

March 27, 1975 (A.M. Session)

MEMBERS PRESENT: Chairman Banner
Vice-Chairman Moody
Assemblyman Benkovich
Assemblyman Getto
Assemblyman Schofield

MEMBERS ABSENT: Assemblyman Barengo (excused for another meeting)
Assemblyman Hayes (excused for another meeting)

Chairman Banner convened the hearing at 9:40 A.M. for the purpose of hearing testimony on A.B. 364-368-419 & 425.

He stated that the hearing would be short, as the Legislature would go into session at 10 A.M., but that it would resume at approximately 1 P.M., or when the Legislature adjourned, and the bills not covered would be heard at the meeting on April 1, at 9:30 A.M.

John Reiser representing the NIC was the first speaker in favor of A.B. 364. He made the following points:

- 1--That the intent of the bill was to clarify, and to increase the payroll base, and to make other technical changes.
- 2--On Page 1, the proposal was to increase the maximum considered payroll from \$15,600.00 to \$24,000.00, per annum. The reason that proposal was considered desirable was that the benefits structure was an escalating structure, and it took into consideration the escalation of the average state monthly wage; which would allow for increased exposure to be recognized so that, in effect, rates would not be artificially increased by having a limit on the payroll base.
- 3--That the \$15,600.00 had been in effect for several years, and was no longer a valid figure.
- 4--Regarding Item 5, which should be considered in conjunction with S.B. 440, so that the working partner could have the "optional coverage" provided for in that bill.
- 5--On Page 2, there was just a clarification of statutory authority so that officials who were elected or appointed to school boards, etc., could have coverage.
- 6--In Section 3, the amendment to 616.110 is a change that had been requested by both labor and management; that athletic and social events be excluded from the Act, unless the employee is being paid for those activities. Therefore, an employer could continue to sponsor soft ball teams, bowling teams, etc., without being required to be responsible for off-the-job injuries.
- 7--Page 3 is just a clarification that the total amount paid to the employee by each employer be the \$24,000.00 instead of the present \$15,600.00, regarding premium payments.

A.B. 364 (Cont.)

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That there is a situation here that the NIC could be faced with, that in their interpretation, would be an inequitable situation. Employee might pay on \$15,600.00 at a clerical rate of 35¢ per hundred; then the same employee could go to work for Employer 2 as a crop duster, and he would pay at a rate of \$25.00 per hundred, for far greater exposure, with Employer 2 not being required to pay any premiums if the limit of \$15,600.00 had been satisfied. This would happen if the bill was amended to apply to each employee rather than to each employer.

Assemblyman Schofield noted that, on Line 20, the NIC had added "by each employer". He asked if that meant that if a man is employed for 6 months for 1 employer, and has satisfied that particular amount on the total, did that mean that another employer would have to pay again?

Mr. Reiser replied that it did mean that. He cited the following example: An employee works in clerical work for 6 months for one employer, and his employer has paid the 35¢ per hundred on his total payroll, up to the \$15,600.00 or \$24,000.00, whatever the base might be. Then he moves to another type of work, for instance construction, at \$3.00 to \$5.00 per hundred units of payroll. That second employer would be adding considerable hazardous exposure, so he would be required to pay the premium on this exposure. Therefore, the accidents that would take place, and be paid for by NIC, would be covered by the employer who added the hazardous exposure, and not be subsidized by other employers.

Mr. Schofield asked if the employee went to work for another employer in the same kind of work, at the same premium rate, what would happen?

Mr. Reiser replied that the same thing was true, and cited the following example: Employer 1 has paid in at a rate of \$5.00 or \$6.00 per hundred up to the full amount, and the second employer hires the man away from him, as soon as he has satisfied the full amount, and the second employer pays nothing. Assuming that an accident takes place while he is working for the second employer. The second employer has paid no premiums, yet the NIC would pay out benefits on that injury, with the premiums contributed by all employers.

Assemblyman Schofield conceded the truth of Mr. Reiser's example, but that his point was that the money had been paid in to cover that man for that year already.

Mr. Reiser replied that it was true that the first employer had paid on behalf of his exposure, but that the second employer had paid nothing on behalf of his exposure.

Mr. Schofield asked that, in this instance, a person was making \$31,200.00 for that period of time, double premiums would have been paid in on him?

A.B. 364 (Cont.)

Mr. Reiser replied that each of his employers would have to pay up to the \$15,600.00 or the \$24,000.00 on him

Assemblyman Schofield asked if the NIC had figured this out, actuarially, so that it had come on to a balance?

