

# APPEALS PANEL FOR INDUSTRIAL INSURANCE

Current Contact – Nick Stosic, Deputy Commissioner, Division of Insurance (DOI), Department of Business and Industry (B&I)

Website – [https://doi.nv.gov/News\\_Notices/Meetings/Notice\\_Public\\_Meeting\\_of\\_the\\_Appeals\\_Panel\\_for\\_Industrial\\_Insurance/](https://doi.nv.gov/News_Notices/Meetings/Notice_Public_Meeting_of_the_Appeals_Panel_for_Industrial_Insurance/)

Agenda and Minutes – Meeting minutes are not kept, but a final decision or recommendation is drafted and provided to the parties.

## **NEVADA REVISED STATUTES (NRS) 616B.760 THROUGH 616B.790**

### PANEL MEMBERS (NRS 616B.760)

The Panel consists of seven members appointed by the governor in consultation with the commissioner of insurance, as follows:

- An employee of DOI;
- A licensed agent, qualified pursuant to regulation by the commissioner of insurance, who is a member of a nationally recognized association for professional insurance agents;
- Two representatives of the general public, pursuant to statute;
- Two representatives of private carriers; and
- A representative of the advisory organization who administers appeals panels for grievances of employers in other states.

The advisory organization is required to compile and submit lists of persons who would be appropriate members for the Appeals Panel as the agent, the representatives of the general public, and the representatives of private carriers.

An advisory organization is defined as the organization designated and licensed by the commissioner to file the classifications of risks for private carriers pursuant to Chapters 616A to 616D, inclusive, and Chapter 686B of NRS (NRS 616A.045).

### POWERS AND DUTIES OF THE PANEL

- The chair shall schedule the meetings and ensure they are conducted in an efficient manner (NRS 616B.765);
- The chair may appoint from the Panel's members a secretary to whom the chair may delegate his or her administrative functions (NRS 616B.765);
- The commissioner of insurance may adopt regulations to carry out the provisions of NRS 616B.760 through 616B.790, inclusive (NRS 616B.790).

### Grievances NRS 616B.772 through 616B.790

- An employer, other than a self-insured employer, who determines that circumstances specific to his or her case require a review may file a grievance with the Appeals Panel (NRS 616B.772);
- The Appeals Panel shall not hear complaints concerning the effect of classifications of risk or rules that apply to all similarly classified businesses (NRS 616B.775);

- After receipt of the grievance, the Appeals Panel is required to provide written notice, within the timeframe provided in statute, to the employer, the employer's insurer, and the advisory organization of the date and place of the hearing ([NRS 616B.777](#));
- Hearings must be open to the public, pursuant to statute, unless the Appeals Panel will consider proprietary information ([NRS 616B.780](#));
- If a member of the Appeals Panel has a conflict of interest, the chair shall appoint a substitute member for that hearing. A conflict may be waived if, after full disclosure, all parties to the appeal agree ([NRS 616B.782](#));
- Within 30 days after a hearing, the chair or a designated representative shall prepare and deliver a memorandum stating the reasons for the decision of the Panel, and the right of any party to the hearing to appeal ([NRS 616B.785](#)); and
- A party to the hearing may appeal the decision of the Appeals Panel to the commissioner ([NRS 616B.787](#)).

## OPERATIONS OF THE PANEL

- The members shall elect a chair, whose term of office in one year ([NRS 616B.762](#));
- Unless agreed upon by the members, the first meeting of each year must be as soon as practicable after July 1 ([NRS 616B.762](#));
- Four members constitute a quorum and may conduct business ([NRS 616B.767](#));
- Each member is entitled to receive for each meeting, a per diem allowance and travel expenses ([NRS 616B.770](#));
- Expenses of the members of the Appeals Panel must be paid from assessments payable by each insurer pursuant to the formula approved by the commissioner ([NRS 616B.770](#)).

## BACKGROUND

### LEGISLATION

1999—[Senate Bill 417](#) (Chapter 620, *Statutes of Nevada*), sponsored by Senator Ann O'Connell, established the Appeals Panel. The Panel was directed to hear grievances regarding an employer's experience modification factor, risk classification, and application of supplementary rate information to the employer. In addition, the bill authorized a party aggrieved by a decision of the Panel to appeal to the commissioner of insurance.

Under the new two-way insurance system, employers' rate class codes and experience modification factors were no longer determined by the State Industrial Insurance System. Instead, they were established by an advisory organization. The Appeals Panel provided a needed vehicle for employers to raise issues with respect to their changing rate classes, which plays a key role in determining their industrial insurance premiums.

### LEGISLATIVE HISTORY

The following legislative history has been compiled and is available on the website of the Research Library:

- The legislative history for SB 417 (1999) can be found here:
  - <https://www.leg.state.nv.us/Division/Research/Library/LegHistory/LHs/1999/SB417,1999.pdf>

## REPORT TO THE LEGISLATURE

There is no requirement for the Appeals Panel to submit a report to the Legislature.

## **REVIEWED BY THE SUNSET SUBCOMMITTEE OF THE LEGISLATIVE COMMISSION**

The Sunset Subcommittee reviewed the Appeals Panel for Industrial Insurance on [March 15, 2016](#). At the work session on [April 21, 2016](#), the Subcommittee recommended continuation of the Panel without any revisions.