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**Coalition of Assisted Residential Environments (CARE)**  
**10580 N. McCarran Blvd., #115-376**  
**Reno, NV 89503**

Re: Testimony on AB350  
Date: April 7, 2003

Dear Assembly Judiciary Committee Members

Thank you for the opportunity to speak to you today. I am Larry Fry, and represent the Coalition of Assisted Residential Environments (CARE) as Legislative Chair. I also am on the Board of Directors for Dayton Parkview Adult Residence in Dayton. I believe all of you have already received our letter of concern about AB350. While this bill is borne of a very real and growing insurance accessibility problem, it is the wrong solution because:

**1. This bill will portray Nevada as a un regulated state, which will adversely affect our operations in several ways:**

**A. It will be even more difficult to obtain liability insurance,** since insurance companies looking at expanding their offerings to this state will perceive a higher risk. For the great majority of assisted living facilities who do carry liability insurance, this will drive up their costs, and lessen their already limited choices.

**B. The consumer will have less confidence in the assisted living industry overall,** because they may think that if a facility is allowed to skimp in this area, what other areas are they shaving costs in? We assume that for consumer protection, there will have to be some kind of public notice of liability insurance status for any given facility. And we think this will have a negative effect on consumer confidence in our industry.

**C. What about the now uninsured facility that does have a legal action brought against it?** Regardless of the outcome, who pays the court costs, investigative costs, all of the other legal costs associated with this. These expenses could affect a facilities cash flow, forcing it to close and making residents move. Liability insurance would likely have taken care of this situation.

**2. Current law does allow for some flexibility** by allowing the facility to apply for a waiver from the Board of Health so that it can continue operating temporarily, while it finds insurance coverage.

**3. This bill may have legal implications for the state of Nevada:** The Bureau of Licensure & Certification, Board of Health, and the Board of Examiners for Long Term Care Administrators may be affected.

**4. Tort reform is a more viable avenue to pursue to address the liability insurance problem.** The legislature should be considering bills, such as AB 187, which specifically addresses tort reform and damage award caps to more effectively provide relief for Nevada's assisted living industry.

**For all the above reasons, CARE opposes AB350. Please take our concerns into consideration as you deliberate this legislation.**

ASSEMBLY JUDICIARY

DATE: 4-07-03 ROOM 3138 EXHIBIT I

SUBMITTED BY: Larry Fry

I-1031