ADOPTED REGULATION OF THE ADMINISTRATOR OF

THE DIVISION OF INDUSTRIAL RELATIONS OF THE

DEPARTMENT OF BUSINESS AND INDUSTRY

LCB File No. R112-98

Effective December 18, 1998

EXPLANATION – Matter in *italics* is new; matter in brackets **[ ]** is material to be omitted.

AUTHORITY: §§1-70, NRS 616A.400; §10, NRS 616B.033; §11-12, NRS 616B.460; §14-16, NRS 616B.587 & 616B.590; §23-24, NRS 616B.656; §25, NRS 616B.659, §26, NRS 616B.220.

Section 1. Chapter 616B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 27, inclusive, of this regulation.

Sec. 2. *For the purpose of determining the average monthly wage used in the calculation of disability compensation, the reasonable value of a meal furnished by an employer to an employee is the value, if any, specified in the collective bargaining agreement between the employee and the employer. Meals will be valued by the cost to the employer per meal for the purposes of determining payroll.*

Sec. 3. *An employer covered by a policy for workers' compensation shall immediately report to his insurer any change in the ownership of the ongoing business.*

Sec. 4. *1. Within 30 days after an association receives notice of an accident or occupational disease, the association shall notify the administrator if the accident resulted in injury to, or the disease affected or is expected to affect, two or more persons.*

2. Within 48 hours after an association receives notice, in any form, of an accident or occupational disease resulting in a fatality, the association shall notify the administrator of the fatality on the form entitled D-21, Fatality Report, which is prescribed by the administrator.

Sec. 5. *1. After the withdrawal of a certificate, the commissioner and administrator retain jurisdiction over injuries sustained during the period of self-insurance until all liabilities and all responsibilities have terminated.*

2. The commissioner and administrator will require an association whose certificate has been withdrawn to provide any necessary reports setting forth the status of all compensable cases which remain open.

3. The commissioner and administrator will audit the compensable claims of an association whose certificate has been withdrawn, and the members of the association shall pay the expenses incurred by the commissioner and administrator, or a representative of either of them, in conducting the audits.

Sec. 6. *1. The system and each private carrier shall ensure that all files of claims and all records maintained by the system or private carrier pursuant to chapters 616A to 617, inclusive, of NRS or any regulations adopted thereto, are available for inspection by the commissioner or administrator, or his representative, during normal business hours.*

2. All files of claims must be kept, maintained and administered in this state.

3. After reviewing the file of a claim, the commissioner or administrator will report his findings to the system or private carrier.

Sec. 7. *1. On claims where an award is offered for a permanent partial disability, the system and each private carrier shall complete for each injured employee's file and submit to the*

nearest office of the industrial insurance regulation section on or before the last day of each month:

(a) A report on the evaluation of a permanent partial disability by a rating physician or chiropractor;

(b) A copy of the letter offering the award to the injured employee;

(c) Documentation of payments of the award made to the injured employee;

(d) Any administrative or court orders modifying the wage calculation for the injured employee; and

(e) The following forms:

(1) D-5, Wage Calculation Form for Claims Adjuster's Use.

(2) D-8, Employer's Wage Verification Form.

(3) D-9(a), PPD Award Calculation Worksheet, or D-9(b), PPD Award Calculation Worksheet for Disability Over 25 Percent Body Basis, as appropriate.

(4) D-10(a), Election of Method of Payment of Compensation, or D-10(b), Election of Method of Payment of Compensation for Disability Greater Than 25%, as appropriate.

2. On or before September 30 of each year, or as requested by the administrator or his designated agent, the system and each private carrier shall file a report with the administrator or his designated agent which contains the following information:

(a) For claims other than claims for an occupational disease:

(1) The number of new claims filed.

(2) The number of claims accepted for accident benefits only.

(3) The number of claims accepted for benefits for lost time.

(4) The number of compensable fatalities.

(5) The number of claims denied.

(b) For claims for an occupational disease:

(1) The number of new claims filed.

(2) The number of claims accepted for medical benefits only.

(3) The number of claims accepted for benefits for lost time.

(4) The number of compensable fatalities.

(5) The number of claims denied.

(c) The number of requests to reopen a claim.

(d) The number of claims reopened for accident benefits only.

(e) The number of claims reopened for benefits for lost time only.

(f) The number of injured employees paid benefits for a permanent partial disability.

(g) The number of injured employees paid benefits for a permanent partial disability in a lump sum.

(h) The number of claims closed pursuant to subsection 1 of NRS 616C.235.

(i) The number of claims closed pursuant to subsection 2 of NRS 616C.235.

(j) The number of claims open at the end of the fiscal year.

(k) Expenditures on claims for:

(1) A temporary total disability.

(2) A temporary partial disability.

(3) A permanent total disability.

(4) A permanent partial disability.

(5) Benefits for survivors.

(6) Burial expenses.

(7) Travel and per diem expenses.

(8) All medical expenses.

(9) Vocational rehabilitation, categorized by expenditures for:

(I) Vocational rehabilitation maintenance.

(II) The payment of compensation in a lump sum in lieu of vocational rehabilitation services.

(III) Program expenses.

(IV) Administrative expenses.

(V) Other purposes.

(l) Amounts recovered:

(1) Through subrogation.

(2) From a subsequent injury fund, if applicable.

(3) From other sources.

(m) Any other information requested by the administrator or his designated agent.

3. The information required pursuant to subsection 2 must, except as otherwise requested by the administrator or his designated agent, include information regarding any administrative activity during the prior fiscal year relating to:

(a) A claim for an injury that occurred during that year; and

(b) Any other claims, regardless of when the injury occurred.

4. Upon request by the administrator or his designated agent, the system or private carrier shall submit to the administrator or his designated agent copies of any form used by the system or private carrier in the administration of its claims for workers' compensation in this state.

Sec. 8. *1. Within 30 days after the system receives notice of an accident or occupational disease, the system shall notify the administrator if the accident resulted in injury to, or the disease affected or is expected to affect, two or more persons.*

2. Within 48 hours after the system receives notice, in any form, of an accident or occupational disease resulting in a fatality, the system shall notify the administrator of the fatality on the form entitled D-21, Fatality Report, which is prescribed by the administrator.

Sec. 9. *1. Within 30 days after the system or a private carrier receives notice of an accident or occupational disease, the system or private carrier shall notify the administrator if the accident resulted in injury to, or the disease affected or is expected to affect, two or more persons.*

2. Within 48 hours after the system or a private carrier receives notice, in any form, of an accident or occupational disease resulting in a fatality, the system or private carrier shall notify the administrator of the fatality on the form entitled D-21, Fatality Report, which is prescribed by the administrator.

Sec. 10. *1. The notice required to be served by the system, a private carrier or an employer that intends to cancel or renew a policy of insurance pursuant to subsection 3 of NRS 616B.033 must be served personally or sent by first-class mail on a completed form entitled D-42, Intent to Cancel, Renew or Change of Insurance Carrier Form, which is prescribed by the administrator, or, if sent by electronic transmission, the notice must contain the same information as the form.*

2. The employer is not required to serve such notice on the administrator or his designated agent if the notice is served on the administrator or his designated agent by the system or private carrier on behalf of the employer.

Sec. 11. *1. The notice required to be given to the administrator by an employer that elects to purchase industrial insurance from an insurer other than his current insurer pursuant to paragraph (a) of subsection 2 of NRS 616B.460 must be served personally or sent by first-class mail on a completed form entitled D-42, Intent to Cancel, Renew or Change of Insurance Carrier Form, which is prescribed by the administrator, or, if sent by electronic transmission, the notice must contain the same information as the form.*

2. The employer is not required to serve such notice on the administrator or his designated agent if notice is served on the administrator or his designated agent by the system or private carrier on behalf of the employer.

Sec. 12. *The notice required to be provided to the administrator by a private carrier or the system pursuant to subsection 3 of NRS 616B.460 if the system or private carrier has notice that an employer has changed his insurer or has allowed his insurance to lapse must be served personally or sent by first-class mail on a completed form entitled D-42, Intent to Cancel, Renew or Change of Insurance Carrier Form, which is prescribed by the administrator, or, if sent by electronic transmission, the notice must contain the same information as the form.*

Sec. 13. *If the system, a private carrier or an employer fails to provide the notice required by NRS 616B.033 or 616B.460 and in the manner set forth in sections 10, 11 or 12 of this regulation, as applicable, the administrator will, after notice and hearing:*

1. For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

2. For the second, third, fourth, fifth and sixth violations within a 12-month period, impose an administrative fine of not less than $50 for each such violation.

3. For the seventh, eighth, ninth, tenth and eleventh violations within a 12-month period, impose an administrative fine of not less than $200 for each such violation.

4. For the twelfth, thirteenth, fourteenth, fifteenth and sixteenth violations within a 12-month period, impose an administrative fine of not less than $500 for each such violation.

