

**State of Nevada**  
**Department of Business and Industry**  
**Division of Industrial Relations**  
*Workers' Compensation Section*



**REPORT OF COMPLIANCE AUDITS**  
**WORKERS' COMPENSATION INSURERS**

**January 1, 2019**  
**through**  
**December 31, 2019**

**February 28, 2020**



**REPORT OF COMPLIANCE AUDITS  
WORKERS' COMPENSATION INSURERS  
January 1, 2019 through December 31, 2019**

**Prepared by**

**State of Nevada  
Department of Business and Industry  
Division of Industrial Relations  
*Workers' Compensation Section***

**February 28, 2020**

**Confidentiality and Disclosure of Information:**

**NRS 616B.003(1) requires that the administrator of the Division of Industrial Relations (DIR) "cause to be conducted at least every 5 years an audit of all insurers who provide benefits to injured employees pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS."**

**This Report of Compliance Audits is provided to the Members of the Interim Finance Committee pursuant to NRS 616B.003(4), which requires the administrator to, on or before March 1 of each year, "make a report of each audit to the Legislature, if it is in session, or to the Interim Finance Committee if the Legislature is not in session."**

**NRS 616B.012(1) indicates that, generally, "information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's identity." NRS 616B.012(7) provides that, in specified circumstances, the disclosure of information from files of claims or policyholders is a gross misdemeanor.**

**Pursuant to NRS 616B.012(1), further distribution of this report should redact the names of the injured employees, employers, insurers, and third party administrators.**

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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**Associations of Self-Insured Public or Private Employers**

Public Agency Compensation Trust 5007 (2293)

**Private Carriers**

American Compensation Insurance Company	99532
American Family Mutual Insurance Company S.I.	1743
Berkley Casualty Company	1777
Berkshire Hathaway Homestate Insurance Company	1888
California Insurance Company	1111
Clear Spring Property and Casualty Company	11126
Continental Casualty Company	187
Continental Insurance Company (The)	188
Crum & Forster Indemnity Company	1497
Electric Insurance Company	10814
Employers Assurance Company	113385
Employers Compensation Insurance Company	100892
Employers Preferred Insurance Company	111020
Fireman's Fund Insurance Company	249
Great American Insurance Company of New York	65
Great West Casualty Company	296
GuideOne Mutual Insurance Company	543
Hartford Fire Insurance Company	309
Hartford Insurance Company of the Midwest	1684
Milford Casualty Insurance Company	100334
National Surety Corporation	454
National Union Fire Insurance Company of Pittsburgh, PA	456
New Hampshire Insurance Company	466
New York Marine and General Insurance Company	1449
Pacific Compensation Insurance Company	98012

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Technology Insurance Company, Inc.	17636
Trans Pacific Insurance Company	1073
Travelers Indemnity Company (The)	650
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Zurich American Insurance Company	737

**No Claims Audits**

American Alternative Insurance Corporation	81
Ansur America Insurance Company	10729
Arrowood Indemnity Company	576
Associated Indemnity Corporation	90
Axis Insurance Company	1163
Bedivere Insurance Company	959
Capitol Indemnity Corporation	1416
Cincinnati Insurance Company	1188
Clarendon National Insurance Company	134
Colony Specialty Insurance Company	1786
Country Casualty Insurance Company	1334
Country Mutual Insurance Company	1359
Country Preferred Insurance Company	1368
Dakota Truck Underwriters	118202
Eagle West Insurance Company	1733
EMC Property & Casualty Company	11673
Employers Fire Insurance Company (The)	212
Fortuity Insurance Company	10728
Frankenmuth Mutual Insurance Company	1766
Hudson Insurance Company	1741
Illinois National Insurance Company	1507
Lamorak Insurance Company	173
Meridian Security Insurance Company	116538

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Pennsylvania Insurance Company	1662
ProAssurance Indemnity Company, Inc.	1622
ProCentury Insurance Company	17720
Southern Insurance Company	603
State Automobile Mutual Insurance Company	17721
United States Fidelity & Guaranty Company	691
Universal Underwriters Insurance Company	695
Utica Mutual Insurance Company	704
Washington International Insurance Company	1495

**Self-Insured Employers**

CDS U.S. Intermediate Holdings, Inc.	132789
City of Reno	123079
Douglas County	143601
Nye County School District	122969
Pilot Travel Centers LLC	122981
T & R Construction Group	135224
Western Cab Company, Inc.	123030
YRC Inc.	123240

**Risk-Based Audits - Permanent Total Disability (PTD) Claims**

Cannon Cochran Management Services, Inc. (CCMSI) Third Party Administrator (TPA)	17700
Sierra Nevada Administrators, Inc. Third Party Administrator (TPA) for Clark County School District	123140/4479
Sierra Nevada Administrators, Inc. Third Party Administrator (TPA)	4479



# Workers' Compensation Section

• 400 West King Street Ste. 400, Carson City, NV 89703 • Phone: (775) 684-7270 • Fax: (775) 687-6305 • Email: [wcshep@business.nv.gov](mailto:wcshep@business.nv.gov)

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February 28, 2020

Members of the Interim Finance Committee  
c/o Director, Legislative Counsel Bureau  
401 South Carson Street  
Carson City, NV 89701-4747

**RE: ANNUAL REPORT OF COMPLIANCE AUDITS PURSUANT TO NRS 616B.003  
WORKERS' COMPENSATION INSURERS**

Dear Members:

NRS 616B.003(1) requires the Administrator of the Division of Industrial Relations (DIR) to conduct, at least every five years, an audit of all insurers who provide workers' compensation insurance benefits to injured employees.

Pursuant to NRS 616B.003(4), the Administrator is to provide a report of each audit to the Legislature, if in session, on or before March 1 of each year. If the Legislature is not in session, the Administrator issues the report to the Interim Finance Committee.

The following is a report of the audits conducted by the Workers' Compensation Section (WCS) of the DIR during the period of January 1, 2019 through December 31, 2019, pursuant to NRS 616B.003. Included in the report are the Executive Summaries of each of the audits conducted, a Summary of the Audit Objectives and Findings, and the calendar year 2020 Projected Audit Schedule.

At the commencement of this report period, there were 94 self-insured employers, eight associations of self-insured public or private employers, and approximately 420 private carriers authorized to write workers' compensation insurance in Nevada. As of December 31, 2019, there were 95 self-insured employers, eight associations of self-insured public or private employers, and approximately 427 private carriers authorized to write workers' compensation insurance in Nevada, with 251 of those reporting Nevada policy activity to the National Council on Compensation Insurance (NCCI) in calendar year 2019.

Please refer to the Table of Contents for a list of the 86 audits conducted from January 1, 2019 through December 31, 2019, pursuant to NRS 616B.003 and NRS 616A.400(7). The audits covered 84 insurers (1 association of self-insured public or private employers, 9 self-insured employers and 74 private carriers) and 2 third-party administrators.

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If you have any questions or need more information, please contact me directly, or Charles J. Verre, Chief Administrative Officer, WCS, at (702) 486-9080 or via email at [cverre@business.nv.gov](mailto:cverre@business.nv.gov).

Respectfully,



Ray Fierro  
Administrator  
Division of Industrial Relations  
(775) 684-7292  
[rfierro@business.nv.gov](mailto:rfierro@business.nv.gov)

RF:rmr

cc: Lisa Figueroa, Chief Financial Officer, Department of Business and Industry  
Shauna Tilley, Budget Analyst, Department of Administration  
Charles J. Verre, Chief Administrative Officer, Workers' Compensation Section, Division of Industrial Relations

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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*WORKERS' COMPENSATION SECTION*

**SUMMARY OF AUDIT OBJECTIVES AND FINDINGS**

**Audits Conducted January 1, 2019 through December 31, 2019**

**NRS 616B.003**

**BACKGROUND:**

NRS 616B.003(1) requires the Division of Industrial Relations (DIR) to conduct an audit of each workers' compensation insurer at least every five years. These audits may include regularly scheduled audits, follow-up audits focusing on areas of non-compliance, and risk-based audits.

**AUDITS CONDUCTED:**

To satisfy the statutory requirement, the Workers' Compensation Section (WCS) of DIR conducted eighty six (86) audits pursuant to NRS 616B.003 during calendar year 2019, with 743 claim files reviewed.

**AUDIT OBJECTIVES:**

The objectives of the audits are: 1) to identify and correct violations of statutes and regulations relating to the rights and benefits of injured employees, and 2) to determine if procedures are in place that ensure injured employees receive all benefits to which they are entitled in a timely manner. Specifically, each audit focuses on the following major areas:

- Timely determination regarding commencement of payment of benefits or claim denial;
- Timely payment of initial compensation;
- Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- Timely evaluation and offer of permanent partial disability;
- Notification of the right of appeal concerning determination(s) made;
- Timely responses to requests;
- Vocational rehabilitation benefits;
- Use of proper forms; and
- Claims administration.

While the main objectives of the audits focus on insurer and third-party administrator performance, audits may also include employer site visits and interviews with employees to ensure employers are complying with such requirements as displaying the proper posters, the ability to provide proof of insurance, and employee notification of rights and responsibilities. Verification of the completion and maintenance of C-1 (Incident Report) forms are also included in the employer site visits.

Some of the areas identified above directly affect the timely and accurate delivery of benefits to injured employees such as the calculation and payment of TTD, PPD, TPD and PTD. Other areas may have less of a direct effect on the benefits received by injured employees such as the claims administrator using an outdated form. All areas are monitored, however, to ensure that the entities within the regulatory authority of the DIR (insurers, employers, third-party administrators, medical providers and organizations for managed care) are compliant with workers' compensation statutes and regulations.



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**SUMMARY OF AUDIT OBJECTIVES AND FINDINGS**

**Audits Conducted January 1, 2019 through December 31, 2019**

**NRS 616B.003**

**SUMMARY OF AUDIT FINDINGS:**

Thirty seven (37) audits were conducted in which the insurer reported no claims were incurred during the audit period. Two (2) of the remaining forty-nine (49) audits conducted (representing 14 of the 743 claims reviewed) resulted in no reportable findings. Below are some of the violations identified in the remaining forty-seven (47) audits, in order of relative frequency and/or severity, and the percentage of those audits in which the violation occurred at least one time:

- Failure to utilize required and approved forms for claims administration which may have resulted in the incorrect calculation and/or late delivery of benefits (97.9%)
- Incorrect payments of TTD, TPD and/or PPD benefits as a result of the incorrect calculation of and/or inappropriate periods of benefits (70.2%)
- The failure to maintain claim files pursuant to the Nevada Administrative Code (NAC), including confidentiality and adequate documentation relating to claims activity such as required claim forms, and eligibility for rehabilitation benefits, etc. (68.1%)
- Late or incomplete submission of, or failure to submit, the C-3 Form, Employer's Report of Industrial Injury or Occupational Disease, use of a non-approved form or the failure to complete required forms (employer violations) (66%)
- Errors relating to offers of light duty employment (53.2%)
- Late payment of TTD, TPD, or other benefits (46.8%)
- Late scheduling of PPD evaluations, offer of the PPD award and/or payment of the PPD award (44.7%)
- Incorrect payments of TTD, TPD and/or PPD benefits as a result of the incorrect calculation of the average monthly wage (38.3%)
- Late determinations of claim acceptance or denial (31.9%)
- Issues relating to proper notification of claim acceptance or denial (27.7%)
- Incorrect and/or failure to properly report claims information (D-38 Indexing System reporting errors, claims lists for audits, etc.) (25.5%)
- The failure to provide responses, providing late responses, or providing inaccurate responses to injured worker and DIR requests (23.4%)
- Violations relating to the payment of medical bills, including late or incorrect payment, or documentation relating to such payments (21.3%)
- Failure to identify receipt date on claim file documents (no date stamp) (21.3%)
- Failure to provide appeal rights to injured employees and medical providers on claim determinations (14.9%)
- Failure to follow appropriate procedures for claim closure, including notification to the injured employee and premature closure (12.8%)
- Issues relating to making payments before benefits are due (10.6%)
- Out of state claims management/administration (in whole or in part) (2.1%)
- Errors relating to the delivery of vocational rehabilitation benefits (0%)

STATE OF NEVADA  
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**SUMMARY OF AUDIT OBJECTIVES AND FINDINGS**  
**Audits Conducted January 1, 2019 through December 31, 2019**  
**NRS 616B.003**

While the audits focus on insurer performance, the DIR identified employer violations including, but not limited to, the timely completion and execution of required forms. Additionally, the DIR noted medical provider violations such as filing late and/or incomplete C-4 Forms.

**BENEFIT CORRECTION/MONETARY RECOVERY:**

In the 743 claim files reviewed, the Division identified approximately \$471,943.23 in underpayments to injured employees (with almost \$372,000 attributable to the risk-based audit of one third-party administrator's permanent total disability claims), \$8.68 in underpayments to health care providers, approximately \$97,787.42 in overpayments to injured employees and \$2,355.20 in overpayments to health care providers by insurers. The Division requires underpayments to be rectified by the insurer at the time of the audit unless the findings are disputed and additional research is required for resolution. Insurers may recover overpayments made to health care providers in the form of refunds or adjustments. Insurers may recover overpayments made to injured employees pursuant to NRS 616C.155.

**AGENCY ADMINISTRATIVE ACTION:**

The DIR is authorized to impose administrative fines, issue notices of correction and/or request plans of corrective action for violations of Chapters 616A through 617 of the Nevada Revised Statutes. The DIR is also authorized to impose benefit penalties for certain violations as referenced in NRS 616D.120. As a result of the audits conducted in 2019 pursuant to NRS 616B.003 and NRS 616A.400(7), the DIR issued two hundred and ninety-seven (297) administrative fines totaling \$120,000 and four hundred and sixty-eight (468) notices of correction against insurers, third-party administrators and employers for which plans of corrective action were required to be submitted for each. There were no violations referred to the WCS Benefit Penalty Unit for further investigation.

