

LCB File No. T067-99

ADOPTED TEMPORARY REGULATION OF THE  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS

(Effective June 30, 1999)

In the matter of the adoption of regulations pertaining to reporting proof of coverage information for industrial insurance and other matters related thereto.

DIR No.: 99-2T (temporary)  
LCB No.: T067-99

Explanation - Matter in ***bolded italics*** is new; matter between brackets [~~omitted material~~] is material to be omitted.

AUTHORITY: NRS 616A.400, 616A.417, 616A.475, 616B.033(3) and 616B.460.

***Section 1. Chapter 616A through 617, inclusive, of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 24, inclusive, of this regulation.***

***Section 2. As used in sections 8 to 19, inclusive, of this regulation, “association” means an association of self-insured private employers or an association of self-insured public employers.***

***Section 3. As used in sections 8 to 19, inclusive, of this regulation, “binder” has the meaning ascribed to it in NRS 687B.015.***

***Section 4. As used in sections 8 to 19, inclusive, of this regulation, “designated agent” means the agent authorized by the administrator to receive proof of coverage information from insurers or their representatives and send proof of coverage information to the administrator.***

***Section 5. As used in sections 8 to 19, inclusive, of this regulation, “error report or notice” means a report or notice issued by the designated agent or the administrator notifying the system, private carrier, association of self-insured private employers or an association of self-insured public employers that proof of coverage information reported has been accepted but is incorrect or has been incorrectly submitted and requires correction.***

***Section 6. As used in sections 8 to 19, inclusive of this regulation, “proof of coverage” means the information relating to verification of industrial insurance coverage for employers in Nevada.***

***Section 7. As used in sections 8 to 19, inclusive, of this regulation, “reject report or notice” means a report or notice issued by the designated agent or the administrator***

*informing the system, private carrier, association of self-insured private employers or an association of self-insured public employers that the information reported was not in accordance with the proof of coverage format adopted by the administrator, has not been accepted and requires correction.*

**Section 8.** *For purposes of complying with NRS 616B.033(3) and 616B.460, the system, private carriers and associations must report proof of coverage information relating to industrial insurance to the designated agent of the administrator.*

**Section 9.** *The administrator hereby designates the National Council on Compensation Insurance (NCCI) to collect, process and provide to the administrator proof of coverage information relating to industrial insurance in Nevada.*

**Section 10.** *The administrator hereby adopts the International Association of Industrial Accident Boards and Commissions (IAIABC) Proof of Coverage format for the system, private carriers and associations to report proof of coverage information relating to industrial insurance. A copy of the "IAIABC Proof of Coverage Implementation Guide" may be purchased from the IAIABC at 1201 Wakarusa Drive, Suite C-3, Lawrence, Kansas, 66049 for the price of \$195 for affiliates and \$395 for non-affiliates.*

**Section 11. 1.** *The system and private carriers shall report proof of coverage information within 15 days of the effective date of each:*

- (a) issuance of a policy or binder of industrial insurance;*
- (b) renewal of a policy of industrial insurance;*
- (c) reinstatement of a policy of industrial insurance;*
- (d) re-write of a policy of industrial insurance; and*
- (e) issuance of any endorsement to a policy of industrial insurance which materially affect the proof of coverage information required by this regulation.*

**2.** *The system and private carriers shall report proof of coverage information 15 days prior to the effective date of each:*

- (a) cancellation a policy of industrial insurance; and*
- (b) non-renewal of a policy of industrial insurance.*

**Section 12. 1.** *Associations receiving a certificate from the commissioner prior to July 1, 1999 shall submit information regarding their certificate and membership to the designated agent in the format prescribed by the administrator within 15 days of the effective date of this regulation.*

**2.** *Associations receiving a certificate from the commissioner on or after July 1, 1999 shall submit information regarding their certificate and membership to the designated agent in the format prescribed by the administrator within 15 days of the issuance of the certificate.*

**3.** *Associations shall report proof of coverage information within 15 days of each:*

- (a) change in member information within the association which materially affect the proof of coverage information required by this regulation;*

- (b) addition or deletion of a member within the association; and*
- (c) annual anniversary date of each individual member within the association.*

**Section 13. 1. Proof of coverage information may be submitted by:**

- (a) Hard copy by US Mail or other mail service utilizing the D-41, IAIABC POCI form alone or as an attachment to a policy or endorsement; or*
- (b) Electronic transmission.*

**2. For purposes of this section, “electronic transmission” means magnetic tape, cartridge, mainframe or personal computer data transmission in the manner prescribed by the designated agent.**