5. For the seventeenth and each subsequent violation within a 12-month period, impose an administrative fine of $1,000.

Sec. 14. *1. A claim against the subsequent injury fund for private carriers pursuant to NRS 616B.587 or 616B.590 must be submitted, in writing, to the administrator.*

2. A private carrier who submits a claim pursuant to subsection 1 shall include with the claim:

(a) All documents contained in the file of the claim and any other supporting documents that the private carrier relies upon or deems important for the determination of a claim; and

(b) A completed copy of the form entitled D-37, Insurer's Subsequent Injury Checklist, which is prescribed by the administrator. A copy of the form may be obtained from the administrator at no cost.

3. A claim submitted to the administrator pursuant to subsection 1 must be organized in the manner prescribed in Form D-37, Insurer's Subsequent Injury Checklist.

Sec. 15. *1. The administrator will not consider the following expenditures to be expenditures for claims for which a private carrier may receive reimbursement from the subsequent injury fund for private carriers:*

(a) Amounts held in reserve for any anticipated expense in connection with a claim.

(b) Money paid in excess of the compensation calculated pursuant to NRS 616C.440, 616C.475, 616C.490 or 616C.500 or NAC 616C.577 for a temporary total, temporary partial, permanent total or permanent partial disability or vocational rehabilitation maintenance.

(c) Legal expenses, including, without limitation, court costs, attorney's fees, costs for depositions, investigations and hearings.

(d) Payment of an award of interest.

(e) Administrative expenses, including, without limitation, expenses incurred for:

(1) Copying records;

(2) Reviewing any report of a physician or chiropractor contained in a file relating to a claim; or

(3) Services relating to the management of costs of medical care.

(f) Costs incurred in a claim that is ultimately denied.

2. The value of accident benefits furnished by a private carrier for industrial injuries or illnesses must be computed and reported pursuant to NAC 616C.182 to 616C.230, inclusive.

Sec. 16. *1. The administrator will examine a claim against the subsequent injury fund for private carriers and not later than 90 days after his receipt of the claim will:*

(a) Notify the private carrier that a determination on the claim cannot be made and the reasons therefor; or

(b) Notify the private carrier of the acceptance or denial of the claim; and

(c) If the claim is accepted, notify the private carrier of the verified amount of reimbursement and that the claim will be processed for payment by the state controller.

2. An appeal from a determination of the administrator concerning a claim against the subsequent injury fund for private carriers must be made in writing and sent directly to the appeals officer within 30 days after the date of the administrator's determination.

Sec. 17. *1. An employer who hires a person to do work related to, or in furtherance of, his business operations that are insured by the system or a private carrier is presumed to have established an employer-employee relationship between himself and the person performing the work in the absence of a written contract between the two parties which establishes that no employer-employee relationship exists between the two parties, in accordance with chapters 616A to 617, inclusive, of NRS.*

2. If a subcontractor or independent contractor does not have an active policy with the system or a private carrier, the principal contractor must be assessed premiums based on:

(a) The payroll for the period of the contract with the subcontractor or independent contractor;

(b) The appropriate classification for the work performed by the subcontractor or independent contractor; and

(c) The experience modification factor of the principal contractor.

3. A principal contractor may provide the complete payroll records of the employees of each uninsured subcontractor and independent contractor. Except as otherwise provided in this subsection, if the principal contractor does not provide the complete payroll records of his uninsured subcontractors and independent contractors, the full contract price shall be deemed to be the payroll for the employees of the subcontractors and independent contractors. If the contract is for labor and materials or labor and equipment and evidence is provided to the system or private carrier which indicates the portion of the contract price that is for labor, that

amount may be deemed the payroll for the employees of the subcontractor or independent contractor. If such an amount is not indicated in the contract, the system or private carrier shall determine what portion of the contract price will be deemed the payroll for the employees of the subcontractor or independent contractor. In no case may the payroll used to calculate the premiums of the principal contractor be less than the portion of the contract price that is for labor.

4. If a subcontractor or independent contractor has a policy with the system or a private carrier but fails to pay the proper premiums, the principal contractor is liable for the amount of any unpaid premiums based on the rate and modification factor for premiums of the subcontractor or independent contractor.

Sec. 18. *1. A sole proprietor acting as a subcontractor in this state who is licensed pursuant to chapter 624 of NRS shall be deemed to receive $500 per month in wages. A sole proprietor acting in alternating roles as a principal contractor and subcontractor shall be deemed to receive $500 per month in wages. The type of license issued to the sole proprietor pursuant to chapter 624 of NRS does not affect the coverage or deemed wage required.*

2. A sole proprietor acting only as a principal contractor may be relieved of the requirement of maintaining coverage for himself by submitting written notice to the system or the private carrier which insures him that he is acting only as a principal contractor. If the system or private carrier determines that the sole proprietor is acting only as a principal contractor, the system or private carrier shall terminate his deemed wage effective on the date of receipt of the written notice. The termination of the deemed wage must not be made retroactive to a date before receipt of the written notice by the system or private carrier. If, after the termination of the deemed wage, the system or private carrier determines that the sole

proprietor was at any time acting as a subcontractor, the system or private carrier shall reinstate the deemed wage effective on the date on which it was terminated, but in no case may it be made retroactive for more than 3 years or to the date of the last audit, whichever is more recent. If a sole proprietor who was determined to be acting only as a principal contractor at the inception of his policy with the system or a private carrier acts at any time thereafter as a subcontractor or in alternating roles as a principal contractor and subcontractor, his deemed wage becomes effective on the date of his first subcontract, but in no case may it be made retroactive for more than 3 years or to the date of the last audit, whichever is more recent.

3. If a sole proprietor acting as a subcontractor provides coverage for his employees but fails to secure and maintain coverage for himself, the principal contractor is responsible for the payment of premiums for the sole proprietor during the term of the contract.

Sec. 19. *1. For the purposes of determining premium and disability compensation, the wage of a sole proprietor who is not licensed pursuant to chapter 624 of NRS, has not elected coverage under the elective provisions of chapters 616A to 617, inclusive, of NRS and is performing as a subcontractor to an insured principal contractor shall be deemed to be $300 per month or $10 per day for the period of the subcontract, unless the contract specifies a wage greater than $300 per month or $10 per day for the sole proprietor.*

2. For the purposes of determining premium and disability compensation, the wage of a sole proprietor who is licensed pursuant to chapter 624 of NRS but who has failed to open or maintain an account in good standing and who is performing as a subcontractor to an insured principal contractor shall be deemed to be $500 per month or $17 per day for the period of the subcontract unless the contract specifies a wage greater than $500 per month or $17 per day for the sole proprietor.

3. For the purposes of determining the premium required to be paid by the principal contractor and disability compensation, the wages of an employee of a sole proprietor who is a subcontractor and has not obtained coverage for his employees must be the actual wages paid, if the payroll records are provided to the system or private carrier. In the absence of complete payroll records, subsection 3 of section 17 of this regulation applies.

4. The principal contractor is liable for the amount of any premiums payable as a result of the application of subsections 1, 2 and 3. The premium payable must be based on the classifications and rates that would be applicable to the subcontractor and the experience modification factor which would be applicable to the principal contractor.

Sec. 20. *1. A sole proprietor who is not licensed pursuant to chapter 624 of NRS, but who is required by statute to provide industrial insurance for himself to obtain, fulfill or both obtain and fulfill a contract to furnish service to the state will be provided coverage during the term of the contract at the rate provided in the manual at the deemed wage of $300 per month.*

2. If a sole proprietor who is licensed pursuant to chapter 624 of NRS accepts a state contract, coverage will be provided at the deemed wage of $500 per month whether or not the license is material to the state contract. Coverage will be provided during the term of the contract or as long as the sole proprietor is licensed at the rate provided in the manual for licensed sole proprietors.

Sec. 21. *The system or a private carrier shall provide coverage to an officer of a corporation if the corporation is required to be insured pursuant to NRS 616B.624 or has elected to be insured pursuant to chapters 616A to 617, inclusive, of NRS, including, without limitation:*

1. An officer of a corporation under subchapter S of the Internal Revenue Code, who is regularly employed by the corporation in the State of Nevada, or who is from a nonreciprocating state working temporarily in the State of Nevada, based upon the amounts deemed to be paid to him pursuant to chapters 616A to 617, inclusive, of NRS, or based on the actual amount paid to him as shown on the records of payroll maintained by the corporation, but excluding any dividends paid to him; and

2. An officer of a corporation who may be excluded pursuant to NRS 616A.110, but is required to be insured pursuant to NRS 616B.624, or elects to be insured pursuant to chapters 616A to 617, inclusive, of NRS.