STATE OF NEVADA  
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## 2020 PROJECTED AUDIT SCHEDULE

	INSURER NAME	NV CERT #
<b>ASSOCIATIONS OF SELF-INSURED EMPLOYERS</b>		
1	Nevada Agricultural Self-Insured Group	5015 (105520)
<b>PRIVATE CARRIERS</b>		
1	Accident Insurance Company Inc	100944
2	Ace American Insurance Company	17
3	Advantage Workers Compensation Insurance Company (now WCF National Insurance Company)	1251
4	American Automobile Insurance Company	28
5	American Economy Insurance Company	34
6	American Fire and Casualty Company	1778
7	American Home Assurance Company	49
8	American Interstate Insurance Company	1708
9	American Zurich Insurance Company	1072
10	AmTrust Insurance Company of Kansas, Inc	100311
11	Arch Insurance Company	1342
12	Atlantic Specialty Insurance Company	1794
13	Brotherhood Mutual Insurance Company	1768
14	Carolina Casualty Insurance Company	132
15	Cherokee Insurance Company	1123
16	Chubb Indemnity Insurance Company	1709
17	Compwest Insurance Company	18778
18	Emcasco Insurance Company	130765
19	Farmers Insurance Exchange	230
20	Federal Insurance Company	233
21	Federated Mutual Insurance Company	235
22	First Choice Casualty Insurance Company	121577
23	First Dakota Indemnity Company	118298
24	First Liberty Insurance Corporation (The)	1633
25	First National Insurance Company of America	257
26	Foremost Insurance Company Grand Rapids Michigan	261
27	Foremost Property And Casualty Insurance Company	1425
28	Frank Winston Crum Insurance Company	115852
29	Great Divide Insurance Company	1562
30	Great Northern Insurance Company	292
31	Greenwich Insurance Company	305
32	Hartford Accident & Indemnity Company	307
33	Hartford Casualty Insurance Company	308
34	Hartford Underwriters Insurance Company	469
35	Imperium Insurance Company	991
36	Indemnity Insurance Company of North America	1233

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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WORKERS' COMPENSATION SECTION

## 2020 PROJECTED AUDIT SCHEDULE

	INSURER NAME	NV CERT #
37	Lion Insurance Company	114633
38	LM Insurance Corporation	1650
39	Markel Insurance Company	1105
40	Midwest Employers Casualty Company	1373
41	National Casualty Company	438
42	National Interstate Insurance Company	1613
43	Nationwide Agribusiness Insurance Company	1236
44	NGM Insurance Company	14146
45	North Pointe Insurance Company	119026
46	OBI National Insurance Company	120551
47	Ohio Casualty Insurance Company	492
48	Ohio Security Insurance Company	1776
49	Pennsylvania Manufacturers Association Insurance	807
50	Pennsylvania Manufacturers Indemnity Company	11244
51	Redwood Fire and Casualty Insurance Company	1094
52	Republic Indemnity Company of California	1685
53	Riverport Insurance Company	1584
54	Security National Insurance Company	100333
55	Sentinel Insurance Company Ltd	1811
56	Sentry Insurance A Mutual Company	598
57	Sentry Select Insurance Company	353
58	Sequoia Indemnity Company	15162
59	Sompo America Insurance Company	1071
60	Starnet Insurance Company	1770
61	Starr Indemnity & Liability Company	565
62	Tokio Marine America Insurance Company	118811
63	Travelers Casualty And Surety Company	4
64	Tri State Insurance Company of Minnestoa	114442
65	Triumphe Casualty Company	11781
66	Trumbull Insurance Company	1618
67	Twin City Fire Insurance Company	657
68	Union Insurance Company of Providence	130767
69	United Wisconsin Insurance Company	106612
<b>NO CLAIMS AUDITS</b>		
1	American Sentinel Insurance Company	14622
2	Arch Indemnity Insurance Company	171
3	Berkshire Hathaway Direct Insurance	815
4	Endurance American Insurance Company	1710
5	Explorer Insurance Company	1482
6	Foremost Signature Insurance Company	1393

STATE OF NEVADA  
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## 2020 PROJECTED AUDIT SCHEDULE

	INSURER NAME	NV CERT #
7	Maiden Reinsurance North America Inc	11040
8	OBI America Insurance Company	134517
9	Privilege Underwriters Reciprocal Exchange	114730
10	Providence Washington Insurance Company	551
11	Samsung Fire & Marine Insurance Co Ltd (US Branch)	116316
12	Secura Insurance, A Mutual Company	112570
13	Secura Supreme Insurance Company	112684
14	St Paul Mercury Insurance Company	585
15	State Auto Property & Casualty Insurance Company	116421
<b>SELF-INSURED EMPLOYERS</b>		
1	Arcbest Corp	122997
2	Best Buy Co Inc	123211
3	Boyd Gaming Corporation	123005
4	Caesars Entertainment Corporation	123146
5	Catholic Charities of Southern Nevada	122963
6	City of Henderson	123103
7	City of North Las Vegas	123155
8	City of Sparks	123097
9	CityCenter Holdings LLC	122979
10	Douglas County School District	123176
11	Encompass Health Corporation	123143
12	FedEx Corp for Fedex Ground Package System Inc	122931
13	FedEx Corporation for FedEx Freight Inc	123050
14	Focus Plumbing LLC	122964
15	Four Queens LLC	123109
16	Hamilton Holding Management Corp	123118
17	Hat Ltd A Nevada Limited Partnership	123151
18	HCA Healthcare Inc	123099
19	HCR ManorCare Inc	123067
20	Hyatt Hotels Corporations	122842
21	IKE Gaming Inc	123017
22	Kinross Gold Corporation	123052
23	Knight -Swift Transportation (formerly Knight Transportation)	146761 (122989)
24	Kroger Company (The)	122996
25	Las Vegas Convention and Visitors Authority	123034
26	Las Vegas Metropolitan Police Department	123092
27	Las Vegas Sands Corp	122959
28	Las Vegas Valley Water District	123037
29	Marriott International Inc	122999
30	McDonald's Corporation	123131
31	Mesquite Gaming LLC	122978
32	Monarch Casino & Resort Inc	123160
33	New-Com Inc	123039

STATE OF NEVADA  
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**2020 PROJECTED AUDIT SCHEDULE**

<b>INSURER NAME</b>		<b>NV CERT #</b>
<b>34</b>	<b>Newmont GoldCorp Corporation</b>	<b>122968</b>
<b>35</b>	<b>NV Energy Inc</b>	<b>123064</b>
<b>36</b>	<b>Peppermill Casinos Inc</b>	<b>122953</b>
<b>37</b>	<b>Poly-America for Poly-West Inc</b>	<b>122971</b>
<b>38</b>	<b>Purcell Tire &amp; Rubber Company</b>	<b>123219</b>
<b>39</b>	<b>Raley's Inc</b>	<b>123242</b>
<b>40</b>	<b>Renown Health</b>	<b>123237</b>
<b>41</b>	<b>Southern Nevada Harley Davidson Sales Inc &amp; Red Rock Motorcycle Sales Inc</b>	<b>123041</b>
<b>42</b>	<b>Southwest Gas Corporation</b>	<b>122955</b>
<b>43</b>	<b>Station Casinos LLC</b>	<b>122976</b>
<b>44</b>	<b>Treasure Island LLC</b>	<b>122972</b>
<b>45</b>	<b>True Blue Inc</b>	<b>123180</b>
<b>46</b>	<b>United Air Lines Inc</b>	<b>123234</b>
<b>47</b>	<b>US Foods Inc</b>	<b>123102</b>
<b>48</b>	<b>Washoe County</b>	<b>123024</b>
<b>49</b>	<b>Wendover Casinos Inc</b>	<b>123036</b>
<b>50</b>	<b>Young Electric Sign Company</b>	<b>123231</b>
<b>SPECIAL AUDITS</b>		
<b>1</b>	<b>Sedgwick Claims Management (TPA - PTD Claims Audit)</b>	<b>17894</b>
<b>2</b>	<b>Western States Contracting Inc (Self-Insured Follow up Audit)</b>	<b>122888</b>

**2019**  
**EXECUTIVE SUMMARIES OF**  
**COMPLIANCE AUDITS**

**Associations of Self-Insured Public  
or Private Employers**



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PUBLIC AGENCY COMPENSATION TRUST**

**Certificate Number  
5007 (2293)**

January 16, 2019

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**BACKGROUND OF ASSOCIATION OF SELF-INSURED EMPLOYERS**

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Public Agency Compensation Trust was certified for Workers' Compensation as an Association of Self-Insured Employers in the State of Nevada on March 20, 1996. The claims are administered by Alternative Service Concepts LLC, located at 639 Isbell Road, Suite 390, Reno NV 89509.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2016, through June 30, 2017. The examination focused on the following areas:

- 1) Twenty (20) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PUBLIC AGENCY COMPENSATION TRUST**

**Certificate Number  
5007 (2293)**

January 16, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616C.040	1	N/A
C-4 form submitted untimely	1	N/A
NRS 616C.475	2	UP
TTD incorrectly paid	2	2 claims = \$522.41
NRS 616C.475 / NAC 616C.583	1	N/A
Written light duty offer not provided to claimant.	1	N/A
NRS 616C.490	1	N/A
PPD evaluation appointment scheduled late	1	N/A
NAC 616A.480	2	N/A
C-1 form not signed by employer or designee	2	N/A
NAC 616A.480	20	N/A
Unauthorized forms	73	N/A
NAC 616C.148	4	N/A
PPD Evaluation submitted untimely	4	N/A
NAC 616C.435	2	N/A
AMW calculated incorrectly	2	N/A

**STATE OF NEVADA  
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WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PUBLIC AGENCY COMPENSATION TRUST**

**Certificate Number  
5007 (2293)**

January 16, 2019

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**REQUIRED CORRECTIVE ACTIONS**

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**Public Agency Compensation Trust and Alternative Service Concepts LLC, are responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.475 states in part: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage.”
- NRS 616C.490 states in part: “2. Within 30 days after receiving from a physician or chiropractor a report indicating that the injured employee may have suffered a permanent disability and is stable and ratable, the insurer shall schedule an appointment with the rating physician or chiropractor selected pursuant to this subsection to determine the extent of the employee’s disability.”
- NAC 616A.480 states in part: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NAC 616C.435 states in part: “1. Except as otherwise provided in this section, a history of earnings for a period of 12 weeks must be used to calculate an average monthly wage... 8. The period used to calculate the average monthly wage must consist of consecutive days, ending on the date on which the accident or disease occurred, or the last day of the payroll period preceding the accident or disease if this period is representative of the average monthly wage.”

**City of Boulder City, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.475 states in part: “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PUBLIC AGENCY COMPENSATION TRUST**

**Certificate Number  
5007 (2293)**

January 16, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**City of Boulder City, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

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**ADMINISTRATIVE FINE**

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One administrative fine, totaling three hundred seventy-five dollars (\$375.00), is being issued to Public Agency Compensation Trust, for multiple violations of NAC 616A.480(4), for failure to use the appropriate forms in the administrating of claims.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

# **Private Carriers**

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN COMPENSATION INSURANCE COMPANY**

**Certificate Number  
99532**

July 5, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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American Compensation Insurance Company was certified as a private insurer in the State of Nevada on September 15, 2008. The claims are administered by Cannon Cochran Management Services, Inc. (CCMSI), located at 7251 W. Lake Mead Boulevard, Suite 260, in Las Vegas, Nevada 89128.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Fifteen (15) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN COMPENSATION INSURANCE COMPANY**

**Certificate Number  
99532**

July 5, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616B.012	2	N/A
Misfiled documents for another claim	2	
NRS 616C.040	9	N/A
C-4 forms submitted untimely	9	
NRS 616C.045	9	N/A
Untimely, incomplete and/or inaccurate information	10	
NRS 616C.065	1	N/A
Untimely claim acceptance	1	
NRS 616C.136	5	UP
Late payment of provider bills	7	\$6.69*
NRS 616C.155	1	OP
TTD paid before required	1	\$543.42
NRS 616C.475	2	OP
TTD incorrectly paid	2	\$234.29
NAC 616A.480	8	N/A
Missing, unauthorized and/or inaccurate documentation	14	
NAC 616C.520	1	N/A
D-7 not provided to claimant	1	

*\*Insurer acknowledged late payment of provider bills. No proof of interest paid by TPA as required by NRS 616C.136.*

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN COMPENSATION INSURANCE COMPANY**

**Certificate Number  
99532**

July 5, 2019

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**REQUIRED CORRECTIVE ACTIONS**

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**American Compensation Insurance Company, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.065 states in part: “1. Except as otherwise provided in NRS 616C.136, within 30 days after the insurer has been notified of an industrial accident, every insurer shall: (a) Accept a claim for compensation, notify the claimant or the person acting on behalf of the claimant that the claim has been accepted and commence payment of the claim; or (b) Deny the claim and notify the claimant or the person acting on behalf of the claimant and the Administrator that the claim has been denied.”
- NRS 616C.136 states in part: “1. Except as otherwise provided in this section, an insurer shall pay or deny a bill for accident benefits received from a provider of health care within 45 calendar days after the insurer or third-party administrator receives the bill. Except as otherwise provided in this section, if the bill for accident benefits is not paid within that period, the insurer shall pay interest to the provider of health care at a rate of interest equal to the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institutions, on January 1 or July 1, as the case may be, immediately preceding the date on which the payment was due, plus 6 percent. The interest must be calculated from 45 calendar days after the date on which the bill is received until the date on which the bill is paid.”
- NRS 616C.155: “1. An insurer shall not provide compensation to or for an employee or the dependents of the employee before the compensation is required to be paid pursuant to the provisions of chapters 616A to 616D, inclusive, of NRS.”
- NRS 616C.475: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage.”



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN COMPENSATION INSURANCE COMPANY**

**Certificate Number  
99532**

July 5, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**American Compensation Insurance Company, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616C.520 states in part: “1. Each insurer shall include with the initial payment of compensation for a temporary total disability a copy of Form D-7, “Explanation of Wage Calculation.”

**Acelero, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “1. Within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility... an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility... indicates that the injured employee is expected to be off work for 5 days or more.”

**Vegas City Motors, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “1. Within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility... an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility... indicates that the injured employee is expected to be off work for 5 days or more.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN COMPENSATION INSURANCE COMPANY**

**Certificate Number  
99532**

July 5, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Purple Door Preschool LLC, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “1. Within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility... an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility... indicates that the injured employee is expected to be off work for 5 days or more.”

**Samba Vegas LLC, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “1. Within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility... an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility... indicates that the injured employee is expected to be off work for 5 days or more.”

**Green River Regional Mental Health Retardation Board, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480 states in part: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN COMPENSATION INSURANCE COMPANY**

**Certificate Number  
99532**

July 5, 2019

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY S.I.**

**Certificate Number  
1743**

August 30, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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American Family Mutual Insurance Company S.I. was certified for Workers' Compensation as a private insurer in the State of Nevada on July 1, 1999. The claims are administered by Sedgwick Claims Management Services, Inc., located at 9930 W. Cheyenne Avenue, Suite 150, in Las Vegas, Nevada 89129.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Fifteen (15) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY S.I.**

**Certificate Number  
1743**

August 30, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A/OP or UP Total \$ Amount</b>
NRS 616A.480 Missing and/or Untimely C-3 and D-8 forms	4 5	N/A
NRS 616B.012 Misfiled documents for another claim	2 2	N/A
NRS 616B.018 Claim indexed with incorrect date of injury	1 1	N/A
NRS 616C.015 Untimely and/or incomplete C-1 forms	6 6	N/A
NRS 616C.040 C-4 forms submitted untimely	3 3	N/A
NRS 616C.045 Incomplete and/or Untimely C-3 forms	8 8	N/A
NRS 616C.050 Failed to provide Rights & Benefits to claimant	1 1	N/A
NRS 616C.065 Untimely claim determination	1 1	N/A
NRS 616C.065 No certificate of mailing for denial determination	1 1	N/A
NRS 616C.136 Provider bill paid late	1 1	N/A
NRS 616C.155 TTD paid before required	1 1	OP \$120.54

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY S.I.**

**Certificate Number  
1743**

August 30, 2019

**FINDINGS (continued)**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616C.475	4	3 Claims OP = \$1,560.79
TTD incorrectly paid	5	2 Claims UP = \$396.82
NRS 616C.475	1	N/A
Late TTD payment	1	
NRS 616C.475	1	N/A
Employer did not provide light duty letter	1	
NRS 616C.490	2	N/A
Untimely scheduling of PPD evaluation	2	
NRS 616C.490	1	N/A
Untimely PPD award offer	1	
NAC 616A.480	10	N/A
Unauthorized forms	18	
NAC 616C.082	1	N/A
Document did not indicate date of receipt	1	
NAC 616C.088	1	N/A
Documentation missing	3	
NAC 616C.091 & NAC 616C.097	1	N/A
Denial determination missing required information	2	
NAC 616C.432	1	N/A
Incorrect AMW calculation	1	
NAC 616C.499	1	N/A
PPD award paid untimely	1	

August 30, 2019

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY S.I.**

**Certificate Number  
1743**

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**REQUIRED CORRECTIVE ACTIONS**

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**American Family Mutual Insurance Company S.I., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.050 states in part: “1. An insurer shall provide to each claimant... (b) A statement which contains information concerning the claimant’s right to: (1) Receive the information and forms necessary to file a claim; (2) Select a treating physician or chiropractor and an alternative treating physician or chiropractor in accordance with the provisions of NRS 616C.090; (3) Request the appointment of the Nevada Attorney for Injured Workers to represent the claimant before the appeals officer; (4) File a complaint with the Administrator; (5) When applicable, receive compensation for: (I) Permanent total disability; (II) Temporary total disability; (III) Permanent partial disability; (IV) Temporary partial disability; (V) All medical costs related to the claimant’s injury or disease; or (VI) The hours the claimant is absent from the place of employment to receive medical treatment pursuant to NRS 616C.477; (6) Receive services for rehabilitation if the claimant’s injury prevents him or her from returning to gainful employment; (7) Review by a hearing officer of any determination or rejection of a claim by the insurer within the time specified by statute; and (8) Judicial review of any final decision within the time specified by statute. 2. The insurer’s statement must include a copy of the form designed by the Administrator pursuant to subsection 8 of NRS 616C.090 that notifies injured employees of their right to select an alternative treating physician or chiropractor. The Administrator shall adopt regulations for the manner of compliance by an insurer with the other provisions of subsection 1.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY S.I.**

**Certificate Number  
1743**

August 30, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**American Family Mutual Insurance Company S.I., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.065 states in part: “1. Except as otherwise provided in NRS 616C.136, within 30 days after the insurer has been notified of an industrial accident, every insurer shall: (a) Accept a claim for compensation, notify the claimant or the person acting on behalf of the claimant that the claim has been accepted and commence payment of the claim; or (b) Deny the claim and notify the claimant or the person acting on behalf of the claimant and the Administrator that the claim has been denied... 5. The insurer shall notify the claimant or the person acting on behalf of the claimant that a claim has been accepted or denied pursuant to subsection 1 or 2 by: (a) Mailing its written determination to the claimant or the person acting on behalf of the claimant; and (b) If the claim has been denied, in whole or in part, obtaining a certificate of mailing. 6. The failure of the insurer to obtain a certificate of mailing as required by paragraph (b) of subsection 5 shall be deemed to be a failure of the insurer to mail the written determination of the denial of a claim as required by this section.”
  
