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Professional Firefighters of Nevada
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Testimony for AB 294

Thank you Mr. Chairman and members of the Assembly Commerce and Labor Committee. The Professional Firefighters of Nevada stand in support of AB 294. Assemblyman Conklin was gracious enough to sponsor this legislation for us.

The bill is being brought forth to you to address what we feel is an unnecessary harassment and embarrassment of people with permanent total disabilities. During the 1999 legislature a bill SB 95 was brought forward to the Senate Commerce and Labor Committee asking for the ability to place an endorsement clause on the back of disability checks. I have provided a copy of the language contained in that bill regarding this endorsement. The Senate defeated this bill in 1999 and therefore the endorsement provision was defeated.

Shortly after this an endorsement provision started appearing on the backs of disability checks for people on disability. We questioned this with employers and they were able to get the specific third party administrator to stop the practice. Again just prior to the 2003 legislative session these endorsements started showing up again from the same third party administrator. We again went top the local insurer and they instructed the TPA to remove the endorsements. We are proposing this legislation to once and for all limit the ability of the insurer and third party administrators to put an endorsement requirement of the back of disability checks.

Currently in Nevada there is another group of individuals that are required to sign a document monthly. This document says that they have not used drugs, alcohol, or otherwise broken any laws. These individuals are inmates that have been released from prison on parole or people on probation. Injured workers are not criminals. They are just people that were doing a job and were unlucky enough to get injured. They shouldn't be made to constantly sign under penalty of a category D felony that they are in fact disabled.

In it's current language, AB 294 was of concern to investigators in the Nevada Attorney General's office. We have met with the representative of the AG's office and worked out possible amendment language. It addresses our concerns with regard to permanent total disabled workers while still allowing the Attorney General's Deputies to do their job. It was never our intent to impede their abilities. I'd like tom thank Kevin Higgins, Deputy in the Attorney General's office for working with us and helping us to come up with acceptable language.

ASSEMBLY COMMERCE & LABOR 1085
DATE: 3/28 ROOM: 4100 EXHIBIT E
SUBMITTED BY: Rusty McAllister

The amendment will disallow an endorsement provision to be placed on a disability check for someone that has already been determined by an insurer to be permanently totally disabled. It would still allow for an insurer to place the endorsement on a check of someone that is either temporarily or partially disabled. This is because these people are expecting to return to work. People on permanent total disability are not. There's no reason to have these people continue to sign for their benefits biweekly. How many times do you have to attest that you are permanently and totally disabled? Many people find this to be an embarrassment when they have to go to the bank and make deposits. This has to be done on a regular basis because there are those insurers or third party administrators that do not allow for direct deposit of benefit checks for permanent total disability.

Passage if this bill would provide some semblance of normalcy for those former workers that are now permanently and totally disabled. We respectfully ask for your support of this legislation.

Thank you.

Proposed Amendment to AB 294

Page 2

Delete lines 1-6 and replace with:

of permanent total disability benefits that includes a restrictive endorsement.

New Section 2

Any restrictive endorsement otherwise placed upon a check for disability or rehabilitation maintenance benefits must accurately state the restrictive conditions and must not contain any condition or restriction not otherwise set forth under the provisions of chapters 616A to 616D inclusive or 617.

New Section 3

The administrator shall approve all proposed restrictive endorsements before they are used on checks for industrial insurance benefits. He shall ensure that the endorsement does not violate the provisions of section 1 of this bill and comports with the requirements of section 2.

New Section 4

Any checks issued with restrictive endorsements in violation of this statute constitute an administrative violation under the terms of NRS 616D.120.

Senate Bill No. 95—Committee on Commerce and Labor
 (On Behalf of Legislative Committee on Workers' Compensation)

February 3, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes to provisions relating to provision of benefits for industrial insurance. (BDR 53-386)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted. Green numbers along left margin indicate location on the printed bill (e.g., 5-15 indicates page 5, line 15).

AN ACT relating to industrial insurance; requiring a person who endorses a check that is issued by an insurer for payment of certain benefits for industrial insurance to certify that he is entitled to those benefits; revising the provisions governing the payment of compensation if an injury or condition that is not related to employment is involved; requiring that a test of an injured employee for the presence of alcohol or a controlled substance be performed by a laboratory that is licensed by the health division of the department of human resources; limiting the circumstances under which an insurer may determine that a disability is a permanent total disability; requiring rating evaluations for permanent partial disability to be based upon certain objective findings; removing the limitation on the payment of a death benefit for the transportation of the remains of a deceased employee beyond the continental limits of the United States; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY,
 DO ENACT AS FOLLOWS:

1-1 **Section 1.** Chapter 616C of NRS is hereby amended by adding thereto

E 4085

3/27/03

1-2 a new section to read as follows:

1-3 ***1. Each check issued by an insurer pursuant to the provisions of***
1-4 ***chapters 616A to 616D, inclusive, or chapter 617 of NRS for temporary***
1-5 ***total disability, temporary partial disability, permanent total disability,***
1-6 ***permanent partial disability or rehabilitation maintenance benefits must***
1-7 ***include a restrictive endorsement that is substantially similar to the***
1-8 ***following statement:***

2-1 ***By endorsing this check for temporary total disability, temporary***
2-2 ***partial disability, permanent total disability, permanent partial disability***
2-3 ***or rehabilitation maintenance benefits, I certify under penalty of***
2-4 ***imposition of a fine or imprisonment, or both, that I am entitled to the***
2-5 ***benefits for workers' compensation represented by this check, that the***
2-6 ***circumstances which entitled me to benefits for workers' compensation***
2-7 ***have not changed since my claim was accepted or since I received the last***
2-8 ***payment and that no false statements or representations have been made***
2-9 ***to obtain these benefits.***

2-10 ***2. For the purposes of chapters 616A to 616D, inclusive, or chapter***
2-11 ***617 of NRS, the issuance, endorsement or negotiation of a check***
2-12 ***described in subsection 1 creates a rebuttable presumption that the***
2-13 ***person named on the check received, endorsed or negotiated the check.***

E 5085

3/27/03