

Date: May 14, 1979

Page: 1

The meeting was called to order at 1:30 p.m. in Room 213
Senator Thomas R. C. Wilson was in the chair.

PRESENT: Senator Thomas R.C. Wilson, Chairman
Senator Richard E. Blakemore, Vice Chairman
Senator Don Ashworth
Senator Clifford E. McCorkle
Senator Melvin D. Close
Senator C. Clifton Young

ABSENT: Senator William H. Hernstadt

OTHERS

PRESENT: See attached guest list page 1A

AB 516 Regulates repair work on consumer goods.

For previous testimony and discussion, see minutes, May 11, 1979.

Pete Kelley, representing the Nevada Retail Association, testified in opposition to AB 516. He explained that he had appeared when the bill was heard on the Assembly side, had been directed to meet with Shirley Katt, Washoe County District Attorney Consumer Protection and a proponent to reach a compromise. Mr. Kelley stated that they had failed in their attempts at a mutual amendment, therefore he is opposed. He stated that he had checked with Sears Roebuck and Company and Montgomery Ward and they had had no customer complaints in 1978. Mr. Kelley suggested that if the bill is to be processed, it should be amended on page 1, section 2, subparagraphs 2 and 3 to be more specific in the definition of appliances; page 1, line 12 add "or a person who sells the appliance or home electronics equipment for which to repair service or maintenance is being performed under warranty"; sections 3, 4, and 5 create new requirements that would be very difficult to comply with and the penalties would be too severe. Mr. Kelley concluded that it would be almost impossible to have the service forms revised by July 1, 1979, there would be additional cost to the consumer and most retailers comply with the spirit of the bill already.

Chairman Wilson closed the public hearing on AB 516.

SB 579 Makes assorted revisions to law governing marriage and family counselors.

Dale Rusk, President, Board of Marriage and Family Counselors and Examiners, Nevada, testified in support of SB 579. Mr. Rusk stated that the Attorney General's office says that the present statute is no longer enforceable, the Board is no longer able to regulate the practice of marriage and family counseling. He continued that the national organization's title states "therapists" rather than "counselors". Mr. Rusk replied to Chairman Wilson that "therapy" is more descriptive of what takes place; it implies diagnosis, prognosis and treatment, counseling implies the conveying of knowledge or direction.

1728

Senator McCorkle expressed concern that this legislation would infringe on the area of psychiatry.

Mr. Rusk stated that the bill proposes to raise the requirement of supervised internship from 1,200 to 1,500 hours; California requires 5,000 hours. He answered Senator Young that there are about 140 certified family and marriage counselors in Nevada and of 14 applications at the last board meeting, 1 was not approved because he was applying for reciprocity and his native state does not meet Nevada's requirements; he was, however, seated for examination. He stated that the usual fee for counseling is from \$40 to \$50. Mr. Rusk stressed that clinical psychologists are basically trained to work in mental hospitals and do research, social psychologists deal more in family therapy. Mr. Rusk suggested that line 43, page 3 be preceded by the following language: "No person may practice marriage and family therapy without first being licensed according to the provisions of this chapter".

Chairman Wilson closed the public hearing on SB 579.

SB 577 Provides for discipline of contractors for failure to pay for industrial insurance.

John Madole, representing the Associated General Contractors, testified in support of SB 577. Mr. Madole explained that the bill would require notice of indebtedness of a subcontractor. Mr. Madole stated that there had been an error in the drafting and section 1 should be amended out of the bill.

Chairman Wilson closed the public hearing on SB 577.

SB 567 Provides exception to requirements concerning advance fees.

Lester Goddard, Commissioner, Savings Associations, testified in support of SB 567. Mr. Goddard explained that the bill would prevent people from getting fees in advance from people who are trying to finance a big project; there has been an abuse by dishonest people who take these fees and then don't produce. He stated the present statute makes this a felony; this legislation would provide that if a person receiving advance fees signs a written agreement which itemizes the costs, specifies the items to which the advance payment is to be applied and clearly states that the money advanced for the costs will not be refunded, would be exempt from that provision. Mr. Goddard added that SB 567 is virtually the same as AB 753.

Renny Ashleman, representing the Nevada State Mortgage Broker's Association, concurred with the previous testimony.

Chairman Wilson closed the public hearing on SB 567.

AB 422 Changes financial activities of contractors which constitute grounds for disciplinary action.

Charles Thomas, Secretary, Nevada Contractors Board, and Jack Kenney, representing the Southern Nevada Home Builders, testified in support of AB 422. Mr. Thomas explained that the purpose of the bill is to "house-clean" the existing statute to align with the federal bankruptcy act. Mr. Kenney explained that the last 2 amendments in the first reprint were tacked on by the contractors but for the sake of the bill, if the Committee deems to delete them he has no objections. He further explained, however, that the bill would prevent owner/occupants from building more than 1 building per year.

Mr. Thomas explained that owner/occupants can avoid the costs of licensure and can use unlicensed plumbers and electricians under the blanket of his owner/builder or owner/occupant permit. He added that the owner/builder is not liable to subcontractors.

Chairman Wilson observed that if there is a defect the noncontractor is liable through civil court.

Senator McCorkle stated that it would be impractical to try to build more than 3 or 4 homes in 1 year and added that lenders would not be inclined to loan to unlicensed contractors.

Mr. Thomas stated that there has been an abuse in Clark County of owner/builders building for speculation.

Chairman Wilson closed the public hearing on AB 422.

AB 536 Changes maximum amount of compensation which may be used to determine industrial insurance premium.

Jack Kenney, representing the Southern Nevada Home Builders, explained that this bill would serve to reinforce AB 27 and presented a chart of the history of the Nevada Industrial Commission fund going back to 1972 (see Exhibit A). Mr. Kenney explained that the bill would bring the base for rates down, thus saving money for employers.

Senator McCorkle read from the fiscal note prepared by John Reiser, Chairman, NIC, as follows: "Overall, the effect of changing the reportable wage base from \$24,000 to \$15,600 will have no effect on premium income to NIC. However, certain employer groups will experience a sizable increase in the premium rate as assigned to their classification. We expect the increase in rate and the cost of premium will be particularly severe for employers who employ tradesmen in the construction industry, carpenters, cement finishers, electricians, plumbers, dry wall installers - on a project basis. Small businessmen will also be adversely affected as they will be paying part of the premium now paid by large employers who have a number of highly paid employees on their staffs."

Senator Young stated that the money taken is based on the rate and the base and if the base is changed the rate can be increased.