- NRS 616C.136 states in part: “1. Except as otherwise provided in this section, an insurer shall pay or deny a bill for accident benefits received from a provider of health care within 45 calendar days after the insurer or third-party administrator receives the bill. Except as otherwise provided in this section, if the bill for accident benefits is not paid within that period, the insurer shall pay interest to the provider of health care at a rate of interest equal to the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institutions, on January 1 or July 1, as the case may be, immediately preceding the date on which the payment was due, plus 6 percent. The interest must be calculated from 45 calendar days after the date on which the bill is received until the date on which the bill is paid.”
  
- NRS 616C.155 states in part: “1. An insurer shall not provide compensation to or for an employee or the dependents of the employee before the compensation is required to be paid pursuant to the provisions of chapters 616A to 616D, inclusive, of NRS.”



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY S.I.**

**Certificate Number  
1743**

August 30, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**American Family Mutual Insurance Company S.I., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.475 states in part: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage... 3. If a claim for the period of temporary total disability is allowed, the first payment pursuant to this section must be issued by the insurer within 14 working days after receipt of the initial certification of disability and regularly thereafter.”
- NRS 616C.490 states in part: “2. Within 30 days after receiving from a physician or chiropractor a report indicating that the injured employee may have suffered a permanent disability and is stable and ratable, the insurer shall schedule an appointment with the rating physician or chiropractor selected pursuant to this subsection to determine the extent of the employee’s disability... 6. The rating physician or chiropractor shall provide the insurer with his or her evaluation of the injured employee. After receiving the evaluation, the insurer shall, within 14 days, provide the employee with a copy of the evaluation and notify the employee: (a) Of the compensation to which the employee is entitled pursuant to this section; or (b) That the employee is not entitled to benefits for permanent partial disability.”
- NAC 616C.088 states in part: “1. Each file of a claim concerning an industrial injury or occupational disease that is maintained by an insurer or third-party administrator must contain: (c) All: (1) Applications for a stay concerning a decision on a claim for compensation... (2) Written orders or decisions on a claim for compensation... (3) Written determinations made by an insurer, third-party administrator or an organization for managed care concerning a claim for compensation; (4) Written settlement agreements or stipulations made between the injured employee and his or her employer or the insurer of the employer concerning a claim for compensation; and (5) Except as otherwise provided in subparagraph (2) of paragraph (f), other documents which affect the amount, timing or denial of the payment of compensation.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY S.I.**

**Certificate Number  
1743**

August 30, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**American Family Mutual Insurance Company S.I., is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616C.091 states in part: “2. If the insurer or third-party administrator denies the claim in whole or in part... (b) The notice of denial to the injured employee, the attorney or other authorized representative of the injured employee or his or her dependents must include: (1) A written statement of the right to request a hearing on the matter before a hearing officer and a form for requesting a hearing; and (2) A specific statement of the reasons for the denial of the claim.”
- NAC 616C.097 states in part: “2. Any written notice of a determination by an insurer or third-party administrator that relates to benefits, other than accident benefits, must include at the bottom of the notice a statement in substantially the following form: If you disagree with the above determination, sign, date, and briefly explain on the bottom of this notice the reason for your appeal and return it to the Hearing Officer at the Department of Administration within 70 days after the date on which the notice was mailed by the insurer or third-party administrator.”
- NAC 616C.432 states in part: “The average monthly wage will be calculated by multiplying the average daily wage of an employee during a period of earnings by 30.44...  
1. Gross earnings divided by days in period of earnings = average daily wage... 2. Average daily wage x 30.44 = average monthly wage.”
- NAC 616C.499 states in part: “1. If an injured employee elects to receive an award for a permanent partial disability in a lump sum, he or she must reaffirm the election within 20 days after receiving notification from the insurer pursuant to subsection 2 of NRS 616C.495 before the lump sum will be paid. 2. If an injured employee reaffirms the election within 20 days, the insurer shall make payment to the injured employee: (a) Within 20 days;”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY S.I.**

**Certificate Number  
1743**

August 30, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Dave's Specialty Cars, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: "1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. 2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer's designee... and contain specific answers to all questions required by the regulations of the Administrator;"

**Granite Expo LLC, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616A.480 states in part: "1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days."

**K & B Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616A.480 states in part: "1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days."

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY S.I.**

**Certificate Number  
1743**

August 30, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**K & B Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer’s designee... and contain specific answers to all questions required by the regulations of the Administrator;”

**Los Lupes, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616A.480 states in part: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days.”
- NRS 616C.045 states in part: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer’s designee... and contain specific answers to all questions required by the regulations of the Administrator;”

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Master of Cleaning LLC, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616A.480 states in part: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days.”

**Pierros Landscape & Maintenance LLC, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer’s designee... and contain specific answers to all questions required by the regulations of the Administrator;”

**RMC and S Corp., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer’s designee... and contain specific answers to all questions required by the regulations of the Administrator;”

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Sammy's Pizza N' Pasta LLC, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: "1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. 2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer's designee... and contain specific answers to all questions required by the regulations of the Administrator;"

**Sun City Replacement Windows, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: "1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. 2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer's designee... and contain specific answers to all questions required by the regulations of the Administrator;"

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Tanus Cabinet Design, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer’s designee... and contain specific answers to all questions required by the regulations of the Administrator;”

**Universe Corporation, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.475 states in part: “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

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**ADMINISTRATIVE FINES**

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- One administrative fine, totaling three hundred seventy-five (\$375.00), is being issued to American Family Mutual Insurance Company S.I., for a single violation of NRS 616C.050, for failure to provide claimant with required Rights and Benefits.
- One administrative fine, totaling three hundred seventy-five (\$375.00), is being issued to American Family Mutual Insurance Company S.I., for three violations of NRS 616C.490(2) and (6), for failure to timely schedule two claimants' PPD evaluation appointments and failure to timely provide claimant a PPD award determination.
- One administrative fine, totaling three hundred seventy-five (\$375.00), is being issued to Granite Expo LLC, for a single violation of NRS 616A.480(1), for failure to timely submit Employer's Wage Verification Form (D-8).
- One administrative fine, totaling three hundred seventy-five (\$375.00), is being issued to Los Lupes, Inc., for a single violation of NRS 616A.480(1), for failure to submit Employer's Wage Verification Form (D-8).
- One administrative fine, totaling three hundred seventy-five (\$375.00), is being issued to Master of Cleaning LLC, for two violations of NRS 616A.480(1), for failure to timely submit Employer's Wage Verification Form (D-8) and failure to submit Employer's Report of Injury form (C-3).
- One administrative fine, totaling three hundred seventy-five (\$375.00), is being issued to K & B Inc., for a single violation of NRS 616A.480(1), for failure to submit Employer's Wage Verification Form (D-8).
- One administrative fine, totaling three hundred seventy-five (\$375.00), is being issued to RMC and S Corp., for a single violation of NRS 616C.045(1), for failure to timely submit Employer's Report of Injury form (C-3).
- One administrative fine, totaling three hundred seventy-five (\$375.00), is being issued to Dave's Specialty Cars, Inc., for a single violation of NRS 616C.045(1), for failure to timely submit Employer's Report of Injury form (C-3).



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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

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**BACKGROUND OF PRIVATE CARRIER**

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American Mining Insurance Company changed their name to Berkley Casualty Company effective March 26, 2019. Berkley Casualty Company was certified for workers' compensation insurance in Nevada on November 18, 1999. The claims are self-administered by Berkley Casualty Company located at 5512 South Fort Apache Road, Suite 130, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

- 1) A total of twenty (20) claim files were examined during the audit;
- 2) Timely determination regarding commencement of payment or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of permanent partial disability;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration.

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**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A / OP or UP Total \$ Amount</b>
NAC 616A.480	12	N/A
Improper Forms	20	N/A
NAC 616B.016 (3)(a)(b)	1	N/A
Incorrect Reporting	1	N/A
NAC 616C.082 (1)	1	N/A
Missing Date of Receipt on Document	1	N/A
NAC 616C.088	5	N/A
Missing Documents	5	N/A
NAC 616C.091 (4)	20	N/A
Notice of Determination	20	N/A
NAC 616C.097 (2)	1	N/A
Missing Appeal Rights	1	N/A
NAC 616C.150 (5-6)	1	UP
Incorrect Meal Reimbursement	1	\$2.52
NAC 616C.150 (5-6)	1	OP
Incorrect Lodge Reimbursement	1	\$28.11
NRS 616A.480 (1)	2	N/A
Missing or Untimely D-8 Forms	2	N/A
NRS 616A.480 (1)	2	N/A
Incomplete D-8 Forms	2	N/A
NRS 616C.015	1	N/A
Incomplete C-1 Form	1	N/A
NRS 616C.045 (1-2)	9	N/A
Incomplete or Missing Forms	9	N/A
NRS 616C.065 (1)	3	N/A
Untimely Claim Acceptance	3	N/A

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**FINDINGS (continued)**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A / OP or UP Total \$ Amount</b>
NRS 616C.400 (1) Missing TTD Payment	1	UP \$999.28
NRS 616C.475 (1) Overpayments of TTD Compensation	2	OP \$452.55
NRS 616C.475 (3) Untimely TTD Compensation	2	N/A N/A
NRS 616C.475 (8) Missing Written Offers of Temporary Light-Duty	2	N/A
NRS 616C.490 (2) Untimely Scheduling of PPD Appointment	3	N/A
NRS 616C.490 (7) Overpayment of PPD	1	N/A \$5.62
NRS 616C.136 (1) Untimely Medical Bill Payments	6	N/A
2018 Nevada Medical Fee Schedule Overpayment of Medical Bills	15	N/A
	1	OP
	2	\$2,225.46

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**REQUIRED CORRECTIVE ACTION**

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**Berkley Casualty Company formerly known as American Mining Insurance Company must provide the Workers' Compensation Section with adequate written corrective action plans for the Notices of Correction listed below which clearly shows what action will be taken to ensure that these areas are corrected and will remain so:**

- NAC 616A.480 states in part, "1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation:... (b) D-2, Brief Description of Your Rights and Benefits if You Are Injured on the Job... (hh) D-31, Notice of Intention to Close Claim... (zz) D-53, Alternative Choice of Physician or Chiropractor and Referral to a Specialist." **A response is not required.**
- NAC 616B.016 (3)(a)(b) states, "as used in this section: (a) "Claim for accident benefits only" means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim did not include benefits for a Temporary Total Disability, Temporary Partial Disability or Permanent Total Disability. (b) "Claim for benefits for lost time" means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim included benefits for a Temporary Total Disability, Temporary Partial Disability or Permanent Total Disability."
- NAC 616C.082 (1) states: "An insurer, third-party administrator or organization for managed care shall ensure that the date of receipt of all documents concerning claims that it receives pursuant to chapters 616A to 617, inclusive, of NRS or regulations adopted pursuant thereto is indicated on each such document or maintained in an electronically generated, verifiable report."
- NAC 616C.091 (4) states: "4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number; (b) The name of the employer; (c) The name of the insurer; (d) The name of the third-party administrator, if applicable; (e) The date of the injury; (f) The date of the written notice of determination; (g) Notice that the injured employee may, pursuant to subsection 1 or 3 of NRS 616C.315, request a hearing or appeal the determination within 70 days after the determination is issued by the insurer; and (h) The addresses of the offices of the Hearings Division of the Department of Administration located in Carson City and Las Vegas." **A response is not required.**

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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- NAC 616C.097 (2) states: “2. Any written notice of a determination of an insurer that relates to benefits, other than accident benefits provided by an insurer who has contracted with an organization for managed care, must include at the bottom of the notice a statement in substantially the following form: If you disagree with the above determination, sign, date, and briefly explain on the bottom of this notice the reason for your appeal and return it to the Hearing Officer at the Department of Administration within 70 days after the date on which the notice was mailed by the insurer.”
- NAC 616C.150 (5-6) states: “5. Except as otherwise provided in subsection 6, if an injured employee must travel before 7 a.m. or between 11:30 a.m. and 1:30 p.m. or cannot return to his or her residence or place of employment until after 7 p.m., or any combination thereof, reimbursement for meals required to be purchased must be computed at a rate equal to: (a) That allowed for state employees; or (b) The expense actually incurred by the injured employee for meals, if the injured employee consents to reimbursement at this rate and the expense is not greater than the amount to which the injured employee would otherwise be entitled pursuant to paragraph (a). 6. The insurer shall reimburse an injured employee for his or her expenses of travel if he or she is required to travel 50 miles or more, one way, from his or her residence or place of employment and is required to remain away from the residence or place of employment overnight. Reimbursement must be computed at a rate equal to: (a) The per diem allowance authorized for state employees; or (b) The expenses actually incurred by the injured employee, whichever is less.”
- NRS 616C.400 (1) states in part: “1. Temporary compensation benefits...if the incapacity extends for 5 or more consecutive days, or 5 cumulative days within a 20-day period, compensation must then be computed from the date of the injury.”
- NRS 616C.475 (1) states in part: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage.”

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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- NRS 616C.490 (7) states in part: “7. Each 1 percent of impairment of the whole person must be compensated by a monthly payment:... (d) Of 0.6 percent of the claimant’s average monthly wage for injuries sustained on or after January 1, 2000... Compensation must commence on the date of the injury or the day following the termination of temporary disability compensation, if any, whichever is later, and must continue on a monthly basis for 5 years or until the claimant is 70 years of age, whichever is later.”
- Pursuant to the 2018 Nevada Medical Fee Schedule, providers of health care who treat injured employees pursuant to Chapter 616C of NRS shall use the most recently published editions of, or updates of, the following publications for the billing of workers’ compensation medical treatment: *Relative Values for Physicians (RVP)*.

