

# Nevada Legislature

## ASSEMBLY

LABOR & MANGEMENT COMMITTEE MEETING MINUTES  
FEBRUARY 6, 1975

Present: Banner, Benkovich, Moody, Getto, Hayes, and Schofield

Absent: Barengo

Assemblymen Barengo, Hayes, and Getto were officially excused to attend the Judiciary meeting, but Mr. Getto and Mrs. Hayes were in attendance at the Labor & Management meeting.

Chairman Banner called the meeting to order. He explained that this meeting was a continuation of the hearings on A.B. 2, 3, 4, and 5, for those who were not allowed to testify at the meeting on February 4, 1975.

John Gionetti, Harrah's Club, thanked the Committee for the continuation of hearings on the bills since he was unable to appear at the last meeting. He announced he would speak on all the above named bills. He said he would first like to give the statistics on the premiums paid by Harrah's since 1970, there are as follows:

1970	-	\$168,000
1971	-	\$227,000
1972	-	\$322,000
1973	-	\$385,000
1974	-	\$514,000
1975	-	\$530,000 (projected and doesn't include 18% increase)

He said the figures were not documented, but asked the Committee to consider the costs. He also urged the Committee to carefully consider the NIC package legislation to be submitted at a future date.

Bob McCoy, Gibbon's Company, said that in behalf of the 50 employers that the company handles NIC affairs for, he would like to speak in opposition of the bills. He first asked that the bills be set aside until the NIC could submit their proposals.

He said that his main objection to A.B. 3 was the cost to the employer. He said it also would not provide any incentive for a man to return to work. On A.B. 4, Mr. McCoy gave an example. With complete freedom of choice on physicians an injured workman might decide that due to the present bad weather

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he would prefer a physician in Miami, Florida, than one here in Nevada. He said that although the example was a drastic one it could happen due to the wording of the bill which he felt is quite faulty. He said A.B. 5 would be very expensive, but he could not give exact figures on the measure at this time. In conclusion, he wanted to reiterate that NIC is not a social service and would not like to see it used as one. He gave a brief explanation of the NIC proposals which he hoped the Committee would take time to consider. A general discussion was then held.

Bob Alkire, Kennecott Copper Corp., said he would like to bring the attention of the Committee to A.B. 3. He felt that this measure could bring an increase in claims as well as providing no incentive for ment to return to work as soon as possible. On A.B. 4, he said he also felt that the employee might seek long distance medical attention. He said it would also allow employees the dangerous privilege of self diagnosis which means the individual would, after deciding a certain diagnosis, go to the wrong doctor, for the wrong problem. He said A.B. 5 would be extremely costly and urged the Committee to wait to review the NIC legislative proposals.

Mr. Bob Warren, representing Nevada Cities, spoke both for and against the bills. He said the cities which he represented felt certain restraints were needed on A.B. 4. He asked that studies of costs be set up on A.B. 5 to examine both the increase in costs and in benefits. He also urged the Committee to carefully examine NIC proposals.

Mr. John Reiser, NIC, said he had submitted fiscal information on A.B. 5 to the secretary for distribution to the Committee members (see Attachment I). He announced that NIC attorneys were working on proposed amendments to A.B. 2, 4, and 5. He also requested that all bills on workman's compensation to be considered as a whole, and asked the Committee for its cooperation with NIC on holding these bills until NIC could present proposals. All amendments will be submitted in writing to the Committee. A general discussion was held.

Mr. Jim Barrier of Dura-Fiber asked the Committee to consider the total impact of these bills because he feels that they are inflationary. He said that if premium costs increase, then it will not be the employers who will take the loss, but the cost will be passed on to the general public through higher prices. Mr. Banner distributed statistics on premiums and pay-outs from 1971, to 1974. (See Attachment II). Mr. Banner interjected that the 18% increase in 1973 did not cause a straight 18%. He then gave a brief statement on the exact amount results.

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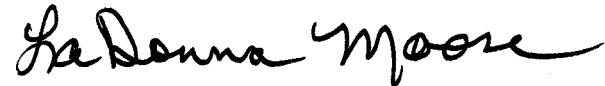
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Nettie Haskell gave a brief explanation of a case involving her with NIC. After injuries to her husband which resulted in death five years after the incident, she was awarded only \$167.50, per month as a widow. She said she could not even leave the State in order to further her education to provide support for her family because NIC would immediately sever her monthly allowance. Her husband had been in law enforcement for 17 years prior to the injury.

Testimony was concluded and Mr. Banner adjourned the meeting.