John Madole, representing the Associated General Contractors, testified in opposition to AB 536 for the reason of the point that Senator Young made.

James, S. Lorigan, Commissioner, NIC, presented prepared arguments to AB 536 (see Exhibit B).

Robert Haley, representing NIC, stated that the \$43,468,000 on Mr. Kenney's chart is overstated by \$20,000,000. He replied to Senator Ashworth that the base was increased in 1975 based on the state average monthly wage. He explained that the unlimited wage is based on the average of unlimited wages; the payroll base is cut off at \$15,600. He added that there are 28% of state workers making over \$15,600, \$12,048 is the average wage; the maximum benefit that can be received is \$918 per month, and to qualify for that the worker must make 150% of \$918. Mr. Haley explained that when the compensation base is tied to the average wage, and the average wage is based on the unlimited payroll, the compensation is going to increase at a faster rate than the payroll base if there is a ceiling on the payroll. He concluded that NIC expects to break even in 1979 and will maintain about a \$23,000,000 surplus.

Mr. Kenney stated that there will still be a \$30,000,000 surplus between last June and 6 weeks from now.

Mr. Haley stated that there was a 3% rate reduction July 1, 1978.

Chairman Wilson closed the public hearing on AB 536.

AB 831 Revises requirements of experience and registration of apprentices.

Glen Taylor, Nevada Apprenticeship Council, testified in support of AB 831. He explained that the bill will provide for additional promotion for apprenticeship training throughout Nevada. He stated that the minimum criterion of 4,000 hours on-the-job training would drop to 2,000 so that promotions in nontraditional apprenticeable occupations could be enhanced, such as health occupations. He replied to Senator Ashworth that electricians, carpenters and sheet-metal workers have a minimum of 6,000 to 8,000 hours, so this change would not affect those programs. He replied to Chairman Wilson that those occupations that would require 2,000 or more but less than 4,000 hours would be in the diesel mechanics trade which includes heavy duty mechanics, common diesel engine mechanics and such. He explained to Senator McCorckle that apprenticeships are in almost every occupation. Mr. Taylor continued that the apprenticeships are based on standards that are filed with the department of Labor and should be reciprocal. He concluded that apprenticeship is the most viable system of training throughout the United States. Mr. Taylor added that if workers are not registered as apprentices

their veteran benefits will be affected.

Claude Evans, Executive Secretary, AFL-CIO, testified in support of AB 831. Mr. Evans explained to Senator McCorckle that this does not affect the traditional plumbers, electricians and other programs but conforms to the department of Labor's recommendations. He stressed that it is primarily aimed at occupations such as maids who want to be inspectresses.

Senator Blakemore clarified that this bill allows more people to come under an apprenticeship program.

Chairman Wilson closed the public hearing on AB 831.

AB 710 Amends various provisions of the Nevada Thrift Companies Act.

Renny Ashleman, representing the Nevada State Mortgage Brokers Association, explained the bill to the Committee.

James Wadhams, Director, Department of Commerce, stated that the Department has no problem with the bill generally but takes exception to subsection 1 of section 9.

Jack Kenney, Citizen, stated that he has had an application for a license in since January and wondered if the amendment in section 9 applies to any person licensed under chapter 677 of NRS on July 1, 1979. He said that he would like to have the chance to be licensed before the deadline.

Chairman Wilson closed the public hearing on AB 710

AB 818 Facilitates deposit of public money in savings and loan associations.

Charles Wagner, representing the Nevada League of Savings and Loans and Ray Gregory, President, First Western Savings and Loan, testified in support of AB 818. Mr. Wagner stated that there is a shortage of mortgage money in Nevada; AB 818 would free millions of dollars to provide mortgage money to the citizens of Nevada. Mr. Wagner explained that the bill provides the specifics of the contract between the depositor, being the state agency or the political subdivision who is depositing the funds, the duration of the deposits, rates of interest and such and provides for the promisory notes and deeds of trust providing that they shall not be more than 90 days past due, no prior liens, notice of defaults and specifies the administration and reporting procedures. Mr. Wagner replied to Chairman Wilson that the scope of the bill is to provide alternate sources for securing public deposits in savings and loans associations. He added that presently the state can presently deposit money into banks and savings and loans associations.

Mr. Gregory explained that the banks commonly use the monies that are deposited in them by the state for short term lending; the

savings and loan industry cannot do that because it must pledge government securities as collateral. Mr. Gregory explained to Chairman Wilson that the kinds of deposits this bill would address itself to are on a bid basis. He added that currently the deposits are secured by taking a government obligation; the bill would permit, not only the pledging of these government securities, but in addition thereto certain types of defined promisory notes on real estate in Nevada; those promisory notes would have a cumulative value of \$2 for each \$1 that the state would deposit.

Stan Colton, state Treasurer, explained that there should be a few corrections in section 12, page 3, line 35, "1/2" should be deleted and insert "2"; section 7, line 32, delete "shall" insert "may", begin the sentence with "With the approval of the depositor,"; line 33, delete "approved by the depositor".

The Committee expressed concern with the exemptions on line 35 of section 7 and line 8 of page 4. Senator Close asked if it is a good idea to take a 25 year home mortgage and put in state money; if the savings and loan defaults the money could not be recovered. He added that section 8 provides that the mortgages are taken with no lien; the savings and loan company still has the first lien, you would have no right to trace the lien - because there is no lien.

Mr. Gregory explained that the primary purpose for that section is if it were recorded and substitution occurred, an unraveling of this assignment would be required that would not permit the state to return those securities - or promisory notes- as rappidly as if they were not recorded.

Senator/^{Close}agreed but added that that would give the state security if there were a default.

Chairman Wilson asked the legal consequence of an assignment without recourse; it seems that the trustee of the savings and loan association is not standing behind the paper which it, in turn is pledging to secure the state deposit.

Mr. Gregory explained that as a fiduciary, we have certain responsibilities when any depositor makes a deposit. He said that the net worth of the association is pledged.

Chairman Wilson clarified that "without recourse" means you don't stand behind the value of the security assigned, that doesn't mean you're assigning the whole interest. You can assign with recourse and, indeed, the whole interest is assigned.

Mr. Gregory explained that this bill was patterned after similar legislation in Colorado and California.

Chairman Wilson asked that Counsel from the Commerce department study the bill with respect to the mechanics of the security of the states deposit, both endorsements without recourse and the matter of recordation. He asked Mr. Colton to report back to the

Committee with answers to the questions raised in today's discussion.

Action on AB 818 was postponed to a later date.

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

For previous discussion, testimony and action AB 84 see minutes of meetings, April 11, 23 and 27.