**Nevada Copper, Inc. is responsible for developing policies and procedures to ensure:**

- NRS 616C.015 states in part: “2. The notice required by subsection 1 must:... (b) Be signed by the injured employee or by a person on behalf of the employee, or in the event of the employee’s death, by one of the dependents of the employee or by a person acting on behalf of the dependent.... 3. Upon receipt of the notice required by subsection 1, the employer, the injured employee’s supervisor or the agent of the employer who was in charge of the type of work or the area where the accident occurred shall sign the notice. The signature of the employer, the supervisor or the employer’s agent is an acknowledgment of the receipt of the notice and shall not be deemed to be a waiver of any of the employer’s defenses or rights.”

**IDEA Drilling, LLC is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 states: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days.

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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**CMC Tire, Inc. is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 states in part: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, indicates that the injured employee is expected to be off work for 5 days or more...”

**Goodfellow Corporation is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 states in part: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, indicates that the injured employee is expected to be off work for 5 days or more...”



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**REQUIRED CORRECTIVE ACTION (*continued*)**

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**Goodfellow Corporation is responsible for developing policies and procedures to ensure (*cont.*):**

- NRS 616A.480 states: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days.”

**Frank Lepori Construction, Inc. is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**Southwest Energy, LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

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**ADMINISTRATIVE FINES**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.065 (1), for failure to timely issue a notice of claim acceptance.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.065 (1), for failure to timely issue a notice of claim acceptance.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.065 (1), for failure to timely issue a notice of claim acceptance.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.400 (1), for failure to issue TTD compensation in a timely manner for the benefit period of 2/7/18 to 2/14/18.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.475 (3), for failure to issue TTD compensation in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.490 (2), for failure to schedule a PPD appointment in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NAC 616B.021, for failure to issue TTD compensation in a timely manner for the benefit period of 2/21/18 to 5/12/18.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NAC 616C.088, for a missing AMW letter.

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**ADMINISTRATIVE FINES (*continued*)**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NAC 616C.088, for a missing medical report.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NAC 616C.088, for a missing PPD appointment letter.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NAC 616C.088, for a missing AMW letter and D-5 Form.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NAC 616C.088, for a missing AMW letter and D-5 Form.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 2/24/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 3/22/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 5/30/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 2/7/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 2/7/18 date of service.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**BERKLEY CASUALTY COMPANY formerly known as AMERICAN  
MINING INSURANCE COMPANY**

**Certificate Number  
1777**

August 22, 2019

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**ADMINISTRATIVE FINES (*continued*)**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 2/21/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 3/21/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 4/23/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 2/21/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 3/5/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 10/10/17 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 2/28/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 4/12/18 date of service.

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DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**BERKLEY CASUALTY COMPANY formerly known as AMERICAN  
MINING INSURANCE COMPANY**

**Certificate Number  
1777**

August 22, 2019

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**ADMINISTRATIVE FINES (*continued*)**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 4/19/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Berkley Casualty Company, for a single violation of NRS 616C.136 (1), for failure to issue payment to the medical provider in a timely manner for the 7/10/18 date of service.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Frank Lepori Construction, Inc., for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Goodfellow Corporation, for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Roadway Company dba: Roadway Towing, for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to IDEA Drilling LLC, for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to IDEA Drilling LLC, for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to IDEA Drilling LLC, for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.

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**BERKLEY CASUALTY COMPANY formerly known as AMERICAN  
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**ADMINISTRATIVE FINES *(continued)***

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to CMC Tire, Inc., for a single violation of NRS 616A.480 (1), for failure to complete the D-8 Form in a timely manner.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Provide the Workers' Compensation Section (WCS), by September 23, 2019, a written response prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY**

**Certificate Number  
1888**

December 10, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Berkshire Hathaway Homestate Insurance Company was certified for workers' compensation insurance in the State of Nevada on May 14, 2010. The claims are administered by Berkshire Hathaway Homestate Insurance Company. During the early part of the audit period, claims were administered by Nelson Davison Administrators located at 1325 Airmotive Way, Suite 250, Reno, NV. On March 12, 2018, claims administration was transferred to the insurer, with claims administration to be at a new office, 5470 Kietzke Lane, Reno, NV. Administration of claims has now been transferred to the Berkshire Hathaway Homestate Insurance Company office located at 871 Coronado Center Drive, Henderson, NV. The Reno office is now closed.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Twenty (20) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY**

**Certificate Number  
1888**

December 10, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616A.480	13	N/A
Forms found missing or unapproved forms found	23	N/A
NAC 616C.082	2	N/A
No date of receipt on documents received	2	
NAC 616C.148	1	N/A
PPD evaluation untimely submitted	1	
NAC 616C.432	1	Unknown
Average monthly wage calculated wrong	1	Uncalculated
NAC 616C.435	1	Unknown
Period used to calculate average monthly wage included date of injury	1	Uncalculated
NAC 616D.311	N/A	N/A
Insurer provided no written policy of compliance with NAC 616D.311 as required	1	
NRS 616B.012	10	N/A
Information in file for other injured workers	10	
NRS 616C.065	2	N/A
Certified mailing of denied claims not documented	2	
NRS 616C.136	4	N/A
Medical provider bills paid late	6	
NRS 616C.235	13	N/A
Required documentation not included with Notice of Intent to Close	13	
NRS 616C.475	7	N/A
TTD paid untimely or erroneously	7	
NRS 616C.475	2	N/A
No written offer of light duty provided	2	



**STATE OF NEVADA  
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**BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY**

**Certificate Number  
1888**

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**FINDINGS (continued)**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616C.490(2)	2	N/A
PPD Evaluations scheduled more than 30 days after receipt of MMI report	2	N/A
NRS 616C.490(6)	1	N/A
PPD evaluation and offer of compensation provided more than 14 days of receipt of report	1	

**REQUIRED CORRECTIVE ACTIONS**

Pursuant to NRS 616D.120(2)(a)

**Berkshire Hathaway Homestate Insurance company, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation...4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NAC 616C.082: “1. An insurer, third-party administrator or organization for managed care shall ensure that all documents concerning claims that it receives pursuant to chapters 616A to 617, inclusive, of NRS or regulations adopted pursuant thereto indicate the date of receipt.”

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY**

**Certificate Number  
1888**

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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- NAC 616C.432: “The average monthly wage will be calculated by multiplying the average daily wage of an employee during a period of earnings by 30.44. The following formulas will be used to compute an average daily wage and an average monthly wage: 1. Gross earnings divided by days in period of earnings = average daily wage. 2. Average daily wage x 30.44 = average monthly wage.”
- NAC 616C.435: “8. The period used to calculate the average monthly wage must consist of consecutive days, ending on the date on which the accident or disease occurred, or the last day of the payroll period preceding the accident or disease if this period is representative of the average monthly wage.”
- NAC 616D.311: “1. Each insurer, organization for managed care, health care provider or third-party administrator shall establish written policies and procedures for the payment of compensation found to be due by a hearing officer, appeals officer, court of competent jurisdiction, written settlement agreement, written stipulation or the Division when carrying out its duties pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS.”
- NRS 616B.012: “1. Except as otherwise provided in this section and NRS 239.0115, 616B.015, 616B.021 and 616C.205, information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person’s identity.”
- NRS 616C.065: “5. The insurer shall notify the claimant or the person acting on behalf of the claimant that a claim has been accepted or denied pursuant to subsection 1 or 2 by: (a) Mailing its written determination to the claimant or the person acting on behalf of the claimant; and (b) If the claim has been denied, in whole or in part, obtaining a certificate of mailing.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY**

**Certificate Number  
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**REQUIRED CORRECTIVE ACTIONS (continued)**

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- NRS 616C.136: “1. Except as otherwise provided in this section, an insurer shall pay or deny a bill for accident benefits received from a provider of health care within 45 calendar days after the insurer or third-party administrator receives the bill. Except as otherwise provided in this section, if the bill for accident benefits is not paid within that period, the insurer shall pay interest to the provider of health care at a rate of interest equal to the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institutions, on January 1 or July 1, as the case may be, immediately preceding the date on which the payment was due, plus 6 percent. The interest must be calculated from 45 calendar days after the date on which the bill is received until the date on which the bill is paid.”
  
- NRS 616C.235: “1. Except as otherwise provided in subsections 2, 3 and 4: (a) When the insurer determines that a claim should be closed before all benefits to which the claimant may be entitled have been paid, the insurer shall send a written notice of its intention to close the claim to the claimant by first-class mail ... The notice must include, on a separate page, a statement describing the effects of closing a claim pursuant to this section ... The closure of a claim pursuant to this subsection is not effective unless notice is given as required by this subsection.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY**

**Certificate Number  
1888**

December 10, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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- NRS 616C.475: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage... 3. If a claim for the period of temporary total disability is allowed, the first payment pursuant to this section must be issued by the insurer within 14 working days after receipt of the initial certification of disability and regularly thereafter... 5. Payments for a temporary total disability must cease when: (a) A physician or chiropractor determines that the employee is physically capable of any gainful employment for which the employee is suited, after giving consideration to the employee’s education, training and experience; (b) The employer offers the employee light-duty employment or employment that is modified according to the limitations or restrictions imposed by a physician or chiropractor pursuant to subsection 7;”
  
- NRS 616C.490: “2. Within 30 days after receiving from a physician or chiropractor a report indicating that the injured employee may have suffered a permanent disability and is stable and rateable, the insurer shall schedule an appointment with a rating physician or chiropractor to determine the extent of the employee's disability.”  
and  
NRS 616C.490: “6. The rating physician or chiropractor shall provide the insurer with his or her evaluation of the injured employee. After receiving the evaluation, the insurer shall, within 14 days, provide the employee with a copy of the evaluation and notify the employee: (a) Of the compensation to which the employee is entitled pursuant to this section; or (b) That the employee is not entitled to benefits for permanent partial disability.”

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY**

**Certificate Number  
1888**

December 10, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Pap-R Products, Inc. is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation: ... 3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

**XL Fire Protection is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation: ... 3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”
- **XL Fire Protection is responsible for developing policies and procedure to ensure compliance with:**
- NRS 616C.475: “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

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Pursuant to NRS 616B.003**

**BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY**

**Certificate Number  
1888**

December 10, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**All American Contractors Inc. is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation: ... 3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”
  
- **American Eagle Ready Mix LLC is responsible for developing policies and procedure to ensure compliance with:**
  
- NRS 616C.475: “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

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**BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY**

**Certificate Number  
1888**

December 10, 2019

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**ADMINISTRATIVE FINES**

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Pursuant to NAC 616D.415(1 or 2) and NRS 616D.120(2)(b)(1)

- One administrative fine, for six hundred (\$600.00), dollars is being issued to Berkshire Hathaway Homestate Insurance Company for multiple violations of NRS 616C.475, for erroneous or untimely payment of temporary total disability compensation.
- Six (6) Injured Workers, Claim: various numbers, Date of Violation: various dates
- One administrative fine, for three hundred seventy-five (\$375.00), dollars is being issued to Berkshire Hathaway Homestate Insurance Company for multiple violations of NRS 616C.490, for late scheduling of permanent partial disability evaluations in two claim files and providing evaluation and offer of compensation more than 14 days after receiving the report for another claim file.
- Three (3) Injured Workers, Claim: various numbers, Date of Violation: various dates

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**CALIFORNIA INSURANCE COMPANY**

**Certificate Number  
1111**

March 1, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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California Insurance Company was certified for workers' compensation insurance in Nevada on August 22, 2006. The claims are administered by Sedgwick CMA, located at 9930 W. Cheyenne Avenue, Suite 150, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2016 through June 30, 2017. The examination focused on the following areas:

1. A total of twenty (20) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.



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**CALIFORNIA INSURANCE COMPANY**

**Certificate Number  
1111**

March 1, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616C.065(1)	2	N/A
Timely Claim Determination	2	
NRS 616C.065(5)(b)	1	N/A
Claim Determination - Denial	1	
NAC 616C.1162(1)	1	N/A
Notice of Request for Medical Examination	1	
NRS 616C.136(1)	2	N/A
Timely Payment of Bill from Medical Provider	4	
NAC 616C.094(1)(2)	3	N/A
Notice of Determination Concerning Request	3	
NRS 616C.097	1	N/A
Notification of Appeal Rights	3	
NAC 616C.435(1)(2)	1	UP
Period Used to Calculate AMW	1	\$1,466.92
NAC 616C.435(1)(5)	1	UP
Period Used to Calculate AMW	1	\$278.55
NRS 616C.475(1)	2	OP \$625.39
Entitlement to TTD	2	UP \$500.04
NRS 616C.475(3)	2	N/A
Timely Payment of TTD – Initial Payment	2	
NAC 616B.021	2	N/A
Timely Payment of TTD	8	
NRS 616C.400	2	UP
Temporary Total Disability (TTD) – Compensation	2	\$859.18

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**CALIFORNIA INSURANCE COMPANY**

**Certificate Number  
1111**

March 1, 2019

**FINDINGS (continued)**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616C.490(2)	1	N/A
Permanent Partial Disability (PPD) – Timely	2	
NRS 616C.490(6)	1	N/A
Timely Notification of PPD Offer	1	
NAC 616C.088(2)	3	N/A
Claim File Contents	3	
NRS 616B.012(1)	2	N/A
Confidentiality	2	
NAC 616C.082(1)	3	N/A
Action on Filings – Date of Receipt	4	
NAC 616C.103(3)	1	N/A
PPD – Rating Requirements	1	
NAC 616C.480(1)(2)	11	N/A
Use of Forms – Required Forms	24	
NAC 616C.520(1)	2	N/A
Form for Inclusion with Compensation	2	
NRS 616C.015	2	N/A
Notice of Injury or Death	2	
NRS 616C.045	13	N/A
Duty of Employer to File Report of Industrial Injury or Occupational Disease	13	

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**CALIFORNIA INSURANCE COMPANY**

**Certificate Number  
1111**

March 1, 2019

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**REQUIRED CORRECTIVE ACTION**

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Sedgwick CMS is responsible for developing policies and procedures to ensure:

- NRS 616C.065(5b)(6), (5) “the insurer shall notify the claimant or the person acting on behalf of the claimant that a claim has been accepted or denied pursuant to subsection 1 or 2 by: (b) If the claim has been denied, in whole or in part, obtaining a certificate of mailing. (6) The failure of the insurer to obtain a certificate of mailing as required by paragraph (b) of subsection 5 shall be deemed to be a failure of the insurer to mail the written determination of the denial of a claim as required by this section.”
- NRS 616B.012(1), “information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal person’s identity.”
- NRS 616C.082(1), the insurer shall ensure that all documents concerning claims that it receives indicate the date of receipt.
- NAC 616C.088(1), the file for each industrial injury or occupational disease must contain the listed documentation.
- The forms adopted pursuant to NAC 616A.480(1) and (2) must be used by each insurer in the administration of claims for workers’ compensation. Also, pursuant to NAC 616A.480 (3), “The forms must be accurately completed, including, without limitation, a signature and a date if required by the form.” Additionally, NAC 616A.480 (4) states: “An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NRS 616C.097, states that any written notice of a determination must include at the bottom of the notice the appropriate appeal rights.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CALIFORNIA INSURANCE COMPANY**

**Certificate Number  
1111**

March 1, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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Sedgwick CMS *(continued)*

- NAC 616C.1162(1), “If an insurer or employer requests that an injured employee who has filed a claim for compensation submit to a medical examination ... the insurer or employer shall notify the injured employee, in writing, of the time and place of the medical examination: (a) At least 10 days before the date of the medical examination, if the employee resides within the state in which the medical examination will be conducted...”
- NAC 616C.520 (1), “each insurer shall include with the initial payment of compensation for temporary total disability a copy of Form D-7, “Explanation of Wage Calculation.”
- NRS 616C.490(6), “The rating physician or chiropractor shall provide the insurer with his or her evaluation of the injured employee. After receiving the evaluation, the insurer shall, within 14 days, provide the employee with a copy of the evaluation and notify the employee: (a) Of the compensation to which the employee is entitled pursuant to this section; or (b) That the employee is not entitled to benefits for permanent partial disability.”
- NAC 616C.103(3), “An insurer shall comply with subsection 2 of NRS 616C.490, within the time prescribed in that subsection for the scheduling of an appointment, by: (a) Requesting a physician or chiropractor from the list of qualified rating physicians and chiropractors designated by the Administrator to evaluate the injured employee and determine the extent of any permanent impairment or, if the injured employee and insurer have agreed to a rating physician or chiropractor pursuant to subsection 2 of NRS 616C.490, by submitting a completed form designated in NAC 616A.480 as D-35, Request for a Rotating Rating Physician or Chiropractor, to the Workers’ Compensation Section within 30 days after the insurer has received the statement from a physician or chiropractor that the injured employee is ratable and stable.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**CALIFORNIA INSURANCE COMPANY**

**Certificate Number  
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March 1, 2019

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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Sedgwick CMS (*continued*)

- NRS 616C.475(1) states in part: Except as otherwise provided in this section, every employee in the employ of an employer, who is injured by accident arising out of and in the course of employment, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage.