**Section 14. Employers shall provide proof of coverage information to their insurer upon request and as required by the format adopted by the administrator. If an employer fails to provide such information to its insurer, the insurer shall notify the administrator of the failure within 5 working days.**

**Section 15. The designated agent may charge the system, private carriers and associations a reasonable fee to compensate the designated agent for the cost of receiving, processing and sending proof of coverage information required by the administrator. The designated agent shall provide proof of coverage reporting instructions at no cost.**

**Section 16. 1. Except as otherwise provided in subsection 2, if the system, a private carrier or an association fails to report proof of coverage information as required by this regulation, or if the reported information results in a reject report or notice by the administrator or the designated agent, the administrator may:**

- (a) For the first violation in a twelve month period, issue of notice of correction;*
- (b) For the second violation in a twelve month period, issue of fine of \$250;*
- (c) For the third violation in a twelve month period, issue of fine of \$500; or*
- (d) For the fourth and subsequent violations within a twelve month period, issue a fine of \$1000 for each violation.*

**2. The provisions of subsection 1 do not apply if an association fails to report the payroll of its members or the failure to report the payroll of its members results in a reject report or notice by the administrator or the designated agent.**

**Section 17. Except as otherwise provided in subsection 2, If the system, a private carrier or an association incorrectly reports proof of coverage information that results in an error report or notice from the administrator or its designated agent, the administrator may:**

- (a) For the second violation within a twelve month period, impose an administrative fine of at least \$50.00;*
- (b) For the third violation within a twelve month period, impose an administrative fine of at least \$100.00;*
- (c) For the fourth violation within a twelve month period, impose an administrative fine of at least \$250.00; or*
- (d) For the fifth and subsequent violations within a twelve month period, impose an administrative fine of at least \$500.00 for each violation.*

*2. The provisions of subsection 1 do not apply if an association incorrectly reports the payroll of its members which results in an error report or notice from the administrator or its designated agent.*

**Section 18. 1.** *Except as otherwise provided in subsection 2, if the system, a private carrier or an association fails to correct or accurately resubmit data which was found to be in error or was rejected, within 5 working days of notification of the error or reject, the administrator may:*

- (a) For the first violation within a twelve month period, issue a notice of correction;*
- (b) For the second violation within a twelve month period, impose an administrative fine of at least \$50.00;*
- (c) For the third violation within a twelve month period, impose an administrative fine of at least \$100.00;*
- (d) For the fourth violation within a twelve month period, impose an administrative fine of at least \$250.00; or*
- (e) For the fifth and subsequent violations within a twelve month period, impose an administrative fine of at least \$500.00 for each violation.*

*2. The provisions of subsection 1 do not apply if an association fails to correct, accurately submit, or resubmit the payroll of its members.*

**Section 19.** *Within 5 working days of obtaining knowledge that an employer may have been operating within the state without industrial insurance, an insurer may notify the administrator on the D-47 form, Non-Compliance Notice.*

**Section 20.** NAC 616A.480 [effective July 1, 1999] is hereby amended as follows:  
NAC 616A.480

1. The following posters and forms or data must be used by each insurer in the administration of claims for workers' compensation:

(a) D-1, Informational Poster - Displayed by Employer. The informational poster must include the language contained in the Form D-2, and the name, business address, telephone number and contact person of:

- (1) The insurer;
- (2) The third-party administrator, if applicable;
- (3) The organization for managed care or providers of health care with whom the insurer has contracted to provide medical services and health care services; and
- (4) The name, business address and telephone number of insurer's or third-party administrator's adjuster in this state that is located nearest to the employer's place of business.

(b) D-2, Information Concerning Claimant's Rights.

(c) C-1, Notice of Injury or Occupational Disease (Incident Report). One copy of the form must be delivered to the injured employee and one copy of the form must be retained by the employer. The language contained in Form D-2 must be printed on the reverse side of the employee's copy of the form, or provided to the employee as a separate document with an affirmative statement acknowledging receipt.

(d) C-3, Employer's Report of Industrial Injury or Occupational Disease. A copy of the form must be delivered to or the form must be filed by electronic transmission with the insurer or third-party administrator. The form signed by the employer must be retained by the employer. a

copy of the form must be delivered to the injured employee. If the employer filed the form by electronic transmission, the employer must:

(1) Transmit all fields of the form that are required to be completed, as prescribed by the administrator.