Chairman Wilson announced that part of the amendments had come out and there had been some mistakes and omissions (see Exhibit C).

John Reiser, Chairman, Nevada Industrial Commission presented further amendments (see Exhibit C).

Janet Wilson, Deputy Legislative Counsel and Senate Bill Drafting Advisor, agreed to review the amendments with the Committee.

Mr. Reiser referred to 2. of his proposed amendments, see exhibit. It was agreed to delete section 14 of the bill. It was decided to delete section 23.

It was decided to amend subsection 2 of section 26 to read as follows: "Before ordering rehabilitation services for an injured worker there must first be a consultation with the injured worker and the treating physician or physicians with respect to whether the proposed rehabilitation program is compatible with the injured worker's age, sex and physical condition. If the rehabilitation services will involve a change in vocation, the consultation must also include the employer and a rehabilitation counselor."

Chairman Wilson closed the work session on AB 84.

AB 27 Establishes board to review functions of Nevada industrial commission.

For previous meetings see minutes, April 30, May 2 and 7, 1979.

The following amendments were agreed upon by the Committee: delete section 1, page 1, line 1 by deleting "a" and inserting "an advisory board"; line 2, delete "7" and insert "9"; amend section 1, line 4, by deleting "one member who is a representative" and inserting "3 members who are representatives of organized labor"; delete 5 through 9 and insert "3 members who are representatives of management" and c, "3 members who are representatives of the general public"; section 1, page 1, delete lines 13 through 15.

The discussion involved the qualifications of the board. It was agreed that it would have to be a board that has everyone's confidence as being fair and impartial and balanced; one that would carry out the requirements of the act.

The Committee continued with the amendments as follows: page 1, line 16, insert after "chairman", "vice-chairman"; lines 17 and 18, delete "by the original appointing authority"; line 33, delete "30 days in any period of 12 months" insert "40 days in a fiscal year"; page 2, delete lines 6 and 7, insert "The Nevada industrial commission shall provide all secretarial and administrative services necessary for the board to carry out its duties under this act; line 8, delete "all", insert "except as provided by section 3 of the act"; amend the bill as a whole by inserting a new section 3, following section 2, to read as follows "1. Subject to approval by the state board of examiners, the board may contract for the services of: (a) An actuary in the field of industrial insurance. (b) An investment counselor. (c) A counselor on the management and procedures of industrial insurance. (d) A counselor on treatment and rehabilitation. (e) Any other person having particular experience and knowledge which the board deems helpful to it in carrying out its duties under this act. 2. The Nevada industrial commission shall pay for all services contracted for under the provisions of subsection 1."; amend the bill as a whole by renumbering section 3 as section 4; amend section 3, page 2, line 10, by deleting "receive", insert "inquire into"; amend section 3, page 2, by deleting 11 through 13 and inserting "(a) the adequacy and effectiveness of the procedures, practices and policies of the Nevada industrial commission; line 15, delete "." insert, "and the return earned on that money"; line 16, insert after "the" "rates and levels of reserves and the policies governing the settling of rates and setting of reserves; amend section, page 2, delete 18 through 24, insert "(d) The disposition of claims submitted to the Nevada industrial commission at all levels including hearings and appeals. (e) The adequacy of treatment and rehabilitation for claimants. (f) How the Jean Hanna Rehabilitation Center is staffed and used. (g) The use of contract services available within and outside the state to provide treatment and rehabilitation and whether the use of services outside of the state is preferable to the use of those services available within the state. (h) The occupational classifications established by the Nevada industrial commission. (i) The organizational structure of the Nevada industrial commission. (j) The administrative procedures and policies of the Nevada industrial commission and their effectiveness. (k) Any other matter the board deems appropriate. 2. The board shall make specific recommendations in writing based on its inquiry and review to: (a) The Nevada industrial commission. (b) The governor. (c) The legislative commission. (d) Any appropriate subcommittee of the legislative commission when the legislature is not in session." It was decided to delete (j) of the previous section because it is redundant. The amendment continued as follows: "Section 5. 1. The Nevada industrial commission shall within 30 days after receiving a recommendation reply in writing to the board indicating whether or not it will follow the recommendation. If the commission will follow the recommendation, it shall state in its reply when the recommendation will be put into effect. If the commission will not follow the recommendation, it shall state in its reply the reasons for that decision. 2. The Nevada industrial commission shall send copies of its reply to a recommendation to the governor, the legislative commission when the legislature is not in session."; delete

section 4 a renumber sections 5 and 6 as 6 and 7; amend section 6, page 2, line 29 by inserting "2. This act expires by limitation on July 1, 1981."; amend the title of the bill by inserting "advisory". It was decided to add the following language after section 6: "The board is entitled to immediate and direct access to all books and records of the Nevada industrial commission for the purpose of carrying out the provisions of this act, except where the disclosure of the information is expressly prohibited by law. The commission shall, to the greatest extent possible, cooperate with and assist the board in carrying out its duties."

Senator Young moved that the amendments be changed accordingly.

Seconded by Senator McCorckle.

Motion carried.

Senator Hernstadt absent.

BDR 28-424 An act relating to standards for conservation of energy authorizing the state public works board to adopt standards for renovated and substantially alter buildings and providing other matter properly relating.

Senator Close moved for Committee introduction, by request

Seconded by Senator Young.

Discussion: Senator McCorkle stated that since this bill has already been turned down by this Committee twice that it must now be considered as a reconsideration and would need five votes.

Senator McCorkle dissented.

Senator Hernstadt absent.

Motion failed.

AB 710 Amends various provisions of the Nevada Thrift Companies Act.

Discussion: The Committee objected to the language in section 9. It was decided to delete the brackets on page 2, line 12 and add "or thrift"; delete section 9; delete section 16.

Senator Young moved that AB 710 be passed out of Committee with an "Amend and Do Pass" recommendation.

Seconded by Senator Blakemore.

Senators Ashworth and Hernstadt absent.

Motion carried.

AB 831 Revises requirements of experience and registration of apprentices.

Senator Young moved that AB 831 be passed out of Committee with a "Do Pass" recommendation.

Seconded by Senator Blakemore.

Senators Ashworth and Hernstadt absent.

Motion carried.

AB 536 Changes maximum amount of compensation which may be used to determine industrial insurance premium.

Senator Young moved that AB 536 be indefinitely postponed.

Seconded by Senator McCorckle.

Senators Ashworth and Hernstadt absent.

Motion carried.

AB 422 Changes financial activities of contractors which constitute grounds for disciplinary action.