DG Partners, LLC (dba Ponderosa Dairies) is responsible for developing policies and procedures to ensure compliance with:

- NRS 616C.045, "...within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility ... an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (2) The report must: ... (c) Contain specific answers to all questions required by the regulations of the Administrator..."

Hangtime Installers, Inc., is responsible for developing policies and procedures to ensure compliance with:

- NRS 616C.045, "...within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility ... an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (2) The report must: ... (c) Contain specific answers to all questions required by the regulations of the Administrator..."

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CALIFORNIA INSURANCE COMPANY**

**Certificate Number  
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March 1, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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HBR Management, Inc., is responsible for developing policies and procedures to ensure compliance with:

- NRS 616C.015, an injured employee must report an accident within 7 days, on a form prescribed by the Administrator and provided by the employer in duplicate, so a copy may be provided to the injured employee. The form must be completed in its entirety and be signed by the injured employee and the employer.
- NRS 616C.045, "...within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility ... an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (2) The report must: ... (c) Contain specific answers to all questions required by the regulations of the Administrator..."

JW Floor Covering, Inc., is responsible for developing policies and procedures to ensure compliance with:

- NRS 616C.045, "...within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility ... an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (2) The report must: ... (c) Contain specific answers to all questions required by the regulations of the Administrator..."

Luna's Construction Clean Up Inc., is responsible for developing policies and procedures to ensure compliance with:

- NRS 616C.045, "...within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility ... an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (2) The report must: ... (c) Contain specific answers to all questions required by the regulations of the Administrator..."

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**CALIFORNIA INSURANCE COMPANY**

**Certificate Number  
1111**

March 1, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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Moss Management Services, Inc., is responsible for developing policies and procedures to ensure compliance with:

- NRS 616C.045, "...within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility ... an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (2) The report must: ... (c) Contain specific answers to all questions required by the regulations of the Administrator..."

Peake Development, Inc., is responsible for developing policies and procedures to ensure compliance with:

- NRS 616C.045, "...within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility ... an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (2) The report must: ... (c) Contain specific answers to all questions required by the regulations of the Administrator..."

Shun Fat Supermarket, Inc., is responsible for developing policies and procedures to ensure compliance with:

- NRS 616C.015, an injured employee must report an accident within 7 days, on a form prescribed by the Administrator and provided by the employer in duplicate, so a copy may be provided to the injured employee. The form must be completed in its entirety and be signed by the injured employee and the employer.
- NRS 616C.045, "...within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility ... an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (2) The report must: ... (c) Contain specific answers to all questions required by the regulations of the Administrator..."

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**CALIFORNIA INSURANCE COMPANY**

**Certificate Number  
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March 1, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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Silver State Transport, LLC is responsible for developing policies and procedures to ensure compliance with:

- NRS 616C.045, "...within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility ... an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (2) The report must: ... (c) Contain specific answers to all questions required by the regulations of the Administrator..."

Urata & Sons Concrete, Inc., is responsible for developing policies and procedures to ensure compliance with:

- NRS 616C.045, "...within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility ... an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (2) The report must: ... (c) Contain specific answers to all questions required by the regulations of the Administrator..."



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CALIFORNIA INSURANCE COMPANY**

**Certificate Number  
1111**

March 1, 2019

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**ADMINISTRATIVE FINES**

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- One administrative fine for seven hundred fifty dollars (\$750.00) is being issued to Sedgwick CMS, for a single subsequent violation of NRS 616C.065(1).
- One administrative fine for seven hundred fifty dollars (\$750.00) is being issued to Sedgwick CMS, for a single subsequent violation of NRS 616C.065(1).
- One administrative fine for five hundred dollars (\$500.00) is being issued to Sedgwick CMS, for a single subsequent violation of NRS 616C.490(2).
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single subsequent violation of NRS 616C.136(1).
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single subsequent violation of NRS 616C.136(1).
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single subsequent violation of NRS 616C.136(1).
- One administrative fine for one thousand dollars (\$1000.00) is being issued to Sedgwick CMS, for a single subsequent violation of NAC 616C.094(1)(2).
- One administrative fine for one thousand dollars (\$1000.00) is being issued to Sedgwick CMS, for a single subsequent violation of NAC 616C.094(1)(2).
- One administrative fine for one thousand dollars (\$1000.00) is being issued to Sedgwick CMS, for a single subsequent violation of NAC 616C.094(1)(2).
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single subsequent violation of NAC 616C.435(1)(2).

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
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Pursuant to NRS 616B.003**

**CALIFORNIA INSURANCE COMPANY**

**Certificate Number  
1111**

March 1, 2019

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**ADMINISTRATIVE FINES (*continued*)**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single violation of NRS 616C.475(3).
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single violation of NRS 616C.475(3).
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single violation of NAC 616B.021.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single violation of NAC 616B.021.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single violation of NAC 616B.021.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single violation of NAC 616B.021.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single violation of NRS 616C.400.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single violation of NRS 616C.400.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- TPA and listed employers must provide the Workers' Compensation Section (WCS), by April 3, 2019, a written Plan of Corrective Action prepared specifically with the above Notices of Correction in mind, which clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CLEAR SPRING PROPERTY AND CASUALTY COMPANY**

**Certificate Number  
11126**

June 11, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Clear Spring Property and Casualty Company was certified as a private insurer for workers' compensation in the State of Nevada on March 21, 2001. The claims are administered by Cannon Cochran Management Services, Inc., located at 7251 West Lake Mead Boulevard, Suite 260, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Two (2) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CLEAR SPRING PROPERTY AND CASUALTY COMPANY**

**Certificate Number  
11126**

June 11, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616A.480	1	N/A
Forms provided or not provided	2	
NAC 616C.148	1	N/A
PPD report submitted late.	1	
NRS 616C.475	1	OP
TTD miscalculated	1	\$28.80
NRS 616C.490	1	N/A
PPD evaluation & offer provided late	1	

**REQUIRED CORRECTIVE ACTION**

Pursuant to NRS 616D.120(2)(a)

**Employco USA, Inc., is responsible for developing policies and procedure to ensure compliance with:**

NAC 616A.480(1): The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation:

NAC 616A.480(3): The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CLEAR SPRING PROPERTY AND CASUALTY COMPANY**

**Certificate Number  
11126**

June 11, 2019

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notice of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CONTINENTAL CASUALTY COMPANY**

**Certificate Number  
187**

June 25, 2019

---

**BACKGROUND OF PRIVATE CARRIER**

---

Continental Casualty Company was certified for workers' compensation in the State of Nevada on March 1, 1999. Continental Casualty Company reported they have three (3) third-party administrators (TPAs) for Nevada claims. The claims audited were administered by Gallagher Bassett Services, Inc., located at 4670 S. Fort Apache Road, #250, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Ten (10) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CONTINENTAL CASUALTY COMPANY**

**Certificate Number  
187**

June 25, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616A.480(4)	10	N/A
Files contained non-compliant forms	25	
NAC 616C.583	1	N/A
Required light duty letter not provided	1	
NRS 616C.040	6	N/A
Untimely submission of C-4	6	

**REQUIRED CORRECTIVE ACTIONS**

Pursuant to NRS 616D.120(2)(a)

**Continental Casualty Company, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480 states in part: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
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Pursuant to NRS 616B.003**

**CONTINENTAL CASUALTY COMPANY**

**Certificate Number  
187**

June 25, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Rocky Research LLC, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616C.583 states in part: “1. An offer of employment at light duty to an injured employee by his or her employer must: (a) Be in writing; (b) Be mailed to both the insurer and the injured employee; (c) Include: (1) The net wage to be paid the injured employee; (2) The hours which the injured employee will be expected to work; (3) A reasonable description of the physical requirements of the employment; (4) A reasonable description of the duties the injured employee will be expected to perform; (5) A description of any fringe benefits of the employment; and (6) The geographical location of the employment. 2. If the insurer finds that the actual requirements of the employment at light duty materially differ from the offer of employment and the employer fails to take corrective action, the insurer may provide vocational rehabilitation services. 3. The injured employee must be allowed a reasonable time, not to exceed 7 days after the date the offer of the employment at light duty is made, within which to accept or reject the offer. 4. If the employment at light duty offered to the injured employee is expected to be of limited duration, the employer shall disclose that fact to the injured employee in the offer of employment and state the expected duration. 5. An employer must not offer temporary or permanent employment at light duty which he or she does not then expect to be available to the injured employee as offered.”

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**CONTINENTAL INSURANCE COMPANY (THE)**

**Certificate Number  
188**

May 24, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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The Continental Insurance Company was certified for Workers' Compensation as a private insurer in the State of Nevada on September 17, 2008. The claims are administered by Gallagher Bassett Services, Inc., located at 4670 S. Fort Apache Road, Suite 250, in Las Vegas, NV 89147.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Fifteen (15) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**CONTINENTAL INSURANCE COMPANY (THE)**

**Certificate Number  
188**

May 24, 2019

**FINDINGS**

Violation Brief Description	Number of Files Total # Violations	N/A/OP or UP Total \$ Amount
NRS 616A.480	1	N/A
Untimely D-8 and missing C-3	2	
NRS 616C.040	4	N/A
C-4 forms submitted untimely	4	
NRS 616C.045	3	N/A
C-3 forms provided untimely	3	
NRS 616C.475	1	UP
TTD incorrectly paid	1	\$249.84
NRS 616C.475	1	N/A
Late TTD payment	1	
NAC 616A.480	4	N/A
Incomplete and/or inaccurate forms.	4	
NAC 616A.480	15	N/A
Unauthorized forms	38	
NAC 616C.088	1	N/A
Documentation missing	1	
NAC 616C.091	1	N/A
Determination contained inaccurate claim number	1	
NAC 616C.432	1	N/A
Incorrect AMW calculation	1	

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**CONTINENTAL INSURANCE COMPANY (THE)**

**Certificate Number  
188**

May 24, 2019

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**REQUIRED CORRECTIVE ACTIONS**

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**The Continental Insurance Company, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.475 states in part: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage.”
- NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”
- NAC 616C.088 states in part: “1. Each file of a claim concerning an industrial injury or occupational disease that is maintained by an insurer or third-party administrator must contain... (b) The claim for compensation and any medical report associated with that claim that is issued after the claim is filed with the insurer.”
- NAC 616C.091 states in part: “1. After receipt of a claim for compensation, the insurer or third-party administrator shall give written notice of its determination to accept or deny the claim to the injured employee, the attorney or other authorized representative of the injured employee or his or her dependents and, if the injured employee’s employer is not self-insured, to the injured employee’s employer... 4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number.”

**STATE OF NEVADA  
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**CONTINENTAL INSURANCE COMPANY (THE)**

**Certificate Number  
188**

May 24, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Setup Globe LLC, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616A.480 states in part: "1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days."

**Konami Gaming, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: "1. Within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease."

**Activate Healthcare LLC, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: "1. Within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease."

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
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EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CONTINENTAL INSURANCE COMPANY (THE)**

**Certificate Number  
188**

May 24, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Sofidel America Corp., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “1. Within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease.”

**Quest Events LLC, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480 states in part: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

**Stewart Pulmonary Associates LTD, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

**Hearts International, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480 states in part: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

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Pursuant to NRS 616B.003**

**CONTINENTAL INSURANCE COMPANY (THE)**

**Certificate Number  
188**

May 24, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Clear Capital Holdings, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480 states in part: "4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."

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**ADMINISTRATIVE FINE**

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One administrative fine, totaling three hundred seventy-five dollars (\$375.00) is being issued to The Continental Insurance Company, for violation of NRS 616C.475(1), for Temporary Total Disability underpayment to claimant.

One administrative fine, totaling three hundred seventy-five dollars (\$375.00) is being issued to Setup Globe LLC, for violation of NRS 616A.480(1), for failure to timely submit Employer's Wage Verification Form (D-8) and failure to submit Employer's Report of Injury form (C-3).

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**CRUM & FORSTER INDEMNITY COMPANY**

**Certificate Number  
1497**

July 17, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Crum & Forster Indemnity Company was certified for workers' compensation insurance in Nevada on August 11, 1999. The claims are administered by Broadspire Services, Inc., located at 7997 W. Sahara Avenue #102, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

1. A total of one (1) claim file was examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**CRUM & FORSTER INDEMNITY COMPANY**

**Certificate Number  
1497**

July 17, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616C.045	1	N/A
Duty of Employer to File Report of Industrial Injury or Occupational Disease	1	

**REQUIRED CORRECTIVE ACTION**

Military Deli & Bakery Services, Inc., is responsible for developing policies and procedures to ensure compliance with:

- NRS 616C.045, “within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility..., an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. (3) An employer who files the report required by subsection 1 by electronic transmission shall, upon request, mail to their insurer or third-party administrator the form that contains the original signature of the employer or the employer’s designee. The form must be mailed within 7 days after receiving such request.”

**AGENCY RESPONSE/ENFORCEMENT ACTION**

- Military Deli & Bakery Services, Inc., must provide the Workers’ Compensation Section (WCS), by August 20, 2019, a written Plan of Corrective Action prepared specifically with the above Notice of Correction in mind, which clearly show what action will be taken to assure that these areas are corrected and will remain so.



**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**ELECTRIC INSURANCE COMPANY**

**Certificate Number  
10814**

July 17, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Electric Insurance Company was certified for workers' compensation insurance in the State of Nevada on June 18, 2001. The claims are administered by Sedgwick Claims Management, Inc., located at 9930 West Cheyenne Avenue, Suite 150, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Fourteen (14) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**ELECTRIC INSURANCE COMPANY**

**Certificate Number  
10814**

July 17, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A/OP or UP Total \$ Amount</b>
NRS 616B.012	2	N/A
Misfiled documents	2	
NRS 616C.040	3	N/A
Late claim submission	3	
NRS 616C.065	2	N/A
Late claim determination	2	
NRS 616C.136	2	N/A
Medical bills paid late, without interest	4	
NRS 616C.260 & Medical Fee Schedule	4	OP
Bills paid wrong	4	\$19.25
NRS 616C.490	1	NA
Untimely scheduling of PPD evaluation	1	
NAC 616A.480	7	NA
Required forms not completed or not provided	8	
NAC 616C.583	1	N/A
Written light duty offer not compliant	1	

**STATE OF NEVADA  
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**ELECTRIC INSURANCE COMPANY**

**Certificate Number  
10814**

July 17, 2019

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**REQUIRED CORRECTIVE ACTIONS**

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Pursuant to NRS 616D.120(2)(a)

**Electric Insurance Company, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.065: “1. Except as otherwise provided in NRS 616C.136, within 30 days after the insurer has been notified of an industrial accident, every insurer shall: (a) Accept a claim for compensation, notify the claimant or the person acting on behalf of the claimant that the claim has been accepted and commence payment of the claim; or (b) Deny the claim and notify the claimant or the person acting on behalf of the claimant and the Administrator that the claim has been denied.”
  
