

MINUTES OF MEETING - COMMERCE COMMITTEE - 56TH ASSEMBLY

February 4, 1971 - Public Hearing

18

PRESENT: McKissick, Hafen, Lingenfelter, Branch, Dini, Hilbrecht,
Ashworth, Capurro

ABSENT: Poggione

OTHERS

PRESENT: Mr. T. L. Hutchings, Commissioner, NIC; Mr. Louis Paley, Executive
Secretary, AFL-CIO; Mr. Keith Mount, Former NIC Commissioner
and other interested parties

The meeting was called to order by Chairman McKissick at 10:45 a.m. in Room 214..

Mr. McKissick announced that the meeting for this day would be to gather back-
ground information only on A.B. 13 and A.B. 32, as follows:

A.B. 13 - Requires maintenance of separately located offices by
members of Nevada Industrial Commission.

A.B. 32 - Permits private carriers to write Industrial Insurance.

Representatives of the NIC were asked to be present at today's meeting for the
purpose of educating the committee on present statutes and regulations.

Mr. McKissick announced that there would be a Public Hearing on February 16th
for NIC related bills and on February 10th for special testimony from several
attorneys and Dr. Fullmer. The public hearing will be held in Room 131 begin-
ning at 10:00 a.m. Mr. Hutchings of the NIC informed the committee that the
Commissioners had hearings scheduled in Las Vegas on the 10th and 11th and
therefore the meeting on the 10th was re-scheduled for February 17th to enable
the NIC to be ably represented.

Motion was made by Hilbrecht, seconded by Lingenfelter, that the Commission
prepare to bring information on the administration of portfolio investments
to the meeting. Motion was carried with McKissick and Hafen voting nay.

In regards to A.B. 13, Mr. Hutchings was introduced, Commissioner for NIC,
and presented information on the present organization of the NIC office, parti-
cularly that relating to the branch office in Las Vegas. He explained its
handling of claims, the staff employed, the area represented and the methods
used by the Commissioners for handling claims.

Mr. Hutchings was then questioned by various members of the committee regarding the present set-up. Several members of the audience commented on their satisfaction with the present arrangement and that, in most cases, the Las Vegas Office Manager handled all claims and that there was never a delay of more than a week for the Commissioners to hear controversial cases.

Discussion then turned to A.B. 32, with Mr. McKissick suggesting that the procedure should be reversed - the committee would hear from the opponents of this particular proposed legislation rather than the proponents.

Mr. Hutchings gave his testimony from a prepared statement (Attachment No. 1 - herewith made a part of the minutes) He was then questioned on various portions of his statement. He stated that it might be a good idea if committee members had specific requests for any particular records, that they visit the NIC office and see what their procedure involved.

Mr. Louis Paley, Executive Secretary of Nevada AFL-CIO then presented his views on their organization's objection to this proposed legislation. He called attention to specific articles in the legislation such as the make-up of the board, the salaries proposed for the members and especially Sec. 66.1, regarding appointees "need not be admitted to practice in this state or any other state". He referred to the amount of money returned to the employers on their premiums. He believed that one of the prime reasons for increases in rates was the increase in rates by physicians, and thought the legislature should investigate this situation. He also presented various figures on rates charged in other states for insurance, amount of coverage and benefits (These tables and statistics are made a part of the minutes as requested by Mr. Hilbrecht and are Attachment No. 2)

Mr. Capurro believed that it would be difficult to compare these rates equitably unless they knew what benefits were included.

(At this point, Mr. Jacobsen, Speaker of the Assembly, took a seat at the committee table and was introduced)

Mr. Paley felt that any changes in benefits desired by some can be done within the existing structure without going to private carriers.

Mr. Hutchings remarked further about the loss of premiums from the larger companies and that "cutting the pie" in so many pieces would leave very little "take" for the NIC.

Mr. Paley concluded that in the meeting on the 16th, he would have more representation from his people regarding this legislation.

Mr. Keith Mount, former NIC Commissioner, then delivered a prepared statement to the committee (Copy of this statement - Attachment No. 3 to these minutes)

Mr. Branch requested a statement in writing regarding the following remark in Mr. Mount's statement "Our sister State of Oregon, a few years ago, enacted a statute such as AB 32. Their commissioners and board admitted it was the biggest mistake they every made". Mr. Mount said he would try and obtain this. It was the consensus of the committee members that their main concern was to receive the greatest benefits for the least amount of premium, but the entire matter must be investigated carefully, with proper and factual testimony from all knowledgeable and interested parties.

Mr. Hilbrecht requested that a letter to Mr. Capurro from John L. Grassmeier of the Plumbers and Pipefitters Local 525, be made a part of the minutes.

(See attachment No. 4)

Meeting adjourned at 12:00 noon.

We are not in a position to accurately assess or forecast the effect AB32 would have on the Nevada Workmen's Compensation program, but it could become unrecognizable. This bill represents a major, or possibly a revolutionary change, to workmen's compensation as we know it.

Our recent experience with a "minor" change to the workmen's compensation statute emphasizes the need for caution and careful evaluation of the proposed change. The minor change referred to was the establishment of \$15,600 as a maximum reportable wage for premium calculation by the 1969 legislature. Wage data on covered employees was not available to measure the effect of the change before it was enacted.

That minor change cost NIC between \$400,000 to \$500,000 in premium during fiscal year 1970 before rates could be adjusted to accommodate the limitation. Rates in some classifications had to be increased up to 15 per cent to compensate for premium loss.

If a relatively innocuous appearing change can cause a loss of that magnitude, the potential explosiveness of AB32 should be evident.

Our brief appraisal of the bill would lead us to give the following thumbnail appraisal of its possible effect on the Nevada Workmen's Compensation program.

1. It contains a threat to the solvency of NIC. The loss of 207 accounts could result in loss of 49 per cent of NIC's premium income - about \$8,000,000.
2. Relatively few accounts would appear profitable to private insurers - we would estimate that possibly 5 per cent might be sought after. 95 per cent would probably rely on NIC. There are 10,000 policy holders who pay less than \$35 per month premium - less in many cases than a family pays for its hospitalization and medical insurance. Though private insurers will promise potential benefits to those they insure, no concrete examples of added benefits have been cited.
3. The bill could cause an increase in the cost of workmen's compensation to many small employers and discourage any move toward the elimination of numerical exemptions. Small employers in elective categories would find the cost prohibitive and would likely drop the coverage.