Discussion: The Committee had debated the fact that if a contractor did not have a license would he be able to collect or complete the job. Chairman Wilson stated that if the contract was void the contractor couldn't finish: what would the owner do? He suggested that the licensure board should have cause for disciplinary action where the contractor makes an assignment for the benefit of creditors or receiver as appointed. Senator Close clarified that what the bill is trying to get at is: the general contractor who underbids a job, does not pay his subcontractors and makes his profit from that. Senator Young agreed to talk with Thomas Cook, counsel for the Contractor board for clarification and new language and report back to the Committee.

SB 567 Provides exception to requirements concerning advance fees.

Discussion: The Committee agreed that a similar bill, AB 753 was being referred to Judiciary. It was decided to hold SB 567 to be considered with AB 753, which Judiciary would rerefer to Commerce and Labor.

SB 577 Provides for discipline of contractors for failure to pay for industrial insurance.

Chairman Wilson stated that John Madole had suggested striking section 1. The Committee agreed.

SB 577 (Committee action).

Senator McCorkle moved that SB 577 be passed out of Committee with an "Amend and Do Pass" recommendation.

SB 579 Makes assorted revisions to law governing marriage and family counselors.

Discussion: Senator Close expressed concern that the educational requirements are too strict. It was decided to leave the original language, page 4, lines 4 through 9 and delete the remaining new language beginning on page 9 and ending on line 23; track language on page 5 to read biannual and change \$80 to \$160.

Senator Close moved that SB 579 be passed out of Committee with an "Amend and Do Pass" recommendation.

Seconded by Senator Young.

Senators Ashworth and Hernstadt absent.

There being no further business the meeting adjourned at 6:30 p.m.

RESPECTFULLY SUBMITTED

Betty L. Kalicki
Betty L. Kalicki, Secretary

APPROVED:

Thomas R. C. Wilson, Chairman

SENATE Commerce and Labor COMMITTEEGUEST LISTDATE: Monday, May 14, 1979

NAME	AGENCY OR ORGANIZATION
Pete Kelley	Nevada Retail Association
Dale Rusk	Board of Marriage and Family Counselors & Examiner
John Madole	Associated General Contractors
Lester Goddard	Commissioner, Savings and Loan Associations
Renny Ashleman	Nevada State Mortgage Broker's Association
Charles Thomas	Nevada Contractors Board
Jack Kenney	Southern Nevada Home Builders
James S. Lorigan	Commissioner, Nevada Industrial Commission
Robert Haley	NIC
Glen Taylor	Nevada Apprenticeship Council
Claude Evans	AFL-CIO
James Wadhams	Director, Department of Commerce
Charles Wagner	Nevada League of Savings & Loans
Ray Gregory	First Western Savings and Loan
Stan Colton	Nevada State Treasurer
John Reiser	NIC, Chairman
Janet Wilson	Legislative Counsel Bureau

ASSETS	CASH	LAND BLDG EQUIP	INVESTMENTS LONG & SHORT	PREMIUMS RECEIVABLE & OTHER	INCOME RECEIVABLE	
1972	46,473,193	2,111,605	703,448	38,467,974	4,619,931	550,585
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	2,723,091	90,169,894	8,055,632	1,358,330
1976	127,514,820	1,037,258	3,530,733	110,163,368	9,761,054	3,022,402
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	542,763	72,468,653	148,531,000	12,438,967
1978	31,030,000	92,492,000	167,248,000	43,468,000
1979				73,000,000

Comments on AB 536

There are a number of arguments against passage of this bill.

There is no rational argument to support its enactment.

1. It will have an adverse affect on the construction rates and upon the cost of workers' compensation to this group of employers. (See attached comparison of rates - 8000, 8100, 8200, 8300, 8400, 8900)
2. It discriminates against the small employer.
3. It reduces the rate of payroll growth to a rate less than the growth of the state average wage. The effect is to require increasing upward annual rate adjustments to make up for the difference in payroll and wage growth.
4. It is in the opposite direction from the nationwide trend. It will make it impossible to make a meaningful comparison between Nevada premium rates and premium rates in other states.
5. It distorts the data base from which premium rates are developed. Distortion will reduce equity in rates developed in the future.
6. It upsets computerized payroll systems operated by many employers.
7. It adds to audit workload.
8. It becomes effective in the middle of the year. How much payroll is reportable for the year in which it becomes effective? \$24,000, \$15,600, \$19,800? Any answer produces undesirable results.

1979 - 28% of claimants earn over \$15,600 per annum.
 1978 - 25.6% of claimants earn over \$15,600 per annum.
 1976 - 13.4% of claimants earn over \$15,600 per annum.

1979 - 8.1% of claimants earn over \$24,000.
 1978 - 6.1% of claimants earn over \$24,000.
 1976 - 2.1% of claimants earn over \$24,000.

Rates shown are based on the assumption that compensation benefits will be based on same formulas as during fiscal 1979.

Major Classification Grouping-Full Coverage	Rate Effective 7/1/79 if no Change in Reportable Wage	Rate Effective 7/1/79 if Reportable Wage Reduced to \$15,
1100 Underground Mining	\$11.76	\$12.41
1200 Open Pit Mining, Metallic	5.53	5.82
1300 Open Pit Operations, Sand, Gravel, etc.	4.52	4.89
1400 Diatomaceous Earth, Milling	7.41	8.33
1500 Ore Reduction Plants	5.46	5.66
1700 Ore Processing, Cement, Gypsum, etc.	4.33	4.54
1800 Logging	11.44	12.53
1900 Well Drilling	18.84	19.52
2000 Wood Products	6.46	6.76
2100 Metal Fabrication	5.84	6.08
2200 Clay, Cement, Ready Mix	5.33	5.69
2500 Light Manufacture & Assembly	1.96	2.04
2600 Chemical Manufacture	3.57	3.70
2700 Feed Mills	6.77	7.00
2800 Food Processing	3.48	3.60
2900 Metal Working	4.19	4.37
3000 Field Crops	7.44	7.74
3100 Ranching	7.44	7.74
3300 Row Crops	3.47	3.88
3400 Dairy Farms, Slaughter Houses	8.09	8.39
4000 Taxis	6.36	6.64
4100 Warehouses	3.84	3.98
4200 Garbage Removal	8.27	8.58
4300 Trucking	5.92	6.55
4400 Scheduled Air Operations	1.91	2.09
4500 Crop Dusting	17.69	18.26
4600 Nonscheduled Air Operations	5.60	5.83
4700 Vehicular Transportation	5.60	6.01
4900 Outdoor Sports/Recreation	9.56	9.94
5100 Public Utilities	3.08	3.30
5200 Telephone/Telegraph	1.04	1.10