- NRS 616C.136: “1. Except as otherwise provided in this section, an insurer shall pay or deny a bill for accident benefits received from a provider of health care within 45 calendar days after the insurer or third-party administrator receives the bill. Except as otherwise provided in this section, if the bill for accident benefits is not paid within that period, the insurer shall pay interest to the provider of health care at a rate of interest equal to the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institutions, on January 1 or July 1, as the case may be, immediately preceding the date on which the payment was due, plus 6 percent. The interest must be calculated from 45 calendar days after the date on which the bill is received until the date on which the bill is paid. ... 6. The payment of interest provided for in this section for a late payment may be waived only if the payment was delayed because of an act of God or another cause beyond the control of the insurer.”

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**ELECTRIC INSURANCE COMPANY**

**Certificate Number  
10814**

July 17, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Electric Insurance Company, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.260: “1. All fees and charges for accident benefits must not: (a) Exceed the amounts usually billed and paid in the State for similar treatment. (b) Be unfairly discriminatory as between persons legally qualified to provide the particular service for which the fees or charges are asked.”

and

All fees and charges for accident benefits must be paid in accordance with the Nevada Medical Fee Schedule.
- NRS 616C.490: “2. Within 30 days after receiving from a physician or chiropractor a report indicating that the injured employee may have suffered a permanent partial disability and is stable and rateable, the insurer shall schedule an appointment with a rating physician or chiropractor to determine the extent of the employee's disability.”

**Nevada Employer, General Electric, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation: ... 3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

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Pursuant to NRS 616B.003**

**ELECTRIC INSURANCE COMPANY**

**Certificate Number  
10814**

July 17, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Nevada Employer, General Electric, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616C.583 states in part: “1. An offer of employment at light duty to an injured employee by his or her employer must: (a) Be in writing; (b) Be mailed to both the insurer and the injured employee; and (c) Include: (1) The net wage to be paid the injured employee; (2) The hours which the injured employee will be expected to work; (3) A reasonable description of the physical requirements of the employment; (4) A reasonable description of the duties the injured employee will be expected to perform; (5) A description of any fringe benefits of the employment; and (6) The geographical location of the employment.”

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

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Pursuant to NRS 616B.003**

**EMPLOYERS ASSURANCE COMPANY**

**Certificate Number 113385**

November 14, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Employers Assurance Company was certified for workers' compensation insurance on November 8, 2010. The claims are administered by Employers Assurance Company, located at 2550 Paseo Verde Parkway, Suite 100, Henderson, NV 80974.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

1. A total of twenty (20) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Use of proper forms;
6. Claims administration.

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**EMPLOYERS ASSURANCE COMPANY**

**Certificate Number 113385**

November 14, 2019 November 14, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files</b>	<b>N/A / OP or UP</b>
	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616C.015 (2) (b) Untimely claim determination	1	N/A
NRS 616C.045 (1-2) C-3 Form incomplete	5	N/A
NRS 616C.065(1) Untimely claim determination	1	N/A
NRS 616C.475 (1) TTD Overpayment	1	OP \$3.04
NRS 616C.475 (3) Timely Issuance of First TTD Payment	2	N/A
NRS 616C.475 (8) Missing Written Offers of Temporary Light-Duty	2	N/A
NRS 616C.495 (5) PPD Lump Sum Payment	1	UP \$0.94
NRS 616A.480 (1) and (2) Untimely or Incomplete D-8 Forms	7	N/A
NAC 616A.480 (1) Improper Forms	10	N/A
NAC 616C.088 Missing Documents	19	N/A
	12	N/A
	14	N/A

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**EMPLOYERS ASSURANCE COMPANY**

**Certificate Number 113385**

November 14, 2019

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**REQUIRED CORRECTIVE ACTION**

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**Employers Assurance Company is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (1) states, "Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage."
- NRS 616C.475 (3) states: "If a claim for the period of temporary total disability is allowed, the first payment pursuant to this section must be issued by the insurer within 14 working days after receipt of the initial certification of disability and regularly thereafter."
- NRS 616C. 495 (5) states, "The lump sum payable must be equal to the present value of the compensation awarded, less any advance payment or lump sum previously paid. The present value must be calculated using monthly payments in the amounts prescribed in subsection 7 of NRS 616C.490 and actuarial annuity tables adopted by the Division."
- NAC 616A.480 (1) and (4) states: "1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation...4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."
- NAC 616C.088 states in part: "Each file of a claim concerning an industrial injury or occupational disease that is maintained by an insurer or third-party administrator must contain: ..."



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**EMPLOYERS ASSURANCE COMPANY**

**Certificate Number 113385**

November 14, 2019

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**REQUIRED CORRECTIVE ACTION (Continued)**

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**Randazzo, Chris (Individual) is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) and (2) states: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days. 2. If an employer fails to comply with the provisions of subsection 1, the Administrator shall impose a fine of not more than \$1,000 for each failure to comply.
  
- NAC 616A.480 (1) and (4) states: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation...4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

**Miramac Corp. is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) and (2) states: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days. 2. If an employer fails to comply with the provisions of subsection 1, the Administrator shall impose a fine of not more than \$1,000 for each failure to comply.

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**EMPLOYERS ASSURANCE COMPANY**

**Certificate Number 113385**

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**REQUIRED CORRECTIVE ACTION (Continued)**

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- NAC 616A.480 (1) and (4) states: “1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

**The White Girl LLC Drinkwater is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) and (2) states: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days. 2. If an employer fails to comply with the provisions of subsection 1, the Administrator shall impose a fine of not more than \$1,000 for each failure to comply.
- NAC 616A.480 (1) and (4) states: “1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

November 14, 2019

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**EMPLOYERS ASSURANCE COMPANY**

**Certificate Number 113385**

**REQUIRED CORRECTIVE ACTION (Continued)**

**Accurate Building Maintenance is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) and (2) states: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days. 2. If an employer fails to comply with the provisions of subsection 1, the Administrator shall impose a fine of not more than \$1,000 for each failure to comply.
- NAC 616A.480 (1) and (4) states: “1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

**Gastroenterology Consultants is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) and (2) states: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days. 2. If an employer fails to comply with the provisions of subsection 1, the Administrator shall impose a fine of not more than \$1,000 for each failure to comply. (NC-0012-998)

November 14, 2019

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**EMPLOYERS ASSURANCE COMPANY**

**Certificate Number 113385**

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**REQUIRED CORRECTIVE ACTION (Continued)**

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**Yost, Barry & Iris is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) and (2) states: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days. 2. If an employer fails to comply with the provisions of subsection 1, the Administrator shall impose a fine of not more than \$1,000 for each failure to comply.

**8 Force Holding LLC is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) and (2) states: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days. 2. If an employer fails to comply with the provisions of subsection 1, the Administrator shall impose a fine of not more than \$1,000 for each failure to comply.
- NAC 616A.480 (1) and (4) states: “1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

November 14, 2019

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**REQUIRED CORRECTIVE ACTION (Continued)**

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**STATE OF NEVADA  
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**EMPLOYERS ASSURANCE COMPANY**

**Certificate Number 113385**

**Today Furniture LLC is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: "1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."

**Auto Specialist Boulder is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: "1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."

**FRSCO Corporation is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: "1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."

November 14, 2019

**REQUIRED CORRECTIVE ACTION (Continued)**

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**EMPLOYERS ASSURANCE COMPANY**

**Certificate Number 113385**

**Maury Abrams LLC is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: "1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."

**Tolsa West Coast Corp. is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: "1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."
- NRS 616C.015 (2) (b) states, "2. The notice required by subsection 1 must: (b) Be signed by the injured employee or by a person on behalf of the employee, or in the event of the employee's death, by one of the dependents of the employee or by a person acting on behalf of the dependent."
- NRS 616C.475 (8) states, "If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee's accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer."

November 14, 2019

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**ADMINISTRATIVE FINES**

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**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**EMPLOYERS ASSURANCE COMPANY**

**Certificate Number 113385**

One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Employers Assurance Company, for a single violation of NRS 616C.065 (1) (a), for failure to accept the claim in a timely manner.

One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to The White Girls LLC, for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.

One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sun City Anthem Community Association, for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.

One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Yost, Barry & Iris, PTNR, for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.

Two administrative fines for seven hundred fifty dollars (\$750.00) are being issued to Reno Vulcanizing Works, Inc., for a two violations of NRS 616C.045, for failure to complete the C-3 Forms in a timely manner.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Provide the Workers' Compensation Section (WCS), by December 17, 2019, a written response, prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**EMPLOYERS COMPENSATION INSURANCE COMPANY**

**Certificate Number 100892**

November 21, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Employers Compensation Insurance Company was certified for workers' compensation insurance on August 29, 2007. The claims are administered by Employers Compensation Insurance Company, located at 2550 Paseo Verde Parkway, Suite 100, Henderson, NV 80974.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

1. A total of eighteen (18) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

November 21, 2019



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**EMPLOYERS COMPENSATION INSURANCE COMPANY**

**Certificate Number 100892**

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files</b>	<b>N/A / OP or UP</b>
	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616A.480 (1) and (2)	3	N/A
Untimely or Incomplete D-8 Forms	3	N/A
NAC 616A.480 (1) and (4)	13	N/A
Outdated forms	35	N/A
NRS 616C.015 (1) and (2) (b)	9	N/A
Missing or Untimely C-1 Form	9	N/A
NRS 616C.045 (1-2)	3	N/A
C-3 Form incomplete	3	N/A
NRS 616C.475 (8)	2	N/A
Missing Written Offers of Temporary Light-Duty	2	N/A
NRS 616C.490 (2)	1	N/A
Untimely schedule of PPD appointment	1	N/A
NRS 616C.490 (6)	1	N/A
Untimely offer of PPD Award	1	N/A
NRS 616C.495 (5)	2	N/A
PPD Award Lump Sum	2	N/A
NAC 616C.088	2	N/A
Missing Documents	4	N/A
NAC 616C.435 (5)	1	UP
Average monthly wage	1	\$9.55
NAC 616C.502	1	OP
Present day value	1	\$5.55

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**EMPLOYERS COMPENSATION INSURANCE COMPANY**

**Certificate Number 100892**

November 21, 2019

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**REQUIRED CORRECTIVE ACTION**

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**Employers Compensation Insurance Company is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation... “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NRS 616C.490 (2) and (6) states: “2. Within 30 days after receiving from a physician or chiropractor a report indicating that the injured employee may have suffered a permanent disability and is stable and ratable, the insurer shall schedule an appointment with the rating physician or chiropractor selected pursuant to this subsection to determine the extent of the employee’s disability. Unless the insurer and the injured employee otherwise agree to a rating physician or chiropractor...6. The rating physician or chiropractor shall provide the insurer with his or her evaluation of the injured employee. After receiving the evaluation, the insurer shall, within 14 days, provide the employee with a copy of the evaluation and notify the employee.”
- NRS 616C.495 (5) states: “The lump sum payable must be equal to the present value of the compensation awarded, less any advance payment or lump sum previously paid. The present value must be calculated using monthly payments in the amounts prescribed in subsection 7 of [NRS 616C.490](#) and actuarial annuity tables adopted by the Division. The tables must be reviewed annually by a consulting actuary and must be adjusted accordingly on July 1 of each year by the Division...”
- NAC 616C.088 states in part: “Each file of a claim concerning an industrial injury or occupational disease that is maintained by an insurer or third-party administrator must contain: ...”

**STATE OF NEVADA  
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**EMPLOYERS COMPENSATION INSURANCE COMPANY**

**Certificate Number 100892**

November 21, 2019

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**REQUIRED CORRECTIVE ACTION (Continued)**

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- NAC 616C.435 (5) states: “If information concerning payroll is unavailable for a period of at least 4 weeks, average earnings must be projected using the rate of pay on the date of the accident or illness and the projected working schedule of the injured employee.”
- NRS 616C.502 states: “The factors in the following table must be applied whenever present value is computed to make a lump-sum payment for an award for a permanent partial disability. The determination of the age of an injured employee must be made by subtracting the birthdate of the injured employee from the date of the request by the injured employee for a lump-sum payment. Only the month and year may be used in the determination.”
- NRS 616A.480 (1) and (2) states: “Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days...2. If an employer fails to comply with the provisions of subsection 1, the Administrator shall impose a fine of not more than \$1,000 for each failure to comply.”
- NAC 616A.480 (1) and (4) states: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation... “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

November 21, 2019

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**EMPLOYERS COMPENSATION INSURANCE COMPANY**

**Certificate Number 100892**

**REQUIRED CORRECTIVE ACTION (Continued)**

**Stagecoach Hotel & Casino is responsible for developing policies and procedures to ensure:**

- NRS 616C.015 (1) states: "1. An employee or, in the event of the employee's death, one of the dependents of the employee, shall provide written notice of an injury that arose out of and in the course of employment to the employer of the employee as soon as practicable, but within 7 days after the accident."

**Montroy Supply Company is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) and (2) states: "Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days...2. If an employer fails to comply with the provisions of subsection 1, the Administrator shall impose a fine of not more than \$1,000 for each failure to comply."
- NAC 616A.480 (1) and (4) states: "1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation... "4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."
- NRS 616C.015 (2) (b) states: "2. The notice required by subsection 1 must: (b) Be signed by the injured employee or by a person on behalf of the employee, or in the event of the employee's death, by one of the dependents of the employee or by a person acting on behalf of the dependent."

November 21, 2019

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**EMPLOYERS COMPENSATION INSURANCE COMPANY**

**Certificate Number 100892**

**REQUIRED CORRECTIVE ACTION (Continued)**

**Reno Furniture LLC is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: “1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NRS 616C.015 (1) states: “1. An employee or, in the event of the employee’s death, one of the dependents of the employee, shall provide written notice of an injury that arose out of and in the course of employment to the employer of the employee as soon as practicable, but within 7 days after the accident.”

**Scougal Rubber Co. is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: “1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NRS 616C.015 (2) (b) states: “2. The notice required by subsection 1 must: (b) Be signed by the injured employee or by a person on behalf of the employee, or in the event of the employee’s death, by one of the dependents of the employee or by a person acting on behalf of the dependent.” (NC-0013-066)

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**STATE OF NEVADA  
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**EMPLOYERS COMPENSATION INSURANCE COMPANY**

**Certificate Number 100892**

**REQUIRED CORRECTIVE ACTION (Continued)**

**Marketon Inc. is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: “1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**Hotspur Resort Nevada LTD is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: “1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NRS 616C.015 (1) states: “1. An employee or, in the event of the employee’s death, one of the dependents of the employee, shall provide written notice of an injury that arose out of and in the course of employment to the employer of the employee as soon as practicable, but within 7 days after the accident.”