(2) Sign the form with an electronic symbol representing the signature of the employer that is:

(i) Unique to the employer;

(ii) Capable of verification; and

(iii) Linked to data in such a manner that the signature is invalidated if the data is altered.

(3) Acknowledge on the form that he will maintain the original report of industrial injury or occupational disease for 3 years. If the employer moves from or ceases operation in this state, the employer shall deliver the original form to the insurer for inclusion in the insurers file on the claimant within 30 days after the move or cessation of operation.

(e) C-4, Employee's Claim for Compensation/Report of Initial Treatment. A copy of the form must be delivered to the insurer or third-party administrator. A copy of the form must be delivered to or the form must be filed by electronic transmission with the employer. The language contained in Form D-2 must be printed on the reverse side of the injured employee's copy of the form or provided to the injured employee as a separate document with an affirmative statement acknowledging receipt. The original form signed by the injured employee and his treating physician or chiropractor must be retained by the treating physician or chiropractor. If the treating physician or chiropractor files the form by electronic transmission, the treating physician or chiropractor must:

(1) Transmit all fields of the form that are required to be completed, as prescribed by the administrator.

(2) Sign the form with an electronic symbol representing the signature of the physician or chiropractor that is:

(i) Unique to the treating physician or chiropractor;

(ii) Capable of verification; and

(iii) Linked to data in such a manner that the signature is invalidated if the data is altered.

(3) Acknowledge on the form that he will maintain the original form for the claim for compensation for 3 years. If the treating physician or chiropractor moves from or ceases treating patients in this state, the treating physician or chiropractor shall deliver the original form to the insurer for inclusion in the insurers file on the claimant within 30 days after the move or cessation of treatment of patients.

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

(g) D-6, Injured Employee's Request for Compensation.

(h) D-7, Explanation of Wage Calculation.

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

(j) D-9(a), PPD Award Calculation Worksheet.

(k) D-9(b), PPD Award Calculation Worksheet for Disability Over 25 Percent Body

Basis.

(l) D-10(a), Election of Method of Payment of Compensation.

(m) D-10(b), Election of Method of Payment of Compensation for Disability Greater than 25 Percent.

(n) D-11, Reaffirmation of Lump Sum Request.  
(o) D-12(a), Request for Hearing.  
(p) D-12(b), Request for Hearing - Uninsured Employer.  
(q) D-13, Injured Employee's Right to Reopen a Claim Which Has Been Closed.  
(r) D-14, Permanent Total Disability Report of Employment.  
(s) D-15, Election of Nevada Workers' Compensation Coverage for Out-of-State Injury.  
(t) D-16, Notice of Election for Compensation Benefits Under the Uninsured Employer Statutes.

(u) D-17, Employee's Claim for Compensation - Uninsured Employer.  
(v) D-18, Assignment of Claim for Workers' Compensation - Uninsured Employer.  
(w) D-21, Fatality Report.  
(x) D-22, Notice to Employees - Tip Information.  
(y) D-23, Employee's Declaration of Election to Report Tips.  
(z) D-24, Request for Reimbursement of Expenses for Travel and Lost Wages.  
(aa) D-25, Affirmation of Compliance (Business Application).  
(bb) D-26, Application for Reimbursement of Claim-Related Travel Expenses.  
(cc) D-27, Interest Calculation for Compensation Due.  
(dd) D-28, Rehabilitation Lump Sum Request.  
(ee) D-29, Lump Sum Rehabilitation Agreement.  
(ff) D-30, Notice of Claim Acceptance.  
(gg) D-31, Notice of Intention to Close Claim.  
(hh) D-32, Authorization Request for Additional Chiropractic Treatment.  
(ii) D-33, Authorization Request for Additional Physical Therapy Treatment.  
(jj) D-34, HCFA 1500 Billing Form.  
(kk) D-35, Rotating Rating Physician/Chiropractor Request.  
(ll) D-36, Request for Additional Medical Information and Medical Release.  
(mm) D-37, Insurer's Subsequent Injury Checklist.  
(nn) D-38, Injured Worker Index System Claims Registration Document.  
(oo) D-39, Physicians's Progress Report - Certification of Disability.  
(pp) D-40cc, IIRS Noncompliance Premium.  
(qq) D-40lv, IIRS Noncompliance Premium.  
(rr) D-41, *IAIABC POCI Form* [~~System or Private Carrier Account Reinstatement of Reopening~~].  
(ss) D-42, Intent to Cancel, Renew or Change to Private Carrier or System.  
(tt) D-43, Employer election to Reject Coverage and Election to Waive the Rejection of Coverage for Excluded Persons.  
(uu) D 44, Election of Coverage by Employer; Employer Withdrawal of Election of Coverage.

