of workmen's compensation,
12 including the payment of:
13 (a) All salaries and other expenses in administering the division , ~~of~~
14 ~~industrial relations,~~ including the costs of the office and staff of the
15 administrator.
16 (b) All salaries and other expenses of administering NRS 616A.435 to
17 616A.460, inclusive, the offices of the hearings division of the department
18 of administration and the programs of self-insurance and review of
19 premium rates by the commissioner.



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1 (c) The salary and other expenses of a full-time employee of the
2 legislative counsel bureau whose principal duties are limited to conducting
3 research and reviewing and evaluating data related to industrial insurance.

4 (d) All salaries and other expenses of the fraud control unit for
5 industrial insurance established pursuant to NRS 228.420.

6 (e) Claims against uninsured employers arising from compliance with
7 NRS 616C.220 and 617.401.

8 (f) All salaries and expenses of the members of the legislative
9 committee on workers' compensation and any other expenses incurred by
10 the committee in carrying out its duties pursuant to NRS 218.5375 to
11 218.5378, inclusive.

12 (g) That portion of the salaries and other expenses of the office for
13 consumer health assistance established pursuant to NRS 223.550 that is
14 related to providing assistance to consumers and injured employees
15 concerning workers' compensation.

16 4. The state treasurer may disburse money from the fund only upon
17 written order of the controller.

18 5. The state treasurer shall invest money of the fund in the same
19 manner and in the same securities in which he is authorized to invest state
20 general funds which are in his custody. Income realized from the
21 investment of the assets of the fund must be credited to the fund.

22 ~~{6. The commissioner shall assign an actuary to review the~~
23 ~~establishment of assessment rates. The rates must be filed with the~~
24 ~~commissioner 30 days before their effective date. Any insurer or employer~~
25 ~~who wishes to appeal the rate so filed must do so pursuant to NRS~~
26 ~~679B.310.}~~

27 **Sec. 2.** NRS 616A.430 is hereby amended to read as follows:

28 616A.430 1. There is hereby established as a special revenue fund in
29 the state treasury the uninsured employers' claim fund, which may be used
30 only ~~{for the purpose of making}~~ **to make** payments in accordance with the
31 provisions of NRS 616C.220 and 617.401. The administrator shall
32 administer the fund and shall credit any excess money toward the
33 assessments of the insurers for the succeeding years.

34 2. All assessments, penalties, bonds, securities and all other properties
35 received, collected or acquired by the administrator for the uninsured
36 employers' claim fund must be delivered to the custody of the state
37 treasurer.

38 3. All money and securities in the fund must be held by the state
39 treasurer as custodian thereof to be used solely for workers' compensation.

40 4. The state treasurer may disburse money from the fund only upon
41 written order of the state controller.

42 5. The state treasurer shall invest money of the fund in the same
43 manner and in the same securities in which he is authorized to invest
44 money of the state general fund. Income realized from the investment of
45 the assets of the fund must be credited to the fund.

46 6. The administrator shall adopt regulations for the establishment and
47 administration of assessment rates, payments and penalties, based upon
48 expected annual expenditures for claims. Assessment rates must reflect the



1 relative hazard of the employments covered by the insurers, and must be
2 based upon expected annual expenditures for claims.

3 ~~17. The commissioner shall assign an actuary to review the~~
4 ~~establishment of assessment rates. The rates must be filed with the~~
5 ~~commissioner 30 days before their effective date. Any insurer who wishes~~
6 ~~to appeal the rate so filed must do so pursuant to NRS 679B.310.]~~

7 **Sec. 3.** NRS 616B.554 is hereby amended to read as follows:

8 616B.554 1. There is hereby established as a special revenue fund in
9 the state treasury the subsequent injury fund for self-insured employers,
10 which may be used only to make payments in accordance with the
11 provisions of NRS 616B.557 and 616B.560. The board shall administer the
12 fund based upon recommendations made by the administrator pursuant to
13 subsection ~~18.] 7.~~

14 2. All assessments, penalties, bonds, securities and all other properties
15 received, collected or acquired by the board for the subsequent injury fund
16 for self-insured employers must be delivered to the custody of the state
17 treasurer.

18 3. All money and securities in the fund must be held by the state
19 treasurer as custodian thereof to be used solely for workers' compensation
20 for employees of self-insured employers.

21 4. The state treasurer may disburse money from the fund only upon
22 written order of the board.

23 5. The state treasurer shall invest money of the fund in the same
24 manner and in the same securities in which he is authorized to invest state
25 general funds which are in his custody. Income realized from the
26 investment of the assets of the fund must be credited to the fund.