November 21, 2019

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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**EMPLOYERS COMPENSATION INSURANCE COMPANY**

**Certificate Number 100892**

**REQUIRED CORRECTIVE ACTION (Continued)**

**Collection Service of Nevada is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: “1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NRS 616C.015 (1) states: “1. An employee or, in the event of the employee’s death, one of the dependents of the employee, shall provide written notice of an injury that arose out of and in the course of employment to the employer of the employee as soon as practicable, but within 7 days after the accident.”

**MBP Enterprises is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1) and (4) states: “1. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

November 21, 2019

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**EMPLOYERS COMPENSATION INSURANCE COMPANY**

**Certificate Number 100892**

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**REQUIRED CORRECTIVE ACTION (Continued)**

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**Aldapes Marketplace Inc is responsible for developing policies and procedures to ensure:**

- NRS 616C.015 (1) states: "1. An employee or, in the event of the employee's death, one of the dependents of the employee, shall provide written notice of an injury that arose out of and in the course of employment to the employer of the employee as soon as practicable, but within 7 days after the accident."

**Best Time RV Inc is responsible for developing policies and procedures to ensure:**

- NRS 616C.015 (1) states: "1. An employee or, in the event of the employee's death, one of the dependents of the employee, shall provide written notice of an injury that arose out of and in the course of employment to the employer of the employee as soon as practicable, but within 7 days after the accident."

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**ADMINISTRATIVE FINES**

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Two administrative fines for seven hundred and fifty dollars (\$750.00) is being issued to Reno Furniture LLC, for two violations of NRS 616C.045 (1), for failure to complete the C-3 Form in a timely manner.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Provide the Workers' Compensation Section (WCS), by December 24, 2019, a written response, prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**EMPLOYERS PREFERRED INSURANCE COMPANY**

**Certificate Number 111020**

November 8, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Employers Preferred Insurance Company was certified for workers' compensation insurance on April 12, 2010. The claims are administered by Employers Preferred Insurance Company, located at 2550 Paseo Verde Parkway, Suite 100, Henderson, NV 89074-7129.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

1. A total of eighteen (18) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA  
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**EMPLOYERS PREFERRED INSURANCE COMPANY**

**Certificate Number 11020**

November 8, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A / OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616A.480 (1)	11	N/A
Improper Forms	11	N/A
NAC 616C.088	2	N/A
Missing Documents	3	N/A
NAC 616C.150 (1) & (4)(a)	1	UP
Underpayment of Mileage Reimbursement	3	\$156.75
NAC 616C.432 (1-2)	1	UP
Incorrect AMW Resulting in Underpayment of TTD	1	\$788.88
NAC 616C.432 (1-2) & NAC 616C.435 (4) & (9)	1	UP
Incorrect AMW Resulting in Underpayment of PPD	1	\$1796.10
NRS 616A.480 (1)	6	N/A
Untimely or Incomplete D-8 Forms	8	N/A
NRS 616C.045	3	N/A
Missing or Incomplete C-3 Forms	3	N/A
NRS 616C.015 (2) (b) (2)	2	N/A
Incomplete C-1 Forms	2	N/A
NRS 616A.480 (4)	9	N/A
Multiple Outdated Forms	22	N/A

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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**EMPLOYERS PREFERRED INSURANCE COMPANY**

**Certificate Number 11020**

November 8, 2019

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**REQUIRED CORRECTIVE ACTION**

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**Employers Preferred Insurance Company is responsible for developing policies and procedures to ensure:**

- NAC 616C.432 (1-2) states: “the average monthly wage (AMW) will be calculated by multiplying the average daily wage of an employee during a period of earnings by 30.44. The following formulas will be used to compute an average daily wage and an average monthly wage: Gross earnings divided by days in period of earnings = average daily wage. Average daily wage x 30.44 = average monthly wage.”
- NAC 616A.480 (1) states: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation...”
- NAC 616A.480 (4) states: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NAC 616C.150 (1) and (4) (a) states: “1. The insurer shall reimburse an injured employee for the cost of transportation to and from the place where the injured employee receives health care if he or she is required to travel 20 miles or more, one way, from the injured employee’s: (a) Residence to the place where he or she receives health care; or (b) Place of employment to the place where he or she receives health care if the care is required during his or her normal working hours... 4. Except as otherwise provided in subsection 6, reimbursement for the cost of transportation must be computed at a rate equal to: (a) The mileage allowance for state employees who use their personal vehicles for the convenience of the State...”

**STATE OF NEVADA  
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**EMPLOYERS PREFERRED INSURANCE COMPANY**

**Certificate Number 11020**

November 8, 2019

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**REQUIRED CORRECTIVE ACTION (Continued)**

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- NAC 616C.088 states in part: "Each file of a claim concerning an industrial injury or occupational disease that is maintained by an insurer or third-party administrator must contain: ..."

**Beatty Library Districts is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) states: "1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days."

**Harrington, Charles dba 7-11 is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) states: "1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days."

**Westway Hospitality LLC is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) states: "1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days."

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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**EMPLOYERS PREFERRED INSURANCE COMPANY**

**Certificate Number 11020**

November 8, 2019

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**REQUIRED CORRECTIVE ACTION (Continued)**

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**Wanigasekera, Oriel (IND) is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) states: "1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days."

**VINH HIEP LOI LLC is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) states: "1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days."

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**ADMINISTRATIVE FINES**

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One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Apollo Capital LLC., for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.

One administrative fine for three hundred seventy five dollars (\$375.00) is being issued to DOS Dogs, LLC, for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.

One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Seco Group, Inc., for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
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**EMPLOYERS PREFERRED INSURANCE COMPANY**

**Certificate Number 11020**

November 8, 2019

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Provide the Workers' Compensation Section (WCS), by December 11, 2019, a written response, prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**FIREMAN'S FUND INSURANCE COMPANY**

**Certificate Number 249**

January 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Fireman's Fund Insurance Company was certified for workers' compensation insurance in Nevada on July 1, 1999. The claims are administered by Broadspire Services, Inc. located at 7997 West Sahara Avenue, Suite 102, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2016 through June 30, 2017. The examination focused on the following areas:

1. A total of four claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**FIREMAN'S FUND INSURANCE COMPANY**

**Certificate Number 249**

January 15, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A /OP or UP Total \$ Amount</b>
NAC 616B.016(3)(a-b) Claims erroneously reported	1 1	N/A
NRS 616A.480(1) Employer non-response for mandated form	2 2	N/A
NRS 616C.475(8) Written Light-Duty Job Offer	1 1	N/A
NAC 616A.480(4) Use of altered forms	3 3	N/A
NRS 616C.045(2)(a-b) Incomplete C-3 Forms	4 4	N/A

**REQUIRED CORRECTIVE ACTION**

**Fireman's Fund Insurance Company is responsible for developing policies and procedures to ensure compliance with:**

- NAC 616B.016(3)(a-b) states: "As used in this section: (a) "Claim for accident benefits only" means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim did not include benefits for a temporary total disability, temporary partial disability or permanent total disability. (b) "Claim for benefits for lost time" means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim included benefits for a temporary total disability, temporary partial disability or permanent total disability."



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**FIREMAN'S FUND INSURANCE COMPANY**

**Certificate Number 249**

January 15, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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**Broadspire Services Inc. is responsible for developing policies and procedures to ensure compliance with:**

- NAC 616A.480(4) states: "4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."

**International Market Centers Inc. is responsible for developing policies and procedures to ensure compliance with:**

- NRS 616C.475 (8) states, "If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee's accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer."

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**ADMINISTRATIVE FINES**

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- Three administrative fines totaling one thousand one hundred twenty-five dollars (\$1,125.00) are being issued to International Market Centers Inc., for three violations of NRS 616A.480(1), for failure to complete and return a blank form within six working days.
- Four administrative fines totaling one thousand five hundred dollars (\$1,500.00) are being issued to International Market Centers Inc., for multiple violations of NRS 616C.045(2)(a-c), for failure to complete a mandated form.

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**FIREMAN'S FUND INSURANCE COMPANY**

**Certificate Number 249**

January 15, 2019

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Provide the Workers' Compensation Section (WCS), by February 18, 2019 a written response, prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

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**GREAT AMERICAN INSURANCE COMPANY OF NEW YORK**

**Certificate Number  
65**

November 6, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Great American Insurance Company of New York was certified for Workers' Compensation as a private insurer in the State of Nevada on July 1, 1999. The claims are administered by Sedgwick Claims Management Services, Inc., located at 9930 W. Cheyenne Avenue, Suite 150, in Las Vegas, Nevada 89129.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Ten (10) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

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**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616C.040 C-4 forms submitted untimely	2 2	N/A
NRS 616C.050 Failed to provide Rights & Benefits to claimant	9 9	N/A
NRS 616C.065 Untimely claim determination	1 1	N/A
NRS 616C.475 TTD calculated incorrectly	1 1	OP \$56.25
NRS 616C.475 TTD paid untimely	1 1	N/A
NRS 616D.120 Stipulated settlement paid untimely	1 1	N/A
NAC 616A.480 Unauthorized, incomplete and/or missing forms	9 20	N/A
NAC 616C.148 PPD Evaluation submitted untimely	1 1	N/A

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**GREAT AMERICAN INSURANCE COMPANY OF NEW YORK**

**Certificate Number  
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November 6, 2019

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**REQUIRED CORRECTIVE ACTIONS**

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Pursuant to NRS 616D.120(2)(a)

**Great American Insurance Company of New York, is responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NRS 616C.050 states in part: “1. An insurer shall provide to each claimant... (b) A statement which contains information concerning the claimant’s right to: (1) Receive the information and forms necessary to file a claim; (2) Select a treating physician or chiropractor and an alternative treating physician or chiropractor in accordance with the provisions of NRS 616C.090; (3) Request the appointment of the Nevada Attorney for Injured Workers to represent the claimant before the appeals officer; (4) File a complaint with the Administrator; (5) When applicable, receive compensation for: (I) Permanent total disability; (II) Temporary total disability; (III) Permanent partial disability; (IV) Temporary partial disability; (V) All medical costs related to the claimant’s injury or disease; or (VI) The hours the claimant is absent from the place of employment to receive medical treatment pursuant to NRS 616C.477; (6) Receive services for rehabilitation if the claimant’s injury prevents him or her from returning to gainful employment; (7) Review by a hearing officer of any determination or rejection of a claim by the insurer within the time specified by statute; and (8) Judicial review of any final decision within the time specified by statute. 2. The insurer’s statement must include a copy of the form designed by the Administrator pursuant to subsection 8 of NRS 616C.090 that notifies injured employees of their right to select an alternative treating physician or chiropractor. The Administrator shall adopt regulations for the manner of compliance by an insurer with the other provisions of subsection 1.”
- Pursuant to NRS 616C.065 states in part: “1. Except as otherwise provided in NRS 616C.136, within 30 days after the insurer has been notified of an industrial accident, every insurer shall: (a) Accept a claim for compensation, notify the claimant or the person acting on behalf of the claimant that the claim has been accepted and commence payment of the claim; or (b) Deny the claim and notify the claimant or the person acting on behalf of the claimant and the Administrator that the claim has been denied.”

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**GREAT AMERICAN INSURANCE COMPANY OF NEW YORK**

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Great American Insurance Company of New York, is responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NRS 616C.475 states in part: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage... 3. If a claim for the period of temporary total disability is allowed, the first payment pursuant to this section must be issued by the insurer within 14 working days after receipt of the initial certification of disability and regularly thereafter.”
- Pursuant to NRS 616D.120 states in part: “1. Except as otherwise provided in this section, if the Administrator determines that an insurer, organization for managed care, health care provider, third-party administrator, employer or employee leasing company has... (c) Refused to pay or unreasonably delayed payment to a claimant of compensation or other relief found to be due the claimant by a hearing officer, appeals officer, court of competent jurisdiction, written settlement agreement, written stipulation or the Division when carrying out its duties pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS, if the refusal or delay occurs... (2) Later than 30 days after the date of the decision of a court, hearing officer, appeals officer or the Division, unless a stay has been granted;”

**Pizza Rock LV LLC, is responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Malek Property Management, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

**Great Basin Community Food Cooperative, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

**Sonsray, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

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**Certificate Number  
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November 6, 2019

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**ADMINISTRATIVE FINES**

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Pursuant to NAC 616D.415 and NRS 616D.120

- One administrative fine, totaling nine hundred dollars (\$900.00), is being issued to Great American Insurance Company of New York, for nine violations of NRS 616C.050, for failure to provide claimants with Rights and Benefits (D-2).
- One administrative fine, totaling three hundred seventy-five dollars (\$375.00), is being issued to Great American Insurance Company of New York, for violation of NRS 616D.120, for failure to timely provide claimant with stipulated settlement payment required by Appeals Officer decision.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.



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**GREAT WEST CASUALTY COMPANY**

**Certificate Number  
296**

March 8, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Great West Casualty Company was certified as a private carrier for workers' compensation insurance in the State of Nevada on July 1, 1999. The claims are administered by Associated Risk Management, Inc., located at 1027 S. Carson Street, Carson City, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Eight (8) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

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**GREAT WEST CASUALTY COMPANY**

**Certificate Number  
296**

March 8, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A/OP or UP Total \$ Amount</b>
NAC 616A.480(1) Two employers did not use proper forms	2 2	NA
NAC 616A.480(4) TPA use of unapproved forms	8 15	NA
NRS 616C.045(1-2) Employer untimely filed C-3	1 1	NA
NRS 616C.155(1) Insurer paid compensation before it was required (no certification of disability in file when paid)	1 1	NA

**REQUIRED CORRECTIVE ACTIONS**

Pursuant to NRS 616D.120(2)(a)

**Eagle Express Lines, Inc. is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480: 1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation:

**Hoovestol, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480: 1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation:

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**High Plains Services LLC is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045: 1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator;
- (b) Be signed by the employer or the employer's designee;
- (c) Contain specific answers to all questions required by the regulations of the Administrator; and
- (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, indicates that the injured employee is expected to be off work for 5 days or more.

**Great West Casualty Company and Associated Risk Management, Inc., are responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.155: 1. An insurer shall not provide compensation to or for an employee or the dependents of the employee before the compensation is required to be paid pursuant to the provisions of chapters 616A to 616D, inclusive, of NRS.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the

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Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

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**GUIDEONE MUTUAL INSURANCE COMPANY**

**Certificate Number  
543**

August 2, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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GuideOne Mutual Insurance Company was certified for workers' compensation insurance in Nevada on July 1, 1999. The claims are administered by Corvel Enterprise Comp, Inc., located at 101 Convention Center Drive #675, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

1. A total of one (1) claim file was examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

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**GUIDEONE MUTUAL INSURANCE COMPANY**

**Certificate Number  
543**

August 2, 2019

<b>FINDINGS</b>
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<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616B.016(1)(a)	1	N/A
Claims Reporting	1	
NAC 616A.480(4)(6)	1	N/A
Use of Proper Forms – Altered and/or Insurer/TPA to Provide Forms	1	

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**GUIDEONE MUTUAL INSURANCE COMPANY**

**Certificate Number  
543**

August 2, 2019

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**REQUIRED CORRECTIVE ACTION**

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GuideOne Mutual Insurance Company is responsible for developing policies and procedures to ensure:

- NAC 616A.480 (4) (6) states: “An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. ... (6) Each insurer or third-party administrator is responsible for printing and distributing all other form listed in this section...”

Corvel Enterprise Comp, Inc., is responsible for developing policies and procedures to ensure:

- NAC 616A.480 (4) (6) states: “An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator. ... (6) Each insurer or third-party administrator is responsible for printing and distributing all other form listed in this section...”
- NAC 616B.016 (1) (a) states: “Upon the request of the Administrator, each insurer shall file a report with the Administrator 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 for accident benefits only that were accepted by the insurer. (3) The number of claims for benefits for lost time that were accepted by the insurer. (4) The number of compensable fatalities. (5) The number of claims that were denied by the insurer.”

