

ASSEMBLY BILL NO. 186—COMMITTEE ON ELECTIONS,
PROCEDURES, ETHICS, AND CONSTITUTIONAL AMENDMENTS

(ON BEHALF OF THE INTERIM STUDY COMMITTEE ON NEVADA’S
INDUSTRIAL INSURANCE PROGRAM)

MARCH 9, 2005

Referred to Committee on Elections, Procedures, Ethics,
and Constitutional Amendments

SUMMARY—Authorizes one-time payment of additional
compensation for a permanent total disability to
certain injured employees and their dependents.
(BDR S-251)

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

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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; providing for a one-time
payment of additional compensation to certain claimants
and dependents of claimants who are entitled to receive
compensation for a permanent total disability under
industrial insurance; requiring the Administrator of the
Division of Industrial Relations of the Department of
Business and Industry to impose an assessment to be used
to make such payments; and providing other matters
property relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, if an injured employee suffers from a permanent total
2 disability caused by an industrial injury or occupational disease that occurs
3 on or after January 1, 2004, the injured employee is entitled to receive an annual
4 cost-of-living increase in the amount of compensation being paid for the permanent
5 total disability. (NRS 616C.473)

6 In 2003, the Legislature authorized a one-time payment of additional
7 compensation to each injured employee receiving compensation for a permanent
8 total disability for which a final determination had been made before January 1,
9 1996. The payment was funded by a one-time assessment imposed on each entity



10 providing industrial insurance in this State. (Section 3 of Chapter 452, Statutes of
11 Nevada 2003, at page 2794)

12 This bill authorizes a similar one-time payment of additional compensation to
13 each injured employee who suffers from a permanent total disability and who is not
14 entitled to receive an annual cost-of-living increase pursuant to NRS 616C.473. The
15 payment is funded by a one-time assessment imposed on each entity providing
16 industrial insurance in this State.

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

1 **Section 1.** 1. If a claimant or a dependent of a claimant is
2 entitled to receive compensation pursuant to chapters 616A to 617,
3 inclusive, of NRS for a permanent total disability and the claimant
4 or dependent is not entitled to an annual increase in that
5 compensation pursuant to NRS 616C.473, the claimant or dependent
6 is entitled to a single payment for that permanent total disability in
7 an amount determined by the Administrator pursuant to
8 subsection 4.

9 2. As soon as practicable after July 1, 2005, the Administrator
10 shall assess each insurer, including each employer who provides
11 accident benefits for injured employees pursuant to NRS 616C.265,
12 an amount that, as determined by the Administrator, is required to
13 obtain a total of \$500,000. As soon as practicable after determining
14 that amount, the Administrator shall submit to each insurer assessed
15 pursuant to this subsection a written notice setting forth the amount
16 of the assessment. Within 90 days after receiving the written notice,
17 the insurer shall remit the assessment to the Administrator. Any
18 money collected by the Administrator from the assessment must be
19 accounted for separately by the Administrator.

20 3. An insurer who pays an assessment pursuant to this section
21 shall charge and collect from each policyholder of the insurer a fee
22 to cover the amount of the assessment. Such a fee is in addition to
23 any premium charged to the policyholder for industrial insurance
24 and must not be included in the amount of any such premium. The
25 insurer shall bill the policyholder separately for the fee or include
26 the fee as a separate charge on the policy.

27 4. The Administrator shall adopt regulations establishing a
28 method for the equitable distribution of the money collected from
29 the assessment pursuant to this section. The regulations must
30 provide for payments that result in the largest proportional share of
31 the money collected from the assessment being paid to claimants
32 and dependents who receive the lowest amount of compensation
33 pursuant to chapters 616A to 617, inclusive, of NRS for the
34 permanent total disability. The Administrator may adopt any other



1 regulations that are necessary to carry out the provisions of this
2 section.

3 5. The Administrator shall make the payment required by this
4 section to each claimant and dependent of the claimant who is
5 entitled to the payment not later than July 1, 2006. Any payment
6 received by the claimant or dependent of the claimant pursuant to
7 this section is in addition to any compensation to which the claimant
8 or dependent of the claimant is otherwise entitled by law.

9 6. If any words and terms used in this section are defined in
10 NRS 616A.030 to 616A.360, inclusive, or 617.030 to 617.150,
11 inclusive, the words and terms must be given the meanings ascribed
12 to them in NRS 616A.030 to 616A.360, inclusive, or 617.030 to
13 617.150, inclusive, as applicable. The provisions of this section
14 must be interpreted and enforced by the Administrator as if those
15 provisions were part of chapters 616A to 617, inclusive, of NRS.

16 **Sec. 2.** This act becomes effective on July 1, 2005.