(vv) D 45, Sole Proprietor Coverage.  
(ww) D-46, Temporary Partial Disability Calculation Worksheet.  
**(xx) D-47, Non-Compliance Notice.**  
2. In addition to the form specified in subsection 1, the following forms must be used by each insurer in the administration of a claim for an occupational disease:

- (a) OD-1, Firemen and Police Officers' Medical History Form.
- (b) OD-2, Firemen and Police Officers' Lung Examination Form.
- (c) OD-3, Firemen and Police Officers' Extensive Heart Examination Form.

- (d) OD-4, Firemen and Police Officers' Limited Heart Examination Form.
- (e) OD-5, Firemen and Police Officers' Hearing Examination Form.
- (f) OD-6, Firemen and Police Officers' Sample Letter.
- (g) OD-7, Information Regarding Physical Examinations for Firemen and Police

Officers.

3. An insurer, employer, injured employee, provider of health care or claims agent may not use a different form or change a form without the prior written approval of the administrator or his designee.

4. The industrial insurance regulation section will be responsible for printing and distributing the following forms:

- (a) C-4, Employee's Claim for Compensation/Report of Initial Treatment;
- (b) D-12(b), Request for Hearing - Uninsured Employer;
- (c) D-16, Notice of Election for Compensation Benefits Under Uninsured Employer

Statutes;

- (d) D-17, Employee's Claim for Compensation - Uninsured Employer; and
- (e) D-18, Assignment of Claim for Workers' Compensation - Uninsured Employer.

5. Each insurer is responsible for printing and distributing all other forms listed in this section.

(Added to NAC by Div. of Industrial Insurance Regulation, eff. 2-22-88; A by Div. of Industrial Relations, 3-28-94; R104-97, 1-6-98; R093-98.)

**Section 21.** Repeal NAC 616C.390 [Effective July 1, 1999] as follows:

[NAC 616C.390

~~1. By the end of the next working day after receiving information that an employer has failed to obtain or maintain coverage required by chapters 616A to 617, inclusive, of NRS, the system or private carrier shall notify the administrator and furnish copies of documents indicating the name under which the uninsured employer was doing business, the business address, physical address and telephone number of the uninsured employer and, if applicable, the risk classifications, history of coverage and estimated annual premiums to be paid by the uninsured employer and the date on which the uninsured employer's insurance canceled.~~

~~2. If the system rescinds a notice of termination by reopening the employer's account or reinstating the employer's coverage, the system shall notify the administrator, in writing, by facsimile or electronic transmission by the end of the next working day after the date of rescission. The written notification must include, without limitation, the name, business address and policy number of the employer, the date on which the employer's insurance was canceled, the date on which the employer's insurance was reopened or reinstated, the total annual premiums to be paid by the employer and any other charges assessed against the employer.~~

~~3. If a policy is canceled, the system or private carrier shall notify the administrator of the cancellation within 3 working days after the cancellation.~~

~~4. If the system or private carrier fails to properly notify or notifies the administrator in an untimely manner regarding an uninsured employer, or fails to provide or provides the administrator in an untimely manner with the required information regarding cancellation, reopening or reinstatement of an employer's account or coverage as required pursuant to this section, the administrator will:~~

~~(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 \$100.~~

~~(c) For the third violation within a 12-month period, impose an administrative fine of not less than \$250.~~

~~(d) For the fourth violation within a 12-month period, impose an administrative fine of not less than \$500.~~

~~(e) For the fifth and each subsequent violation within a 12-month period, impose an administrative fine of \$1,000.]~~

(Added to NAC by Div. of Industrial Insurance Regulation, eff. 2-22-88; A by Div. of Industrial Relations, R098-98, 12-18-98; 12-18-98, eff. 7-1-99)

**Section 22.** Repeal Sections 10, 12, and 13 of DIR 98-15 (R112-98, 12-18-98) as follows:

~~[Section 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.003 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.]~~

~~[Section 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.]~~

~~[Section 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, thirteen, 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.]~~

**Section 23.** This section and sections 1 through 12 and 14 through 19, inclusive, of this regulation become effective on July 1, 1999.



**Section 24.** This section and sections 13, 20, 21 and 22 of this regulation become effective at 12:01 a.m. on July 1, 1999.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS**

In the matter of the adoption of regulations pertaining to reporting proof of coverage information for industrial insurance and other matters related thereto.