<u>Major Classification Grouping-Full Coverage</u>	<u>Rate Effective 7/1/79 if no Change in Reportable Wage</u>	<u>Rate Effective 7/1/79 if Reportable Wage Reduced to \$15,60</u>
5300 Laundries and Dry Cleaning	\$ 4.45	\$ 4.63
5400 New and Used Car Sales	3.58	3.95
5500 Ice, Oil and Coal Dealers, Lumber Yards	3.86	4.03
5600 Newspaper Plants and Printing Shops	1.65	1.71
5700 Meat Markets	4.35	4.54
5800 Clerical	.44	.45
6100 Municipal Government	2.31	2.41
6200 Statutory Volunteers	.67	.69
6300 School Systems/University	.94	.97
6400 State Government	1.30	1.36
6500 State Highway Department	2.48	2.56
6600 County Government	2.20	2.27
6700 Paid Firemen and Policemen	2.81	3.00
7000 Retail, Heavy	2.64	2.77
7100 Retail, Medium	1.70	1.80
7200 Retail, Light	1.11	1.17
7300 Grocery Stores, etc.	3.72	3.89
7400 Rest Homes	7.73	8.00
7500 Automotive Service	5.36	5.66
7600 Engineers	1.21	1.27
7700 Hospitals	2.48	2.58
7800 Office Employees	.45	.50
7900 White Collar Occupations	.60	.76
8000 General Construction, Highways, etc.	6.58	7.97
8100 Building Construction	7.99	9.80
8200 Painting Contractors	7.53	9.29
8300 Plumbing and Heating	3.75	4.64
8400 Electrical Contracting	3.84	4.94
8500 Plant Machinery Installation	7.26	8.70
8600 Mobile Home Sales and Service	4.01	4.50
8700 Bars	3.31	3.44
8800 Atomic Energy	.32	.40
8900 Steelworks, High Hazard Work	14.45	18.14

Major Classification Grouping-Full Coverage	Rate Effective 7/1/79 if no Change in Reportable Wage	Rate Effective 7/1/79 if Reportable Wage Reduced to \$15,6
9000 Hotels	\$ 4.57	\$ 4.78
9100 Building Maintenance, Apartments	3.99	4.16
9200 Entertainers	3.69	4.02
9300 Restaurants	4.04	4.17
9400 Amusements	2.77	2.90
9600 Gaming	.96	1.01
9700 Fire Fighting	2.05	2.13
9800 Professional Sports	31.89	32.93
9902 Anaconda	5.62	5.80
9903 National Guard	3.46 per man	3.46 per man
9904 National Guard	3.46 per man	3.46 per man
9908 Prisoners	81.00	81.00
9909 Jai Alai	9.81	10.13
9910 Professional Soccer	12.84	13.26

Ex-Med

2600 Chemical Manufacture	2.40	2.48
5100 Public Utilities	.52	.53
5200 Telephone/Telegraph	.59	.61
5800 Clerical	.28	.29
7200 Retail, Light	.74	
7700 Hospitals	1.22	1.27
7800 Office Employees	.28	.29
8800 Atomic Energy	.41	.44
8900 Steelworks, High Hazard Work	9.63	10.96
9500 REECO, Nuclear Power	1.78	2.04
9901 Kennecott	4.18	4.32

Continuation Page 5ASSEMBLY BILL NO. _____
ASSEMBLY JOINT RESOLUTION NO. 84

ASSEMBLY AMENDMENT

1051 SENATE AMENDMENTSENATE BILL NO. _____
SENATE JOINT RESOLUTION NO. _____

Amend section 21, page 6, line 20, by deleting "and" and inserting "or".

Amend section 21, page 6, by deleting line 23 and inserting: "of the order unless the appeals officer otherwise orders.".

Amend section 21, page 6, line 30, by deleting "commission" and inserting "hearing officer".

Amend section 21, page 6, by deleting lines 32 and 33.

Amend the bill as a whole, by inserting new sections, to be designated as section 25.4 and section 25.6, following section 25, to read:

"Sec. 25.4. NRS 616.218 is hereby amended to read as follows:

616.218 The [commission] chief of the hearings division of the department of administration may by regulation provide for specific procedures for the determination of contested cases not inconsistent with this chapter.

Sec. 25.6. NRS 616.220 is hereby amended to read as follows:

616.220 The commission shall:

1. Prescribe by regulation the time within which adjudications and awards shall be made.
2. Prepare, provide and regulate forms of notices, claims and other blank forms deemed proper and advisable.
3. Furnish blank forms upon request.
4. Provide by regulation the method of making investigations, physical examinations, and inspections.
5. Prescribe by regulation the methods by which the staff of the commission may approve or reject claims, and may determine the amount and nature of benefits payable in connection therewith. Every such approval, rejection and determination is subject to review by [the commission.] a hearing officer.
6. Provide for adequate notice to each claimant of his right:
 - (a) To review by [the commission] a hearing officer of any determination or rejection by the staff.
 - (b) To judicial review of any final decision."

MAY 14 1979

Exhibit C 2

1979 REGULAR SESSION (60TH)

ASSEMBLY ACTION		SENATE ACTION		Senate	AMENDMENT BLANK
Adopted	<input type="checkbox"/>	Adopted	<input type="checkbox"/>	AMENDMENTS to	Assembly
Lost	<input type="checkbox"/>	Lost	<input type="checkbox"/>	Bill No.	Joint
Date:		Date:		84	Resolution No.
Initial:		Initial:		BDR	53-117
Concurred in	<input type="checkbox"/>	Concurred in	<input type="checkbox"/>	Proposed by	
Not concurred in	<input type="checkbox"/>	Not concurred in	<input type="checkbox"/>	Committee on Commerce and	
Date:		Date:		Labor	
Initial:		Initial:			

Amendment N^o 1051



Amend section 1, page 1, line 2, by deleting "20," and inserting "23,".

Amend section 2, page 1, line 6, by deleting "financial".

Amend section 3, page 1, line 10, by deleting "chapter 616" and inserting "this chapter and chapter 617".

Amend section 3, page 1, line 12, by inserting after "employers" the words "pursuant to this chapter and chapter 617 of NRS".

Amend section 3, page 1, line 13, by inserting "same" before "extent".

Amend section 4, page 2, line 3, by inserting after "sufficient" the words "administrative and".