Sec. 22. *The administrator will not interpret the provisions of NRS 616A.110 as affecting the requirements for the coverage of a corporate officer set forth in NRS 616B.624.*

Sec. 23. *1. If an employer elects to cover an employee who is excluded from the benefits of chapters 616A to 617, inclusive, of NRS pursuant to NRS 616A.110 or if the employer subsequently wishes to withdraw such an election, the written statement or notice that the employer is required to provide pursuant to subsection 2 of NRS 616B.656 to the system or the administrator or his designated agent, as applicable, must be served personally or sent by first-class mail on a completed form entitled D-44, Election of Coverage by Employer and Employer Withdrawal of Election of Coverage Pursuant to NRS 616B.656, which is prescribed by the administrator, or, if sent by electronic transmission, the notice must contain the same information as the form. The notice must be provided within 30 days after the effective date of the election or withdrawal.*

2. If an employee that is excluded from the benefits of chapters 616A to 617, inclusive, of NRS pursuant to NRS 616A.110 rejects coverage that his employer elects to provide pursuant to

NRS 616B.656 or if the employee subsequently elects to waive a rejection of such coverage, the written notice that the employee must provide to his employer and to the system or the administrator or his designated agent, as applicable, pursuant to subsection 3 of NRS 616B.656 must be served personally or sent by first-class mail on a completed form entitled D-43, Employee Election to Reject Coverage and Election to Waive the Rejection of Coverage for Excluded Persons Pursuant to NRS 616B.656, which is prescribed by the administrator or, if sent by electronic transmission, the notice must contain the same information as the form. The notice must be provided within 30 days after the effective date of the election or rejection.

3. If an employer fails to provide the notice required pursuant to NRS 616B.656 and in the manner set forth in this section, the administrator will, after notice and hearing:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of not less than $250.

(c) For the third violation within a 12-month period, impose an administrative fine of not less than $500.

(d) For the fourth and each subsequent violation within a 12-month period, impose an administrative fine of not less than $1,000.

Sec. 24. *1. If an employer elects to cover an employee who is excluded from the benefits of chapters 616A to 617, inclusive, of NRS pursuant to NRS 616A.110 or if the employer subsequently wishes to withdraw such an election, the written statement or notice that the employer is required to provide pursuant to subsection 2 of NRS 616B.656 to his insurer and the administrator or his designated agent must be served personally or sent by first-class mail on a*

completed form entitled D-44, Election of Coverage by Employer and Employer Withdrawal of Election of Coverage Pursuant to NRS 616B.656, which is prescribed by the administrator, or, if sent by electronic transmission, the notice must contain the same information as the form. The notice must be provided within 30 days after the effective date of the election or withdrawal. The employer is not required to serve such notice on the administrator or his designated agent if notice is served on the administrator or his designated agent by the insurer on behalf of the employer.

2. If an employee that is excluded from the benefits of chapters 616A to 617, inclusive, of NRS pursuant to NRS 616A.110 rejects coverage elected by his employer pursuant to NRS 616B.656 or if the employee subsequently elects to waive such a rejection, the written notice that the employee must provide to his employer, the insurer of his employer and the administrator or his designated agent pursuant to subsection 3 of NRS 616B.656 must be served personally or sent by first-class mail on a completed form entitled D-43, Employee Election to Reject Coverage and Election to Waive the Rejection of Coverage for Excluded Persons Pursuant to NRS 616B.656, which is prescribed by the administrator or, if sent by electronic transmission, the notice must contain the same information as the form. The notice must be provided within 30 days after the effective date of the election or rejection. The employee is not required to serve such notice on the administrator or his designated agent if notice is served on the administrator or his designated agent by the insurer on behalf of the employee.

3. If an employer fails to provide the notice required pursuant to NRS 616B.656 and in the manner set forth in this section, the administrator will, after notice and hearing:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of not less than $250.

(c) For the third violation within a 12-month period, impose an administrative fine of not less than $500.

(d) For the fourth and each subsequent violation within a 12-month period, impose an administrative fine of not less than $1,000.

Sec. 25. *1. If a sole proprietor elects to purchase industrial insurance pursuant to chapters 616A to 617, inclusive, of NRS or elects to pay an additional amount of premium for additional coverage or subsequently wishes to withdraw an election for coverage, the written notice that the sole proprietor is required to provide to the system or private carrier and the administrator or his designated agent pursuant to NRS 616B.659 must be served personally or sent by first-class mail on a completed form entitled D-45, Sole Proprietor Coverage, which is prescribed by the administrator, or, if sent by electronic transmission, the notice must contain the same information as the form. The notice must be served within 30 days after the effective date of the election or withdrawal and must be accompanied by a report of any physical examinations prescribed by the system or private carrier. The sole proprietor is not required to serve such notice on the administrator or his designated agent if notice is served on the administrator or his designated agent by the system or private carrier on behalf of the sole proprietor.*

2. A sole proprietor for whom coverage is elective pursuant to NRS 616A.220, who meets the qualifications for elective coverage pursuant to that section and who is not otherwise required to maintain coverage pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS, must comply with the requirements for notice set forth in section 26 of this regulation.

3. Except as otherwise provided in subsection 4, for the purposes of determining premium and disability compensation, a sole proprietor who applies for coverage pursuant to NRS 616B.659 will be provided coverage at the rate provided in the manual at the deemed wage of $300 per month or, if additional premiums are received for additional coverage, at the deemed wage of $1,800 per month. A sole proprietor who:

(a) Files notice with the system or a private carrier, pursuant to NRS 616B.659, of his election to pay for additional coverage; and

(b) Sustains an injury within the 90-day period provided by subsection 6 of NRS 616B.659, will be provided coverage at the deemed wage of $300 per month, notwithstanding the election to pay for additional coverage.

4. The system or private carrier may increase the monthly premium payable pursuant to subsection 3 based on the results of the physical examination prescribed by the system or private carrier.

5. If a sole proprietor fails to provides the notice required pursuant to NRS 616B.659 and in the manner set forth in this section, the administrator will, after notice and hearing:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of not less than $250.

(c) For the third violation within a 12-month period, impose an administrative fine of not less than $500.

(d) For the fourth and each subsequent violation within a 12-month period, impose an administrative fine of not less than $1,000.

Sec. 26. *1. A person who is licensed pursuant to chapter 645 of NRS as a real estate broker, broker-salesman or salesman and who is not otherwise required to maintain coverage pursuant to chapters 616A to 617, inclusive, of NRS may elect coverage pursuant to NRS 616A.220 by submitting to the system or a private carrier:*

(a) An original application for industrial insurance; or

(b) A separate election form or a letter signed by the licensee.

2. A licensee who elects coverage pursuant to NRS 616A.220 will be assigned a classification based on his occupation as a licensed real estate broker, broker-salesman or salesman at the deemed wage of $1,500 per month.

Sec. 27. *1. The elective coverage of volunteers remains in effect until:*

(a) The electing employer, if he is insured by the system or a private carrier, notifies the system or private carrier, or if he is a self-insured employer or member of an association, notifies the administrator, that the coverage is to be terminated; or

(b) The administrator or the system or private carrier finds that an employer electing coverage has not maintained a current roster of volunteers,

whichever occurs earlier.

2. If the system or private carrier terminates coverage pursuant to paragraph (b) of subsection 1, the system or private carrier must do so by the issuance of an endorsement changing the coverage of the electing employer's policy.

3. For an employer who is insured by the system or a private carrier, the premium for any period during which coverage was active but the employer did not maintain a roster must be based on the greater of either the number of volunteers who were declared on the application for coverage, or the largest number of volunteers provided on prior rosters.

Sec. 28. NAC 616B.008 is hereby amended to read as follows:

616B.008 1. To obtain information for the proper presentation of his claim in a proceeding held pursuant to chapters 616A to 616D, inclusive, of NRS, **[**a claimant**]** *an injured employee* or a person who has been authorized by the **[**claimant**]** *injured employee* to represent him must deliver a written request to his insurer. The insurer shall provide such information to the **[**claimant**]** *injured employee* or his authorized representative within 30 days after receipt of the written request. If, at the time of receipt of the written request from the **[**claimant**]** *injured employee* or his authorized representative, the requested information is in the possession of a third-party administrator or an organization for managed care with whom the insurer has contracted, the insurer shall take all reasonable steps necessary to obtain such information.

2. To obtain confidential information pursuant to subsection 3 of NRS 616B.012, the requesting agency, department or board must deliver to the insurer a written request that must:

(a) Be written on the official letterhead of the requesting agency, department or board;

(b) State the purpose for which the requesting agency, department or board will use the requested information;

(c) Contain all pertinent information available to the requesting agency, department or board to identify:

(1) The injured employee, including, without limitation, his name, social security number, date of birth and the date of his injury; or

(2) The employer, including, without limitation, his name, the name and address of the business, the names of the owners of the business and the employer's policy number; and

(d) Contain any other information that the insurer may need to process the request.

The insurer may require additional information to process the request. The insurer shall provide the requested confidential information to the requesting agency, department or board within 30 days after receiving the written request.

3. If a request requires the insurer to report on more than one employer or more than one injured employee, the head of the requesting agency, department or board must sign the request. If a request requires the insurer to report on only one employer or injured employee, either the head of the requesting agency, department or board or his designated agent must sign the request.

4. Upon receipt of a written request made pursuant to the provisions of subsection 5 of NRS 616B.012 by the chief executive officer of any law enforcement agency of this state, the administrator will instruct the insurer to provide the information requested to the chief executive officer within 30 days after receiving the instructions from the administrator. The insurer shall provide the information requested within 30 days after receipt of such an instruction from the administrator.

Sec. 29. NAC 616B.029 is hereby amended to read as follows:

616B.029 An employer covered by a policy for **[**workmen's**]** *workers'* compensation shall immediately report to **[**the system**]** *his insurer* any change in the ownership of the ongoing business.

