

SENATE BILL NO. 194—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

FEBRUARY 25, 2015

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to industrial insurance.
(BDR 53-991)

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; revising the threshold cost of a construction project at which a private company, public entity or utility may establish a consolidated insurance program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law allows a private company, public entity or utility to establish and administer or to require participation in a consolidated insurance program for industrial insurance on a construction project which meets a minimum threshold amount established by the Commissioner of Insurance, which must initially be set at \$150,000,000. (NRS 616B.710) **Section 1** of this bill fixes the threshold cost at \$100,000,000 for a public entity or utility, and removes any threshold cost requirement for a private company.

Existing law requires a private company, public entity or utility that enters into a contract with a private carrier for the provision of industrial insurance coverage for a consolidated insurance program to file a copy of the contract with the Commissioner. **Section 2** of this bill deletes that requirement for a private company.

Existing law requires that each consolidated insurance program have a designated administrator of claims. Existing law also prohibits the administrator from serving as administrator for more than one consolidated insurance program. (NRS 616B.727) **Section 3** of this bill removes this prohibition, allowing an administrator of claims to serve as the administrator of claims for the consolidated insurance program of more than one construction project.



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

Section 1. NRS 616B.710 is hereby amended to read as follows:

616B.710 1. A private company, public entity or utility may:

(a) ~~Establish~~ *Subject to the provisions of subsection 3, establish* and administer a consolidated insurance program to provide industrial insurance coverage for employees of contractors and subcontractors who are engaged in a construction project of which the private company, public entity or utility is the owner or principal contractor ; ~~if the estimated total cost of the construction project is equal to or greater than the threshold amount established by the Commissioner pursuant to subsection 3;~~ and

(b) As a condition precedent to the award of a contract to perform work on the construction project, require that contractors and subcontractors who will be engaged in the construction of the project participate in the consolidated insurance program.

2. If a private company, public entity or utility:

(a) Establishes and administers a consolidated insurance program; and

(b) Pursuant to the contract for the construction of the project, owes a periodic payment to a contractor or subcontractor whose employees are covered under the consolidated insurance program,

the private company, public entity or utility shall not withhold such a periodic payment on the basis that the contractor or subcontractor has not signed an employer's report of industrial injury or occupational disease as required pursuant to NRS 616C.045.

3. ~~The Commissioner shall establish the threshold amount that~~ *A public entity or utility may establish and administer or require participation in a consolidated insurance program pursuant to subsection 1 only if* the estimated total cost of a construction project ~~must be equal to or greater than before a consolidated insurance program may be established and administered for that project pursuant to this section. The base amount for the threshold must initially be \$150,000,000 and thereafter must be an amount equal to \$150,000,000 as adjusted by the Commissioner on June 30 of each year to reflect the present value of that amount with respect to the construction cost index.~~ *is \$100,000,000 or more.*

4. As used in this section ~~:~~

~~(a) "Construction cost index" means the construction cost index published by the Engineering News-Record as a measure of inflation.~~



1 ~~—(b) “Estimated”~~, “*estimated* total cost” means the estimated cost
2 to complete all parts of a construction project, including, without
3 limitation, the cost of:

4 ~~[(1)]~~ (a) Designing the project;

5 ~~[(2)]~~ (b) Acquiring the real property on which the project
6 will be constructed;

7 ~~[(3)]~~ (c) Connecting the project to utilities;

8 ~~[(4)]~~ (d) Excavating and carrying out underground
9 improvements for the project; and

10 ~~[(5)]~~ (e) Acquiring equipment and furnishings for the
11 project.

12 ➤ The term does not include the cost of any fees or charges
13 associated with acquiring the money necessary to complete the
14 project.

15 **Sec. 2.** NRS 616B.712 is hereby amended to read as follows:

16 616B.712 1. A private carrier who is authorized to transact
17 industrial insurance in this State may contract with a private
18 company, public entity or utility to provide industrial insurance
19 coverage for a consolidated insurance program.

20 2. A ~~private company,~~ public entity or utility that enters into
21 a contract with a private carrier for the provision of industrial
22 insurance coverage for a consolidated insurance program shall file a
23 copy of the contract with the Commissioner at least 60 days before
24 the date on which the construction project is scheduled to begin.

25 3. The Commissioner shall, within 60 days after receiving a
26 copy of a contract pursuant to subsection 2, review and approve or
27 disapprove the contract. If the Commissioner does not disapprove
28 the contract within 60 days after receiving it, the contract shall be
29 deemed approved.

30 **Sec. 3.** NRS 616B.727 is hereby amended to read as follows:

31 616B.727 1. A consolidated insurance program that a private
32 company, public entity or utility is authorized to establish and
33 administer pursuant to NRS 616B.710 must, in the manner set forth
34 in this section, provide for the administration of claims for industrial
35 insurance for an employee of a contractor or subcontractor who is
36 engaged in the construction project when such an employee works
37 at the site of the construction project.

38 2. The owner or principal contractor of the construction project
39 shall hire or contract with a person to serve as the administrator of
40 claims for industrial insurance for the construction project. ~~Such a~~
41 ~~person must not serve as an administrator of claims for industrial~~
42 ~~insurance for another construction project that is covered by a~~
43 ~~different consolidated insurance program.]~~



1 3. The administrator of claims for industrial insurance for the
2 construction project who is hired or with whom the owner or
3 principal contractor contracts pursuant to subsection 2 shall:

4 (a) Assist an employee who is covered under the consolidated
5 insurance program or, in the event of the employee's death, one of
6 the dependents of the employee, in filing a written notice of injury
7 or death as required pursuant to NRS 616C.015 or a written notice
8 of an occupational disease as required pursuant to NRS 617.342;

9 (b) Sign and file on behalf of a contractor or subcontractor
10 whose employees are covered under the consolidated insurance
11 program an employer's report of industrial injury or occupational
12 disease as required pursuant to NRS 616C.045 or 617.354;

13 (c) Ensure that an employee who is covered under the
14 consolidated insurance program and who has been injured or who
15 has incurred an occupational disease while working on the
16 construction project is directed to a medical facility that will provide
17 treatment to the employee under the program;

18 (d) Handle all issues, to the extent reasonably practicable,
19 relating to claims for industrial insurance at the site of the
20 construction project; and

21 (e) Hire or contract such assistant administrators as may be
22 necessary to carry out the responsibilities of the administrator of
23 claims pursuant to this section.

24 4. The owner or principal contractor of the construction project
25 shall ensure that the administrator of claims for industrial insurance
26 for the construction project or an assistant administrator is
27 physically present at the site of the construction project whenever
28 activity related to construction is taking place at the site.