27 6. The board shall adopt regulations for the establishment and
28 administration of assessment rates, payments and penalties. Assessment
29 rates must reflect the relative hazard of the employments covered by self-
30 insured employers, and must be based upon expected annual expenditures
31 for claims for payments from the subsequent injury fund for self-insured
32 employers.

33 7. ~~The commissioner shall assign an actuary to review the~~
34 ~~establishment of assessment rates. The rates must be filed with the~~
35 ~~commissioner 30 days before their effective date. Any self-insured~~
36 ~~employer who wishes to appeal the rate so filed must do so pursuant to~~
37 ~~NRS 679B.310.~~

38 ~~8. The~~ administrator shall:

39 (a) Evaluate any claim submitted to the board for payment or
40 reimbursement from the subsequent injury fund for self-insured employers
41 and recommend to the board any appropriate action to be taken concerning
42 the claim; and

43 (b) Submit to the board any other recommendations relating to the fund.

44 **Sec. 4.** NRS 616B.575 is hereby amended to read as follows:

45 616B.575 1. There is hereby established as a special revenue fund in
46 the state treasury the subsequent injury fund for associations of self-insured
47 public or private employers, which may be used only to make payments in
48 accordance with the provisions of NRS 616B.578 and 616B.581. The



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1 board shall administer the fund based upon recommendations made by the
2 administrator pursuant to subsection ~~18-~~ 7.

3 2. All assessments, penalties, bonds, securities and all other properties
4 received, collected or acquired by the board for the subsequent injury fund
5 for associations of self-insured public or private employers must be
6 delivered to the custody of the state treasurer.

7 3. All money and securities in the fund must be held by the state
8 treasurer as custodian thereof to be used solely for workers' compensation
9 for employees of members of associations of self-insured public or private
10 employers.

11 4. The state treasurer may disburse money from the fund only upon
12 written order of the board.

13 5. The state treasurer shall invest money of the fund in the same
14 manner and in the same securities in which he is authorized to invest state
15 general funds which are in his custody. Income realized from the
16 investment of the assets of the fund must be credited to the fund.

17 6. The board shall adopt regulations for the establishment and
18 administration of assessment rates, payments and penalties. Assessment
19 rates must reflect the relative hazard of the employments covered by
20 associations of self-insured public or private employers, and must be based
21 upon expected annual expenditures for claims for payments from the
22 subsequent injury fund for associations of self-insured public or private
23 employers.

24 7. The ~~commissioner shall assign an actuary to review the~~
25 ~~establishment of assessment rates. The rates must be filed with the~~
26 ~~commissioner 30 days before their effective date. Any association of self-~~
27 ~~insured public or private employers that wishes to appeal the rate so filed~~
28 ~~must do so pursuant to NRS 679B.310.~~

29 ~~8. The~~ administrator shall:

30 (a) Evaluate any claim submitted to the board for payment or
31 reimbursement from the subsequent injury fund for associations of self-
32 insured public or private employers and recommend to the board any
33 appropriate action to be taken concerning the claim; and

34 (b) Submit to the board any other recommendations relating to the fund.

35 **Sec. 5.** NRS 616B.584 is hereby amended to read as follows:

36 616B.584 1. There is hereby established as a special revenue fund in
37 the state treasury the subsequent injury fund for private carriers, which may
38 be used only to make payments in accordance with the provisions of NRS
39 616B.587 and 616B.590. The administrator shall administer the fund.

40 2. All assessments, penalties, bonds, securities and all other properties
41 received, collected or acquired by the administrator for the subsequent
42 injury fund for private carriers must be delivered to the custody of the state
43 treasurer.

44 3. All money and securities in the fund must be held by the state
45 treasurer as custodian thereof to be used solely for workers' compensation
46 for employees whose employers are insured by private carriers.

47 4. The state treasurer may disburse money from the fund only upon
48 written order of the state controller.



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1 5. The state treasurer shall invest money of the fund in the same
2 manner and in the same securities in which he is authorized to invest state
3 general funds which are in his custody. Income realized from the
4 investment of the assets of the fund must be credited to the fund.

5 6. The administrator shall adopt regulations for the establishment and
6 administration of assessment rates, payments and penalties. Assessment
7 rates must reflect the relative hazard of the employments covered by
8 private carriers and must be based upon expected annual expenditures for
9 claims for payments from the subsequent injury fund for private carriers.

10 ~~{7. The commissioner shall assign an actuary to review the~~
11 ~~establishment of assessment rates. The rates must be filed with the~~
12 ~~commissioner 30 days before their effective date. Any private carrier who~~
13 ~~wishes to appeal the rate so filed must do so pursuant to NRS 679B.310.}~~

14 **Sec. 6.** This act becomes effective on July 1, 2001.