Sec. 30. NAC 616B.400 is hereby amended to read as follows:

616B.400 The purpose of NAC 616B.403 to 616B.496, inclusive, is to set forth:

1. The standards and procedures of the commissioner of insurance for certifying self-insured employers; and

2. The **[**administrator's and chief's**]** regulations *of the administrator* governing the operation of self-insured employers' programs for providing **[**worker's**]** *workers'* compensation, to provide adequate protection for the self-insured employers, their employees and the State of Nevada.

Sec. 31. NAC 616B.418 is hereby amended to read as follows:

616B.418 "Program of self-insurance" means a program of self-insured **[**workmen's**]** *workers'* compensation established pursuant to chapters 616A to **[**616D,**]** *617,* inclusive, of NRS for which an employer has obtained a certificate from the commissioner of insurance.

Sec. 32. NAC 616B.448 is hereby amended to read as follows:

616B.448 1. A self-insured employer shall at all times maintain adequate resources for the administration of his program of self-insurance. After his program is established, the adequacy of his resources and his standards of performance for his program will be evaluated by the commissioner and the **[**chief **]** *administrator, or a representative of either of them,* on the basis of:

(a) His promptness in filing reports of accidents and occupational disease;

(b) His promptness in making first payments in cases of uncontested claims;

(c) The percentage of contested claims;

(d) The number of **[**claimants**]** *injured employees* who are reemployed or rehabilitated; and

(e) The delay between the **[**cutoff**]** *termination* of compensation for temporary disabilities and the payment of compensation for permanent partial disabilities.

2. A self-insured employer may contract with another person or entity for the administration of his program of self-insurance. The acts of a person or entity in carrying out that administration shall be deemed the acts of the self-insured employer for the purposes of NAC 616B.400 to 616B.496, inclusive, *and NRS 616D.120,* and the self-insured employer is at all times

responsible for compliance with chapters 616A to 618, inclusive, of NRS unless specifically excepted by the provisions on self-insurance in those chapters.

3. The self-insured employer shall inform the commissioner and the **[**chief**]** *administrator, or a representative of either of them,* of the names, titles and **[**office**]** *business* addresses of the persons or entity with whom he contracts to administer his program of self-insurance and the location or locations of the records required to be kept **[**under**]** *pursuant to* NAC 616B.424 to 616B.496, inclusive. Before any change is made in the name, title or address of a person or entity administering the employer's program or any change is made in the location of records, the intended change must be reported in writing to the commissioner and the **[**chief.

4. No self-insured employer's program of workmen's compensation may be administered from a location outside Nevada.**]** *administrator or his designated agent.*

4. A self-insured employer shall not administer a program of self-insurance from a location outside this state.

Sec. 33. NAC 616B.454 is hereby amended to read as follows:

616B.454 1. **[**All claim files, together with all records maintained by self-insured employers**]** *A self-insured employer shall ensure that all files of claims and all records maintained by the self-insured employer* pursuant to chapters 616A to **[**616D,**]** *617,* inclusive, of NRS or NAC 616B.424 to 616B.496, inclusive, **[**must be kept readily**]** *are* available for inspection by the commissioner or **[**chief, or his representative,**]** *the administrator, or a representative of either of them,* during normal business hours.

2. All **[**claim**]** files *of claims* must be kept, maintained and administered in **[**Nevada.**]** *this state.*

3. After reviewing **[**a claim file,**]** *the file of a claim,* the commissioner or **[**chief**]** *administrator* will report his findings to the **[**insurer.**]** *self-insured employer.*

Sec. 34. NAC 616B.457 is hereby amended to read as follows:

616B.457 1. On claims where an award is offered for a permanent partial disability, each self-insured employer shall complete for each injured employee's file and submit to the nearest office of the industrial insurance regulation section on or before the last day of each month:

(a) A report on the evaluation of a permanent partial disability by a rating physician or chiropractor;

(b) A copy of the letter offering the award to the injured employee;

(c) Documentation of payments of the award made to the injured employee;

(d) Any administrative or court orders modifying the wage calculation for the injured employee; and

(e) The following forms:

(1) D-5, Wage Calculation Form for Claims Agent's Use.

(2) D-8, Employer's Wage Verification Form.

(3) D-9(a), PPD Award Calculation Worksheet, or D-9(b), PPD Award Calculation Worksheet for Disability Over 25 Percent Body Basis, as appropriate.

(4) D-10(a), Election of Method of Payment of Compensation **[**.**]** *, or D-10(b), Election of Method of Payment of Compensation for Disability Greater Than 25%, as appropriate.*

2. On or before September 30 of each year, or as requested by the administrator or his designated agent, the **[**insurer**]** *self-insured employer* shall file a report with the administrator or his designated agent which contains the following information:

(a) For claims other than claims for an occupational disease:

(1) The number of new claims filed.

(2) The number of claims accepted for accident benefits only.

(3) The number of claims accepted for benefits for lost time.

(4) The number of compensable fatalities.

(5) The number of claims denied.

(b) For claims for an occupational disease:

(1) The number of new claims filed.

(2) The number of claims accepted for medical benefits only.

(3) The number of claims accepted for benefits for lost time.

(4) The number of compensable fatalities.

(5) The number of claims denied.

(c) The number of requests to reopen a claim.

(d) The number of claims reopened for accident benefits only.

(e) The number of claims reopened for benefits for lost time only.

(f) The number of injured employees paid benefits for a permanent partial disability.

(g) The number of injured employees paid benefits for a permanent partial disability in a lump sum.

(h) The number of claims closed pursuant to subsection 1 of NRS 616C.235.

(i) The number of claims closed pursuant to subsection 2 of NRS 616C.235.

(j) The number of claims open at the end of the fiscal year.

(k) Expenditures on claims for:

(1) A temporary total disability.

(2) A temporary partial disability.

(3) A permanent total disability.

(4) A permanent partial disability.

(5) Benefits for survivors.

(6) Burial expenses.

(7) Travel and per diem expenses.

(8) All medical expenses.

(9) Vocational rehabilitation, categorized by expenditures for:

(I) Vocational rehabilitation maintenance.

(II) The payment of compensation in a lump sum in lieu of vocational rehabilitation services.

(III) Program expenses.

(IV) Administrative expenses.

(V) Other purposes.

(l) Amounts recovered:

(1) Through subrogation.

(2) From the subsequent injury fund for self-insured employers.

(3) From other sources.

(m) Any other information requested by the administrator or his designated agent.

3. The information required pursuant to subsection 2 must, except as otherwise requested by the administrator or his designated agent, include information regarding any administrative activity during the prior fiscal year relating to:

(a) A claim for an injury that occurred during that year; and

(b) Any other claims, regardless of when the injury occurred.

4. Upon request by the administrator or his designated agent, each **[**insurer**]** *self-insured employer* shall submit to the administrator or his designated agent copies of any form used by the **[**insurer**]** *self-insured employer* in the administration of its claims for workers' compensation in this state.

Sec. 35. NAC 616B.457 is hereby amended to read as follows:

616B.457 1. On claims where an award is offered for a permanent partial disability, each self-insured employer shall complete for each injured employee's file and submit to the nearest office of the industrial insurance regulation section on or before the last day of each month:

(a) A report on the evaluation of a permanent partial disability by a rating physician or chiropractor;

(b) A copy of the letter offering the award to the injured employee;

(c) Documentation of payments of the award made to the injured employee;

(d) Any administrative or court orders modifying the wage calculation for the injured employee; and

(e) The following forms:

(1) D-5, Wage Calculation Form for Claims **[**Agent's**]** *Adjuster's* Use.

(2) D-8, Employer's Wage Verification Form.

(3) D-9(a), PPD Award Calculation Worksheet, or D-9(b), PPD Award Calculation Worksheet for Disability Over 25 Percent Body Basis, as appropriate.

(4) D-10(a), Election of Method of Payment of Compensation, or D-10(b), Election of Method of Payment of Compensation for Disability Greater Than 25%, as appropriate.

2. On or before September 30 of each year, or as requested by the administrator or his designated agent, the self-insured employer shall file a report with the administrator or his designated agent which contains the following information:

(a) For claims other than claims for an occupational disease:

(1) The number of new claims filed.

(2) The number of claims accepted for accident benefits only.

(3) The number of claims accepted for benefits for lost time.

(4) The number of compensable fatalities.

(5) The number of claims denied.

(b) For claims for an occupational disease:

(1) The number of new claims filed.

(2) The number of claims accepted for medical benefits only.

(3) The number of claims accepted for benefits for lost time.

(4) The number of compensable fatalities.

(5) The number of claims denied.

(c) The number of requests to reopen a claim.

(d) The number of claims reopened for accident benefits only.

(e) The number of claims reopened for benefits for lost time only.

(f) The number of injured employees paid benefits for a permanent partial disability.

(g) The number of injured employees paid benefits for a permanent partial disability in a lump sum.

(h) The number of claims closed pursuant to subsection 1 of NRS 616C.235.

(i) The number of claims closed pursuant to subsection 2 of NRS 616C.235.