4. The bill is inequitable. NIC is forced to cover all risks - those not sought by or those rejected by private carriers. NIC would become the second class carrier and might eventually require subsidization from tax revenue.
5. It assigns administrative risks to NIC which should not be borne by NIC policy holders.
6. It has the potential for increasing the cases of non-covered workmen. There is no provision for an uninsured employer fund to protect these workmen.
7. It creates another administrative body, the Nevada industrial insurance appeal board, establishes salary schedules, authorizes employment of staff and expenditure of funds, but does not identify the source of the funds.
8. It makes the commission both a regulatory body and an operating body responsible for the performance of an agency which is in competition with regulated businesses.
9. It makes no provision for the industrial safety program which is presently funded from premium paid by NIC policy holders.
10. The Commission in effect would become a classification and rating bureau, an overhead function the total cost of which should not be charged against NIC policy holder premiums.
11. The bill does not change NRS 616.410.3 which provides that "all fees and charges for accident benefits should be subject to regulation by the Commission and shall not be in excess of such fees and charges as prevail in the same community for similar treatment of injured persons of like standard of living."

Las Vegas physicians challenged this section and refused treatment to the industrially injured during 1970. The same situation could recur with private carriers, since the Commission retains authority to regulate fees.

12. Cost of Retroactive Benefit Increases. We cannot predict whether this session of the legislature will grant retroactive benefit increases. If they do, it is likely that they will be funded by a rate increase. Should AB32, or a similar bill, become effective in the near future, the small accounts left with NIC would be forced to bear the cost of retroactive benefits arising out of claims chargeable to accounts which drop NIC coverage.
13. We can guarantee that if this bill passes everyone will pay more for workmen's compensation insurance and we believe that we can also guarantee that the service provided will be no better than NIC provides today.

Ranking of Nevada Among
States in Various Types of
Workmen's Compensation Benefits

	<u>Nevada's</u> <u>Ranking</u>
Temporary Total Disability Benefits	10th State
Permanent Partial Disability Benefits	14th State
Permanent Total Disability Benefits	16th State
Fatals - Widow and Children Benefits	2nd State

Nevada Temporary Total Disability Compensation

Maximum - Claimant and 2 Dependents

Maximum Monthly Compensation 90% x 385 = \$346.50

291.50 Group Comp.

Nevada - 10th State (tied with Connecticut and Oregon)

States which rank ahead of Nevada in maximum monthly temporary total disability compensation.

	<u>Monthly Compensation</u>
Arizona	\$650
Alaska	490
Hawaii	487
New Jersey	394
Illinois	394
North Dakota	381
California	379
New York	368
Washington	352

Nevada Permanent TotalMaximum - Claimant and 2 Dependents *8*

$$90\% \times 320 = \$288$$

291.50 Aug 60

Maximum Monthly Pension \$288 (\$50 additional may be allowed if pensioner requires a constant attendant.)

Nevada - 16th State

States ranking ahead of Nevada in maximum benefits.

<u>State</u>	<u>Maximum Monthly Benefit</u>
Arizona	\$ 650
Hawaii	487
New Jersey	394
North Dakota	381
Maryland	368
Washington	352
Connecticut	347
Alaska	318
Wisconsin	316
Illinois	308
Minnesota	303
New York	303
Rhode Island	303
Maine	299
Michigan	299

Permanent Partial Disability

Nevada maximum disability allowances are based on a maximum wage of \$400 per month.

Nevada - 14th State

There are a variety of methods used in computing permanent partial disability benefits in the various states, therefore, it is not possible to make exact comparisons.

For the sake of comparison, the benefit paid by each state for the loss of a major arm is shown in the following list of states that appear to rank ahead of Nevada in permanent partial awards. In Nevada an award of \$12,000 plus an indeterminate award for "other factors" may be made.

State	Award For Loss of a Major Arm
Hawaii	\$35,100
Arizona	33,100
Connecticut	24,960
Wisconsin	23,750
Michigan	23,403
Illinois	22,200
New York	21,840
Minnesota	17,010
California	15,750
Washington	15,000
Alaska	14,500
New Hampshire	14,338
Rhode Island	14,040

*Subtract A
from 115,000
21,840*

Nevada Fatal Injuries. Widow and Children Benefits.

Maximum Widow Pension - 50% x \$335 = \$167.50 per month.

Maximum Each Child - 15% x \$335 = \$ 50.25 per month.

No maximum amount payable.

Nevada - 2nd State

Nevada's ranking is based on the maximum monthly benefit payable to a widow with children; the absence of a limitation on the total amount which may be paid over the life of the pension; and the absence of a time limit on the pension.

Arizona is the only state which provides more benefits than Nevada.

	<u>Maximum to Widow Only</u>	<u>Maximum to Widow and Children</u>
Arizona	\$ 350 per month	\$ 665 per month

