

## SENATE COMMERCE AND LABOR COMMITTEE

## MINUTES OF MEETING

MONDAY, APRIL 9, 1973

The meeting was called to order at 6:30 p.m.

Senator Drakulich in the chair.

PRESENT: Senator Herr  
Senator Blakemore  
Senator Lamb  
Senator Hecht  
Senator Pozzi  
Senator Swobe

A. B. 728 - Repeals law extending state associations rights, powers and duties to federal savings and loan associations

Motion, Senator Lamb, rescind the action previously taken by the Committee, seconded by Senator Herr, carried unanimously.

Motion, Senator Lamb, Do Kill, seconded Senator Herr, carried unanimously.

S. B. 611 - Enacts the Nevada Motor Vehicle Insurance Act

Dick Rottman, Insurance Commissioner and his assistant, Bob Byrd, appeared in support of this legislation.

Certain amendments were presented to the Committee, which amendments are attached hereto as Exhibits B and C.

Mr. Rottman requested a specific severability clause in case one section is declared unconstitutional, then the rest of the legislation would remain intact.

The amendments were agreed upon.

S. B. 551 - Enacts the Nevada Health Maintenance Organization Act.

Erma Edwards of the insurance department appeared to speak in support of this legislation. She explained that the bill provides for regulation control over health care organizations. She said the bill is necessary because there are people coming into the state starting these organizations over which the state has no control. She further stated that there are two bills now pending in Congress, H. R. 51, and S. B. 14, which make this mandatory and allow the stats to regulate HMO.

Mr. Rottman appeared in support of the bill.

Minor Kelso, Chief of Welfare Medical Association, spoke in support of the bill.

Thomas Wilson, State Board of Health, appeared and spoke in support of the bill, however, he stated that there could be some amendments to make the bill more workable. His example was that as of now the bill embraces all medical fields, and these should be placed in the bill separately.

Dr. Larsen of the Nevada Optical Association endorsed the remarks of Mr. Wilson.

Senator Jessie Unruh from California was a guest and recognized at the meeting. He stated that the experience in California regarding this legislation has been successful.

S. B. 551 will be heard Wednesday at noon.

S. B. 539 - Creates Insurance Holding Company Law.

Mr. Rottman appeared and spoke in support of this legislation. He stated that it is NAIC model bill. Insurance Commissioners are trying to get it enacted in all the states with a reciprocity agreement in the bill.

Milo Terzich, representing the American Life Insurance Group, appeared before the committee and stated that his company was highly in favor of this legislation.

Ben Dasher, President of American Insurance Group, stated that he was in full support of the bill.

↓ S. B. 581 - Amends Unemployment Compensation Law with respect to employer contributions and disqualification for benefits.

Rowland Oakes, Associated General Contractors, spoke in support of this bill.

Lou Paley, AFL-CIO, spoke in support of the bill.

Robbins Cahill, Nevada Casino Association of Southern Nevada, spoke in favor of the bill.

Mr. Oakes stated that If this bill, S. B. 581 is passed, then A. B. 686 will not be necessary.

S. B. 606 - Permits civil action for treble damages against employer who fails to contribute to funds benefiting employees.

Lou Paley, Nevada AFL-CIO, spoke in favor of the bill.

Stanley Jones, Labor Commissioner, appeared and concurred with the intent and purpose of the bill.

Rowland Oakes, Associated General Contractors, stated that the bill should contain adequate language to let the employer know when he is delinquent.

Ray Bohart, Federated Employers, Las Vegas, spoke in opposition to the bill. He stated that he does not know of any workman in southern Nevada who has ever been denied any of his benefits.

Robbins Cahill, Las Vegas, spoke concerning the bill. He stated that he would like to speak with some of his people before testifying for or against the measure.

S. B. 607 - Requires a permit and bond of entertainment industry promoters.

Mark Telly, Secretary-Treasurer of the Musicians Union of Las Vegas and Ed McGoldrick, of the Musicians Union of Northern Nevada, appeared and spoke in support of the measure. They stated that any individual could come into the state, set up business in a hotel or motel room, bring in an orchestra and hold auditions and lead people to believe there is work when in fact there is no work for them at all. They indicated that the bill was not aimed at the large casinos.

Robbins Cahill appeared and spoke in opposition to the bill, He felt that the bill would affect the large casinos.