(j) The number of claims open at the end of the fiscal year.

(k) Expenditures on claims for:

(1) A temporary total disability.

(2) A temporary partial disability.

(3) A permanent total disability.

(4) A permanent partial disability.

(5) Benefits for survivors.

(6) Burial expenses.

(7) Travel and per diem expenses.

(8) All medical expenses.

(9) Vocational rehabilitation, categorized by expenditures for:

(I) Vocational rehabilitation maintenance.

(II) The payment of compensation in a lump sum in lieu of vocational rehabilitation services.

(III) Program expenses.

(IV) Administrative expenses.

(V) Other purposes.

(l) Amounts recovered:

(1) Through subrogation.

(2) From the subsequent injury fund for self-insured employers.

(3) From other sources.

(m) Any other information requested by the administrator or his designated agent.

3. The information required pursuant to subsection 2 must, except as otherwise requested by the administrator or his designated agent, include information regarding any administrative activity during the prior fiscal year relating to:

(a) A claim for an injury that occurred during that year; and

(b) Any other claims, regardless of when the injury occurred.

4. Upon request by the administrator or his designated agent, each self-insured employer shall submit to the administrator or his designated agent copies of any form used by the self-insured employer in the administration of its claims for workers' compensation in this state.

Sec. 36. NAC 616B.466 is hereby amended to read as follows:

616B.466 1. Within 30 days after **[**an insurer**]** *a self-insured employer* receives notice of an accident or occupational disease, **[**he**]** *the self-insured employer* shall notify the **[**chief**]** *administrator* if the accident resulted in injury to, or the disease affected or is expected to affect, two or more persons.

2. Within 48 hours after **[**an insurer**]** *a self-insured employer* receives notice, in any form, of an accident or occupational disease resulting in a fatality, **[**he**]** *the self-insured employer* shall notify the **[**chief**]** *administrator* of the fatality on the **[**prescribed form, D-21.**]** *the form entitled D-21, Fatality Report, which is prescribed by the administrator.*

Sec. 37. NAC 616B.490 is hereby amended to read as follows:

616B.490 1. The failure of a self-insured employer to comply with the applicable statutes and regulations governing the administration of self-insured **[**workmen's**]** *workers'* compensation is cause for withdrawal of his certificate.

2. Proceedings to withdraw a certificate issued pursuant to NAC 616B.424 to 616B.496, inclusive, will be conducted in accordance with chapters 616A to 616D, inclusive, of NRS and regulations adopted pursuant to those chapters.

3. Before the commissioner of insurance issues a formal written notice that he intends to withdraw the certificate of a self-insured employer, the commissioner will request in writing that the employer meet with him informally to discuss and resolve the deficiencies that would be grounds for withdrawal. If the self-insured employer declines to meet informally with the commissioner, fails to respond to the request for a meeting or fails to appear at the scheduled meeting, the commissioner will proceed to withdraw the certificate in accordance with the provisions of chapters 616A to 616D, inclusive, of NRS.

Sec. 38. NAC 616B.493 is hereby amended to read as follows:

616B.493 1. After the withdrawal of a certificate, the commissioner and **[**chief**]** *administrator* retain jurisdiction over injuries sustained during the period of self-insurance until all liabilities and all responsibilities have terminated.

2. The commissioner and **[**chief**]** *administrator* will require a self-insured employer whose certificate has been withdrawn to provide any necessary reports setting forth the status of all compensable cases which remain open.

3. The commissioner and **[**chief**]** *administrator* will audit the compensable claims of any self-insured employer whose certificate has been withdrawn, and the employer shall pay the expenses incurred by the commissioner *and administrator,* or **[**his**]** *a* representative *of either of them,* in conducting the audits.

Sec. 39. NAC 616B.496 is hereby amended to read as follows:

616B.496 If any provision of NAC 616B.400 to 616B.493, inclusive, or its application to any person, thing or circumstance is held to be invalid, the commissioner and **[**chief**]** *administrator* intend that the invalidity not affect the other provisions of those sections to the extent that they can be given effect.

Sec. 40. NAC 616B.510 is hereby amended to read as follows:

616B.510 As used in NAC 616B.510 to 616B.612, inclusive, *and sections 4 and 5 of this regulation,* unless the context otherwise requires, the words and terms defined in NAC 616B.513 to 616B.522, inclusive, have the meanings ascribed to them in those sections.

Sec. 41. NAC 616B.558 is hereby amended to read as follows:

616B.558 1. An association shall at all times maintain adequate resources for the administration of its program of self-insurance. After the program is established, the adequacy of the association's resources and standards of performance for the program will be evaluated by the commissioner and the **[**chief**]** *administrator, or a representative of either of them,* on the basis of:

(a) The association's promptness in filing reports of accidents and occupational disease;

(b) The association's promptness in making first payments in cases of uncontested claims;

(c) The percentage of contested claims;

(d) The number of **[**claimants**]** *injured employees* who are reemployed or rehabilitated; and

(e) The delay between the termination of compensation for temporary disabilities and the payment of compensation for permanent partial disabilities.

2. For the purposes of NAC 616B.510 to 616B.612, inclusive, *and NRS 616D.120,* the acts and omissions of a third-party administrator or an association's administrator, including *, without*

limitation, any violations or failures to comply with chapters 616A to 618, inclusive, of NRS, shall be deemed to be the acts or omissions of the association.

3. An association shall inform the commissioner and the **[**chief**]** *administrator, or a representative of either of them,* of the name, title and **[**office**]** *business* address of its third-party administrator and association's administrator and the location of any records that the association is required by law to maintain. Before any change is made in the name, title or address of a third-party administrator or an association's administrator or any change is made in the location of records, the intended change must be reported in writing to the commissioner and the **[**chief.**]** *administrator or his designated agent.*

4. An association shall not administer a program of self-insurance from a location outside this state.

Sec. 42. NAC 616B.561 is hereby amended to read as follows:

616B.561 1. An association shall ensure that all files of claims and all records maintained by the association pursuant to chapters 616A to **[**616D,**]** *617,* inclusive, of NRS or NAC 616B.510 to 616B.612, inclusive, are available for inspection by the commissioner or **[**chief or his**]** *administrator, or a* representative *of either of them,* during normal business hours.

2. All files of claims must be kept, maintained and administered in this state.

3. After reviewing the file of a claim, the commissioner or **[**chief**]** *administrator* will report his findings to the association.

Sec. 43. NAC 616B.562 is hereby amended to read as follows:

616B.562 1. On claims where an award is offered for a permanent partial disability, each association shall complete for each injured employee's file and submit to the nearest office of the industrial insurance regulation section on or before the last day of each month:

(a) A report on the evaluation of a permanent partial disability by a rating physician or chiropractor;

(b) A copy of the letter offering the award to the injured employee;

(c) Documentation of payments of the award made to the injured employee;

(d) Any administrative or court orders modifying the wage calculation for the injured employee; and

(e) The following forms:

(1) D-5, Wage Calculation Form for Claims Agent's Use.

(2) D-8, Employer's Wage Verification Form.

(3) D-9(a), PPD Award Calculation Worksheet, or D-9(b), PPD Award Calculation Worksheet for Disability Over 25 Percent Body Basis, as appropriate.

(4) D-10(a), Election of Method of Payment of Compensation **[**.**]** *, or D-10(b), Election of Method of Payment of Compensation for Disability Greater Than 25%, as appropriate.*

2. On or before September 30 of each year, or as requested by the administrator or his designated agent, the **[**insurer**]** *association* shall file a report with the administrator or his designated agent that contains the following information:

(a) For claims other than claims for an occupational disease:

(1) The number of new claims filed.

(2) The number of claims accepted for accident benefits only.

(3) The number of claims accepted for benefits for lost time.

(4) The number of compensable fatalities.

(5) The number of claims denied.

(b) For claims for an occupational disease:

(1) The number of new claims filed.

(2) The number of claims accepted for medical benefits only.

(3) The number of claims accepted for benefits for lost time.

(4) The number of compensable fatalities.

(5) The number of claims denied.

(c) The number of requests to reopen a claim.

(d) The number of claims reopened for accident benefits only.

(e) The number of claims reopened for benefits for lost time only.

(f) The number of injured employees paid benefits for a permanent partial disability.

(g) The number of injured employees paid benefits for a permanent partial disability in a lump sum.

(h) The number of claims closed pursuant to subsection 1 of NRS 616C.235.

(i) The number of claims closed pursuant to subsection 2 of NRS 616C.235.

(j) The number of claims open at the end of the fiscal year.

(k) Expenditures on claims for:

(1) A temporary total disability.

(2) A temporary partial disability.

(3) A permanent total disability.

(4) A permanent partial disability.

(5) Benefits for survivors.

(6) Burial expenses.

(7) Travel and per diem expenses.

(8) All medical expenses.

(9) Vocational rehabilitation, categorized by expenditures for:

(I) Vocational rehabilitation maintenance.

(II) The payment of compensation in a lump sum in lieu of vocational rehabilitation services.

(III) Program expenses.

(IV) Administrative expenses.

