

MINUTES

ASSEMBLY
GOVERNMENT AFFAIRS
February 17, 1977
8:00am

Members Present: Chairman Murphy
Mr. May
Mr. Craddock
Mr. Jeffrey
Mr. Mann
Mr. Moody
Mr. Robinson
Mrs. Westall
Mr. Rhoads

Note: Mr. Rhoads will be filling in for Mr. Howard on the Ways and Means committee some mornings, and therefore excused at those times.

Guests Present: William Parish, Nevada Ind. Insurance Agents
Verne Rosse, Environmental Protection Services
Bert Leavit, National Assoc. of Prof. Insurance Agnts
Robert Pidcock
Jim Woodhems, Insurance Division
Assemblyman Banner

Chairman Murphy called the meeting to order at 8:03 and announced that the purpose of this meeting was to discuss A. B. 128 and A. B. 146.

ASSEMBLY BILL 128

Assemblyman Banner, sponsor of the bill, told the committee that he was not representing his employer, but that since he was very familiar with the subject saw the need for this type of legislation. He said that he was not advocating self insurance but that he would like it to be available if the need arises.

Mr. Robert Pidcock, a risk management consultant (self employed), told the committee that he does work with several public entities and that there is a problem. In California 150 cities have received nonrenewal notices for their liability insurance. Two or three counties in Nevada cannot find an insurance company willing to carry a liability policy for them. He said that he too is not advocating self insurance but that he is concerned that there should be some planning before the brunt of the problem falls on some Nevada cities and they can't get out from under it. This bill will provide enabling legislation to allow an entity to set up a separate fund that can't be tapped to run an insurance policy (office, staff etc.) Without this type of planning and if entities choose to do without the coverage that they can't find anyway, some judgements will come up against them and they won't have the money to settle.

Assemblyman Robinson asked if these monies would be under stricter control than the Union Trust Funds that have had much misuse. He was told by Mr. Pidcock that even though there would be a separate fund set up for this liability insurance money, it would still be public entity money and therefore accountable every month just like the other money an entity has.

Mr. Pidcock continued by explaining to the committee that a public entity is unlike any other type of entity covered by insurance because the type of exposure it has can be so varied for example the city of Las Vegas' policy is without a police department because the Metro Police are covered by the County policy. Some counties may not have a hospital or fire department which changes the type of policy the entity tries to get.

Assemblyman May asked if this was to be a parallel system or an optional system. He was told that it should be either way because of the many different needs of the different areas.

Mr. Pidcock pointed out to the committee that even though the sovereign limitation of \$25,000 still exists that doesn't help when an accident happens in California to someone covered by Nevada and also it doesn't protect the employee for liability only the entity.

Mr. Bill Parrish of the Nevada Independent Insurance Agents told the committee that this bill would allow Washoe County to do things that it already felt it could do but that a direct statute to the situation would make the situation more comfortable.

Assemblyman Robinson commented that the bill stated that there would be no fiscal impact on the local governments and that he disagreed. He was told that the expenses to run a liability program should be covered by the fund itself.

Assemblyman Rhoads asked if the Independent Insurance Agents would help set up the funds, he was told that they would. He also asked if this bill would take away any business from the insurance agents. Mr. Parrish said that it would not take any business away from the agents because it would be policies that they had turned down anyway

Mr. Bert Leavitt of the National Association of Professional Insurance Agents told the committee that the main crux of the bill is that it permits self insurance; it does not mandate it. He said that there are always going to be risks and either a person insures that risk or he retains it. He suggested that there are some risks that the public entities should be able to insure.

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Assemblyman May asked if the entities could afford to pay their share under the present collective bargaining procedures. He was told that it would depend on what size of deductables they decided to maintain.

Assemblyman Banner came before the committee again to clarify a few points regarding the bill. The Chairman directed the record to show that Mr. Banner was before the committee as an Assemblyman and not as representing his employer; but because of his line of work (risk management officer) he does see the problems which could arise.

Mr. Russell McDonald said he agreed with the concept of the bill but that a few amendments should be considered. First, on page one line 4 should change "or" to "either or both" methods to maintain a choice in the matter. Second, the bill does not cover property damage only tort liability, it should be expanded to include property loss. Thirdly, there should be a maximum limit to the amount which will accumulate in the fund that is created so as to be able to use the rest of the money for profit by investment.

Assemblyman Robinson asked if two or more counties could go together and pool their self insurance policies under this bill. Mr. McDonald suggested that the subcommittee that is looking into liability insurance consider the pooling possibilities.

Mr. Barton Jaca of the Clark County Metro Police told the committee that law enforcement agencies are having problems acquiring insurance. Clark County is an exception now but that in the future there may be a need for self insurance.

ASSEMBLY BILL 146

Mr. Verne Rosse of the Environmental Protection Services Agency with the Department of Human Resources told the committee that they had reviewed this bill and feel that the reference to the State Environmental Commission is not entirely correct as proposed in the bill because the Department of Human Resources is responsible those activities presently and the Environmental Commission as a regulatory and policy making body has no administrative or technical staff duties. Therefore he proposed the amendments specified in Exhibit 1.

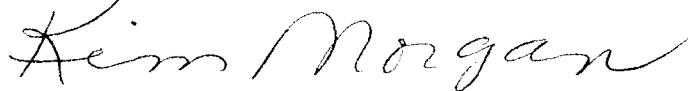
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Mr. Franklin Holzhauer from the Human Resources Department told the committee that the H.R. Department was concerned with this bill because S.B. 153, S.B.39 and A.B.146 are companion bills.

Assemblyman Robinson asked if there was any conflict between this bill and A. B. 278. He was told no.

There being no further testimony, Chairman Murphy adjourned the meeting at 9:14.

Respectfully submitted,



Kim Morgan, Committee Secretary

Department of Human Resources
Environmental Protection Services
Suggested Amendments to AB 146
February 17, 1977

Page 1, line 15

4. The [chief of the bureau of environmental health of the health division of the department of human resources] ~~chairman-of-the-state-environmental-commission~~ director of the department of human resources or his designee;

Page 2, line 11

Tahoe Watershed, without first having secured written permission from the [bureau of environmental health of the health division of the department of human resources.] ~~state-environmental-commission~~ department of human resources.

Page 2, line 19

without first having secured written permission from the [bureau of environmental health of the health division of the department of human resources.] ~~state environmental-commission~~ department of human resources.

Page 2, line 24

[bureau of environmental health of the health division of the department of human resources.] ~~state-environmental-commission~~ department of human resources.

Page 2, line 37

than within 100 feet of Lake Tahoe, [then the bureau of environmental health of the health division of the department of human resources] ~~the-state-environmental commission~~ the department of human resources shall issue . . .

Page 2, line 44

445.100 1. The [bureau of environmental health of the health division of the department of human resources:] ~~state-environmental-commission:~~ department of human resources:

(a) † Is authorized to enforce [reasonable] regulations adopted, amended, or promulgated by the state environmental commission.‡ ~~May-adopt-regulations which-are-reasonable~~ Such regulations adopted by the state environmental commission shall be reasonable and consistent with . . .