



To: The Honorable Elaine Marzola, Chair
The Honorable Sandra Jauregui, Vice Chair
Assembly Commerce and Labor Committee

From: Mark Sektnan, Vice President

Re: **AB 410: Stress Claims**
APCIA Position: OPPOSE

Date: Monday, April 10, 2023
1:30 p.m., Room 4100

Dear Chair Marzola, Vice Chair Jauregui, and Members of the Committee:

The American Property Casualty Insurance Association of America (APCIA) is **opposed** to AB 410 which will lower the threshold for stress claims in the workers' compensation system. APCIA is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.

AB 410 removes important protections currently in Nevada law which excludes stress claims for "Any ailment or disorder caused by any gradual mental stimulus." Allowing recovery for alleged mental stress injuries caused by gradual mental stimulus risks flooding the Nevada workers' compensation system with mental stress claims, which could significantly increase costs for Nevada employers.

While many states prohibit workers' compensation recovery for mental stress claims absent a physical injury, Nevada permits recovery for pure mental stress claims without a concomitant physical injury. While Nevada thus already has a liberal standard for allowing recovery of mental stress claims, it is critical that reasonable guardrails be established so that mental only claims do not inundate the workers' compensation system. Mental stress claims are by their nature inherently subjective and are prone to potential abuse and/or questionable claims. Unless limitations are placed on their scope, mental stress claims can overburden the dispute resolution system and significantly increase system costs. Disputes regarding alleged workplace stress can easily result in excessive litigation-related expenses.

Current Nevada law at least somewhat safeguards the system from questionable mental stress claims by requiring that the stress be more than a "gradual mental stimulus." Without this current guardrail, mere allegations of an increased workload, or minor

disagreements with co-workers, clients, customers or management, could rise to the level of a valid workers' compensation claim. Common complaints that are viewed as normal problems faced by all workers throughout the state would now become recoverable claims under the workers' compensation system.

It must be remembered that workers' compensation is a no-fault system where the employer is obligated to pay indemnity and first dollar medical coverage, without limits, co-pays or deductibles, to any injured worker suffering a workplace injury even in the absence of any fault by the employer. Such a no-fault system cannot survive if the system becomes flooded with claims by any worker alleging mere stress from work. The current law recognizes that everyone deals with stress at work and ordinary stress should not qualify a claimant with a successful workers' compensation claim. Some stress is a part of all typical work environments. Only cases of excessive or abnormal stress should qualify for workers' compensation benefits. Otherwise, the no fault system will become flooded with disputes, become prohibitively expensive, and place Nevada employers at a competitive disadvantage to employers in other states.

For these reasons, APCIA asks the committee to vote **“NO”** on this bill in committee.