INCOME BENEFITS FOR PERMANENT AND TEMPORARY TOTAL DISABILITIES

January 1, 1970

JURISDICTION	LIMITATIONS ON PERMANENT TOTAL					LIMITATIONS ON TEMPORARY TOTAL					NOTATIONS
	MAXIMUM PERCENT OF WAGES	MAXIMUM WEEKLY PAYMENT	MINIMUM WEEKLY PAYMENT	TIME LIMIT	AMOUNT LIMIT	MAXIMUM PERCENT OF WAGES*	MAXIMUM WEEKLY PAYMENT	MINIMUM WEEKLY PAYMENT	TIME LIMIT	AMOUNT LIMIT	
ALABAMA	65 ¹⁰	\$ 47.00 ³⁰	\$15.00	550 weeks	\$15,000 ³⁰	65	\$47.00 ³⁰	\$15.00 ¹	300 weeks	\$14,100 ³⁰	
ALASKA	65	73.45	25.00 ¹	Life		65	113.00	25.00 ¹	Disability	17,000	Disfigurement maximum, \$3,500.00
ARIZONA	65	150.00 ²	32.50	Life		65	150.00 ²	32.50	433 weeks	65,000	
ARKANSAS	65 ²⁶	45.00	10.00			65 ²⁶	49.00	10.00	450 weeks	19,500	Disfigurement maximum, \$3500
CALIFORNIA	65	52.50	20.00	Life*		61-3/4	87.50	25.00	240 weeks ²⁰		60% maximum after 400 weeks.
COLORADO ¹⁵	66-2-3	55.50 ²¹	13.00	Life*	18,023	66-2-3	59.50	13.00	Disability	15,623	50% increase in compensation where employer has failed to comply with insurance provisions. 50% decrease in compensation where injury results from failure to obey safety regulations or from intoxication.
CONNECTICUT	66-2-3	80.00 ¹⁹	20.00	Life	25	66-2-3	80.00 ¹⁹	20.00	Disability		
DELAWARE	66-2-3	50.00	25.00 ¹	Life		66-2-3	50.00	25.00 ¹	Disability		
DIST. OF COLUMBIA	66-2-3	70.00	18.00 ¹	Life		66-2-3	70.00	18.00 ¹	Disability	24,000 ¹⁶	
FLORIDA	60	49.00	8.00 ¹	Life		60	49.00	8.00 ¹	350 weeks		
GEORGIA	60	50.00	15.00	400 weeks	18,000	60	50.00	15.00	400 weeks	18,000	
GUAM	66-2-3	56.00	12.00 ¹	Life	20,000	66-2-3	56.00	12.00 ¹	Disability	20,000	
HAWAII	66-2-3	112.50*	18.00*	Life	35,100 ¹⁴	66-2-3	112.50	18.00 ¹	Disability	35,100 ¹³	Director may order payment of \$150 per month for attendant, paid from special fund.
IDAHO	60	43.00*	26.00*	Life ⁶		60	43.00*	26.00*	Disability ⁶		Maximum \$43.00 with dependent spouse. Add \$3.00 each child. Maximum \$81.00
ILLINOIS	(*)	71.00	31.50	Life	(*)	(*)	91.00	31.50	8 years		Limited to amount if death has resulted. Pension thereafter.
INDIANA	60	57.00	21.00 ¹	500 weeks*	25,000	60	57.00	21.00 ¹	500 weeks	25,000	Additional benefits from second injury fund.
IOWA	66-2-3	47.50	18.00 ¹	500 weeks	23,750	66-2-3	56.00	18.00 ¹	300 weeks		Weekly compensation for temporary total disability is \$40.00, \$4 additional for each dependent child.
KANSAS	60	49.00	7.00	416 weeks	20,354	60	49.00	7.00	415 weeks	20,355	
KENTUCKY ²²	66-2-3	52.00	22.31	425 weeks	22,100	66-2-3	52.00	22.31	425 weeks	22,100	Disfigurement benefits.
LOUISIANA ²⁹	65	49.00	10.00 ¹	500 weeks	22,500	65	49.00	10.00	300 weeks	13,500	
MAINE ²³	66-2-3	69.00				66-2-3	69.00				Disfigurement benefits, \$5,000 max.
MARYLAND	66-2-3	85.00	25.00 ¹		45,000	66-2-3 ²⁷	75.75 after first 42 days - \$55.00	25.00 ¹	208 weeks		If permanent disability exceeds 50% of the body as a whole, employee is entitled to additional compensation for the full disability from the "Subsequent Injury Fund" after completion of payments by the employer.
MASSACHUSETTS ^{16A}	66-2-3	70.00*	20.00 ³	Life		66-2-3	70.00*	20.00 ³	Disability	13,000	\$6.00 additional each wholly dependent but not to exceed weekly wage. Combined total compensation for total and partial disability not to exceed \$18,000.
MICHIGAN ²⁴	66-2-3	69.00*	27.00	Disability ¹⁶	(16)	66-2-3	69.00*	27.00	Disability		\$6 add. for ea. dependent up to 5, max. \$98.
MINNESOTA	66-2-3	70.00	17.50	Life	(14)	66-2-3	70.00	17.50	350 weeks	21,000	Additional \$5,000 allowable in certain cases. Disfigurement benefits.
MISSISSIPPI	66-2-3	40.00	10.00*	450 weeks ⁹	15,000 ⁹	66-2-3	40.00	10.00*	450 weeks ⁹	15,000 ⁹	Less in partially dependent cases. \$2,000 disfigurement maximum.
MISSOURI	66-2-3	58.00	16.00	300 weeks ⁷		66-2-3	63.50	16.00 ¹	400 weeks	22,300	\$2,000 disfigurement maximum.
MONTANA	66-2-3	50.00*	34.50	500 weeks ³¹		66-2-3	55.00 ³²	35.50	300 weeks		Reducing schedule if less than 5 children.
NEBRASKA	66-2-3*	55.00*	35.00 ¹	Life ^a		66-2-3*	55.00	35.00 ¹	300 weeks ^a	16,500	45% after 300 weeks, maximum \$41.00 minimum \$31.00 for actual wages if less. ¹
NEVADA	90	66.46 ¹²		Life		90 ¹²	79.96		100 months	29,250	Additional allowance for constant attendant if necessary, \$50.00 a month.
NEW HAMPSHIRE	66-2-3	67.00	20.00 ¹	(*)		66-2-3	67.00	20.00 ¹	(*)		After six successive years of payment, additional payments may be made only on order of the commissioner upon application by the employee and to the Employer. If employer objects, medical panel provided for.
NEW JERSEY	(17)	91.00*	15.00	450 weeks*		(17)	91.00	15.00	300 weeks		After 450 weeks at reduced rate, if employed; at full rate if not rehabilitable.
NEW MEXICO*	60	48.00	24.00 ¹	500 weeks	24,000	60	48.00	24.00 ¹	500 weeks	24,000	10% additional compensation payable by employer for failure to provide safety devices.
NEW YORK ²⁸	66-2-3	70.00	20.00 ¹	Life		66-2-3	85.00	30.00 ¹	Disability		Additional compensation for vocational rehabilitation.
NORTH CAROLINA	60	50.00	10.00	400 weeks*	18,000*	60	50.00	10.00	400 weeks	18,000	In cases of paralysis from a brain or spinal injury, payments may be extended for the life of the claimant and the total may exceed \$16,000.

* See Notations column.
 1 Actual wage if less.
 2 No actual limit in computing average monthly wage. All wages in excess of \$1,000 per month excluded.
 3 Actual wage if less, but not under \$10.00 for work week of 15 hours or over.
 4 Disability extending beyond period compensated from second injury fund.
 5 Actual wage if less, but in no case less than \$20.00.
 6 400 weeks at maximum disability, reduced thereafter to \$25 per week.
 7 50% thereafter but not less than \$20.00 or more than \$40.00 for life.
 8 Reduced amounts after 300 weeks.
 9 Plus rehabilitation allowance, maximum \$150 for 104 weeks.
 10 Percentage increased 5% each, for dependent wife and children. Maximum 65%, wife and children.
 11 May not exceed actual wage.
 12 65 per cent of average monthly wage not in excess of \$335 per month plus an additional 15% for each dependent not to exceed 30%.
 13 Same rate of compensation thereafter from special fund. Disfigurement maximum \$10,000.
 14 Old age and survivors insurance benefits credited on compensation after \$25,000 has been paid.
 15 Disfigurement maximum \$1,000.
 16 Persons receiving less than benefits provided after 1955 receive difference in amounts from second injury fund.
 16A If no benefits paid prior to final decision of claim, award shall be based upon benefits in effect at time of decision instead of date of injury.
 17 Maximum not to exceed 66-2-3 per cent of average industrial wage determined annually (as of 1 1 70).
 18 Does not include rehabilitation allowance.
 19 60% of average production wage. To be determined annually by Labor Commissioner. Determined to be \$80.00 as of Oct. 1, 1969.
 20 Within period of 5 years from date of injury.
 21 If employee is receiving social security benefits for disability, compensation may be reduced by 50% of such payments.
 22 Maximum shall not exceed 55% of 85% of average weekly state wage; minimum shall be 25% of 85% of same, prorogated annually by Workmen's Compensation Board as of Jan. 1, 1970.
 23 Maximum not to exceed 65-2-3% of state average weekly wage fixed by Maine Employment Security Commission, as of 1 67.
 24 Add \$3 for each dependent up to 5 to weekly minimum. All benefits increased according to a scale annually until 1967, thereafter will be adjusted to average state wage.
 25 Additional allowance of \$5 per dependent child but not to exceed 50% of benefit or 75% of average weekly wage but may exceed 60% of annual average production wage. Retroactive benefit increases provided for cases prior to 1959 and 1963, and prospectively for cases after 1969. Benefits also adjusted annually based on cost of living.
 26 Compensation increased 15% if disability due to employer's violation of safety regulations.
 27 Based upon State's average weekly wage computed annually.
 28 Supplemental retroactive benefits payable in permanent total disability cases before 1960, maximum weekly benefit \$50. Payments made from Recaptured Cases Fund.
 29 After December 31, 1969 maximum weekly benefit is increased to \$49.
 30 Increases to \$50 weekly and max. total of \$20,000 on July 1, 1970.
 31 Said may order further benefits in hardship cases where necessary.
 32 Amount decreased by \$5 after first 26 weeks.

