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Testimony on AB 350
Assembly Judiciary Committee
April 7, 2003
By
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Thank you for the opportunity to speak to this bill before your committee today. I serve as Northern Nevada Chairman of the Coalition of Assisted Residential Environments (CARE) and as the Northern Nevada Chair of the Assisted Living Advisory Council (ALAC). The points I wish to share with you are as follows:

- o Obtaining liability insurance in Nevada has become difficult for the Residential Care Facility providers (licensed under the NRS 449 statutes) for many reasons. I recently requested two representatives of the insurance industry speak to both organizations regarding this insurance issue. Both indicated the primary cause for a reduction of underwriting companies in the area have been a direct result of 9/11 losses as well as other states experiencing increased liability claims and losses within the residential care/assisted living industry.
- o Another challenge facing our residential care facilities is the fact that the insurance for this industry falls under the surplus lines area. Facilities are not given advance notice and do not have the time necessary to explore other carriers. (This is often less than 30 days notice.) Once a facility has a lapse in coverage, it becomes nearly impossible to secure another underwriter that is willing to assume the risk for lapsed time coverage.
- o Insurance underwriters are requesting the Bureau of Licensure annual survey reports for the preceding 3-4 years and are weighing the insurance risk based on the recurrent deficiencies in these reports for facilities as well as conducting cite visits to assess risk.
- o The Board of Health has been granting variances for up to 6 months to facilities experiencing hardship, with the caveat that the residents in the facilities and their families are made aware of the lack of liability coverage by a formal notification process and posting in the facility. (This requirement is identified in NAC 449.193 2(c)) The Board of Health has recognized the need to remain aware of consumer protection and information.
- o AB 350 as proposed would not be the best solution to the current problem. I would like to suggest this bill be sent to a subcommittee for further discussion and review of possible amendments.

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ASSEMBLY JUDICIARY

DATE: 4-07-03 ROOM 3138 EXHIBIT G
SUBMITTED BY: Wendy Simons

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