Respectfully submitted,



La Donna Moore  
Secretary

/lm  
Attachments

AGENDA FOR COMMITTEE ON LABOR AND MANAGEMENT

Date Thurs., Feb 6 Time 9:30 a.m. Room 336

Bills or Resolutions  
to be considered

Subject

Counsel  
requested\*

~~AB 50~~

Permits sole proprietor or partner to elect  
workmen's compensation coverage. Fiscal

Note: Yes

AB 2

AB 3

AB 4

AB 5



BDR \_\_\_\_\_  
A.B. 5 \_\_\_\_\_  
S.B. \_\_\_\_\_

FISCAL NOTE

AMENDMENTS:  
Assembly: First Reading \_\_\_\_\_  
          Second Reading \_\_\_\_\_  
          Third Reading \_\_\_\_\_  
Senate: First Reading \_\_\_\_\_  
          Second Reading \_\_\_\_\_  
          Third Reading \_\_\_\_\_

Date transmitted February 5, 1975

Agency submitting Nevada Industrial Commission Date prepared February 5, 1975

Summary	Fiscal Year 1974-75	Fiscal Year 1975-76	Fiscal Year 1976-77	Continuing
Cost of increased benefit levels for permanent total compensation and survivor's benefits on FY 1975 and prior year claims.	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total.....	_____	_____	_____	_____

EXPLANATION (use continuation sheets if required):

The language of AB 5 as it was introduced on January 21, 1975, does not express the intent of Assemblyman Banner according to his verbal statement.

It is our understanding that paragraph 2 should read, "The amount of compensation to which a permanently and totally disabled person or the dependant survivors of fatally injured workers are entitled is payable according to the rates provided in this chapter as amended from time to time, and the Commission shall adjust current payments accordingly. This subsection applies only if the disabling industrial injury, death or occupational disease occurred prior to July 1, 1975.

The projected cost of this bill is based upon the following assumptions.

(Next page)

Signature John R. Reiser  
                  John R. Reiser  
Title Chairman

Reviewed by Department of Administration  
Comments by Department of Administration:

Signature \_\_\_\_\_  
Date \_\_\_\_\_ Title \_\_\_\_\_

All cases of permanent total disability presently active and any additional permanent total cases which arise from accidents or occupational disease which occur prior to July 1, 1975, will receive 66 2/3 percent of the average monthly wage of the injured worker. The maximum wage to be considered is \$1,300 per month. Any permanent total case who is receiving or would be entitled to monthly compensation which amounts to more than 66 2/3 percent of his average wage will continue to receive that amount after July 1, 1975.

The same parameters would apply to survivors of fatally injured workmen, with the exception that children of widows or widowers who remarry, would receive 15 percent of the average wage of the deceased. A maximum payable to multiple children would be 66 2/3 percent of the average wage.

If it is assumed that the level of benefits on fiscal 1975 and prior claims would be increased to the levels specified and frozen at that point. The bill would create an unfunded liability having a present value of \$22,308,000, i.e. if \$22,308,000 were deposited on July 1, 1975, and the undisbursed balance of the fund earned income at a rate of 3 3/4 percent per annum, the increased cost of permanent total disability compensation and survivor's benefits provided in AB-5 would be funded.

## NEVADA INDUSTRIAL INSURANCE

## PREMIUMS &amp; PAY-OUTS

		<u>Cities</u>	<u>Counties</u>	<u>Firemen (Cities)</u>
For year '71-'72	Premium	298,959	291,567	97,231
	Paid out	311,828	191,121	100,755
		<u>(12,869)</u>	<u>100,446</u>	<u>(3,524)</u>
	Percentage Paid out	104%	65%	104%
For year '72-'73	Premium	443,171	429,050	142,069
	Paid Out	293,237	191,798	70,208
		<u>149,934</u>	<u>237,252</u>	<u>71,861</u>
	Percentage Paid out	66%	45%	49%
For year '73-'74	Premium	564,111	533,653	183,919
	Paid out	260,259	484,834	100,171
		<u>303,852</u>	<u>48,819</u>	<u>83,748</u>
	Percentage Paid out	46%	91%	54%
	TOTAL PREMIUM	1,306,241	1,254,270	423,219
	TOTAL PAID OUT	865,324	867,753	271,134
		<u>440,917</u>	<u>386,517</u>	<u>152,085</u>
	TOTAL PERCENTAGE PAID OUT	66%	69%	64%

DATE: 2-6-75

LABOR & MANAGEMENT COMMITTEE

LEGISLATION TO BE CONSIDERED: A.B. 2, 3, 4, 5, and A.B. 50

PLEASE PRINT LEGIBLY!

Only those persons who have registered below will be permitted to speak. All persons wishing to present testimony will please sign in below, stating their name, who they represent, and whether they wish to speak for or against the matter to be considered by the committee. Witnesses with long testimony on matters before the committee are encouraged to present their information in writing and make oral summary limiting it to five minutes or less. If you wish to speak more than five minutes please contact the committee chairman or the committee secretary. Questions from other than committee members are not in order and are not allowed. No applause will be permitted.

FOR

NAME

REPRESENTING

<del>Robert W. Williams</del>	<del>American</del>
Nettie Haskell	as widow
Frances Coffey	my self
Norothy Bracked	my Husband (Carl)
Jim Sanier	Dun-Fisher Inc. (Consum Mfg. Assn.)
James J. Parker	Ben Parker Co (Consum Mfg Assn.)
Bob McLean	The Tibbets Co

AGAINST

NAME

REPRESENTING

Bob Alper	Kennecott Copper
JOHN GIANOTTI	HARRAH'S
Bob McLean	