JURISDICTION	LIMITATIONS ON PERMANENT TOTAL					LIMITATIONS ON TEMPORARY TOTAL					NOTATIONS
	MAXIMUM PERCENT OF WAGES	MAXIMUM WEEKLY PAYMENT	MINIMUM WEEKLY PAYMENT	TIME LIMIT	AMOUNT LIMIT	MAXIMUM PERCENT OF WAGES*	MAXIMUM WEEKLY PAYMENT	MINIMUM WEEKLY PAYMENT	TIME LIMIT	AMOUNT LIMIT	
NORTH DAKOTA	55*	58.00*	55.00	Life		55	88.00*	55.00	Disability		55% of state's average weekly wage, determined annually. Plus \$5.00 for each child under 18. Max. not to exceed weekly take-home pay after taxes.
OHIO	66-2/3	55.00	45.50 ^{1,9}	Life		66-2/3	55.00*	25.00 ¹	Disability	10,750	During first 12 weeks of temporary total disability, max. compensation is \$13.00. Disbursement \$3,000 maximum.
OKLAHOMA	66-2/3	40.00	15.00 ¹	500 weeks	20,050	66-2/3	45.00	15.00 ¹	300 weeks	13,500	Disbursement \$3,000 maximum.
OREGON	55	52.50	40.00	Life		50	60.00*	30.00	Disability		Reducing schedule if less than 6 children.
PENNSYLVANIA	66-2/3	20.00	35.00 ¹¹			66-2/3	60.00	35.00			
PUERTO RICO ¹⁹	66-2/3	20.76	9.23	Life		66-2/3	35.00	8.00	312 weeks		Additional benefits in specific cases such as for vocational rehabilitation or constant companion at not more than \$30 a month.
RHODE ISLAND	66-2/3*	70.00	30.00	Life 12	(12)	66-2/3	70.00	30.00	Duration 12	(12)	Additional benefit of \$5.00 per week each dependent but total shall not exceed his average weekly wage.
SOUTH CAROLINA	60	50.00	5.00	500 weeks	12,500	60	50.00	5.00	500 weeks	12,500	
SOUTH DAKOTA	55	44.00	22.00 ¹	Life*	22,500	55	44.00	22.00 ¹	312 weeks	13,728	After 300 weeks, maximum \$15.00 per week. Minimum \$12.00
TENNESSEE	65	47.00	15.00 ⁴	550 weeks	18,800	65	47.00	15.00 ⁴			After 400 weeks \$15.00 per week, or actual wage if less but not less than \$12.00. Disfigurement benefits.
TEXAS	60	49.00	12.00	401 weeks	19,649	60	49.00	12.00	401 weeks	19,649	
UTAH	60*	47.00 ²	27.00 ¹	Life*	20,280 ⁶	60	47.00 ²	27.00 ¹	312 weeks	20,280	After 260 weeks 45% plus \$3.60 for a dependent wife and \$3.60 for each dependent minor under 18 up to four such children. Disfigurement benefits.
VERMONT ²⁰	66-2/3	56.00 ⁵	27.00 ¹	330 weeks	15,430	66-2/3	56.00 ⁵	27.00 ¹	330 weeks	15,430	
VIRGINIA	60	51.00	14.00	500 weeks	20,400	60	51.00	14.00	500 weeks	20,400	Disfigurement benefits.
WASHINGTON		61.23*	42.59	Life			61.23*	42.59	Disability		Additional allowance for constant attendant, if necessary \$15.00 per month. Reducing schedule if less than 5 children.
WEST VIRGINIA ²³	66-2/3	54.00	25.00	Life		66-2/3	54.00	25.00	206 weeks	11,232	
WISCONSIN	70	73.00	14.00	Life		70	73.00	8.75	Disability		Additional compensation for vocational rehabilitation. 15
WYOMING		34.61*	28.60	Life		66-2/3	53.46	33.46	Disability	12,000	Permanent--\$34.61 plus \$6.92 for each child (no limit). Aggregate sum for children \$10,000.
FEDERAL EMPLOYEES' COMPENSATION ACT	75 ¹⁸	405.00*	63.00 ¹	Life		75	405.00*	63.00 ¹	Disability		Additional allowance of \$300.00 per month for constant attendant if necessary.
LONGSHOREMEN AND HARBOR WORKERS' ACT	65-2/3	70.00	18.00 ¹	Life		66-2/3	70.00	18.00 ¹	Disability	24,000 ⁷	
ALBERTA	75	95.20	40.00 ^{1,25}	Life		75	95.20	40.00 ¹	Disability		75% of maximum earnings of \$5,600 per year.
BRITISH COLUMBIA	75	95.20	35.00 ¹	Life		75	95.20	33.78 ¹	Disability		75% of maximum earnings of \$6,600 per year. 15
MANITOBA	75	95.20	35.00 ^{1,16}	Life		75	95.20	35.00 ¹	Disability		75% of maximum earnings of \$6,600 per year.
NEW BRUNSWICK	75	86.54	25.00 ¹	Life		75	86.54	30.00 ¹	Disability		75% of maximum earnings of \$5,000 per year.
NEWFOUNDLAND	75	86.54	25.84 ¹	Life		75	86.54	25.00 ¹	Disability		75% of maximum earnings of \$5,000 per year.
NOVA SCOTIA	75	86.54 ²¹	28.84 ¹	Life		75	86.54	35.00 ¹	Disability		75% of maximum earnings of \$5,000 per year.
ONTARIO	75	101.00	40.00 ²⁵	Life		75	101.00	40.00	Disability		75% of maximum earnings of \$7,000 per year. Disfigurement benefits.
PRINCE EDWARD ISLAND	75	86.54	25.00 ¹	Life		75	86.54	25.00 ¹	Disability		75% of maximum earnings of \$5,000 per year.
QUEBEC ¹³	75	86.54	35.00	Life		75	86.54	35.00	Disability		75% of maximum earnings of \$5,000 per year. ²⁴
SASKATCHEWAN	75	95.20	36.00 ¹⁷	Life		75	95.20	36.00 ¹	Disability		75% of maximum earnings of \$5,600 per year. ⁸
CANADIAN MERCHANT SEAMEN COMPENSATION ACT	75	64.90	12.50	Life		75	64.90	12.50	Disability		75% of maximum earnings of \$4,500 per year.