A. B. 245 - Clarifies procedure in making deductions from employee's wages.

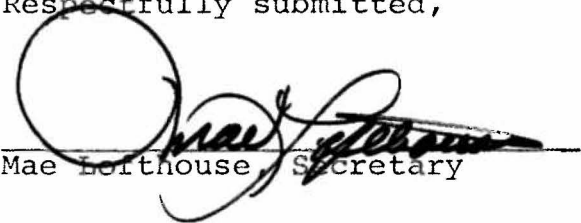
Stanley Jones, Labor Commissioner, appeared and testified in support of the legislation. He presented to the committee a resolution from the Nevada AFL-CIO supporting the measure.

A. B. 246 - Authorizes labor commissioner to identify kinds of employment dangerous or injurious to minors.

Stanley Jones, Labor Commissioner, spoke in support of this measure.

The meeting was adjourned at 10:00 p.m.

Respectfully submitted,

  
Mae Lothouse, Secretary

APPROVED:

Stanley J. Drakulich, Chairman

4-9-73

Commerce & Labor

Exhibit A

6:00 P.M.

Name

ROBBINS CAHILL

JOHN MADOLE

ROWLAND OAKES

Euna Edwards

Ben Dasher

Earl W. Lawrence

Gene Milligan

Edward H. Wickhaman

C. A. Heckethorn

NELSON B. NEFF

R. C. Bentinck

Anna Kelsu

Stan Jones

Tom Foley

Mark Tully

Ed McHoldrick

Neil G. GALATZ

Bliss Fertig

David R. Hoy

Who Representing

NEVADA RESORT ASSOCIATION

ASSOC. GEN. CONTRS.

ASSOC. GEN. CONTRS.

Nevada Ins. Division

Univ. Life Insurance Co.

New State Optometry Assn

New Assoc. of Realtors

D. M. V.

Blue Shield of Nevada

Nevada Medical Assn.

Medical Care Sect. (Title XIX)

Medical Care Sect. (Title XIX)

NEV. STATE LABOR COMMISSIONER

New State Q.V.H. C.I.D

Musicians Union of Las Vegas Local 369

Reno Musicians Union Local 368

NEVADA TRIAL LAWYERS ASSOC

American Life Ins. Assoc.

Nevada Trial Lawyers Assoc.

# § 28 ELIMINATES PRODUCTS LIABILITY

NOTE #1

Sec. 8 \$20,000 to \$5,000

This change will conform this act to the Florida and Connecticut maximum benefits

It will exceed the benefits set in Massachusetts and Maryland

COST

98% CASES

NOTE #2

Sec. 28 The \$500 threshold is in effect in  
1 (i) Massachusetts, Utah and New York

The Connecticut proposal is a \$400 threshold

New Jersey has a \$200 threshold proposal

The law as either enacted or proposed in Virginia, South Dakota, Saskatchewan, Oregon, Minnesota, Maryland, Delaware, has no threshold.

Only Florida has a \$1,000 threshold

Only Michigan has a threshold of \$2,500

NOTE #3

Sec. 28 The exceptions will read "chronic or  
1 (i) permanent injury" rather than  
--significant permanent injury--.  
Added are the words "partial or total permanent disability"; "disfigurement" is included without qualification; "fracture" is added; and the inability to work is reduced to 30 days

The word "chronic" is inserted because many doctors believe that only loss of a limb and death are permanent; they speak of all other types of things that laymen consider as permanent as being chronic, since they are subject to some degree of fluctuation as to pain and disability

The insertion of "partial or total permanent disability" picks up the language from the Florida act and from Capurro's act

"Disfigurement" is not qualified as having to be permanent because of the fact that with today's plastic surgery techniques, most bad scars are ultimately alleviated and reduced to comparatively minor cosmetic disfigurements; however, it may take from 3 or 4 months up to many years to accomplish this. During the course of this time the person is often grossly disfigured and often suffers severe pain, but ultimately is left with minor residuals

If a threshold is intended to eliminate only small cases, disfigurement of this type should not be eliminated

"Fracture" is added because a person even with a \$500 threshold could have simple fractures of both legs, have no partial or permanent disability and have medical expenses under \$500; again, if ~~only~~ small cases are to be eliminated, this modification is obviously necessary

MASS  
(AND?)  
EXCLUDE FX  
FROM  
Threshold

The loss of income is changed from 6 months to 30 days because most income disability policies are written with either no elimination period or with 30, 60 or 90-day elimination. No elimination period is not good since it would bring in all sorts of small claims; however, the 60 and 90-day limitations are rarely purchased because only the wealthy can afford to go that long without benefits. The 30-day period seems reasonable in that it eliminates the small claims and it doesn't operate in a manner so as to discriminate against the poor to the benefit of the wealthy