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DIR No.: 99-2T  
LCB No.: T067-99

**INFORMATIONAL STATEMENT**

The Division of Industrial Relations is providing the following informational statement pertaining to the adoption of a temporary regulation designated as DIR No. 99-2T.

**Description of how comment was solicited from the public and affected businesses**

Comment was solicited by mailing, posting and publishing notice of the public workshop and public hearing on the proposed regulation. In addition, copies of the proposed regulations were mailed to interested parties on the mailing list maintained by the Division of Industrial Relations and all self-insured employers, all associations of public and private employers, all private carriers who seek to offer workers' compensation insurance in Nevada, and the State Industrial Insurance System, now known as Employers Insurance Company of Nevada.

**Summary of public/affected business response**

Interested persons may obtain a copy of this summary of public/affected business response by writing or calling John F. Wiles, Division Counsel, Division of Industrial Relations, 1301 North Green Valley Parkway, Suite 200, Henderson, Nevada, 89104, (702) 486-9071.

Nineteen people attended the workshop and public hearing. Eight people testified; eight submitted written statements. The people in attendance were, generally, representatives of affected businesses.

In summary, the Division of Industrial Relations received oral and written comments:

- 👍 In favor of designating the National Council on Compensation Insurance (NCCI) as the agent of the Division of Industrial Relations for the purpose of collecting proof of coverage information
- 👍 In favor of requiring employers to provide the information requested by their insurers
- 👍 In favor of changing the regulation to be consistent with the legislative amendment to NRS 616B.460(3) which extends the reporting time from 24 hours to 15 days
- 👍 Against the requirement that associations of public and private employers report proof of coverage information

- 👍 Against the use of the POC-1 form for reporting proof of coverage information by associations of public and private employers due to the cost associated with reporting and the scope of the information sought
- 👍 Against the proposed reporting times of 15 and 5 days and the ambiguous nature of the language
- 👍 Against the fine schedule because it is excessive and ambiguous
- 👍 Against the requirement that proof of coverage information be reported upon the issuance of a binder
- 👍 Against reporting proof of coverage information to the commissioner of insurance and the Division of Industrial Relations

### **Changes in the proposed regulation as a result of comments received**

The Division of Industrial Relations did make the following changes to the regulation as a result of comments received:

- 👍 eliminated fines for associations who fail to, or incorrectly, report payroll information of members
- 👍 made the provisions of section 19 permissive (changed *shall* to *may*)
- 👍 repealed NAC 616C.390
- 👍 changed Form D-47 to (1) eliminate reporting for risk class, insuring period, rate, mod factor, reopening cost and employer's acknowledgment of receipt and (2) added the description of the employer and the number of employees
- 👍 changed the 5 day correction requirement in section 18 to five *working* days

### **Estimated economic effect of regulation on regulated business**

The designated agent, if authorized by the Administrator of the Division of Industrial Relations, will charge a reasonable fee for collecting, editing and reporting proof of coverage information. This will result in an increased cost to insurers who are required to report proof of coverage information.

Adverse: Insurers who are required to report proof of coverage information pursuant to the regulation will be charged a fee for collecting, editing and reporting proof of coverage information.

Beneficial: The proof of coverage system may result in fewer uninsured claims, thereby reducing the assessment insurers contribute to the uninsured employer's claim fund which would reduce the assessment on insurers for the uninsured employers claim fund.

Immediate: Same as above.

Long Term: Same as above.

### **Estimated economic effect of regulation on the general public**

There is no estimated economic effect on the general public.

Adverse: None.  
Beneficial: None.  
Immediate: None.  
Long Term: None.

**Estimated cost for enforcement of the regulation**

It is estimated that the cost of enforcement of the regulation will be minimal.

**Overlap or duplication with other regulations**

There is no know overlap or duplication of other regulations. However, associations of public and private employers are required to report the withdrawal, or the termination of, any member of the association to the commissioner of insurance by statute. The regulation does not overlap or duplicate any know federal regulation. There is no known federal regulation that regulates the same activity, therefore the regulation does not include any provisions that are more stringent any federal regulation.

**Notice of new or increase in existing fee**

The regulation provides that the designated agent may, if approved by the Administrator of the Division of Industrial Relations, collect a reasonable fee for collecting, editing and reporting proof of coverage information. This is a new fee on insurers that are being required to report proof of coverage information by the regulation.

DATED 30th day of June, 1999.

By: \_\_\_\_\_ s/ Roger Bremner  
Roger Bremner, Administrator  
Division of Industrial Relations