

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

Members absent: Mr. Jeffrey

Guests present: See attached list

Chairman Banner called the meeting to order at 3:07 p.m.

A.B. 84 - Permits self-insurance of workmen's compensation risks; modifies administrative procedures.

COMMITTEE ACTION:

A.B. 84: Mr. Bremner moved Do Pass, seconded by Mr. Bennett. Motion carried, with Mr. Jeffrey absent and Mr. Robinson not present during voting time.

A.B. 563 - Creates account for contingent claims and fund for supplemental benefits for certain claimants of industrial insurance.

Claude Evans, secretary-treasurer of Nevada AFL-CIO, explained this bill creates a contingency fund so that after every five years people on permanent total disability and pensions will be entitled to some monies under certain circumstances. This money would come from the investment program of NIC. It will allow retroactive benefits to widows and pensioners -- approximately 600 people -- who have been on pension five years or more. Mr. Evans gave as an example an individual getting killed today. His widow would get \$800 a month. She wouldn't get an increase for 5 years, but at the end of that 5-year period she would be sharing in the invested program. He said this is one way of getting an increase in benefits without going to the employer for increased premium rates or dollar amount. This would also eliminate having to go to the Legislature every two years for an increase.

Assemblyman Robinson asked why the fund is being earmarked only for permanent total disability people and excluding the temporary disabled; why not just one class of disabled.

Mr. Evans explained that this would take care of people who were frozen before the 1973 program. People on temporary disability already receive the increase; these are people injured after 1973.

Chairman Banner asked Mr. Karvel Rose of NIC if he would comment on the bill. Mr. Rose replied he was not in a position to do so, not having completed analysis on this bill. He pointed out that when it was drafted it was found not compatible with the 3-way insurance because of the provision which increases benefits for those employers who have a permanent total disability benefit plans. He also pointed out some discrepancy, due perhaps to an oversight by NIC, where it says the commission must use supplemental funds in the event more money is paid out than is received in premiums. He said it does not take into consideration costs of the fund itself. So if you have any loss, it may be a result of administrative costs rather than benefit costs.

N. C. Anthonisen, Summa Corp., testifying against the bill said that according to NIC financial report of 1977, they do have a contingency fund quoting "Provision for Contingencies" of \$12,480,967; also the investment income of \$8,200,000.

Mr. Robinson pointed out the fact that in a private insurance where he would pay an annuity for 15-20 years for a certain amount, he compared it to a pensioner on total disability who gets the same amount of money for several years, with no increase. He then gets the same amount of money but with lesser purchase power as the years go by.

Robbins E. Cahill, Nevada Resorts Association, said he agreed with Mr. Anthonisen; also saying Mr. Robinson had a valid point.

Mr. Anthonisen, still referring to the surplus fund of NIC, said if they were required to fund that today, by putting in \$20,000 and investing it at 5%, we would be able to fund it for a 20-year period and still have the \$20,000 left. Whereas if you skim the interest off the top of it, at the end of that period the \$20,000 will be completely gone.

Mr. Robinson remarked that NIC sets aside a reserve for future payment of total disabilities, and getting interest on that reserve. However, the worker never gets any benefit from that interest.

Mr. Cahill said Mr. Robinson pointed out a valid reason in that they look on this industrial policy as an insurance policy; and an ordinary insurance policy does not have built in to it increases for cost of living. Mr. Cahill said that is the contention of employers -- that it is an added policy and employers pay for it. He said they oppose the bill for these reasons.

A.B. 560 - Revises factors for determining permanent partial disability for industrial insurance purposes.

Patty Becker, industrial attorney for NIC, speaking in favor of the bill, said it is an excellent legislation. She gave as an example a claimant who was injured in June of 1977 on his right shoulder. This injured worker was a sheetrocker. He could not go back to sheet rock work; although he could not go back to a full day's work, he could work a few hours each day. He was 34 years old, earning \$1,836. His temporary disability compensation was \$371.28. Every month he was disabled he was losing about \$1,000. Four months after his injury, NIC wanted to rehabilitate him. For 6 months last year he earned \$5,752, as opposed to \$22,000 he would have earned as a full time sheet rocker.

Mr. Banner stepped up to help Ms. Becker explain the bill. He said this bill addresses itself to the difference between impairment and disability. When they rate somebody at NIC, permanent impairment is only a theory on a medical condition. It is a valuation of disability. To the employee, it is the ability to make a living.