* See notations column.
¹ Actual wage if less.
² \$3.60 additional for dependent wife and \$3.60 for each dependent child under 18, up to four such children.
³ Court will supervise disbursement of fund for children.
⁴ Actual wage if less but with a minimum of \$12.00
⁵ Maximum not to exceed 1/2 of average industrial wage determined annually. (as of 7-1-69) Additional amount of \$3.50 per week for each dependent child under 21
⁶ Employees tentatively found permanently and totally disabled referred to rehabilitation program. If employee has cooperated, cannot be rehabilitated and has exhausted benefits, then maximum of \$47.00 per week is paid by special fund upon termination of payments by employer and carrier until employee's death.
⁷ Plus rehabilitation allowance.
⁸ Board has discretion to choose the 12 months in the preceding 3 year period most advantageous to workmen for computation of his earnings.
⁹ Actual wage if less, but not under \$10.00 for work week of 15 hours or over.
¹⁰ Actual wage if less, but in no case less than \$22.00.
¹¹ Disability extending beyond 500 weeks or \$32,500 paid from second injury fund. Maximum weekly benefit not to exceed 93% of state average weekly wage computed annually on September 1. Added benefits to dependents excepted from 60% maximum. Employee paid compensation for 3 months or more shall be evaluated for rehabilitation services.
¹² Beginning September 30, 1965, benefit increases varying from 1.1-40% for awards made from September 1, 1961 and January 1, 1965 will be paid existing cases.
¹³ Compensation reduced 15% for employee's failure to use safety devices.
¹⁴ Applicable to all cases prior to January 1, 1965. Benefits to be increased annually by 2% increase in Consumer Price Index. Maximum wage rate to be adjusted according to annual gross earnings of workmen. Increased benefits payable prospectively.
¹⁵ Minimum benefits of \$150 per month increased retroactively to August 5, 1959.
¹⁶ Minimum benefits increased retroactively as of July 1, 1965.
¹⁷ Maximum is based upon grade 15 of Gen. Schedule Classification Act (\$28,069). minimum upon grade 2 (\$4,360) as of 12-1-69). Benefits to be increased annually by 3% increase in Consumer Price Index after 1967.
¹⁸ Compensation doubled if disability due to employer's violation of safety or health law or regulation.
¹⁹ Maximum benefit shall equal 50% of annual state average weekly wage. On July 1, 1969 benefits increased to \$55 maximum weekly and \$27 minimum-maximum total \$18,340.
²⁰ Extra allowance of \$60 monthly for attendant, if needed.
²¹ Maximum not to exceed 45% of state's average weekly wage - 7-1-69; 50% of weekly wage - 7-1-70.
²² Beginning January 1, 1970, benefits shall be increased annually by 2% increase in Consumer Price Index, increased benefits payable prospectively.
²³ Increase in minimum benefits made retroactive to existing cases. Alberta is paying same from Gen. Revenue Fund.
²⁴ 75% of maximum earnings of \$5,000 per year.

CHART V

MAXIMUM INCOME BENEFITS FOR SCHEDULED INJURIES

2018 22 January 1, 1970 33 25 40 31 15 5 12

JURISDICTION	ARM AT SHOULDER	HAND	THUMB	FIRST FINGER	SECOND FINGER	THIRD FINGER	FOURTH FINGER	LEG AT HIP	FOOT	GREAT TOE	OTHER TOES	ONE EYE	HEARING ONE EAR	HEARING BOTH EARS
IN THIS GROUP OF STATES COMPENSATION FOR TEMPORARY DISABILITY IS ALLOWED IN ADDITION TO ALLOWANCE FOR SCHEDULED INJURY.														
ALASKA f	\$14,500	\$10,900	\$1,800	\$1,000	\$600	\$600	\$300	\$12,900	\$9,200	\$900	\$300	\$7,200	\$2,700	\$7,000
ARIZONA s.e	33,000	27,500	8,250	4,950	3,850	2,750	2,220	27,500	22,000	3,850	1,380	16,500	11,000	33,000
ARKANSAS 11.30	9,800	7,350	2,940	1,715	1,470	980	735	8,575	6,125	1,470	490	4,900	1,960	7,350
COLORADO 21	12,367	6,188	2,975	1,547	1,071	654	773	12,367	6,188	1,547	654	8,270	2,092	8,270
CONNECTICUT 20/d	24,960	20,160	7,600	4,320	3,520	2,480	2,030	19,040	15,040	3,360	1,040	18,800	4,160	12,480
DELAWARE a	12,500	11,000	3,750	2,500	2,090	1,500	1,090	12,500	8,000	2,000	750	10,000	3,750	8,750
DISTRICT OF COLUMBIA	21,840	17,080	5,250	3,220	2,100	1,750	1,050	20,160	14,350	2,660	1,120	11,200	3,640	14,000
FEDERAL EMPLOYEES' COMPENSATION ACT	115,752	90,524	27,825	17,066	11,130	9,275	5,565	106,848	76,056	14,098	5,936	59,360	19,292	74,200
GUAM	15,680	11,872	2,856	1,568	1,008	952	392	13,898	9,688	1,456	448	7,840	2,912	11,200
HAWAII 22	35,100	27,450	8,437	5,175	3,375	2,812	1,687	32,400	23,062	4,275	1,800	18,000	5,850	22,500
IDAHO	10,320	8,600	3,010	1,720	1,720	1,290	860	7,740	5,375	1,290	516	6,020	1,505	6,450
LONGSHOREMEN AND HARBOR WORKERS' ACT	21,840	17,080	5,250	3,220	2,100	1,750	1,050	20,160	14,350	2,660	1,120	11,200	3,640	14,000
MAINE c	12,075	10,350	3,450	2,208	1,932	1,380	1,173	12,075	10,350	1,725	690	6,900	3,450	6,900
MARYLAND 28	6,300	4,900	1,250	750	625	500	375	6,300	4,375	625	250	5,000	1,875	4,375
MASSACHUSETTS 7	5,625	4,375	(7)	(7)	(7)	(7)	(7)	5,000	3,750	(7)	(7)	5,000	3,750	10,000
MICHIGAN e	23,403	18,705	5,655	3,306	2,871	1,914	1,392	18,705	14,094	2,871	957	14,094		
MISSISSIPPI	8,000	6,000	2,400	1,400	1,200	800	600	7,000	5,000	1,200	400	4,000	1,600	6,000
NEVADA 5	11,999	9,968	3,000	1,800	1,385	1,015	785	9,968	7,984	1,385	508	9,968	4,015	11,999
NEW HAMPSHIRE	14,338	11,725	3,350	2,077	1,742	1,273	871	14,338	10,117	1,742	670	8,442	3,484	14,338
NEW JERSEY	12,000	9,200	3,000	2,000	1,600	1,200	800	11,000	8,000	1,600	600	9,000	2,400	8,000
NEW MEXICO 5.11	9,600	6,000	2,640	1,344	1,056	816	672	9,600	5,520	1,680	672	6,240	1,920	7,200
NORTH CAROLINA 15	11,000	8,500	3,250	2,000	1,750	1,100	800	10,000	7,200	1,750	500	6,000	3,500	7,500
NORTH DAKOTA 4	7,875	6,300	2,047	1,260	945	630	504	7,371	4,725	945	378	4,725	1,575	6,300
OHIO 24	12,600	9,800	3,350	1,960	1,680	1,120	840	11,200	8,400	1,680	560	7,000	1,400	7,000
OREGON 2	10,560	8,250	2,640	1,320	1,210	550	330	8,250	6,425	990	220	5,500	3,300	10,560
PUERTO RICO 29	10,500	7,000	2,625	1,400	1,050	875	525	10,500	6,125	1,050	525	(26)	1,750	7,000
RHODE ISLAND	14,040	10,930	3,375	2,070	1,350	1,125	900	14,040	9,225	1,710	450	7,200	2,700	9,000
SOUTH CAROLINA	10,000	7,500	3,000	1,750	1,500	1,000	750	8,750	6,250	1,500	500	5,000	3,500	7,500
SOUTH DAKOTA 31	8,800	6,600	2,200	1,540	1,320	880	680	7,040	5,500	1,320	440	6,600	2,200	6,600
TENNESSEE	9,400	7,050	2,820	1,645	1,410	940	705	9,400	5,875	1,410	470	4,700		7,050
UTAH 3.27	13,000	9,750	3,900	1,950	1,950	1,300	780	11,700	8,125	1,950	780	7,800	3,250	13,000
WASHINGTON 5	15,000	13,500	5,400	3,375	2,700	1,350	675	15,000	5,250	3,150	1,150	6,000	2,000	12,000
WISCONSIN 5.11	23,750	19,000	5,938	2,850	2,138	1,235	1,330	23,750	11,875	3,943	1,568	13,063	2,613	15,675
WYOMING	6,800	5,500	900	400	300	300	300	5,800	4,300	950	300	5,000		

