

March 25, 1975 (9:30 A.M. Session\_

230

MEMBERS PRESENT: Chairman Banner  
Vice Chairman Moody  
Mrs. Hayes  
Mr. Getto((Excused for short segment)  
Mr. Benkovich  
Mr. Schofield  
Mr. Barengo

MEMBERS ABSENT: None

The meeting was called to order at 9:45 A.M. by Chairman Banner for the purpose of discussing A.B. 429-426-405-371 and 370.

Chairman Banner announced that the bills would be considered, one at a time, with the Committee first hearing testimony for the bills, and then against them.

The first speaker was John Reiser, representing the NIC.

Re-429, he made the following explanation:

1--This bill has been requested by several groups of employers and State agencies who use volunteer workers. They request that the NIC be allowed to provide coverage for these volunteers, at a deemed wage of \$100.00 a month, which would entitle them to \$66.67 a month in benefits should they be injured.

Chairman Banner advised that in Clark County there are numerous persons who work with the social and juvenile programs, and he hoped that they would be included.

Mr. Reiser stated that one of the requests came from the Teenage Opportunity Group, which provides scholarships for young people who do volunteer work during the summer, and this bill would provide coverage for them.

Assemblyman Benkovich asked who would be paying the premiums for the coverage?

Mr. Reiser replied that each of these classifications will be reviewed every year, and the premiums set at that time. He said that no other employer group would be subsidizing the volunteer coverage, that they would be covered by premiums paid by their employers, or the State agency who uses their services.

Chairman Banner asked that he please explain the "deemed wage"

Mr. Reiser said that they would be covered as if they were being paid \$100.00 a month for their work.

Assemblyman Benkovich asked him what the premium would be on \$100.00 a month, and Mr. Reiser answered that it would be about 89¢, but that the action taken this session would determine the premium.

A.B. 429 (cont.)

Mr. Reiser said that, since they had no experience to date in volunteer coverage, that if some of the volunteer's occupations proved to be of the hazardous variety, the rate would have to be adjusted to handle that, and that various occupation categories might possibly be charged different rates.

Mr. Schofield asked if the rates had been established for these categories, and Mr. Reiser replied in the negative, because it is not known yet what categories will apply for the coverage.

Mr. Roy Sebbas, State Director for Nevada Voluntary Action was the next speaker in favor of A.B. 429. He made the following statements:

- 1--NVA is a new agency, created by Executive Order from the Governor's office, and that it was very advisable, from the point-of-view of his agency, that this bill be passed.
- 2--That he was involved in the original drafting of the bill, and considered it very important.
- 3--That the state office of NVA is trying to get several national volunteer groups to sponsor programs in this area, and that they require this type of coverage, before they will do so.
- 4--That there are some private carrier plans available, but that they are extremely limited.
- 5--That of the 27 state agencies, presently using volunteer workers, only one is mentioned under NIC, which is the Nevada Mental Health Institute.

Since no one else wished to speak for the bill, Chairman Banner moved on to those who were speaking against it.

The first speaker was R.W. McCoy of the Gibbens Co., Inc., and he made the following statements:

- 1--Just before the meeting he had received a telephone call from the Hospital Association, and they told him that they were opposed to the A.B. 429, and asked him to oppose it, on their behalf, but did not tell him their reasons.
- 2--He considered the language of the bill "unclear" since it did not state whether the coverage was to be "mandatory" or voluntary. Mr. John Reiser explained that they had been presented with difficulty in deciding on that, but that, since some groups did not need or want the coverage, it was not mandatory.
- 3--In Paragraph 3, he considers the bill deficient, also.

(Lines 11-12 & 13)

A.B. He stated that in Paragraph 3, the bill speaks of a "deemed 429 wage of \$100.00 a month, which will be used for premium calculation purposes, but then goes on to state: "and shall be entitled to the benefits of this chapter". He asked if that meant that the employer must provide coverage, or not, which was answered in the preceding paragraph by John Reiser (not mandatory).