(V) Other purposes.

(l) Amounts recovered:

(1) Through subrogation.

(2) From the subsequent injury fund for associations of self-insured public or private employers.

(3) From other sources.

(m) Any other information requested by the administrator or his designated agent.

3. The information required pursuant to subsection 2 must, except as otherwise requested by the administrator or his designated agent, include information regarding any administrative activity during the prior fiscal year relating to:

(a) A claim for an injury that occurred during that year; and

(b) Any other claims, regardless of when the injury occurred.

4. Upon request by the administrator or his designated agent, each **[**insurer**]** *association* shall submit to the administrator or his designated agent copies of any form used by the **[**insurer**]** *association* in the administration of its claims for workers' compensation in this state.

Sec. 44. NAC 616B.562 is hereby amended to read as follows:

616B.562 1. On claims where an award is offered for a permanent partial disability, each association shall complete for each injured employee's file and submit to the nearest office of the industrial insurance regulation section on or before the last day of each month:

(a) A report on the evaluation of a permanent partial disability by a rating physician or chiropractor;

(b) A copy of the letter offering the award to the injured employee;

(c) Documentation of payments of the award made to the injured employee;

(d) Any administrative or court orders modifying the wage calculation for the injured employee; and

(e) The following forms:

(1) D-5, Wage Calculation Form for Claims **[**Agent's**]** *Adjuster's* Use.

(2) D-8, Employer's Wage Verification Form.

(3) D-9(a), PPD Award Calculation Worksheet, or D-9(b), PPD Award Calculation Worksheet for Disability Over 25 Percent Body Basis, as appropriate.

(4) D-10(a), Election of Method of Payment of Compensation, or D-10(b), Election of Method of Payment of Compensation for Disability Greater Than 25%, as appropriate.

2. On or before September 30 of each year, or as requested by the administrator or his designated agent, the association shall file a report with the administrator or his designated agent that contains the following information:

(a) For claims other than claims for an occupational disease:

(1) The number of new claims filed.

(2) The number of claims accepted for accident benefits only.

(3) The number of claims accepted for benefits for lost time.

(4) The number of compensable fatalities.

(5) The number of claims denied.

(b) For claims for an occupational disease:

(1) The number of new claims filed.

(2) The number of claims accepted for medical benefits only.

(3) The number of claims accepted for benefits for lost time.

(4) The number of compensable fatalities.

(5) The number of claims denied.

(c) The number of requests to reopen a claim.

(d) The number of claims reopened for accident benefits only.

(e) The number of claims reopened for benefits for lost time only.

(f) The number of injured employees paid benefits for a permanent partial disability.

(g) The number of injured employees paid benefits for a permanent partial disability in a lump sum.

(h) The number of claims closed pursuant to subsection 1 of NRS 616C.235.

(i) The number of claims closed pursuant to subsection 2 of NRS 616C.235.

(j) The number of claims open at the end of the fiscal year.

(k) Expenditures on claims for:

(1) A temporary total disability.

(2) A temporary partial disability.

(3) A permanent total disability.

(4) A permanent partial disability.

(5) Benefits for survivors.

(6) Burial expenses.

(7) Travel and per diem expenses.

(8) All medical expenses.

(9) Vocational rehabilitation, categorized by expenditures for:

(I) Vocational rehabilitation maintenance.

(II) The payment of compensation in a lump sum in lieu of vocational rehabilitation services.

(III) Program expenses.

(IV) Administrative expenses.

(V) Other purposes.

(l) Amounts recovered:

(1) Through subrogation.

(2) From the subsequent injury fund for associations of self-insured public or private employers.

(3) From other sources.

(m) Any other information requested by the administrator or his designated agent.

3. The information required pursuant to subsection 2 must, except as otherwise requested by the administrator or his designated agent, include information regarding any administrative activity during the prior fiscal year relating to:

(a) A claim for an injury that occurred during that year; and

(b) Any other claims, regardless of when the injury occurred.

4. Upon request by the administrator or his designated agent, each association shall submit to the administrator or his designated agent copies of any form used by the association in the administration of its claims for workers' compensation in this state.

Sec. 45. NAC 616B.603 is hereby amended to read as follows:

616B.603 Except as otherwise provided in this section, an employer with a loss ratio of 115 percent or higher under any program or contract of insurance for workers' compensation may not join an association. The commissioner may allow an employer with a loss ratio higher than 115 percent to join an association if the employer demonstrates to the commissioner that its loss ratio is the result of an unusual circumstance, such as a single loss, a claim that should have been subrogated or a claim that should have been submitted to **[**the**]** *a* subsequent injury fund. The commissioner will determine the loss ratio of a prospective member of an association by taking the average of the loss ratios of the prospective member for the 3 most recent fiscal years ending not less than 1 year before the date of application by the prospective member.

Sec. 46. NAC 616B.670 is hereby amended to read as follows:

616B.670 1. A self-insured employer **[**who**]** *or an association of self-insured employers that* enters into a contract with an organization for managed care or a provider of health care pursuant to NRS 616B.527 shall:

(a) Submit a copy of the contract to the **[**chief;**]** *administrator or his designated agent;* and

(b) Notify the **[**chief**]** *administrator or his designated agent* of any changes in the contract, including *, without limitation,* any additions to and deletions from the contract, and of the renewal of the contract. The notice must be given at the time the changes are made or the contract is renewed.

2. If the manager enters into a contract with an organization for managed care or for other health care services **[**,**]** *pursuant to NRS 616B.515,* he shall:

(a) Submit a copy of the contract to the **[**chief;**]** *administrator or his designated agent;* and

(b) Notify the **[**chief**]** *administrator or his designated agent* of any changes in the contract, including *, without limitation,* any additions to and deletions from the contract, and of the renewal of the contract. The notice must be given at the time the changes are made or the contract is renewed.

Sec. 47. NAC 616B.670 is hereby amended to read as follows:

616B.670 1. A self-insured employer **[**or**]** *,* an association of self-insured employers *or a private carrier* that enters into a contract with an organization for managed care or a provider of health care pursuant to NRS 616B.527 shall:

(a) Submit a copy of the contract to the administrator or his designated agent; and

(b) Notify the administrator or his designated agent of any changes in the contract, including, without limitation, any additions to and deletions from the contract, and of the renewal of the contract. The notice must be given at the time the changes are made or the contract is renewed.

2. If the manager enters into a contract with an organization for managed care or for other health care services pursuant to NRS 616B.515, he shall:

(a) Submit a copy of the contract to the administrator or his designated agent; and

(b) Notify the administrator or his designated agent of any changes in the contract, including, without limitation, any additions to and deletions from the contract, and of the renewal of the contract. The notice must be given at the time the changes are made or the contract is renewed.

Sec. 48. NAC 616B.683 is hereby amended to read as follows:

616B.683 "Annual disbursements" means the sum of all payments for compensation made in a fiscal year from:

1. The uninsured employers' claim fund; **[**or**]** *and*

2. The subsequent injury **[**fund.**]** *funds.*

Sec. 49. NAC 616B.686 is hereby amended to read as follows:

616B.686 "Annual expenditures for claims" means the total amount of money actually paid for compensation in a fiscal year by or on behalf of an insurer pursuant to chapters 616A to 617, inclusive, of NRS reduced by any amount received from subrogation and reimbursement from the subsequent injury fund **[**.**]** *of the insurer.*

Sec. 50. NAC 616B.689 is hereby amended to read as follows:

616B.689 "Expected annual disbursements" means an estimate of the sum of all payments to be made for compensation in a fiscal year from:

1. The uninsured employers' claim fund; **[**or**]** *and*

2. The subsequent injury **[**fund.**]** *funds.*

Sec. 51. NAC 616B.698 is hereby amended to read as follows:

616B.698 "Program of self- insurance" means the program established pursuant to chapters 616A to **[**616D,**]** *617,* inclusive, of NRS for which an employer is issued a certificate of qualification as a self-insured employer *or an association of self-insured employers* by the commissioner.

Sec. 52. NAC 616B.701 is hereby amended to read as follows:

616B.701 The division will determine the estimated annual assessment to be made against each insurer in order to defray the:

1. Costs and expenses of administering the program of **[**workmen's**]** *workers'* compensation and safety; and

2. Amount of the expected annual disbursements to be made from the uninsured employers' claim fund and the subsequent injury fund **[**.**]** *of the insurer.*

Sec. 53. NAC 616B.704 is hereby amended to read as follows:

616B.704 1. **[**The system and each self-insured employer**]** *Each insurer* shall maintain records in this state of annual expenditures for claims, including **[**:**]** *, without limitation:*

(a) Copies of checks issued;

(b) Registers of checks issued relating to claims for workers' compensation, including *, without limitation,* voided checks;

(c) Registers of any other payment of claims other than by check; and

(d) Working papers used to report annual expenditures for claims.

2. The division may require an insurer to provide a copy of any canceled check described in subsection 1. Within 15 days after **[**he**]** *the insurer* receives a written request from the division, the insurer shall provide a copy of both sides of each canceled check requested. The division may require the insurer to provide a certified copy of each canceled check requested.