IN THIS GROUP OF STATES COMPENSATION FOR TEMPORARY DISABILITY IS ALLOWED IN ADDITION TO SCHEDULED INJURY WITH CERTAIN LIMITATIONS AS TO PERIOD														
ALABAMA	9,768	7,480	2,728	1,892	1,364	968	704	8,800	5,116	1,408	484	5,456	2,332	7,172
CALIFORNIA a	15,750	12,600	2,520	1,620	1,680	1,260	1,260	16,800	10,500	2,100	420	6,200	2,100	10,500
FLORIDA	9,800	8,575	2,940	1,715	1,470	980	735	9,800	8,575	1,470	490	6,575	1,960	7,350
GEORGIA 17	10,000	8,000	3,000	2,000	1,750	1,500	1,250	11,250	6,750	1,500	1,000	6,250	3,000	7,500
ILLINOIS 5	22,200	14,050	5,180	2,960	2,590	1,850	1,480	20,350	11,470	2,590	888	11,840	3,700	9,250
INDIANA 10	14,250	11,400	3,420	2,280	1,995	1,710	1,140	12,825	9,975	3,420		9,975	4,275	11,400
IOWA 11	10,925	8,312	2,850	1,662	1,425	1,187	950	9,500	7,125	1,900	712	5,937	2,375	8,312
KANSAS 16	10,290	7,350	2,940	1,813	1,470	980	735	9,800	6,125	1,470	490	5,880	1,470	5,390
KENTUCKY b	9,600	7,200	3,360	2,640	1,920	1,440	1,200	9,600	6,000	1,440	480	5,760	3,600	7,200
MINNESOTA 9	17,010	13,860	4,095	2,520	2,205	1,575	1,260	13,850	10,395	2,205	945	10,030	3,465	10,710
MISSOURI 5	13,456	10,150	3,480	2,610	2,030	2,030	1,276	12,006	8,700	2,320	812	8,120	2,552	9,744
NEBRASKA	12,375	9,625	3,300	1,925	1,650	1,100	825	11,825	8,250	1,650	550	6,875	2,750	5,500
NEW YORK 11	21,840	17,080	5,250	3,220	2,100	1,750	1,050	20,160	14,350	2,660	1,120	11,200	4,200	10,500
OKLAHOMA	10,625	8,500	2,550	1,488	1,275	850	638	7,438	6,375	1,275	425	4,250	4,250	8,500
PENNSYLVANIA 11.19	12,900	10,500	3,600	2,100	1,800	1,200	900	12,900	9,000	2,400	960	9,000		10,800
VERMONT 11	12,040	9,800	2,800	1,792	1,400	1,120	672	12,040	9,800	1,400	560	7,000	2,912	12,040
VIRGINIA	10,200	7,650	3,080	1,785	1,530	1,020	765	8,925	6,375	1,530	510	5,100	2,550	5,100

IN THIS GROUP OF STATES COMPENSATION FOR TEMPORARY DISABILITY IS DEDUCTED FROM THE ALLOWANCE FOR SCHEDULED INJURY														
LOUISIANA	9,800	7,350	2,450	1,470	980	980	980	8,575	6,125	980	490	4,900	(13)	(13)
MONTANA 3	15,000	12,000	4,500	4,500	2,220	1,500	900	18,000	10,800	2,220	960	9,900	2,400	12,000
TEXAS	9,800	7,350	3,430	2,695	1,960	1,519	1,225	9,400	6,125	1,470	490	4,900	3,675	7,350
WEST VIRGINIA	12,960	10,800	4,320	2,160	1,512	1,080	1,080	12,960	7,560	2,160	864	7,128	3,240	9,720

a Disfigurement awarded in addition to schedule but not to exceed 20% thereof, in certain cases.
 b Additional \$370 for the loss of a metacarpal bone for the corresponding thumb or finger. Maximum weekly benefit 50% of 85% of average state wage = \$48.00 for 1970.
 c Maximum weekly benefit 2/3 of State's average weekly wage = \$69.00 as of 6/1/69. Disfigurement benefits, \$1500 maximum.
 d Award for disfigurement not due to loss of a member may be up to 208 weeks benefits.
 e Computed @ \$87 weekly based upon 3 dependents. Range of benefits runs from \$69.00 to \$98.00 maximum for 5 or more.
 f Aggregate maximum compensation for temporary disability and permanent partial disability not to exceed \$20,000.