NOTE #4

10  
11

Sec. 29 (2) (3)  
Sec. 30

providing for subrogation have been eliminated

A new Sec. 30 has been substituted, which will conform to the procedures we are familiar with in this state under our industrial compensation laws which seem to have worked well with respect to third party claims

It, further, leaves the control in the hands of the injured person, the consumer, rather than in the hands of the insuring company

FLA.  
Michigan  
have  
lien  
laws

Avoid  
Double  
Headings

12

Sec. 31

The comparative negligence section has been changed to read "not greater than" rather than --not as great as--

The "not greater than" language is the language employed in the Wisconsin statute. It seems highly desirable to have available the entire body of case law which has developed in Wisconsin on comparative negligence so as to avoid the uncertainty and expense of having to develop litigation in appellate cases interpreting a new and different comparative negligence law

The "not greater than" language also conforms to the language proposed in A.B. 638 before the Nevada Legislature

Note #6

12

Sec. 32

Changed the financial responsibility

27

Sec. 55

limits from \$15,000/\$30,000 to \$25,000/\$50,000

No-Fault with a threshold is supposed to remove the nuisance cases which are over-compensated. It is believed that this act as amended will do that; however, if this act is to accomplish the other purpose, which is to see that the severely persons are adequately compensated and yet do this without increasing the cost to an unmanageable level, it becomes necessary to increase the limits of financial responsibility. \$25,000/\$50,000 minimum should accomplish this purpose without increasing the cost

Note #7

20

Secs. 44 &amp; 45

21

These sections deleted because if the No-Fault benefits can be reduced to a lump sum there is a substantial risk that the injured person will be misled or mistaken in judgment and will be left with inadequate benefits at the very time he needs them most

NOTE #8

Sec. 47      The changes are technical, to make sure that copies of all reports are provided and that the reports are complete; and, further, that the carrier cannot evade its obligation in this regard

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NOTE #9

24            Sec. 48      The word "available" has been  
1 (b)        changed to --delivered-- since potentially anything is available to the claimant, the carrier, we believe, could impose upon him unduly to chase around and attempt to get materials. We think it is proper that he provide what he has, but that he not be harnessed and put to chasing for the carrier since the carrier can secure the same material on its own

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NOTE #10

24            Sec. 48      Provides that the insurance company  
1 (c)        shall get copies of what materials the doctors and hospitals have, but prevents them from requiring special reports to be written, as it is felt that would be an imposition upon the hospitals and doctors and one which is unnecessary

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NOTE #11

24            Sec. 48      This is a new section which provides that  
1 (d)        copies of all the materials secured by the insurance company shall also be provided to the claimant. This seems fair so as to put the parties on a parity during any bargaining or negotiation

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NOTE #12

24            Sec. 48      Has been eliminated as this is  
3            adequately covered in the existing Rules of Civil Procedure

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Sec. 29(2)

Has been deleted. This section, it is felt, will lead to a trial within the trial. At the present time, the test for compensation for medical expenses is whether or not they are reasonable and necessary. As a practical matter, this has presented so little problem that it is rare that proof is ever required on this issue. The section which we suggest be deleted would add to that test an equivalency factor. The problem is that nowhere do we spell out what it is to be equivalent to, who determines that it is the equivalent to what, at what period in time is the equivalency determined since treatment may extend over many years, nor is there specification as to where the equivalency standard shall be set as typically treatment may be received in many different cities and states and there are fluctuations in medical charges between various cities and states and at different times

Amendments to SB 611

Amendment No. 1

On page 3, line 15, strike the word "or" and insert a comma  
",," and after the word "compensation" insert ",or any  
similar state enacted statutory plan,"

Amendment No. 2

*OK* On page 3, line 42 after the word "liabilities" insert  
"in the minimum amounts specified in Chapter 485, N. R. S."

Amendment No. 3

*OK* On page 7, line 29, strike the words "July 1, 1973"  
and insert "February 1, 1974".

Amendment No. 4

On page 8, line 7, strike the word "or" and insert a  
comma ",," and after the word "compensation" insert  
", or from any similar state enacted statutory plan".

Amendment No. 5

*OK* On page 9, line 18, after the word "with" insert  
"the provisions of Chapters 686B and 690B N.R.S. and".

Amendment No. 6

On page 10, line 19, strike the period at the end of  
the sentence and insert "on a basis reasonably related  
to the volume of basic reparations insurance they write."