3. Each insurer shall provide the division, at such times and in the form and manner prescribed by the division, with reports of expected annual expenditures for claims, annual expenditures for claims and such other information as the division deems necessary to calculate an estimated or final annual assessment. Each report of expenditures for claims must identify expenditures attributable to claims made by persons who were employed by the operators of mines at the time of their injuries.

4. The division will provide to each insurer an annual report showing the figures and sources used in calculating the estimated annual expenditures for claims.

Sec. 54. NAC 616B.707 is hereby amended to read as follows:

616B.707 1. The division will consider expenditures for the following as expenditures for claims:

(a) A surgeon, assisting surgeon, anesthesiologist or consulting physician.

(b) Charges by a hospital.

(c) Treatment by a physician or chiropractor.

(d) X-ray films, computerized axial tomography (CAT) scans, myelograms, magnetic resonance imaging, and other diagnostic tests and procedures.

(e) Physical therapy.

(f) Prescribed drugs and medications, eyeglasses, dental work, prostheses, orthotic devices and corrective shoes by prescription.

(g) Travel to obtain medical care or supplies.

(h) Any other accident benefits.

(i) Compensation for a permanent total, temporary total, permanent partial or temporary partial disability.

(j) Costs of vocational rehabilitation services for an injured employee.

(k) Death benefits.

(l) Burial expenses.

2. The division will not consider the following expenditures to be expenditures for claims:

(a) Amounts held in reserve for any anticipated expense in connection with a claim.

(b) Money paid *in excess of the compensation calculated pursuant to NRS 616C.440, 616C.475, 616C.490 or 616C.500 or NAC 616C.577* for a temporary total , **[**or**]** temporary partial **[**disability in excess of the average monthly wage.**]** *, permanent total or permanent partial disability or vocational rehabilitation maintenance.*

(c) Legal expenses, including *, without limitation,* court costs, attorney's fees, costs for depositions, investigations and hearings.

(d) **[**Payment of claims which are later determined to be noncompensable.**]** *Payment of an award of interest.*

(e) Payment of claims in connection with the uninsured employers' claim fund.

(f) Administrative expenses, including *, without limitation,* expenses incurred for:

(1) Copying records;

(2) Reviewing **[**the**]** *any* report of a physician *or chiropractor* contained in **[**any**]** *a* file relating to a claim; or

(3) Services relating to the management of costs of medical care.

(g) Costs incurred in a claim that is ultimately denied.

3. The value of clinical services furnished by an insurer for industrial injuries or illnesses must be computed and reported pursuant to NAC 616C.182 to **[**616C.218,**]** *616C.230,* inclusive.

Sec. 55. NAC 616B.710 is hereby amended to read as follows:

616B.710 In calculating his annual expenditures for claims, an insurer shall:

1. Reduce his expenditures for claims by an amount equal to the amount of money received from subrogation or reimbursement from **[**the**]** *his* subsequent injury fund in the fiscal year in which it is received; and

2. Not reduce the total amount of money actually paid for compensation to an amount less than zero.

Sec. 56. NAC 616B.713 is hereby amended to read as follows:

616B.713 1. The system shall provide to the division a statement showing by month the amount of annual expenditures for claims for each self-insured employer *or member of an association* incurred before becoming certified for a program of self-insurance.

2. The system shall provide to the division a statement of the amounts of expenditures for claims incurred after certification for each self-insured employer **[**.**]** *or association.*

3. Each insurer shall submit to the division a statement showing by month his annual expenditures for claims. The statement must be verified and signed by a responsible person employed by the insurer or his authorized agent.

4. Amounts reported to the division pursuant to subsections 1, 2 and 3 will be used as sources for determining annual expenditures for claims.

Sec. 57. NAC 616B.722 is hereby amended to read as follows:

616B.722 1. The amount of the estimated annual assessment made against each insurer to be used to defray:

(a) The administrative costs of the administrative services unit and the industrial insurance regulation section will be calculated as follows:

(1) For assessments made for a fiscal year beginning on July 1 of an even-numbered year, the amount of the estimated assessment will be calculated by multiplying the insurer's percentage of expenditures by the sum of the amount approved in the state budget for those administrative costs and for increases in salary for the employees of those offices.

(2) For assessments made for a fiscal year beginning on July 1 of an odd-numbered year, the amount of the estimated assessment will be calculated by multiplying the insurer's percentage of expenditures by the sum of the amount proposed in the state budget for those administrative costs and for increases in salary for the employees of those offices.

(b) The administrative costs of the offices of the hearings division of the department of administration and the Nevada attorney for injured workers for the time spent concerning claims for **[**workmen's**]** *workers'* compensation will be calculated as follows:

(1) For assessments made for a fiscal year beginning on July 1 of an even-numbered year, the amount of the estimated assessment will be calculated by multiplying the insurer's percentage of expenditures by the sum of the amount approved in the state budget for these administrative costs and for increases in salary for the employees of those offices.

(2) For assessments made for a fiscal year beginning on July 1 of an odd-numbered year, the amount of the estimated assessment will be calculated by multiplying the insurer's percentage of expenditures by the sum of the amount proposed in the state budget for those administrative costs and for increases in salary for the employees of those offices.

(c) The administrative costs of the occupational safety and health enforcement section and the safety consultation and training section will be calculated as follows:

(1) For assessments made for a fiscal year beginning on July 1 of an even-numbered year, the amount of the estimated assessment will be calculated by multiplying the insurer's percentage of expenditures by the sum of the amount approved in the state budget for those offices and for increases in salary for the employees of those offices.

(2) For assessments made for a fiscal year beginning on July 1 of an odd-numbered year, the amount of the estimated assessment will be calculated by multiplying the insurer's

percentage of expenditures by the sum of the amount proposed in the state budget for those offices and for increases in salary for the employees of those offices.

(d) The administrative costs of the mine safety and training section will be calculated as follows:

(1) For assessments made for a fiscal year beginning on July 1 of an even-numbered year, the amount of the estimated assessment will be calculated by multiplying the insurer's percentage of expenditures by the sum of the amount approved in the state budget for the mine safety and training section and for increases in salary for the employees of the mine safety and training section.

(2) For assessments made for a fiscal year beginning on July 1 of an odd-numbered year, the amount of the estimated assessment will be calculated by multiplying the insurer's percentage of expenditures by the sum of the amount proposed in the state budget for the mine safety and training section and for increases in salary for the employees of the mine safety and training section.

(e) The costs of the commissioner for administering the program of self-insurance will be calculated as follows:

(1) For assessments made for a fiscal year beginning on July 1 of an even-numbered year, the amount of the estimated assessment will be calculated by multiplying each self-insured employer's percentage of expenditures by the sum of the amount approved in the state budget for those costs and for increases in salary for employees engaged in administering the program.

(2) For assessments made for a fiscal year beginning on July 1 of an odd-numbered year, the amount of the estimated assessment will be calculated by multiplying each self-insured

employer's percentage of expenditures by the sum of the amount proposed in the state budget for those costs and for increases in salary for employees engaged in administering the program.

(f) The administrative costs of the administration of claims against uninsured employers arising from compliance with NRS 616C.220 will be calculated by multiplying the insurer's percentage of expenditures by the amount derived by multiplying:

(1) The expected annual disbursements to be made from the uninsured employers' claim fund; and

(2) The rate charged by the system.

(g) The administrative costs of having premium rates of the system reviewed by the commissioner is the annual amount charged by the commissioner, and the system shall pay those costs.

(h) The amount of disbursements from the uninsured employers' claim fund will be calculated by multiplying the insurer's percentage of expenditures by the sum of expected annual disbursements to be made from the fund.

(i) The amount of disbursements from **[**the**]** *a* subsequent injury fund will be calculated by multiplying the insurer's percentage of expenditures by the sum of expected annual disbursements to be made from the fund.

2. For the purposes of this section, "percentage of expenditures" means the proportion of an insurer's expected annual expenditures for claims relative to the amount of the expected annual expenditures for claims of all insurers responsible for the cost shown in a particular category of the state budget.

Sec. 58. NAC 616B.725 is hereby amended to read as follows:

616B.725 The estimated annual assessment to be made against a self-insured employer **[**who**]** *or association that* does not participate in a program of self-insurance during a portion of a fiscal year may be calculated by the division in the proportion that the number of months in the fiscal year the insurer will be self-insured bears to the total number of months in that fiscal year. A statement of such an assessment may be issued to the insurer by the division.

Sec. 59. NAC 616B.728 is hereby amended to read as follows:

616B.728 1. If the ownership of property is transferred from one self-insured employer *or association* to another, or if a self-insured employer *or association* acquires ownership in a property for which **[**workmen's**]** *workers'* compensation insurance is provided by the system, the division will transfer data relating to annual expenditures for claims for that property to the new owner within 30 days after receiving notification of the transfer of ownership, and the division will recompute the estimated annual assessments for the insurers only if it finds the existence of a special circumstance justifying the recomputation.

2. If a self-insured employer elects to give up his status as a self-insured employer and to be insured against liability for **[**workmen's**]** *workers'* compensation by the system, the division will recompute the estimated annual assessment for all insurers only if it finds the existence of a special circumstance justifying the recomputation.

