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ASSEMBLY BILL NO. 392—ASSEMBLYMEN HARDY, HANSEN,  
TOLLES; HAFEN, KRAMER, TITUS AND WHEELER

MARCH 21, 2019

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JOINT SPONSORS: SENATORS HARDY, HAMMOND;  
PICKARD AND SEEVERS GANSERT

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Referred to Committee on Education

SUMMARY—Encourages employers to provide work-based learning opportunities for pupils. (BDR 34-952)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
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.

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AN ACT relating to education; requiring the Department of Education, the board of trustees of a school district and the governing body of a charter school to coordinate with the Office of Workforce Innovation in the Office of the Governor to certify work-based learning programs; establishing the requirements for an employer to become a work-based learning program; providing that a pupil in certain work-based learning programs is considered an employee for the purpose of workers' compensation; authorizing an insurer that provides workers' compensation to grant a reduction in the premium of the policy of a work-based learning organization; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law authorizes the board of trustees of a school district or the
- 2 governing body of a charter school to offer a work-based learning program with the
- 3 approval of the State Board of Education. Pupils who complete a work-based
- 4 learning program are allowed to apply the credits earned through such a program
- 5 toward the total number of elective credits required for graduation from high
- 6 school. (NRS 389.167) **Sections 1 and 2** of this bill require the Department of
- 7 Education, the board of trustees of a school district and the governing body of a
- 8 charter school to coordinate with the Office of Workforce Innovation in the Office



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of the Governor to certify an employer as a work-based learning organization that will provide a work-based learning program. **Section 2** establishes certain requirements for an employer to be certified as a work-based learning organization. **Section 1** requires a school district or charter school to maintain liability insurance coverage and cover the costs of providing workers' compensation for a pupil who is participating in an unpaid work-based learning program. **Section 1** requires a work-based learning organization to provide such coverage if a pupil is participating in a paid work-based learning program as such an organization would for any other employee.

**Section 3** of this bill requires that a pupil who is participating in a paid work-based learning program be deemed an employee of the person or entity that pays the pupil for purposes of providing workers' compensation.

Existing law requires an insurer that issues certain types of insurance policies to provide a reduction in the premium for the policy in certain circumstances. (NRS 690B.031, 690B.330) **Section 4** of this bill authorizes an insurer that provides workers' compensation to grant a reduction in the premium for such a policy if the insured is certified as a work-based learning organization pursuant to **section 2**.

**Sections 5-7** of this bill make conforming changes.

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

**Section 1.** Chapter 389 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The Department, the board of trustees of a school district and the governing body of a charter school shall coordinate with the Office of Workforce Innovation in the Office of the Governor to certify an employer as a work-based learning organization pursuant to section 2 of this act.*

*2. If a pupil is participating in an unpaid work-based learning program, the school district or charter school where the pupil is enrolled shall maintain liability insurance coverage for the pupil and cover the costs of providing workers' compensation.*

*3. If a pupil is participating in a paid work-based learning program, the work-based learning organization shall maintain liability insurance coverage and provide workers' compensation as the work-based learning organization would for any other employee of the organization.*

**Sec. 2.** Chapter 223 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The Office of Workforce Innovation in the Office of the Governor shall coordinate with the Department of Education, the board of trustees of a school district and the governing body of a charter school to identify potential work-based learning programs, which may include, without limitation, a paid internship, unpaid internship, youth apprenticeship and program to prepare pupils for an apprenticeship.*



2. The Office of Workforce Innovation may certify an employer as a work-based learning organization if the employer:

(a) Is able to establish a training agreement and training plan with each pupil participating in the work-based training program pursuant to subsection 4 of NRS 389.167;

(b) Assigns a mentor to work with each pupil who participates in the work-based learning program and assists in monitoring the progress of such pupils; and

(c) Complies with any other requirements the Office of Workforce Innovation and the Department of Education determine to be necessary to ensure the employer provides a high-quality work-based learning program.

3. The Office of Workforce Innovation shall notify an employer of a certification granted pursuant to subsection 2 and provide to the employer a certificate stating that the employer is certified as a work-based learning organization.

4. As used in this section, "work-based learning program" means a program identified by the Office of Workforce Innovation pursuant to subsection 1.

**Sec. 3.** Chapter 616A of NRS is hereby amended by adding thereto a new section to read as follows:

*A pupil of a public school in this State who participates in a work-based learning program and is paid for such participation shall be deemed an employee of the person or entity that pays the pupil for purposes of providing workers' compensation.*

**Sec. 4.** Chapter 686B of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each insurer that provides workers' compensation may grant a 5 percent reduction in the premium for such a policy if the insured satisfies the requirements of subsection 2.

