

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 payment of additional compensation for
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 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; and providing other matters properly
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 on or
- 3 after January 1, 2004, the injured employee is entitled to receive an annual cost-of-
- 4 living increase in the amount of compensation being paid for the permanent total
- 5 disability. (NRS 616C.473)
- 6 This bill authorizes a payment of additional compensation to each injured
- 7 employee who suffers from a permanent total disability and who is not entitled to
- 8 receive an annual cost-of-living increase pursuant to NRS 616C.473. The payment
- 9 is funded by the income realized from the investment of the assets of the Uninsured
- 10 Employers’ Claim Account.



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

Section 1. NRS 616A.430 is hereby amended to read as follows:

616A.430 1. There is hereby established in the State Treasury the Uninsured Employers' Claim Account in the Fund for Workers' Compensation and Safety, which may be used only for the purpose of making payments in accordance with the provisions of NRS 616C.220 ~~[and 617.401.]~~, **617.401 and section 2 of this act.** The Administrator shall administer the Account and shall credit any excess money toward the assessments of the insurers for the succeeding years.

2. All assessments, penalties, bonds, securities and all other properties received, collected or acquired by the Administrator for the Uninsured Employers' Claim Account must be delivered to the custody of the State Treasurer.

3. All money and securities in the Account must be held by the State Treasurer as custodian thereof to be used solely for workers' compensation.

4. The State Treasurer may disburse money from the Account only upon written order of the State Controller.

5. The State Treasurer shall invest money of the Account in the same manner and in the same securities in which he is authorized to invest money of the State General Fund. Income realized from the investment of the assets of the Account must be credited to the Account.

6. The Administrator shall assess each insurer, including each employer who provides accident benefits for injured employees pursuant to NRS 616C.265, an amount to be deposited in the Uninsured Employers' Claim Account. To establish the amount of the assessment, the Administrator shall determine the amount of money necessary to maintain an appropriate balance in the Account for each fiscal year and shall allocate a portion of that amount to be payable by private carriers, a portion to be payable by self-insured employers, a portion to be payable by associations of self-insured public or private employers and a portion to be payable by the employers who provide accident benefits pursuant to NRS 616C.265, based upon the expected annual expenditures for claims of each group of insurers. After allocating the amounts payable, the Administrator shall apply an assessment rate to the:

(a) Private carriers that reflects the relative hazard of the employments covered by the private carriers, results in an equitable distribution of costs among the private carriers and is based upon expected annual premiums to be received;



(b) Self-insured employers that results in an equitable distribution of costs among the self-insured employers and is based upon expected annual expenditures for claims;

(c) Associations of self-insured public or private employers that results in an equitable distribution of costs among the associations of self-insured public or private employers and is based upon expected annual expenditures for claims; and

(d) Employers who provide accident benefits pursuant to NRS 616C.265 that reflects the relative hazard of the employments covered by those employers, results in an equitable distribution of costs among the employers and is based upon expected annual expenditures for claims.

↪ The Administrator shall adopt regulations for the establishment and administration of the assessment rates, payments and any penalties that the Administrator determines are necessary to carry out the provisions of this subsection. As used in this subsection, the term "group of insurers" includes the group of employers who provide accident benefits for injured employees pursuant to NRS 616C.265.

7. The Commissioner shall assign an actuary to review the establishment of assessment rates. The rates must be filed with the Commissioner 30 days before their effective date. Any insurer who wishes to appeal the rate so filed must do so pursuant to NRS 679B.310.

Sec. 2. Chapter 616C of NRS is hereby amended by adding thereto a new section to read as follows:

1. If a claimant or a dependent of a claimant is entitled to receive compensation pursuant to chapters 616A to 617, inclusive, of NRS for a permanent total disability and the claimant or dependent is not entitled to an annual increase in that compensation pursuant to NRS 616C.473, the claimant or dependent is entitled to an annual payment for that permanent total disability in an amount determined by the Administrator pursuant to subsection 3, but such annual payments may not exceed \$1,200 per claimant or dependent. The total payments made pursuant to this section may not exceed \$500,000 per year.

2. Each year the Administrator shall withdraw from the Uninsured Employers' Claim Account established pursuant to NRS 616A.430 an amount of the income realized from the investment of the assets in the Account that is necessary to fund the payments calculated pursuant to subsection 3.

3. The Administrator shall adopt regulations establishing a method for the equitable distribution of the money withdrawn from the Account pursuant to subsection 2. The regulations must provide for payments that result in the largest proportional share



1 *of the money being paid to claimants and dependents who receive*
2 *the lowest amount of compensation pursuant to chapters 616A to*
3 *617, inclusive, of NRS for the permanent total disability. The*
4 *Administrator may adopt any other regulations that are necessary*
5 *to carry out the provisions of this section.*

6 *4. The Administrator shall make the payment required by this*
7 *section to each claimant and dependent of the claimant who is*
8 *entitled to the payment not later than October 1 of each year. Any*
9 *payment received by the claimant or dependent of the claimant*
10 *pursuant to this section is in addition to any compensation to*
11 *which the claimant or dependent of the claimant is otherwise*
12 *entitled by law.*

13 **Sec. 3.** Notwithstanding the provisions of subsection 4 of
14 section 2 of this act, the Administrator shall make the first payment
15 required by section 2 of this act to each claimant and dependant of
16 the claimant who is entitled to the payment not later than
17 December 31, 2005.

18 **Sec. 4.** This act becomes effective on July 1, 2005.