3. If an association elects to give up its status as an association and its members elect to be insured against liability for workers' compensation by the system, the division will recompute the estimated annual assessment for all insurers only if it finds the existence of a special circumstance justifying the recomputation.

Sec. 60. NAC 616B.728 is hereby amended to read as follows:

616B.728 1. If the ownership of property is transferred from one self-insured employer or association to another, or if a self-insured employer or association acquires ownership in a property for which workers' compensation insurance is provided by the system **[**,**]** *or a private carrier,* the division will transfer data relating to annual expenditures for claims for that property to the new owner within 30 days after receiving notification of the transfer of ownership, and the division will recompute the estimated annual assessments for the insurers only if it finds the existence of a special circumstance justifying the recomputation.

2. If a self-insured employer elects to give up his status as a self-insured employer and to be insured against liability for workers' compensation by the system **[**,**]** *or a private carrier,* the division will recompute the estimated annual assessment for all insurers only if it finds the existence of a special circumstance justifying the recomputation.

3. If an association elects to give up its status as an association and its members elect to be insured against liability for workers' compensation by the system **[**,**]** *or a private carrier,* the division will recompute the estimated annual assessment for all insurers only if it finds the existence of a special circumstance justifying the recomputation.

Sec. 61. NAC 616B.731 is hereby amended to read as follows:

616B.731 1. The division will issue to each insurer a statement of his estimated annual assessment. The statement must include the date *on which* the entire amount is due, or, if the insurer elects to pay the assessment in quarterly payments, the amounts and dates on which the payments are due. The division shall send the statement by mail not less than 30 days before the date on which payment is due.

2. The division shall not require a quarterly payment more than 30 days before the first day of that quarterly period.

3. Additional assessments to preserve the solvency of:

(a) The fund for workers' compensation and safety;

(b) The uninsured employers' claim fund; and

(c) The subsequent injury **[**fund,**]** *funds,*

may be issued by the division.

4. An insurer shall pay the assessment in full to the division pursuant to the date established in subsection 1 or pay the quarterly assessment amounts pursuant to the dates established in subsection 1.

Sec. 62. NAC 616B.734 is hereby amended to read as follows:

616B.734 1. The division will determine, on the basis of reports issued by the state controller for the previous fiscal year relating to closing budgets and final trial balances, the amount of money disbursed from and deposited in:

(a) The fund for workers' compensation and safety;

(b) The uninsured employers' claim fund; and

(c) The subsequent injury **[**fund.**]** *funds for self-insured employers and associations.*

2. The division will calculate, in the same manner as for estimated annual assessments, the final annual assessment for each insurer for the previous fiscal year and will use:

(a) The insurer's statements relating to annual expenditures for claims for the previous fiscal year submitted pursuant to NAC 616B.713;

(b) Amounts reported for the previous fiscal year by the system pursuant to NAC 616B.713 for expenditures for claims incurred by a self-insured employer before the employer was certified for a program of self-insurance; **[**and**]**

(c) *Amounts reported for the previous fiscal year by the system pursuant to NAC 616B.713 for expenditures for claims incurred by an association before the association was certified for a program of self-insurance; and*

(d) The determinations made pursuant to subsection 1.

The division will issue to the insurer a statement of the final assessment.

Sec. 63. NAC 616B.734 is hereby amended to read as follows:

616B.734 1. The division will determine, on the basis of reports issued by the state controller for the previous fiscal year relating to closing budgets and final trial balances, the amount of money disbursed from and deposited in:

(a) The fund for workers' compensation and safety;

(b) The uninsured employers' claim fund; and

(c) The subsequent injury funds for self-insured employers **[**and associations.**]** *, associations and private carriers.*

2. The division will calculate, in the same manner as for estimated annual assessments, the final annual assessment for each insurer for the previous fiscal year and will use:

(a) The insurer's statements relating to annual expenditures for claims for the previous fiscal year submitted pursuant to NAC 616B.713;

(b) Amounts reported for the previous fiscal year by the system pursuant to NAC 616B.713 for expenditures for claims incurred by a self-insured employer before the employer was certified for a program of self-insurance;

(c) Amounts reported for the previous fiscal year by the system pursuant to NAC 616B.713 for expenditures for claims incurred by an association before the association was certified for a program of self-insurance; and

(d) The determinations made pursuant to subsection 1.

The division will issue to the insurer a statement of the final assessment.

Sec. 64. NAC 616B.737 is hereby amended to read as follows:

616B.737 1. The administrator will return to an insurer any excess amount of the final annual assessment paid by the insurer for the fund for workers' compensation and safety or **[**the**]** *a* subsequent injury fund.

2. If an insurer's final annual assessment for any fund is greater than the estimated annual assessment paid by the insurer during the previous fiscal year, the insurer shall pay the deficit to the division within 30 days after the date of receipt of any statement of deficit. The payment must be deposited in the appropriate fund.

Sec. 65. NAC 616B.740 is hereby amended to read as follows:

616B.740 The penalty for the late payment of an assessment for **[**the**]** *a* subsequent injury fund or the uninsured employers' claim fund, without good cause, is not less than $50 nor more than $500.

Sec. 66. NAC 616B.812 is hereby amended to read as follows:

616B.812 1. An employer who applies for coverage of volunteers must have an active account with the system unless he is a self-insured employer **[**.**]** *or a member of an association.*

2. A self-insured employer *or member of an association* who has elected to cover volunteers must report that election to the **[**chief.**]** *administrator.*

3. An employer's application for coverage of volunteers (whether or not the employer is self-insured) must contain:

(a) An identification of the formal program which he is sponsoring and which is manned by volunteers.

(b) The types of work being performed by the volunteers.

(c) The beginning and, if known, the ending dates of the formal program.

(d) The average number of volunteers who will be active in the program each month.

(e) The employer's agreement to maintain, as a part of his official records, a roster of active volunteers and to present the roster for audit by the **[**system's**]** payroll auditors **[**.**]** *of the system.*

(f) The location of the roster of active volunteers.

(g) The name of the person responsible for maintenance of the roster.

(h) The name and telephone number of a person who may be asked for information regarding the volunteers.

(i) The person in the employer's organization who is authorized to sign reports of injury when volunteers are involved.

Sec. 67. NAC 616B.812 is hereby amended to read as follows:

616B.812 1. An employer who applies for coverage of volunteers must have an active account with the system *or a private carrier* unless he is a self-insured employer or a member of an association.

2. A self-insured employer or member of an association who has elected to cover volunteers must report that election to the administrator.

3. An employer's application for coverage of volunteers (whether or not the employer is self-insured) must contain:

(a) An identification of the formal program which he is sponsoring and which is manned by volunteers.

(b) The types of work being performed by the volunteers.

(c) The beginning and, if known, the ending dates of the formal program.

(d) The average number of volunteers who will be active in the program each month.

(e) The employer's agreement to maintain, as a part of his official records, a roster of active volunteers and to present the roster for audit by the payroll auditors of the system **[**.**]** *or private carrier.*

(f) The location of the roster of active volunteers.

(g) The name of the person responsible for maintenance of the roster.

(h) The name and telephone number of a person who may be asked for information regarding the volunteers.

(i) The person in the employer's organization who is authorized to sign reports of injury when volunteers are involved.

Sec. 68. NAC 616B.815 is hereby amended to read as follows:

616B.815 1. Elective coverage of volunteers becomes effective on the date **[**when**]** *on which* the employer's application for such coverage is approved and accepted:

(a) In the case of an employer who is not self-insured **[**,**]** *or a member of an association,* by the system.

(b) In the case of a self-insured employer **[**,**]** *or a member of an association,* by the **[**chief.**]** *administrator.*

2. The system will, in the case of a sponsoring employer insured by it, assign a separate classification from the manual for the employer to use in reporting the payroll and premium of the volunteers.

3. The deemed wage of $100 is reportable for each volunteer who is on the active roster of the sponsored organization for any part of a month.

Sec. 69. NAC 616B.815 is hereby amended to read as follows:

616B.815 1. Elective coverage of volunteers becomes effective on the date on which the employer's application for such coverage is approved and accepted:

(a) In the case of an employer who is not self-insured or a member of an association, by the system **[**.**]** *or a private carrier.*

(b) In the case of a self-insured employer or a member of an association, by the administrator.

2. The system **[**will,**]** *or private carrier shall,* in the case of a sponsoring employer insured by it, assign a separate classification from the manual for the employer to use in reporting the payroll and premium of the volunteers.

3. The deemed wage of $100 is reportable for each volunteer who is on the active roster of the sponsored organization for any part of a month.

Sec. 70. 1. This section and sections 4, 5, 8, 23, 28 to 34, inclusive, 36 to 43, inclusive, 45, 46, 48 to 59, inclusive, 61, 62, 64, 65, 66 and 68 of this regulation become effective upon filing with the secretary of state.

2. Sections 2, 3, 6, 7, 9 to 22, inclusive, 24 to 27, inclusive, 35, 44, 47, 60, 63, 67 and 69 of this regulation become effective July 1, 1999.