

Date: Feb. 5, 1979

Page: 1

Members present: Chairman Banner
Mr. Brady
Mr. Bremner
Mr. Jeffrey
Mr. Fielding
Mr. Robinson
Mr. Rhoads
Mr. Webb

Member absent: Mr. Bennett

Guests: See attached list

Chairman Banner appointed Assemblyman Jeffrey, in the absence of Vice-chairman Bennett, to chair the meeting so Mr. Banner can testify on the two bills scheduled for discussion.

Mr. Jeffrey called the meeting to order at 3:02 p.m.

A.B. 26 - Removes requirement to provide copy of physician's itemized statement to employer under industrial insurance.

Mr. Banner explained this bill is "By Request" -- meaning some one asked him to help with the bill. Karvel C. Rose of the Nevada Industrial Commission in Las Vegas requested this bill. Mr. Rose's main concern was a problem in the area of NRS 616.353, where doctors are required by statute to send a copy of the bill they send to NIC to the employer. A problem develops when an employee goes to the first doctor and that doctor sends him to a second doctor. The doctors then are required to keep track of who the employer is to send the copy of the bill. Mr. Banner said the procedure for sending out forms need to be streamlined. This bill would cut out two steps: the step from the doctor to the employer, plus the certificate from the doctor that states he mailed it to the employer.

Assemblyman Robinson queried whether the two computer forms go to an employer, whether he asks for it or not. Mr. Banner replied the employer does.

Karvel C. Rose, Nevada Industrial Commission, cleared up some points on the "lost time" clause. He urged the committee to wait a while longer, since he feels they will be considering self-insurance options that will necessitate language change in the bill.

Robert E. Guinn, representing the Nevada Motor Transport Assn., and Nevada Franchised Auto Dealers, stated they have had some experience being charged for services that were never rendered. The purpose behind this legislation is to permit employer and employee to look at the statement and be able to say whether they got the services or not.

Chuck King, Central Telephone Company, testified against the bill, stating they use the itemized statement to monitor the expenses charged to their account. They also want to see what type of treatment or progress the employees receive.

John Miller, Kennecott Corp. public relations director, spoke neither for nor against the bill, but represented Max Black who is their personnel director, and member of the NIC Advisory Board. They have no objection to what AB 26 attempts to achieve, but feel it needs to be amended to accommodate accident people.

Norm C. Anthonisen, Summa Corp. personnel services manager, testified against the bill. He stated the present procedure provides an opportunity for getting information from NIC concerning costs and charges incurred in the past. He recommends something be included in the bill to assure doctors will provide the information. It will give them a chance to see whether an individual is being treated for the job-incurred injury, or whether they are being treated for some other ailment.

Bob McPherson, personnel director for the City of Las Vegas, testified in favor of some type of control and reporting charges. They would like to receive timely notice of what the charges are, where paper work is eliminated, and to improve the procedure.

Richard Lance, Gibbens Co., is in favor of leaving the bill the way it is. He stated that the pink forms help to give them other information such as, a release to return to work, patients receiving treatment not in line with original injury, etc.

There being no further testimony on A.B. 26, Mr. Jeffrey said the next bill to be heard was A.B. 27. He called on Mr. Banner to explain this bill.

A.B. 27 - Establishes board to review functions of Nevada industrial commission.

Mr. Banner explained there were some problems that were not included in the study report, resulting in this bill. He stated that Jack Kenny asked for his help to draft this bill. The main concern was the NIC audit of 1978, showing admitted surplus of \$43 million and a rebate of \$20 million. This then was indication that premiums charged were excessive. Mr. Banner emphasized he supports Jack Kenny on this bill.

Jack Kenny, representing the Southern Nevada Home Builders Assn., distributed copies of figures taken from the NIC financial report. He explained in detail the rising increase in assets -- approximating 4 to 5 times the amount in 1978, as compared to 1972. He said the growing population represented only 50%. Mr. Kenny then outlined in detail the duties that will be required of the board and those who should compose it. At the request of the committee, Mr. Kenny will write up his presentation and will submit it for the committee's review. (See Exhibit "A" for NIC figures)

Mr. Anthonisen of Summa Corp. endorsed the bill, expounding strongly on the power that NIC holds. He complained about the reserves being charged and showed how much they had gone up. He reiterated the need to have an organization that will have legal authority to overrule the NIC whenever it is believed unfair practices existed. He would like to see the organization structured somewhat different from what Jack Kenny outlined; that it should be similar to a board of directors, and that it be a permanent organization.

Bob McPherson, personnel director for the City of Las Vegas, spoke in support of A.B. 27, from the standpoint of creating a board that will make NIC more responsive to both employee and employers.

Karvel Rose, NIC, stated most claimants do have an avenue of appeal.

Richard Lance, Gibbens Co., agreed with comments made that the weakness of AB 27 is that if a labor management board is set up without any teeth, it will serve no function. He would like to see claims processed in the shortest possible time.

Bob Guinn, Nevada Motor Transport Assn. and Nevada Franchised Auto Dealers, suggested setting up an appeals board -- similar to the Unemployment board -- with people who are experts in the field. This would be a board of directors, with an executive secretary.

There being no further testimony, Mr. Jeffrey concluded the hearing at 4:12 p.m.

Respectfully submitted,

Sylvia Mays
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Assembly Attache

	ASSETS	CASH	LAND BLDG EQUIP	INVESTMENTS LONG & SHORT	PREMIUMS RECEIVABLE & OTHER	INCOME RECEIVABLE
1972	46,473,193	2,111,605	703,448	38,487,974	4,619,981	550,185
1973	61,194,676	639,073	698,262	53,664,375	5,518,493	674,473
1974	84,858,178	891,554	1,236,420	74,428,960	7,295,630	1,005,614
1975	103,709,890	1,352,893	2,773,091	90,169,894	8,055,632	1,358,380
1976	127,514,820	1,037,258	3,530,738	110,163,368	9,761,054	3,022,400
1977	164,550,938	1,053,526	5,716,644	142,071,183	13,641,807	2,067,778
1978	213,127,000	1,740,000	8,980,000	180,619,000	19,404,000	2,384,000

	NET GAIN FROM OPERATIONS	PREMIUMS	LIABILITY FOR INCURRED BUT UNPAID LOSSES	ADMITTED SURPLUS
1972	1,188,939	25,299,980	39,191,000	5,115,034
1973	2,508,391	32,759,194	51,358,000	7,623,425
1974	4,959,470	43,630,181	66,702,000	12,755,509
1975	2,259,508	43,115,039	83,958,000	15,015,017
1976	<3,158,813>	53,626,736	111,769,000	11,856,204
1977	582,763	72,468,653	148,531,000	12,438,967
1978	31,030,000	92,492,000	167,248,000	43,468,000

EXHIBIT "A"