Amend section 4, page 2, line 9, by deleting "120" and inserting: "in an amount reasonably sufficient to ensure payment of compensation, but in no event may it be less than 105".

Amend section 4, page 2, by deleting line 10 and inserting: "employer's expected annual incurred cost of claims, or less than".

Amend section 4, page 2, line 16, by inserting before "financial" the words "nature of the employer's business, the".

Amend section 4, page 2, line 21, by inserting after "with" the words "chapter 681B of NRS and".

Amend section 5, page 2, line 30, by inserting after "thereunder," the words "makes a general or special assignment for the benefit of creditors".

Amend section 5, page 2, line 31, by deleting "of an appeals officer or" and inserting "for payment of any claim".

Amend section 5, page 2, by deleting line 32 and inserting: "becomes final, the commissioner of".

Continuation Page 1ASSEMBLY BILL NO. _____
ASSEMBLY JOINT RESOLUTION NO. 84 ASSEMBLY AMENDMENT1051 SENATE AMENDMENTSENATE BILL NO. _____
SENATE JOINT RESOLUTION NO. _____

Amend section 5, page 2, line 37, by deleting "takes action" and inserting "gives a 10-day notice".

Amend section 5, page 2, line 40, by inserting after the period: "The commissioner of insurance may assess all self-insurers to provide for claims against any insolvent self-insured employer.".

Amend section 7, page 3, line 5, by inserting after "may" the words "impose an administrative fine, not to exceed \$500 for each violation, and may".

Amend section 7, page 3, by deleting lines 10 through 14 and inserting:

"(b) The employer intentionally or repeatedly:

(1) Induces a claimant for compensation to fail to report an accidental injury or occupational disease;

(2) Persuades a claimant to settle administratively for an amount which is less than reasonable;

(3) Persuades a claimant to settle for an amount which is less than reasonable while a hearing or an appeal is pending;

(4) Persuades a claimant to accept less than the compensation found to be due him;

(5) Refuses to pay or delays payment to a claimant of the compensation found to be due him; or

(6) Makes it necessary for a claimant to resort to proceedings against the employer to secure the compensation found to be due him;".

Amend section 7, page 3, by deleting lines 20 and 21 and inserting: "thereunder, makes a general or special assignment for the benefit of creditors or fails to pay compensation after an order for payment of any claim becomes final.".

Amend section 8, page 3, by deleting line 25 and inserting:

"Sec. 8. 1. Before any action may be taken pursuant to subsection 2, the commissioner of insurance shall arrange an informal meeting with the self-insured employer to discuss and seek correction of any conduct which would be grounds for withdrawal of the self-

Continuation Page 7ASSEMBLY BILL NO.
ASSEMBLY JOINT RESOLUTION NO. 84

ASSEMBLY AMENDMENT

1051 SENATE AMENDMENTSENATE BILL NO.
SENATE JOINT RESOLUTION NO. _____insured employer's certificate of self-insurance.2. Before the withdrawal of the certification of any self-

Amend section 8, page 3, line 31 by inserting after the period:

"Before requesting a hearing the employer must make the deposit
required by section 4 of this act."Amend section 8, page 3, line 32, by deleting "2." and
inserting "3."Amend section 8, page 3, by deleting lines 49 and 50 and
inserting "decree of affirmance."

Amend section 11, page 4, by deleting line 19 and inserting:

"Sec. 11. 1. There is hereby created in the state treasury
the administrative fund for workmen's compensation provided by
self-insured employers as a special revenue fund. The commissioner
of insurance shall promptly deposit into the fund all money
collected under this section. The money must be used for the
purpose of defraying all costs and expenses of administering self-
insurance programs of workmen's compensation.2. The commissioner of insurance shall establish by regula-Amend section 11, page 4, line 23, by deleting "2." and
inserting "3."Amend section 11, page 4, line 24, by inserting before "annual"
the words "the amount and providing for the payment of".Amend section 11, page 4, line 30, by inserting before "claim"
the word "incurred".Amend section 11, page 4, by deleting lines 36 and 37 and inserting:
"than 2 1/2 percent of the employer's expected annual claims
expenditures during the first and second years".Amend section 12, page 4, line 39, by deleting "Each self-insured
employer" and inserting:"1. Except as provided in subsection 2, each self-insured
employer and other employer covered under the provisions of
NRS 616.255 and 616.256".

Continuation Page 3ASSEMBLY BILL NO. _____
ASSEMBLY JOINT RESOLUTION NO. 84

ASSEMBLY AMENDMENT _____

1051 SENATE AMENDMENT _____SENATE BILL NO. _____
SENATE JOINT RESOLUTION NO. _____

Amend section 12, page 4, by deleting line 40 and inserting:
"sion or the hearings division of the department of administration,
as appropriate, for all services which the commission, the state
industrial attorney, the occupational safety and health review
board, the hearing officers and the appeals officers provide to
those employers".

Amend section 12, page 4, line 41, by deleting "1979," and
inserting "1980,".

Amend section 12, page 4, line 45, by inserting after "commission"
the words "or the division, as appropriate,".

Amend section 12, page 4, by deleting line 46 and inserting:
"before the employer is charged for the service.

2. All compensation must be on the basis of actual cost and not
on a basis which includes any subsidy for the commission, the
division or other employers."

Amend section 13, page 4, line 47, by deleting "1.".

Amend section 13, page 4, line 48, by deleting "file an appeal
with the employer" and inserting "request a hearing before the
hearing officer.".

Amend section 13, page 4, by deleting line 49.

Amend section 13, page 5, by deleting lines 1 through 13.

Amend section 15, page 5, line 23, by inserting after "records"
the words "and interview the employees".

Amend section 15, page 5, line 26, by deleting "sioner." and
inserting "sioner, the sufficiency of reserves and the reporting,
handling and processing of injuries or claims."

Amend section 16, page 5, by deleting lines 33 and 34 and inserting:
"become self-insured, or who is self-insured."

Amend section 17, page 5, by deleting line 37 and inserting:
"NRS 679B.310, except that any such appeal must be filed within
the time set forth in section 8 of this act."

Continuation Page 4ASSEMBLY BILL NO. _____
ASSEMBLY JOINT RESOLUTION NO. 84 ASSEMBLY AMENDMENT1051 SENATE AMENDMENTSENATE BILL NO. _____
SENATE JOINT RESOLUTION NO. _____

Amend section 18, page 5, lines 38 and 39, by deleting "commission" and inserting "hearing officers".

Amend section 18, page 5, line 40, by deleting "the commission" and inserting "a hearing officer" and deleting "its" and inserting "his".