4--That since the employees were receiving no salary, he did not see the equity in them being entitled to coverage for disability benefits. Would they be entitled to \$66.67 a month in benefits if they were injured, and could not work; when they were working for nothing, when they were able to work?

5--He felt that the bill needs amendments, and is unacceptable in its present form, and parts may be unenforceable.

The next speaker against A.B. 429 was Mr. Raymond Bohart, representing Federated Employers of Nevada and the Greater Las Vegas Chamber of Commerce. He first gave a list of the members of the Federated Employers of Nevada to the Committee, as he requested to do, at the Joint Hearing on March 18.

He stated that both the above named groups opposed A.B. 429 for the following reasons:

1--In sub-section 3, line 7; private, incorporated, and non-profit organizations are referred to. If this is an elective situation, if a non-profit organization elected to provide coverage, they felt that the premiums might wind up being paid for by all employers, across-the-board.

Assemblyman Getto arrived and asked that the record show that he was late as he had been in an Agriculture Committee meeting.

Mr. Lou Paley, representing the A.F. of L. and C.I.O. of Nevada, spoke in favor of A.B. 429. He stated that he was surprised that Mr. Bohart's and Mr. McCoy's interests opposed this bill. That they were not in opposition 2 years ago when volunteer firemen and school patrols were provided with coverage. He said that that coverage had established a precedent, and if the precedent were not continued by passing A.B. 429, then the bills passed in 1973 should be repealed.

Mr. Getto asked Mr. Paley if he thought that a fireman risking his life was the same as someone going out to work as a volunteer?

Mr. Paley replied that a volunteer could also be risking his life, in some instances, in auto accidents, etc., and that all volunteers had the same problems if they should be injured, and not have coverage. That there have been problems in this area and that something should be done to correct these problems. He said that it might get out of hand, but that these people had to be protected, and the employers protected against possible lawsuits, and that the state should at least give it a try.

Mr. Rowland Oakes was the next speaker in favor of A.B. 429. He stated that he had been a member of the Labor & Management Board of NIC for the past 16 years, and that the other members of the Board are:

For Labor:

Lou Paley  
Jim Arnold  
Tom Jones  
Mike Pisanello  
Himself

For Management:

Earl Hill  
Wally Warren  
William Campbell  
Deke Blackburn  
Harold Knudson

Regarding A.B. 429, he said that Labor has opposed this bill every time it has come up in previous years, but are now for it; and Management asked for this bill to take care of the Teenage Opportunity Program, and others.

Mr. John Reiser stated that, in answer to a previous question, A.B. 429 did start out as requiring "mandatory coverage", but now it is "elective", as there are some groups who neither need nor want this type of coverage.

Mr. Benkovich asked Mr. Reiser how he would feel about an amendment that would provide for "medical benefits" only, and not a salary benefits replacement, as such?

Mr. Reiser replied that he believed that such an amendment would accomplish the purpose, but that he did not believe that he should speak for the people who had requested the coverage.

John Reiser was the first speaker for A.B. 426, and he said that it should be considered along with A.B. 371. The intent of the bill (A.B. 426) is to require that all employers must purchase workmen's compensation insurance, and provides a gross misdemeanor penalty for those who fail to do so. It also provides that any employee or employer who shall make a false statement or misrepresent the facts, for the purpose of obtaining any compensation or payment, for himself or another person, shall be guilty of a gross misdemeanor; and that the Commission shall be able to stop any present or future benefits to be paid, and be entitled to reimbursement for any already paid.

He stated that the intent of A.B. 371 is to provide for an "uninsured employer account"

Assemblyman Benkovich asked who requested this bill.

Mr. Reiser replied that they had complaints on file from both Labor & Management. The NIC has the obligation to police the coverage in this state, and in 1973, the Legislature gave them the permission to issue a "stop order" if an employer fails to provide the coverage. That there are employees who are injured working for uninsured employers, and this bill is designed to eliminate that problem. A.B. 426 and 371 would accomplish a goal of equity on employer groups.

Assemblyman Benkovich referred to Page 2, Line 15, and asked why the change from two to one, regarding the number of employees?