Projected additional annual cost of new claims incurred after July 1, 1971.

Temporary total disability (wage \$500)	\$ 821,000
Permanent partial disability (wage \$520)	466,000
Permanent total disability (wage \$416)	120,000
Survivor benefits - widows, children (wage \$435)	<u>180,000</u>
	1,587,000
10% - lag factor	<u>159,000</u>
	\$ 1,746,000

Projected additional cost of retroactive increases to claims incurred prior to July 1, 1971.

Temporary total disability	\$ 611,000
Permanent partial (not retroactive)	0
Permanent total - flat rate applicable to all	1,875,000
or	
Permanent total based on wage of claimant (\$416 wage)	1,373,000
Survivors benefits (wage \$435)	1,475,000
Special silicosis awards (P.T.'s at flat rate)	300,000
or	
(P.T.'s based on wage)	<u>270,000</u>
Total retroactive benefit cost	4,261,000
	or
	3,729,000
Total requirement fiscal 1972	6,007,000
	or
	5,475,000

2

Medicine	Effective Jan. 1, 1966	Effective Feb. 1, 1969	Effective Aug. 1, 1970
(Percentage figures in parenthesis show percentage increases)			
Initial Office Visit	\$7.50 (33%)	\$10.00 (40%-320%)	\$14.00-42.00 ² Routine (14.00)
Follow-up Office Visit	4.00 (50%)	6.00 (-6.7%-250%)	5.60-21.00 Routine (7.00)
Admission To Hospital	17.50 (20%)	21.00 (0-100%)	21.00-42.00 Routine (21.00)
Follow-up Hospital Visit	4.00 (50%)	6.00 (16.7%-250%)	7.00-21.00 Routine (7.00)
Consultations - Limited	15.00 (40%)	21.00 (0)	21.00
	(133%)	35.00 (0)	35.00
Complete	35.00 (40%)	49.00 (0)	49.00
Remainder of Medicine Section	6.00 Unit (16.7%)	7.00 Unit (0)	7.00 Unit
Anesthesia	6.00 Unit (16.7%)	7.00 Unit (42.8%)	10.00 Unit
Surgery	5.00 Unit (30%)	6.50 Unit (23%)	8.00 Unit
Radiology	6.00 Unit (16.7%)	7.00 Unit (4.3%)	7.30 Unit
Pathology	6.00 Unit (16.7%)	7.00 Unit (4.3%)	7.30 Unit

Hospital Room Charges

Between August 1969 and August 1970 average room charges increased 13%.

Estimate about a 1% per month increase.

Comparison of Selected Nevada, California,
Oregon, and Arizona Rates Effective Currently

3

	Nevada 1971	California 1971	Oregon 1971	Arizona 1971
Apartment Houses	\$ 2.63	\$ 3.50	\$	\$
Auto & Truck Repair Shops	1.58	2.87	3.10	
Bakeries	1.53	2.51	1.62	
Banks	.36	.22	.66	.34
Barber Shops & Beauty Parlors	.36	.37	.47	.67
Bridge Building - Wooden Metal	X 3.07 3.07	(18.01) (9.77)	6.92	
Building Material Dealers	1.36	3.65	2.47	
Lumber Yards	1.36	3.65		
Cabinet Works	3.56	4.09	Special Quote	
Carpentry - Home Construction	X 2.32	(7.72) (4.54)	4.27	5.94
Concrete Products Manufacture	Y 1.98	5.42	6.17	
Convalescent Homes	1.60	3.53	4.75	4.45
Electric Utility Companies	1.67	1.77	1.98	
Dairy Farms	3.25	5.64	11.50	5.69
Agriculture-Field Crops (& Stock other than Nevada)	6.40	7.23	11.50	5.69
Cattle Ranching (Nevada)	7.40	7.23	11.50	5.69
Truck Farms	2.35	2.28	4.85	2.94

Comparison of Selected Nevada, California,
Oregon, and Arizona Rates Effective Currently

	Nevada 1971	California 1971	Oregon 1971	Arizona 1971
Garbage or Refuse Collection	X \$ 3.06	\$ 9.07	\$ 6.28	\$ 4.50
Hay, Grain & Feed Dealers	2.35	6.25	2.41	3.00
Hospitals	1.60	1.45	{ 1.00 Prof. 3.00 Other	{ 1.59 Prof 2.44 Other
Hotels	X 1.99	3.81	3.48	2.00
Iron & Steel Erection	X 3.27	9.77	7.86	
Laundries	1.36	2.59	2.12	2.62
Logging	X 6.35	13.95	Special Quote	
Machine Shops	2.16	2.32	3.21	
Metal Goods Manufacturing	2.16	4.88	4.67	
Mining, Surface	X 2.89	7.01	7.67	7.47
Mining, Underground	8.43	17.46	17.63	15.53
Ore Milling	3.69	5.17	11.19	3.80
Motels	1.99	3.81	3.48	2.41
Public Schools	.42	.41 Teach.	.31 Teach.	.75 Teach.
(Nevada School Lunch)	1.65	2.03 Other	3.20 Other	2.70 Other
Newspaper Publishing	.71	1.44	1.32	
Painting or Decorating	2.32	4.95	7.02	5.32
Plumbing	2.32	3.04	4.03	3.96

*the middle
man Private
Insurance*

Comparison of Selected Nevada, California,
Oregon, and Arizona Rates Effective Currently

	Nevada 1971	California 1971	Oregon 1971	Arizona 1971
Restaurants	\$ 1.69	\$ 1.98	\$ 2.87	\$ 2.09
Rubber Tire Dealers	1.58	2.87	3.39	
Iron & Scrap Dealers	3.27	10.31	16.86	
Sewer Construction	3.07	8.77	9.65	11.
Sheet Metal Products Manufacturing	2.16	3.45	3.16	
Street & Road Construction	3.07	(6.56 4.70	5.44 6.49	5.88 5.88
Clothing Stores	.71	.98	1.53	.68
Department Stores, Retail	1.36	.78	Special Quote	1.14
Grocery Stores	1.36	1.73	2.18	2.37
Furniture Stores	1.36	1.83	1.98	
Taxi Cab Operations	3.06	3.85		
Entertainers	.51	.93	.58	
Trucking	2.02	5.29	5.43	9.02
Warehouses, General Merchandise	1.80	4.67	2.95	3.81

*there are these expenses over the
years*

<u>Percentage Rate Changes on Jan. 1 of the Year Listed</u>			<u>Total Rebates Paid Based on the Operations of the Fiscal Year Listed</u>	
1961			FY 1961	\$ 702,965
1962	Reduction	5.0%	FY 1962	700,312
1963	Reduction	1.5%	FY 1963	1,249,393
1964	Reduction	7.0%	FY 1964	875,297
1965	Reduction	5.0%	FY 1965	1,204,357
1966	Reduction	4.0%	FY 1966	1,301,942
1967	Reduction	4.0%	FY 1967	874,013
1968	Increase	8.0%	FY 1968	1,247,573
1969	Reduction	3.0%	FY 1969	None
1970	Increase	10.0%	FY 1970	None Planned
1971	Increase	15.0%		

*33
29 1/2 to
3 1/2 of
Increase*

We increase Benefits 30% from 1963 to 1967

8,355,842

Question No. 1. CITE THE AUTHORITY FOR REBATES.

to increase Benefits 30%

Section 616.380 establishes the authority under which premium rebates were paid to employers.

no profit

6 million

Specifically "2. The rating system provided by this section is subject to the limitation that the amount of any increase or reduction of premium rate or additional charge or rebate of premium contributions shall be in the discretion of the commission, but shall not exceed 20 per cent where the accident experience of any employer comprises less than 24 consecutive months or 30 per cent where the accident experience comprises more than 24 consecutive months.