2. A work-based learning organization is eligible to receive a reduction in the premium of a policy pursuant to subsection 1 if the organization:

(a) Is certified as a work-based learning organization pursuant to section 2 of this act;

(b) Provides workers' compensation for a pupil of a public school in this State who participates in a work-based learning program; and

(c) Complies with all federal, state and local laws and regulations regarding the employment of such pupils.

3. If an insurer grants a reduction in the premium of a policy pursuant to subsection 1, the reduction shall be applied to the policy of workers' compensation of the work-based learning organization pro rata as of the date the organization notifies the insurer of the certification granted pursuant to section 2 of this



act. The work-based learning organization shall continue to receive the reduction if the organization maintains the certification received pursuant to section 2 of this act. An insurer shall not be required to credit the amount of the reduction in the premium to the account of the work-based learning organization until the final audit of the premium under the policy. The work-based learning organization shall provide proof of certification pursuant to section 2 of this act for each year the organization receives a reduction in the premium.

4. The Commissioner may adopt regulations to carry out the provisions of this section.

**Sec. 5.** NRS 686B.010 is hereby amended to read as follows:

686B.010 1. The Legislature intends that NRS 686B.010 to 686B.1799, inclusive, *and section 4 of this act* be liberally construed to achieve the purposes stated in subsection 2, which constitute an aid and guide to interpretation but not an independent source of power.

2. The purposes of NRS 686B.010 to 686B.1799, inclusive, *and section 4 of this act* are to:

(a) Protect policyholders and the public against the adverse effects of excessive, inadequate or unfairly discriminatory rates;

(b) Encourage, as the most effective way to produce rates that conform to the standards of paragraph (a), independent action by and reasonable price competition among insurers;

(c) Provide formal regulatory controls for use if independent action and price competition fail;

(d) Authorize cooperative action among insurers in the rate-making process, and to regulate such cooperation in order to prevent practices that tend to bring about monopoly or to lessen or destroy competition;

(e) Encourage the most efficient and economic marketing practices; and

(f) Regulate the business of insurance in a manner that will preclude application of federal antitrust laws.

**Sec. 6.** NRS 686B.020 is hereby amended to read as follows:

686B.020 As used in NRS 686B.010 to 686B.1799, inclusive, *and section 4 of this act*, unless the context otherwise requires:

1. "Advisory organization," except as limited by NRS 686B.1752, means any person or organization which is controlled by or composed of two or more insurers and which engages in activities related to rate making. For the purposes of this subsection, two or more insurers with common ownership or operating in this State under common ownership constitute a single insurer. An advisory organization does not include:

(a) A joint underwriting association;



(b) An actuarial or legal consultant; or

(c) An employee or manager of an insurer.

2. "Market segment" means any line or kind of insurance or, if it is described in general terms, any subdivision thereof or any class of risks or combination of classes.

3. "Rate service organization" means any person, other than an employee of an insurer, who assists insurers in rate making or filing by:

(a) Collecting, compiling and furnishing loss or expense statistics;

(b) Recommending, making or filing rates or supplementary rate information; or

(c) Advising about rate questions, except as an attorney giving legal advice.

4. "Supplementary rate information" includes any manual or plan of rates, statistical plan, classification, rating schedule, minimum premium, policy fee, rating rule, rule of underwriting relating to rates and any other information prescribed by regulation of the Commissioner.

**Sec. 7.** NRS 686B.030 is hereby amended to read as follows:

686B.030 1. Except as otherwise provided in subsection 2 and NRS 686B.125, the provisions of NRS 686B.010 to 686B.1799, inclusive, *and section 4 of this act* apply to all kinds and lines of direct insurance written on risks or operations in this State by any insurer authorized to do business in this State, except:

(a) Ocean marine insurance;

(b) Contracts issued by fraternal benefit societies;

(c) Life insurance and credit life insurance;

(d) Variable and fixed annuities;

(e) Credit accident and health insurance;

(f) Property insurance for business and commercial risks;

(g) Casualty insurance for business and commercial risks other than insurance covering the liability of a practitioner licensed pursuant to chapters 630 to 640, inclusive, of NRS;

(h) Surety insurance;

(i) Health insurance offered through a group health plan maintained by a large employer; and

(j) Credit involuntary unemployment insurance.

2. The exclusions set forth in paragraphs (f) and (g) of subsection 1 extend only to issues related to the determination or approval of premium rates.

**Sec. 8.** This act becomes effective on July 1, 2019.