Mr. Reiser replied that in another bill, A.B. 440, the coverage has been broadened to cover all employers, no matter how few employees they have. Small employers have had problems in the past, and have requested coverage that will cover all employees in the state.

Mr. Raymond Bohart, representing the Federated Employers of Nevada, and the Greater Las Vegas Chamber of Commerce was the first speaker in opposition to the bill (A.B. 429). He said that the language in the bill (Lines 14 thru 17, on Page 3) did not make it clear whether this coverage would extend to domestic servants, or whether a homeowner who hired a gardener for an odd job, would have to purchase coverage. He further referred to Lines 21 to 24, and said he saw no reason why the penalty should be modified.

Assemblyman Benkovich asked Mr. Bohart if he could support the bill if those 2 objections were cleared up, and Mr. Bohart replied in the affirmative.

Mr. Lou Paley said that he felt that anyone who worked for a living, should be covered by this type of insurance. That many times a contractor will hire one laborer or one hod carrier or one carpenter, and that employee is not covered. He then asked Mr. Reiser how many states do have this type of insurance.

Mr. Reiser replied that almost all of the states have it.

Assemblyman Getto asked if A.B. 429 was passed and A.B. 440 was not passed, would it mandate anyone to provide coverage who had a boy mow his lawn?

Mr. Reiser said that it would not, and was covered by a definition of "casual labor", in A.B. 440, and that the 2 bills should be considered together.

Chairman Banner stated that they would not be considered in a package, but considered one bill at a time.

Assemblyman Benkovich asked why the change from the "standard misdemeanor" to a "gross misdemeanor"?

Mr. Reiser replied that the intent is to have a penalty which is severe enough that employers feel required to purchase the coverage.

Assemblyman Schofield asked if the provision doubled the penalty?

Mr. Reiser replied that it was just making them more severe.

Re: A.B. 429 (Cont.)

Assemblyman Schofield asked whether, if there were 10 employees not covered, would each one of them constitute an offense, and the employer be liable for a multiple fine?

Mr. Reiser referred the question to Mr. William Crowell, Legal Advisor for the NIC, who answered that each time the employer failed to provide coverage it would constitute an offense, not one offense per employee.

Since there was no one else who wished to speak against the bill, Chairman Banner asked Mr. Reiser to go over A.B. 405.

Mr. Reiser said that the intent of A.B. 405 was to recognize the progressive nature of silicosis. That this bill is consistent with the legislation that was passed by the 1973 Legislature, and allows an individual to continue to work at light employment, even though he cannot work in the mining industry. It deletes a provision in present law that no compensation can be paid, unless disability or death from silicosis results within 2 years of the date of the last injurious exposure. That this bill would benefit the motivated worker, and their rehabilitation program.

Assemblyman Schofield asked if Page 1, Line 19, meant that there would be no "medical coverage"?

Mr. Reiser replied that the definition of compensation includes "medical coverage" and that this line was to clarify and eliminate redundancy.

Since there was no one who wished to speak against A.B. 405, Chairman Banner asked Mr. Reiser to go over A.B. 371.

Mr. Reiser stated that the intent of A.B. 371 is to complement A.B. 429, that has been discussed previously (Pages 1-2-3-&4) He requested that two minor amendments be considered: On Line 3 and Line 19, strike the word "or" and replace it with "and". The intent of these amendments is to protect Nevada employees who are working for Nevada employers, and suffer occupational injuries, but who are not insured.

Assemblyman Benkovich asked for an example of this instance

Chairman Banner cited as an example an employee, say a carpenter or an electrician who is installing some light fixtures, etc. for a company who is based in California, falls from a scaffolding and is injured, but the California sub-contractor has no Nevada NIC account. There is difficulty in processing a claim against the prime contractor. This bill would permit the employee to obtain the necessary hospitalization without problems, and allow the NIC to go after the employer, and recover the moneys.

Assemblyman Schofield asked if the burden would then lie with the NIC's legal staff to do the necessary tracking down, and

A.B. 371 (Cont.)

and Mr. Reiser replied that it would put the burden of taking any action on the Legal Staff at NIC, rather than on the employee. He further related that Mr. Crowell had noted that this removes the employee's right to sue the employer, and transfers that right to the NIC.

