

INSURER & TPA GUIDE

WORKERS' COMPENSATION



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WORKERS' COMPENSATION SECTION

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This pamphlet is provided to inform stakeholders of some significant points concerning workers' compensation insurance in Nevada.

Requirements of the Division of Insurance

- ◆ NRS 616B.036, 616B.312, 616B.318, 616B.321, 616B.431, 616B.463, 616B.466, 616B.472, 616B.475, 616B.500, and 616B.503
- ◆ NAC 616B.475 and 616B.490

Private Carrier Must Be Authorized by the Commissioner – A private carrier must obtain authorization from the Commissioner of Insurance before transacting industrial insurance services in the state of Nevada.

Withdrawal of Authorization of Private Carrier – A private carrier which voluntarily withdraws its authorization or whose authorization is withdrawn by the Commissioner remains responsible for all compensation for injuries sustained during the period of coverage stated in its policies.

Certificate of Industrial Insurance Must Include – Name of insurer; name of insured; policy number; and effective period of the policy.

Private Carrier Failure to Comply – The Commissioner shall suspend the authority of a private carrier to provide industrial insurance for 1 year if the private carrier has intentionally or repeatedly failed to comply with NRS 616A to 617 or any NAC regulation.

Required Policy Provisions – Policies must be in writing and contain insuring agreements and exclusions. Policies must be consistent with the provisions of Chapters 616A to 617 inclusive of the NRS/NAC. The Commissioner, by regulation, will prescribe the basic policy to be used by private carriers.

Private Carrier May Contract with Third-Party Administrator – The third-party administrator must be licensed by the Commissioner of Insurance and maintain an office in the state of Nevada.

Acceptance or Denial of a Claim

- ◆ NRS 616C.065, and 617.356

Within 30 days after notice of an industrial accident or occupational disease, an insurer must either commence payment of a claim for compensation; or deny the claim and notify the injured employee and the Administrator of DIR.

Provide Timely and Accurate Delivery of Workers' Compensation Benefits to Injured Employees

- ◆ NRS 616C.050, 616C.090, 616C.155, 616C.235, 616C.475, 616C.490, 616C.495, 616C.500, 616C.505, 616C.530, 616C.600 616C.700

- ◆ NAC 616C.082, 616C.088, 616C.094, 616C.097, 616C.103, and 616C.102

Statutes and regulations of the state of Nevada require timely determinations and payment of benefits, prescribe the amount/methods of calculation, and the information that must be provided.

Provide Appeal Rights

- ◆ NRS 616C.315

Nevada state law requires that appeal rights be provided to an injured employee and other applicable parties regarding all claims administration determinations.

Confidentiality and disclosure of information; Provide copies of the claim to the injured employee or employer.

- ◆ NRS 616B.012 and 616B.021

Information concerning an employer or injured employee is confidential, and may only be disclosed as prescribed by NRS/NAC. However, files of claims are open to inspection, copying or filming, as prescribed by Nevada law.

What are the Requirements when Employers Change Insurers?

◆ NRS 616B.460, NAC 616B.127, each private carrier and association shall notify the Administrator of DIR if an employer has changed its insurer or has allowed its insurance to lapse, within 15 days after the insurer has noticed lapse or change. This is done by reporting changes through the National Council on Compensation Insurance (NCCI).

Provide Information as Requested by the Administrator in Accordance with the Statutes and Regulations

◆NRS 616B.003, 616B.006 and 616B.009

Statute requires that an audit be conducted of all insurers at least once every five years and that the information obtained be shared with the Division of Insurance and reported to the Legislature. These on-site audits are conducted by the Workers' Compensation Section (WCS) to ensure all insurers providing benefits to injured employees are administering claims in accordance with chapters 616A to 617 inclusive of the NRS and NAC.

All insurers are required to complete and submit information, statistics and reports to the Administrator of DIR as specified by regulation, or as requested. An Annual Expenditure Report must be completed each year. Occasionally, surveys or studies are also conducted by DIR and results used for statistical purposes.

Submit Records to the Administrator of the Division of Industrial Relations for the Index of Claims

◆NRS 616B.012 and 616B.018

An Index of Claims has been established within the DIR for use by insurers, and **may only be accessed for workers' compensation purposes**. Contact the Carson City office of DIR, WCS for further information regarding submission of records and utilization of the Index of Claims.

Administrative Action

◆NRS 616C. 220, 616D.120, and 617.401

If the DIR determines that an insurer is in violation of chapters 616A to 617 inclusive of the NRS/NAC, the following may be assessed:

- (1) Notice of Correction;
- (2) Written Plan of Corrective Action;
- (3) Benefit Penalty; and
- (4) Administrative Fine

What services must an insurer provide in Nevada?

◆NRS 616B.021 and 616B.027

An insurer must provide an in-state claims of-fice with person(s) who can act for the insurer and a statewide toll-free telephone number or accept collect calls for ease of access.

The office must administer and maintain a complete file of each claim, including all information and documentation, and provide appropriate access to the claim files for review or copy purposes. The actual file may be located outside of Nevada, providing records are accessible by computer at an office in Nevada and hard copies are available within 24 hours for open claims and 14 days for closed claims.

Other Requirements

◆NRS & NAC Chapters 616A to 617 inclusive

The insurer must provide services to an employer or employee as required. This includes the provision of adequate information on the prevention of industrial accidents and occupational diseases; and controlling losses.

All insurers must use the claims administration forms and posters adopted by the Administrator of the Division of Industrial Relations (DIR).

All insurers are assessed an annual fee by the Administrator of DIR to support the functions of the various agencies providing services to the workers' compensation program in the state of Nevada. Agencies include the Division of Industrial Relations; Division of Insurance; Nevada Attorney for Injured Workers; Department of Administration, Hearings Division; the Uninsured Employers' Claim Account; and the Subsequent Injury Claim Accounts.

FOR ADDITIONAL INFORMATION

Information about self-insureds, associations and private carriers:

Division of Insurance

Northern Nevada (775) 687-0700

Southern Nevada (702) 486-4009

Are claims adjusters required to be licensed in Nevada?

Starting July 1, 2018, certain workers' compensation claims adjusters are required to be licensed. The Nevada Division of Insurance (DOI) is responsible for adjuster licensing education and testing. More information can be found on the DOI web site at https://doi.nv.gov/Licensing/License_Types/Adjuster/ Additionally, all employer representatives at a workers' compensation hearing, with the exception of attorneys and full-time employer representatives, must be licensed (NRS 616C.325). For more information contact the Hearings Division, or visit the website at:

http://hearings.nv.gov/license/WC_License/

What will happen if the employer does not obtain or maintain workers' compensation insurance?

DIR/WCS is responsible for making sure that all employers are in compliance with the law. **Employers who do not have workers' compensation insurance may be charged with an administrative fines of up to \$15,000 (\$50,000 for claims resulting in substantial bodily harm or death) and may have their business ordered closed until insurance has been obtained.** If an employee sustains a work related injury, the uninsured employer may be held financially responsible for all costs and face criminal charges (NRS 616D.200).