Question No. 2. CITE THE AUTHORITY BY WHICH THE COMMISSION ATTEMPTS TO OPERATE AT A BREAK-EVEN POINT.

Section 616.380 Also contains the language which has been interpreted to mean that rates should be set at the "break-even" point.

Section 616.380.3, 4th sentence. "The objective to be accomplished by the commission shall be to prescribe and collect on such premiums as may be necessary to pay the obligations created by this chapter, administrative expenses and to carry such reasonable reserves as may be prescribed by law or may be deemed necessary to meet such contingencies as may be reasonably expected."

Investments are ploughed into the return of on Rebates

STATEMENT OF KEITH MOUNT - PRESENTED AT MEETING OF FEBRUARY 4, 1971
COMMERCE COMMITTEE.

Gentlemen:

The State of Nevada writes only 14½ million of Industrial Insurance per year. It is my strong feeling if this is split three ways with a number of carriers, each getting a small piece, no one will be able to do a good job. In 1913, nearly 60 years ago, the legislature did an outstanding job in enacting the basic statutes governing the N.I.C. act. I have met with the administrators of every state and over all they agree Nevada has the most workable act in the U.S. Sure there are bugs and inequities. I served in the legislature 17 years ago when a full investigation and study was made. These studies, I think, are helpful to everyone. I will not argue with any of you that the benefits paid to an injured employee or his dependents are enough. Nevada is in the top 7 states in benefits. Where do we hit the happy medium where the employer can afford the premium and the employee get a fair compensation? Gentlemen, I can't answer that question.

Private insurance is in business to make a profit. They will take the low-risk accounts. The N.I.C. will be stuck with high-risk ones. In the period 1960-1968 the commission reduced rates and rebated to policy holders with a good safety record 8 million dollars. Do you honestly believe a private carrier would do this? Our sister state of Oregon, a few years ago, enacted a statute such as AB 32. Their commissioners and board admitted it was the biggest mistake they ever made. Every safe-guard is given the claimant. Full medical treatment. The case of Elizabeth Thompson who was injured in the Sierra Street blast in Reno, cost the N.I.C. \$283,000. She was in the hospital 6 years, 6 mo. and 3 days; never regaining consciousness. Would a D.R.E. have enough

insurance to cover a case such as this if 3 or 4 employees were injured? The employee, under N.I.C., has many millions in backing. Each claimant has a hearing before the claims Dept. and medical advisor. If he is not satisfied he is heard by the full commission, the medical referee board and in the courts.

There are a number of questions,

- (1) Who pays for safety inspections and the safety programs?
Approx. 200,000 a year.
- (2) The board, hearing officers, clerical help, Ins. rent, travel & etc.
- (3) The clerical help, printing & etc. by the N.I.C. to process the paper work for the D.R.E. and private carrier.

This would probably amount to $\frac{1}{2}$ million a year. Would this be a general fund appropriation or will the employers, under the N.I.C. pay this and give the carriers a free ride? Someone has to pay the bill.

What happens to an employee when the D.R.E. goes broke, leaves the state or does not have enough insurance? Will we have to set up a second injury fund? How do we handle a silicosis claimant?

Gentlemen, I think A.B. 32 is a good bill for the private insurance companys but a devil of a poor one for the State of Nevada.

John L. Grassmeier

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P. O. Box 783

BOULDER CITY, NEVADA 89005

702/293-2082

January 16, 1971

Mr. Randall Victor Capurro
P. O. Box 7575
Reno, Nevada 89502

Dear Assemblyman Capurro:

Some time ago I undertook the gathering of information concerning the 50 States Safety Codes as they pertained to the Construction Industry and a break-down of what benefits they paid under their Workmen's Compensation Act.

With the Occupational Safety and Health Act having now passed the U.S. Senate and House the subject of Safety is now assured action, in business affecting commerce. Perhaps similar Acts will someday cover all employment.

I wish at this time to furnish you with the more outstanding items I have on Workmen's Compensation, hoping it may prove of interest and value to you during this session of the Legislature.

Respectfully yours,



JOHN L. GRASSMEIER, Vice-President
Plumbers and Pipefitters Local 525

JLG:mk

Nevada State Legislator:

In the field of Workman's Compensation the State of Nevada is definitely lacking. While our State is not the lowest in the amount of benefits paid, it is by no means a leader in the field. This is one item I feel this session of the Legislature will attempt to rectify.

Concerning the payment of Workmen's Compensation to an injured workman, Arizona law is considered to be a fore-runner as compared to other States in the country and is very complex, but basically an injured workman in Arizona, when totally injured or incapable of working, as happens in a few cases on a temporary permanent basis, receives 65% of his loss of earnings, based on a maximum income of \$1000.00 per month. In other words, he would receive \$650. per month while totally off work. When he becomes able to go back to some form of work he is paid 55% of his loss of earnings.

Arizona is an open State in that private carriers, as well as the State Compensation Fund, compete actively for this insurance premium.

This constitutes the most realistic answer to the problem of total and temporary disability, and one which should certainly merit your time and consideration. Under our present law it is imposible for a workman with several dependents to exist on disability payments of \$66.46 to the maximum of \$79.96 per week. Certainly this sum is archaic and degrading in this day of rising prices. Any widow or orphan who has been forced to accept Nevada Industrial Commission benefit payments in place of the family bread-winner would readily argue the virtues of a plan such as Arizona's. Especially since today the majority of Nevada's work force's wages and expenses far exceed the maximum payable under the present Nevada Law.

The ideal plan to strive for would be the Federal Employees Compensation Act. Under the terms and provisions of this Act, Federal Employees' receive a maximum of \$405.00 per week or 75% of their wages, with the maximum on wages being based upon grade 15 of Gen. Schedule Classification Act (\$28,069.00 per year).

I feel confident that you as a Legislator will not fail the working men and women of the State of Nevada or their families on such a vital issue. Nevada, as the fastest growing State in the Nation should be not abreast but ahead of the time in the field of Workman's Compensation.