Amend section 18, page 5, line 41, by inserting before "shall" the words "or self-insured employer".

Amend section 19, page 5, line 43, by deleting "commission" and inserting "hearing officer".

Amend section 19, page 5, by deleting lines 45 through 47 and inserting "after his receipt of the request.".

Amend section 19, page 5, line 48, by deleting "commission" and inserting "hearing officer".

Amend section 19, page 6, line 1, by deleting "commission" and inserting "hearing officer".

Amend section 19, page 6, line 2, by deleting "its" and inserting "his".

Amend section 19, page 6, line 3, by deleting "its" and inserting "his".

Amend section 20, page 6, line 4, by deleting "commission" and inserting "hearing officer".

Amend section 20, page 6, line 8, by deleting "45" and inserting "60".

Amend section 20, page 6, by deleting line 10 and inserting: "all parties to the appeal and their attorneys at least 30 days before the date and".

Amend section 20, page 6, line 13, by inserting before "but" the words "or upon good cause shown,".

Amend section 21, page 6, line 16, by inserting after "A" the words "stenographic or electronic".

Amend section 21, page 6, by deleting line 17 and inserting: "officer and the rules of evidence applicable to contested cases under the Nevada Administrative Procedure Act apply to the hearing.".

Continuation Page 6

ASSEMBLY BILL NO. 84
ASSEMBLY JOINT RESOLUTION NO.

ASSEMBLY AMENDMENT
1051 SENATE AMENDMENT

SENATE BILL NO.
SENATE JOINT RESOLUTION NO.

Amend section 26, page 7, by deleting line 49 and inserting:
"must first be a consultation with the treating physician or
physicians with respect to whether the proposed rehabilitation".

Amend section 26, page 8, line 2, by inserting after the period,
"If the rehabilitation services will involve a change in vocation,
the consultation must also include a rehabilitation counselor.".

Amend section 26, page 8, line 5, by deleting "[offered to him]
ordered" and inserting "offered [to him]".

Amend section 26, page 8, by deleting line 6 and inserting:
"commission [.] or the self-insured employer.".

Amend the bill as a whole, by inserting new sections, to be
designated as sections 26.2, 26.3, 26.5, 26.7, 26.8, following
section 26, to read as follows:

"Sec. 26.2. NRS 616.230 is hereby amended to read as follows:

616.230 If any person disobeys an order of an appeals officer
, a hearing officer or the commission or a subpoena issued by
the commissioners, inspectors or examiners, or either of them,
or refuses to permit an inspection, or as a witness, refuses to
testify to any matter for which he may be lawfully interrogated,
then the district judge of the county in which the person resides,
on application of the appeals officer , a hearing officer or the
commission, shall compel obedience by attachment proceedings as
for contempt; as in the case of disobedience of the requirements of
subpenas issued from the court on a refusal to testify therein.

Sec. 26.3. NRS 616.235 is hereby amended to read as follows:

- 616.235 1. Each officer who serves a subpoena shall receive
the same fees as a sheriff.
- 2. Each witness who appears in obedience to a subpoena before an
appeals officer , a hearing officer or the commission is entitled
to receive for his attendance the fees and mileage provided for
witnesses in civil cases in courts of record.

Continuation Page 7ASSEMBLY BILL NO. _____
ASSEMBLY JOINT RESOLUTION NO. 841051 ASSEMBLY AMENDMENT
SENATE AMENDMENTSENATE BILL NO. _____
SENATE JOINT RESOLUTION NO. _____

3. Claims for witnesses' fees shall be audited and paid from the state treasury in the same manner as other expenses are audited and paid upon the presentation of proper vouchers approved by an appeals officer, a hearing officer or any two commissioners.

4. A witness subpoenaed at the instance of a party other than an appeals officer, a hearing officer or the commission is not entitled to compensation from the state treasury unless an appeals officer, a hearing officer or the commission certifies that his testimony was material to the matter investigated.

Sec. 26.5. NRS 616.240 is hereby amended to read as follows:

616.240 1. In an investigation, the commission or a hearing officer may cause depositions of witnesses residing within or without the state to be taken in the manner prescribed by law and Nevada Rules of Civil Procedure for taking depositions in civil actions in courts of record.

2. After the initiation of a claim under the provisions of this chapter or chapter 617 of NRS, in which a claimant or other party is entitled to a hearing on the merits, any party to the proceeding may, in the manner prescribed by law and the Nevada Rules of Civil Procedure for taking written interrogatories and depositions in civil actions in courts of record:

(a) Serve upon any other party written interrogatories to be answered by the party served; or

(b) Take the testimony of any person, including a party, by deposition upon oral examination.

Sec. 26.7. NRS 616.226 is hereby amended to read as follows:

616.226 [An appeals officer and the commission,] Hearing officers and appeals officers, in conducting hearings or other proceedings pursuant to the provisions of this chapter or regulations promulgated under this chapter may:

1. Issue subpoenas requiring the attendance of any witness or the production of books, accounts, papers, records and documents.

2. Administer oaths.

Continuation Page 8

ASSEMBLY BILL NO. 84
ASSEMBLY JOINT RESOLUTION NO. 84

1051 ASSEMBLY AMENDMENT
SENATE AMENDMENT

SENATE BILL NO.
SENATE JOINT RESOLUTION NO.

- 3. Certify to official acts.
- 4. Call and examine under oath any witness or party to a claim.
- 5. Maintain order.
- 6. Rule upon all questions arising during the course of a hearing or proceeding.
- 7. Permit discovery by deposition or interrogatories.
- 8. Initiate and hold conferences for the settlement or simplification of issues.
- 9. Dispose of procedural requests or similar matters.
- 10. Generally regulate and guide the course of a pending hearing or proceeding.

Sec. 26.8. NRS 616.245 is hereby amended to read as follows:

616.245 1. A transcribed copy of the evidence and proceedings, or any specific part thereof, of any final hearing or investigation, made by a stenographer appointed by an appeals officer, a hearing officer or the commission, being certified by that stenographer to be a true and correct transcript of the testimony in the final hearing or investigation, or of a particular witness, or of a specific part thereof, and carefully compared by him with his original notes, and to be a correct statement of the evidence and proceedings had on the final hearing or investigation so purporting to be taken and transcribed, may be received in evidence with the same effect as if the stenographer had been present and testified to the facts so certified.

2. A copy of the transcript shall be furnished on demand to any party upon the payment of the fee required for transcripts in courts of record."

Amend section 27, page 8, by deleting lines 10 through 13.

Amend section 27, page 8, line 14, by deleting "3." and inserting "2."