Assemblyman Banner said that while the employee does give up the right to sue the employer, he is enabled to receive the proper medical attention immediately.

Assemblyman Benkovich noted the estimated cost of this is \$500,000.00, and asked for a breakdown.

Mr. Reiser replied that this was an estimated cost, as there had been no experience on which to base the cost, as yet.

California passed this type of statute, but did not set aside any money to pay the benefits with, and that some sum must be set aside. That if the \$500,000.00 was too much or too little, it will be later adjusted in the financial structure of NIC.

Assemblyman Benkovich asked how many hearing officers the NIC had now, and how many more would be needed.

Mr. Reiser replied that there was just one hearing officer now, and that the need for additional officers was not anticipated, but again noted that with no experience on this kind of statute, he did not like to estimate.

Since no one wished to speak in opposition to A.B. 371, Chairman Banner asked Mr. Reiser to go over A.B. 370.

Mr. Reiser said that A.B. 370 clarifies a statute requiring that a claim be filed (or forever barred) if an employee fails to file a claim for benefits due to occupational disease within 4 months after the disability due to the disease began, and states that the claim be filed within 90 days after the knowledge of the disease has been obtained. It hasn't been a problem, because of the ambiguity of the present statute's wording.

Mr. Raymond Bohart, representing the Federated Employers of Nevada and the Greater Las Vegas Chamber of Commerce said that he was not necessarily opposed to this bill, but would like an answer to a question. That he understood the problem with a progressive disease, such as silicosis, but that he also understood that the only way to stay on top of the liability of health and welfare funds is to get the claims in promptly. He questioned whether there could be possible abuse in areas other than silicosis, where an employee could file a later claim, saying that he didn't have the previous knowledge.

Assemblyman Schofield said that A.B. 405 answers this question, in that it separates silicosis from every other disease.

Mr. Reiser answered Mr. Bohart that he didn't believe that it

A.B. 370 (Cont.)

would ever be a problem, since occupational disease had been a very small part of the problems encountered by the NIC, and that when an employee has knowledge of an occupational disease, he generally does report it promptly.

Chairman Banner complimented the parties testifying, and stated that he hoped the 18 bills yet to come, could be covered in the same efficient manner as those covered at this hearing.

There being no further business before the meeting, Chairman Banner declared the hearing in recess until 2:30 P.M.  
(Recess was declared at 10:40 A.M.)

Respectfully submitted,

Betty Clugston  
Acting Secretary



## AGENDA FOR COMMITTEE ON Labor and Management

Date March 25, 1975 Time 9:30 A.M. Room 131

Bills or Resolutions  
to be considered

Subject

Counsel  
requested\*

Bills or Resolutions to be considered	Subject	Counsel requested*
A.B. 429 ✓	Extends Nevada Industrial Insurance Act coverage to certain unpaid volunteer workers.	
A.B. 426 ✓	Provides for forfeiture of industrial insurance benefits obtained by false statements and provides penalties for employers' failure to provide compensation.	
A.B. 405	Deletes provision that disability or death from silicosis have resulted within 2 years following last injurious exposure as condition for payment of compensation.	
A.B. 371	Permits employee to elect compensation under the provisions of chapters 616 or 617 of NRS when his employer has failed to provide mandatory coverage.	
A.B. 370	Revises time limits for filing claims with Nevada Industrial Commission for compensation based on occupational disease.	
AB 440		

DATE: Mar. 25, 1975 9:30 AM

LABOR & MANAGEMENT COMMITTEE

LEGISLATION TO BE CONSIDERED: A.B. 429 - 426 - 405 -  
371 - 370

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
Roy A. Sebbas	Office of Nevada Voluntary Action, State of Nevada
JOHN REISER	NIC
ROLDAND OAKES	NEV CHAPTER AGE
R W Mc Coy	The Gibbens Co Inc.

AGAINST

NAME	REPRESENTING
Raymond A. Sabert	Federated Employees of Nevada
Allen Taylor	B.M.T. Las Vegas