N. C. Anthonisen, Summa Corp., said the way this bill is written now it allows NIC to take anything they want to take into consideration, and arriving at the percent of the injury that an individual has. It becomes completely subjective, he said. It boils down to how well a lawyer can convince someone as to what the amount of the benefit should be, or how well the individual can sell himself. Instead of it being an objective analysis, it ends up being a completely subjective analysis.

Warren Goedert, Nevada Trial Lawyers Association, voiced their support for A.B. 560. Their reason is that there has to be some where in the law a determination on how much the person's injury affects his earning capacity -- and how much he had been hurt economically by his injury. He feels loss of earning capacity should be substituted with rehabilitation. He said instead of compensating them for lost income, they should be trained to do something else.

Richard Lance, Gibbens Co., speaking against the bill, feels there are two factors which must be considered in computing some one's permanent partial disability. One is, rate of disability; and two, loss of earnings. He believes the primary solution is through the rehabilitation program. He said the system in California showed legal costs were higher than medical costs. He said the present bill is too arbitrary.

John D. Taylor, MGM-Las Vegas, said he wanted to underscore the positions taken that this becomes a subjective area. He said it is confusing because A.B. 560 asks to make a subjective process by which they make the determinations regarding partial disability. And in A.B. 538 they turn around and make it objective, with respect to occupational diseases. He said he sees conflicts occurring.

Chairman Banner remarked that the NIC doctors' attitudes and rating system need to be cleared up.

A.B. 562 - Requires presence of nurse or medical technician on certain construction projects.

Claude Evans, AFL-CIO, explained the bill came from the unions in the building construction industry in Las Vegas, and not from the nurses or medical associations as was mentioned by some people. The intent of the bill was to relieve concern over the problem of the congested areas in Reno and Las Vegas where there is difficulty in reaching a hospital. Also, the distance involved in outlying areas.

Jim Joyce, representing southern Nevada homebuilders, and Carson City, Reno and state homebuilders, testified in opposition to the bill, saying it would further shackle the construction industry. He said it is totally unnecessary, and will only cause to raise the cost of new homes, industrial and commercial buildings. He feels this bill is not the way to approach the problem.

Mr. Robinson remarked on the situation that in a construction site there are different workmen from different subcontractors -- i.e., plumbing, electricians, air-conditioning, etc. The bill does not say whose responsibility it is to provide emergency medical aid. He is concerned they might cut corners by hiring less people on the job.

Chairman Banner replied that it would be the general contractor's responsibility.

There being no further discussion, the meeting was adjourned at 4:11 p.m.

Respectfully submitted,

Sylvia Mays

Sylvia Mays
Assembly Attache

LEGISLATIVE ACTION

#-2-79

SUBJECT AB 84 - Permits self-insurance of workmen's compensation risks; modifies administrative procedures.

MOTION:

Do Pass [checked] Amend _____ Indefinitely Postpone _____ Reconsider _____

Moved By Brunner Seconded By Bennett

AMENDMENT:

Moved By _____ Seconded By _____

AMENDMENT:

Moved BY _____ Seconded By _____

MOTION

AMEND

AMEND

NOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
BANNER	✓					
BENNETT	✓					
BRADY	✓					
BREMNER	✓					
FIELDING	✓					
JEFFREY		not present				
ROBINSON		not present				
RHOADS	✓					
WEBB	✓					
TALLY:	✓					

ORIGINAL MOTION: Passed [checked] Defeated _____ Withdrawn _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

LABOR & MANAGEMENT COMMITTEE

GUEST LIST

<u>NAME</u>	<u>REPRESENTING</u>	<u>IF YOU WISH TO SPEAK</u>	
		<u>Pro</u>	<u>Con</u>
(Please print)			
KARVEL ROSE	NIC		
CHUCK KING	CEN TEL.	X	X
N.P. ANTHONISEN	SUMMA		X
ED. Bowers	Boards / ... / ...		
[Handwritten]	Nevada ...		
[Handwritten]	Summa		
[Handwritten]	Gibbers		
[Handwritten]	State Ind. Atty		
[Handwritten]	MAM		
[Handwritten]	... / ...		
J.R. McMan	City of Las Vegas		
MARK SOLOMON	Hilton Hotel Corp.		
WARREN W. GOEDERT	NTLA	X	