Amend section 27, page 8, line 17, by deleting "appropriation" and inserting "authorization".

Continuation Page 9ASSEMBLY BILL NO. 84
ASSEMBLY JOINT RESOLUTION NO. _____

ASSEMBLY AMENDMENT

1051 SENATE AMENDMENTSENATE BILL NO. _____
SENATE JOINT RESOLUTION NO. _____

Amend section 36, page 12, line 27, by deleting the open bracket.

Amend section 36, page 12, by deleting line 28 and inserting:

"mission who has a permanent physical".

Amend section 36, page 12, line 34, by deleting "[pay] order" and inserting "pay".

Amend section 36, page 12, by deleting line 35 and inserting:

"chapter on behalf of the".

Amend section 36, page 12, line 42, by deleting "[pay] order" and inserting "pay".

Amend section 36, page 12, lines 43 and 44, by deleting "paid from the subsequent injury account".

Amend section 36, page 13, by inserting between lines 17 and 18:

"6. The commissioner of insurance must by regulation establish a special revenue fund, known as the subsequent injury fund, and establish the assessments to be paid into it by self-insured employers."

Amend section 38, page 14, line 29, by inserting after the period:

"If additional information is necessary to determine liability, the commission or self-insured employer may extend the period to 60 days upon notice to the claimant if the commissioner of insurance approves. If additional information is still necessary, the commission or self-insured employer may grant a further extension if the commissioner of insurance approves and the claimant gives his written consent, but the total period may not be extended to more than 90 days."

Amend section 42, page 16, by deleting lines 6 through 12.

Amend section 42, page 16, line 13, by deleting "3." and inserting "2."

Amend section 42, page 16, line 17, by deleting "[3.] 4." and inserting "3."

Continuation Page 10ASSEMBLY BILL NO. _____
ASSEMBLY JOINT RESOLUTION NO. 84ASSEMBLY AMENDMENT1057 SENATE AMENDMENTSENATE BILL NO. _____
SENATE JOINT RESOLUTION NO. _____

Amend section 42, page 16, line 26, by deleting "5." and inserting:
"[5.] 4." and inserting after "final" the words "and binding".

Amend the bill as a whole, by inserting new sections to be designated
as sections 57.3, 57.5 and 57.7, following section 57, to read:

"Sec. 57.3. Chapter 232 of NRS is hereby amended by adding thereto
a new section which shall read as follows:

The cost of salaries and other expenses of the hearings division
must be paid by the Nevada industrial commission and self-insured
employers in accordance with their proportionate use of the services
of the division.

Sec. 57.5. NRS 232.213 is hereby amended to read as follows:

232.213 1. The department of administration is hereby created.

2. The department consists of a director and the following divisions:

(a) Budget division.

(b) Hearings division, which consists of hearing officers and appeals
officers whose duties are prescribed by chapter 616 of NRS.

(c) Personnel division.

3. The department includes the office of state industrial attorney.

Sec. 57.7. NRS 232.215 is hereby amended to read as follows:

232.215 The director:

1. Shall appoint a chief of the personnel division.

2. Shall appoint a chief of the budget division, or may personally
serve in this position if he has the qualifications required by NRS
353.175.

3. Shall personally serve as chief of the hearings division and
shall appoint the hearing officers, who are in the classified service
of the state.

4. Is responsible for the administration, through the divisions of
the department, of the provisions of chapter 284 of NRS, NRS 353.150
to 353.246, inclusive, and all other provisions of law relating to the
functions of the divisions [of] and offices within the department.

Continuation Page 11

ASSEMBLY BILL NO. 84
ASSEMBLY JOINT RESOLUTION NO.

 ASSEMBLY AMENDMENT

1051 SENATE AMENDMENT

SENATE BILL NO.
SENATE JOINT RESOLUTION NO.

[4.] 5. Has such other powers and duties as provided by law."

Amend the bill as a whole, by inserting a new section to be designated as section 61, following section 60, to read:

"Sec. 61. The provisions of this act which relate to self-insurance shall become effective on January 1, 1980."

Amend the title of the bill by deleting the 3rd line and inserting: "hearings and appeals; creating for this purpose a hearings division in the department of administration; providing for".

NEVADA INDUSTRIAL COMMISSION

Exhibit D

OFFICE OF
THE COMMISSIONERS

MEMORANDUM

TO: Senator Thomas Wilson
FROM: John Reiser
SUBJECT: Proposed Amendments to AB 84
DATE: May 14, 1979

The following is a list of proposed amendments to AB 84 that we understood were to be included in Amendment No. 1051:

1. Amend section 4, paragraph 2, page 2, line 10 to read as follows:
"employer's expected annual incurred cost of claims, but in no event less than"
2. Delete section 14, page 5
3. Delete section 23, page 6
4. Amend section 26, paragraph (2) page 7, line 43 to read as follows:
Before ordering rehabilitation services that will involve a change in vocation for an injured worker, there must first be a consultation with the treating physician or physicians with respect to whether the proposed rehabilitation program is compatible with the injured worker's age, sex and physical condition.
5. Amend section 31, paragraph 2, page 9, lines 40 and 41. These lines should read "contributions shall be in the discretion of the commission."
6. Amend section 31, paragraph 3, page 9, line 42 to delete page 9, lines 42 through 50 and page 10, line 1 through 12 and to replace this paragraph 3 with the following:
 3. The rating system provided by this section is subject to the further limitation that:
 - (a) All studies conducted by the commission for the purpose of determining the adequacy of rate levels, the equity of rates between and among classifications, shall be conducted in the presence of an actuary designated by the commissioner of insurance.

- (b) No increase or reduction of premium rate or additional charge or rebate of premium contribution may become effective for 30 days after adoption by the commission. Upon adoption of any increase or reduction of premium rate or additional charge or rebate of premium contributions provided by this section, the commission must file the revised rates with the commissioner of insurance and give written notice thereof to the employer affected by such rate change, charge or rebate.

The commissioner of insurance will grant the employer, if requested by him, a hearing prior to the effective date of the rate change. At such hearing, consideration must be given to the objections as made by the parties appearing, and all matters in dispute must be resolved after such hearing by the commissioner of insurance in a manner which will not unjustly affect the objecting party or the state insurance fund. Following the hearing, the commission shall make such adjustments in rates as are ordered by the commissioner. The objective to be accomplished is to prescribe and collect only such premiums as may be necessary to pay the obligations created by this chapter, administrative expenses, and to carry such reasonable reserves as may be prescribed by law or deemed necessary to meet such contingencies as may reasonably be expected.