

MEMBERS PRESENT: Chairman Banner
Vice-Chairman Moody
Assemblyman Schofield
Assemblyman Barengo

Chairman Banner called the recessed meeting to order at 3:20 P. M.

A.B. 364

Mr. John Reiser said Assemblyman Benkovich had raised a question of whether or not a rate increase would be required if the payroll base were to be limited, the answer to which is "yes." Twenty of the states have gone to an unlimited payroll because of the competitive situation--new industries coming in ask how rates compare with other states. It has been determined from studies of other states that, where there is a limited payroll, rates tend to be higher. He stated the request was to go from \$15,600 to \$24,000 rather than going all the way to unlimited. He said the basic question before the Committee was whether it was desired that the rates remain stable.

A.B. 368

Mr. Reiser said the intent of A.B. 368 is to increase the burial expenses which have remained at the \$650 limit for a long period of time. Approximately \$1,200 appears to be the going rate for funeral expenses, and it is recommended the amount be brought to the current level. Other changes are:

Page 1 - To make it consistent with the average monthly wage which is covered in another bill to be considered on Thursday.

Page 2 - Increase in survivors' benefits to cover dependents until age twenty-two, if they continue to attend an educational institution full time.

Page 3 - Dependent burial benefit be increased from \$500 to \$1,200 so that both employee burial expense benefit and dependent benefit be increased to current levels.

Assemblyman Barengo suggested an amendment on Page 1 to eliminate the duplication and just make it to the "surviving spouse."

Chairman Banner suggested he work out this amendment.

Mr. Raymond Bohart, Managing Director, Federated Employers of Nevada, spoke in opposition to A.B. 368, indicating he had checked with two funeral parlors in Las Vegas, one of which offers a complete package, including plot, for \$695. Other offers range from \$385 to \$1,000 for a complete package. He further noted that some of the funeral homes said this is normally an expense picked up by union health and welfare and life insurance. Laundry Workers provides \$1,000 worth of life insurance, Teamsters \$2,000, Carpenters \$4,000, Bricklayers \$5,000, Electricians \$10,000 and Roofers \$2,000. There are substantial death benefits through the craft unions for those covered by a collective

bargaining unit. He said he did not feel the request in this bill to go from \$650 to \$1,200 is in line, absent any type of presentation here, and requested the Committee look at that. He further objected to continuing payments to dependents beyond eighteen years of age, and stated these are direct cost items which will be paid by the employer. He asked for a determination to see if we are not leading rather than just meeting the average, and stated he had heard nothing to indicate we are substandard in these areas.

Mr. Claude Evans, Nevada Industrial Commission, said he personally delivers the first month's benefit checks to widows and widowers, and had found only one example where the \$650 was sufficient to pay for burial expense and that was a cremation. The average cost is \$1,500 and he said he could submit figures to substantiate this, if desired.

Mr. Lou Paley said he felt the \$1,200 figure was justified and asked the Committee to support the bill.

A.B. 419

Mr. Reiser said the intent of A.B. 419 is to place the responsibility on the employer of reporting any industrial injury within six days of the employer's knowledge of the injury. He stated the Commission is being monitored and being studied by all kinds of groups, as well as an in-house study of its own, on payment of benefits. The objective is to pay benefits within fourteen days of an industrial injury when possible. The aim is to be consistent with OSHA requirements so that the employer can complete all forms at the same time. OSHA has a six-day requirement, therefore, it is requested that a requirement to mail the report to NIC at the same time be placed on the employer.

Chairman Banner asked about the penalty in No. 3.

Mr. Reiser said a discretionary penalty had been requested. The bill was drafted with "shall" and an amendment changing it to "may" has been submitted to the bill drafters. He indicated this was not necessary in the bulk of the cases.

Assemblyman Barengo said, with regard to the discretionary penalty, it did not call for any intent on the part of the employer to fail to do this.

Mr. Reiser replied this will be clarified by the rules and regulations.

A.B. 425

Mr. Reiser said the intent of A.B. 425 is to extend coverage for diseases of the heart to all employments in which you get an occupational aggravation. In the past firemen and policemen have been covered, but there is no coverage under occupational diseases for other occupations, and we are one of the few states in the country which has had this type of restrictive statute. This bill recognizes that there are valid aggravations on the job and would allow for acceptance of a claim if there is a definite exposure.

Based on Arizona's experience, an increase of between 3% and 4% is estimated, if the experience was the same. Most of the other states have had considerable litigation in this area, and it is hoped litigation will be minimized by clear wording in the statute.

Chairman Banner asked if this would not be difficult to administer, and Mr. Reiser replied it was indeed a difficult area to administer.

Mr. Evans made reference to an individual who was operating a jack-hammer on a hot day, and who sat down under a shed and expired. Under the present law, the claim was denied; however, the court ruled that the heart was compensable, and compensation is now being paid to the widow. He said there had been several similar cases on which benefits are now being paid.

Chairman Banner questioned Mr. Reiser as to the contents of the Federal Act.

Mr. Reiser said the Federal requirement is that all occupational diseases be covered under the state programs, and this bill simply clarifies the statute and puts the interpretations given by the courts into statutory form.

Mr. Bohart spoke in opposition to A.B. 425 and asked, with reference to the Federal standards mentioned, if this is a proposal or the law at this time, stating he understood it has not been passed by Congress. He expressed the opinion that it would be difficult to administer. He made reference to the fiscal note being \$1,500,000 or roughly 3% across the board increase in premium and questioned allowance of this figure in the current legislative action. He suggested placing some of these benefits under an employee contribution plan. He said he felt this is another attempt to get total coverage for an employee on and off his employment, and asked the Committee to look at it carefully.

Chairman Banner referred to Section 1 (a) and (b), particularly (b) where the causal relationship has to be shown, which is a medical evaluation, not an evaluation of the staff. Also (c)-- physical symptoms of the heart occurred during working hours-- which narrows it down.

Meeting adjourned at 4:00 P. M.

Respectfully submitted,

Mildred Cave
Acting Secretary