Mr. Reiser replied that the base or the rate had to give. That the NIC has to have \$40,000,000.00 a year to pay the benefits that they anticipate. That it didn't make any difference whether the base was increased or the rate was increased to provide that \$40,000,000.00. That if there was to be a stable rate, the base should be increased as the benefits structure escalates, and that the NIC felt that the most equitable way was to have each employer pay for each employee.

Assemblyman Schofield asked if the following were true: If an employer has 10 employees, and he pays on a quarterly basis, in advance. Then 9 of those employees leave him 10 days into the quarter. He has already paid the premiums for their insurance through the end of that particular quarter. Was their any refundable proposition figured into NIC's premium system?

Mr. Reiser replied that if the "estimated payroll" is met by the employer, the NIC performed yearly audits, and the "audited payroll" became the basis for final premium calculations, so that any error in the "estimated payroll" would be corrected later by audit. Each employer is paying on his actual exposure, as the audit would adjust any differences between the "actual" and "estimated exposure".

Assemblyman Schofield asked if it was a fact that if the 9 employees referred to went to work for a second employer, that the NIC would also collect from that second employer.

Mr. Reiser replied in the affirmative.

Since the Legislature was due to go into session, Chairman Banner recessed the hearing at 9:53 A.M.

Respectfully submitted,

Betty Clugston
Acting Secretary

ASSEMBLY

AGENDA FOR COMMITTEE ON Labor and Management

9:30 -

Date March 27, 1975 Time 10:50 A.M. Room 131

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Bills or Resolutions
to be considered

Subject

Counsel
requested*

- | Bills or Resolutions
to be considered | Subject | Counsel
requested* |
|--|--|-----------------------|
| A.B. 364 | Revises certain provisions of Nevada Industrial Insurance Act and Nevada Occupational Diseases Act. | |
| A.B. 368 | Increases workmen's compensation benefits for burial expenses and extends period compensation will be paid to surviving children if enrolled in vocational or educational institution. | |
| A.B. 419 | Places time limitation on employer for reporting an industrial injury to commission. | |
| A.B. 425 | Extends occupational disease coverage for heart diseases to all occupations covered under the Nevada Industrial Insurance Act and Nevada Occupational Diseases Act. | |

DATE: March 27, 1975

LABOR & MANAGEMENT COMMITTEE

P.M. Session

LEGISLATION TO BE CONSIDERED: ^{H.B.} 364-368-419-425

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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
JOHN REISER	NIC

Bob McCoy

The Gibbens Co, Inc

AGAINST

NAME	REPRESENTING
<i>Raymond A. [unclear]</i>	<i>Federated Employers of Nevada Inc.</i>
<i>John Taylor (TAYLOR)</i>	<i>B.M.I.</i>
<i>Thomas [unclear]</i>	<i>Federated Employers</i>
<i>Jim Pierce</i>	<i>Federated Employers of Nevada</i>
<i>Jeffrey [unclear]</i>	<i>Young Electric Sign Co</i>
<i>John [unclear]</i>	<i>John E. [unclear]</i>
<i>Don Hill</i>	<i>Hanover</i>
<i>Bob Alkire</i>	<i>Kennecott Copper</i>



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MIKE O'CALLAGHAN
GOVERNOR

ROY A. SEBBAS
DIRECTOR

March 25, 1975

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TO: Members of the Assembly Committee on Labor
FROM: Roy A. Sebbas 
RE: AB 429 (NIC coverage for unpaid volunteer workers)

1. The intent of this legislation when drafted by Nevada Voluntary Action was to permit agencies or organizations using direct service volunteers to elect to extend NIC coverage to volunteers with the premium covered by the organization. We encourage amendment should this be deemed necessary to clarify this aspect of the bill.
2. This agency would encourage inclusion of temporary disability payments as a portion of the coverage, since the volunteer may be his own or a family's sole source of support, which would be jeopardized if a disabling injury occurs while volunteering.
3. Inclusion of category 3, "private, incorporated non-profit organization" was made with intention of coverage of volunteers only while offering a direct service to which a general community clientele has potential access. Excluded should be sectarian activities of church or religious groups, fund-raising activities and campaigns, and any activities conducted only for the benefit of the organization and its immediate membership. If amendment is necessary to clarify this issue we advocate for such an amendment. If the entire category must be struck, we cannot see that harming the potential for volunteering in state government, which is our prime objective.