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Insurer and TPA must provide the Workers' Compensation Section (WCS), by September 5, 2019 a written Plan of Corrective Action prepared specifically with the above Notices of Correction in mind, which clearly show what action will be taken to assure that these areas are corrected and will remain so.

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**HARTFORD FIRE INSURANCE COMPANY**

**Certificate Number  
309**

August 9, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Hartford Fire Insurance Company was certified for workers' compensation insurance in Nevada on July 1, 1999. The claims are self-administered and their office located at 9275 West Russell Road, Suite 205, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

- 1) A total of ten (10) claim files were examined during the audit;
- 2) Timely determination regarding commencement of payment or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of permanent partial disability;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration.



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**HARTFORD FIRE INSURANCE COMPANY**

**Certificate Number  
309**

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**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A / OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616A.480 (1)	10	N/A
Improper Forms	23	N/A
NAC 616C.082 (1)	1	N/A
Missing Date of Receipt on Document	1	N/A
NAC 616C.091 (4)	2	N/A
Denial Determinations	2	N/A
NAC 616C.094	1	N/A
Untimely Response to Written Request	3	N/A
NAC 616C.598 (8)	1	N/A
Untimely TPD Payment	1	N/A
NAC 616C.432 (1-2) & NAC 616C.435 (1)	3	OP
Incorrect AMW Resulting in Overpayments of TTD	3	\$62.03
NRS 616A.480 (1)	2	N/A
Untimely or Incomplete D-8 Forms	4	N/A
NRS 616C.045 (1)	2	N/A
Untimely C-3 Forms	2	N/A
NRS 616C.475 (1)	2	OP
Overpayment in TTD	2	\$760.58
NRS 616C.475 (8)	1	N/A
Untimely Written Offer of Temporary Light-Duty	1	N/A

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**HARTFORD FIRE INSURANCE COMPANY**

**Certificate Number  
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August 9, 2019

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**REQUIRED CORRECTIVE ACTION**

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**Hartford Fire Insurance Company must provide the Workers' Compensation Section with adequate written corrective action plans for the Notices of Correction listed below which clearly shows what action will be taken to ensure that these areas are corrected and will remain so:**

- NAC 616A.480 states in part, "1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation:... (b) D-2, Brief Description of Your Rights and Benefits if You Are Injured on the Job...(d) C-3, Employer's Report of Industrial Injury or Occupational Disease...(i) D-8, Employer's Wage Verification Form...(gg) D-30, Notice of Claim Acceptance...(hh) D-31, Notice of Intention to Close Claim... (zz) D-53, Alternative Choice of Physician or Chiropractor and Referral to a Specialist."
- NAC 616C.082 (1) states: "An insurer, third-party administrator or organization for managed care shall ensure that the date of receipt of all documents concerning claims that it receives pursuant to chapters 616A to 617, inclusive, of NRS or regulations adopted pursuant thereto is indicated on each such document or maintained in an electronically generated, verifiable report." **A response is not required.**
- NAC 616C.091 (4) states: "4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number; (b) The name of the employer; (c) The name of the insurer; (d) The name of the third-party administrator, if applicable; (e) The date of the injury; (f) The date of the written notice of determination; (g) Notice that the injured employee may, pursuant to subsection 1 or 3 of NRS 616C.315, request a hearing or appeal the determination within 70 days after the determination is issued by the insurer; and (h) The addresses of the offices of the Hearings Division of the Department of Administration located in Carson City and Las Vegas." **A response is not required.**
- NAC 616C.432 (1-2) states: "the average monthly wage (AMW) will be calculated by multiplying the average daily wage of an employee during a period of earnings by 30.44. The following formulas will be used to compute an average daily wage and an average monthly wage: Gross earnings divided by days in period of earnings = average daily wage. Average daily wage x 30.44 = average monthly wage."

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**HARTFORD FIRE INSURANCE COMPANY**

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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- NAC 616C.435 (1) states: "1. Except as otherwise provided in this section, a history of earnings for a period of 12 weeks must be used to calculate an average monthly wage."
- NRS 616C.475 (1) states in part: "1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage." **A response is not required.**

**Civilwise Services, Inc. is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1) states: "1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease."

**Eco Electric LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states: "If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee's accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer."

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**HARTFORD FIRE INSURANCE COMPANY**

**Certificate Number  
309**

August 9, 2019

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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**KPVM TV, Inc. is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1) states: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease.”

**B & B Partners Inc. dba Triple Pane Systems is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) states: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**HARTFORD FIRE INSURANCE COMPANY**

**Certificate Number  
309**

August 9, 2019

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**ADMINISTRATIVE FINES**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Hartford Fire Insurance Company, for a single violation of NAC 616C.598 (8), for failure to issue TPD payment in a timely manner.
- Three administrative fines, totaling one thousand one hundred twenty-five dollars (\$1,125.00), are being issued to Hartford Fire Insurance Company, for three violations of NAC 616C.094, for failure to issue determinations to written requests in a timely manner.
- Three administrative fines, totaling one thousand one hundred twenty-five dollars (\$1,125.00), are being issued to KPVM TV, Inc., for three violations of NRS 616A.480 (1), for failure to provide the D-8 Form in a timely manner.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Provide the Workers' Compensation Section (WCS), by September 12, 2019, a written response prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**HARTFORD INSURANCE COMPANY OF THE MIDWEST**

**Certificate Number  
1684**

December 13, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Hartford Insurance Company of the Midwest was certified for workers' compensation insurance in Nevada on July 1, 1999. The claims are self-administered and their office is located at 9275 West Russell Road, Suite 205, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

- 1) A total of ten (10) claim files were examined during the audit;
- 2) Timely determination regarding commencement of payment or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of permanent partial disability;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**HARTFORD INSURANCE COMPANY OF THE MIDWEST**

**Certificate Number  
1684**

December 13, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A / OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616A.480 (1)	9	N/A
Improper Forms	24	N/A
NAC 616B.016 (3)(a)(b)	1	N/A
Incorrect Reporting	1	N/A
NAC 616B.021	1	N/A
Untimely TTD Compensation	1	N/A
NAC 616C.091 (4)	1	N/A
Denial Determinations	1	N/A
NAC 616C.094	2	N/A
Untimely Responses to Written Requests	2	N/A
NAC 616C.129 (2)	2	N/A
Missing Transfer of Care Letters	2	N/A
NAC 616C.598 (8)	2	N/A
Untimely TPD Compensation	3	N/A
NAC 616C.432 (1-2)	1	OP
Incorrect AMW Resulting in Overpayment of TTD	1	\$221.92
NRS 616C.045	4	N/A
Untimely or Missing C-3 Forms	4	N/A
NRS 616C.475 (1)	1	OP
Overpayment in TTD	1	\$1,873.65
NRS 616C.475 (3)	1	N/A
Untimely Initial TTD Compensation	2	N/A
NRS 616C.475 (8)	2	N/A
Missing Written Offers of Temporary Light-Duty	2	N/A
NRS 616C.490 (6)	1	N/A
Untimely PPD Offer	1	N/A
Nevada Medical Fee Schedule	1	OP
Overpayment of Medical Bill	1	\$110.49

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**HARTFORD INSURANCE COMPANY OF THE MIDWEST**

**Certificate Number  
1684**

December 13, 2019

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**REQUIRED CORRECTIVE ACTION**

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- NAC 616A.480 states in part, “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation:...(d) C-3, Employer’s Report of Industrial Injury or Occupational Disease...(r) D-13, Injured Employee’s Right to Reopen a Claim Which Has Been Closed...(gg) D-30, Notice of Claim Acceptance...(hh) D-31, Notice of Intention to Close Claim...(mm) D-36, Request for Additional Medical Information and Medical Release...(zz) D-53, Alternative Choice of Physician or Chiropractor and Referral to a Specialist.” **A response is not required.**
- NAC 616B.016 (3)(a)(b) states, “as used in this section: (a) ‘Claim for accident benefits only’ means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim did not include benefits for a Temporary Total Disability, Temporary Partial Disability or Permanent Total Disability. (b) ‘Claim for benefits for lost time’ means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim included benefits for a Temporary Total Disability, Temporary Partial Disability or Permanent Total Disability.”
- NAC 616C.091 (4) states: “4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number; (b) The name of the employer; (c) The name of the insurer; (d) The name of the third-party administrator, if applicable; (e) The date of the injury; (f) The date of the written notice of determination; (g) Notice that the injured employee may, pursuant to subsection 1 or 3 of NRS 616C.315, request a hearing or appeal the determination within 70 days after the determination is issued by the insurer; and (h) The addresses of the offices of the Hearings Division of the Department of Administration located in Carson City and Las Vegas.”
- NAC 616C.129 (2) states: “2. The insurer shall give written notice to all interested persons of the transfer of an injured employee to a new physician or chiropractor, which must include notice to the injured employee or the attorney or authorized representative of the injured employee of the right to appeal the transfer.”



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**HARTFORD INSURANCE COMPANY OF THE MIDWEST**

**Certificate Number  
1684**

December 13, 2019

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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- NAC 616C.432 (1-2) states: “the average monthly wage (AMW) will be calculated by multiplying the average daily wage of an employee during a period of earnings by 30.44. The following formulas will be used to compute an average daily wage and an average monthly wage: Gross earnings divided by days in period of earnings = average daily wage. Average daily wage x 30.44 = average monthly wage.”
- NRS 616C.475 (1) states in part: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage.”
- Pursuant to the 2017 Nevada Medical Fee Schedule, providers of health care who treat injured employees pursuant to Chapter 616C of NRS shall use the most recently published editions of, or updates of, the following publications for the billing of workers’ compensation medical treatment: *Relative Values for Physicians (RVP)*.

**DGL Salons LLC dba Body Spa Salons is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1) states: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease.”

**Ideasak LLC dba Mint Indian Bistro is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1) states: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**HARTFORD INSURANCE COMPANY OF THE MIDWEST**

**Certificate Number  
1684**

December 13, 2019

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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**Applied Perceptions, LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1) states: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease.”

**Butcher Boy Meat Market, LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states: “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**Evan’s Old Town Grille, LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states: “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**HARTFORD INSURANCE COMPANY OF THE MIDWEST**

**Certificate Number  
1684**

December 13, 2019

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**ADMINISTRATIVE FINES**

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- Three administrative fines, totaling one thousand one hundred twenty-five dollars (\$1,125.00), are being issued to Hartford Insurance Company of the Midwest, for three violations of NAC 616C.598 (8), for failure to issue TPD payment in a timely manner.
- Two administrative fines, totaling seven hundred fifty dollars (\$750.00), are being issued to Hartford Insurance Company of the Midwest, for two violations of NRS 616C.475 (3), for failure to issue TTD payment in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Hartford Insurance Company of the Midwest, for a single violation of NAC 616B.021, for failure to issue TTD payment in a timely manner.
- Two administrative fines, totaling seven hundred fifty dollars (\$750.00), are being issued to Hartford Insurance Company of the Midwest, for two violations of NAC 616C.094 (1), for failure to issue a determination to a written request in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Hartford Insurance Company of the Midwest, for a single violation of NRS 616C.490 (6), for failure to provide the PPD offer in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Quality Plastics, Inc., for a single violation of NRS 616C.045, for failure to provide the completed C-3 Form in a timely manner.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Provide the Workers' Compensation Section (WCS), by January 15, 2020, a written response prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**MILFORD CASUALTY INSURANCE COMPANY**

**Certificate Number  
100334**

December 17, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Milford Casualty Insurance Company, formerly known as Milwaukee Casualty Insurance Company, was certified for workers' compensation insurance in Nevada on February 27, 2008. The claims are administered by AmTrust North America, Inc. and their office is located at 4730 South Fort Apache Road, Suite 250, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

- 1) A total of ten (10) claim files were examined during the audit;
- 2) Timely determination regarding commencement of payment or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of permanent partial disability;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**MILFORD CASUALTY INSURANCE COMPANY**

**Certificate Number  
100334**

December 17, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A / OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616A.480	6	N/A
Improper Forms	17	N/A
NAC 616C.091 (4)	1	N/A
Denial Determination	1	N/A
NAC 616C.129 (2)	2	N/A
Missing Transfer of Care Letters	2	N/A
NRS 616C.015 (3)	1	N/A
Unsigned C-1 Form	1	N/A
NRS 616C.045 (1)	2	N/A
Untimely C-3 Forms	2	N/A
NRS 616C.045 (2)(b)	1	N/A
Unsigned C-3 Form	1	N/A
NRS 616C.045 (2) & NAC 616A.480	1	N/A
Missing D-8 Form	1	N/A
NRS 616C.475 (1)	1	OP
Overpayment in TTD	1	\$57.56
NAC 616B.021 & NRS 616C.475 (3)	2	N/A
Untimely TTD Payment	6	N/A
NRS 616C.475 (8)	1	N/A
Untimely Written Offer of Temporary Light-Duty	1	N/A
NRS 616C.490 (7)	1	UP
Underpayment in PPD	1	\$1.95
NRS 616C.485, 616C.490, 616C.495, and NAC 616C.460 through 616C.508	1	OP
Overpayment in PPD	1	\$101.67
NAC 616C.502	3	OP
Incorrect Present Value Factor resulting in Overpayment	3	\$1.03
NAC 616C.502	1	UP
Incorrect Present Value Factor resulting in Underpayment	1	\$0.20

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**MILFORD CASUALTY INSURANCE COMPANY**

**Certificate Number  
100334**

December 17, 2019

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**REQUIRED CORRECTIVE ACTION**

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**Milford Casualty Insurance Company must provide the Workers' Compensation Section with adequate written corrective action plans for the Notices of Correction listed below which clearly shows what action will be taken to ensure that these areas are corrected and will remain so:**

- NAC 616A.480 states in part, "1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation:...(j) D-9(a), Permanent Partial Disability Award Calculation Worksheet...(m) D-10(a), Election of Method of Payment of Compensation...(o) D-11, Reaffirmation/Retraction of Lump Sum Request...(zz) D-53, Alternative Choice of Physician or Chiropractor and Referral to a Specialist...4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."
- NAC 616C.129 (2) states: "2. The insurer shall give written notice to all interested persons of the transfer of an injured employee to a new physician or chiropractor, which must include notice to the injured employee or the attorney or authorized representative of the injured employee of the right to appeal the transfer."
- NAC 616C.091 (4) states: "4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number; (b) The name of the employer; (c) The name of the insurer; (d) The name of the third-party administrator, if applicable; (e) The date of the injury; (f) The date of the written notice of determination; (g) Notice that the injured employee may, pursuant to subsection 1 or 3 of NRS 616C.315, request a hearing or appeal the determination within 70 days after the determination is issued by the insurer; and (h) The addresses of the offices of the Hearings Division of the Department of Administration located in Carson City and Las Vegas."

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**MILFORD CASUALTY INSURANCE COMPANY**

**Certificate Number  
100334**

December 17, 2019

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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- NRS 616C.475 (1) states in part: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability,  $66 \frac{2}{3}$  percent of the average monthly wage.”
- NRS 616C.490 (7) states in part: “7....Compensation must commence on the date of the injury or the day following the termination of temporary disability compensation, if any, whichever is later, and must continue on a monthly basis for 5 years or until the claimant is 70 years of age, whichever is later.”
- NRS 616C.485, 616C.490, 616C.495, and NAC 616C.460 through 616C.508 outline an injured employee’s entitlement to permanent partial disability compensation and the method for calculation of the permanent partial disability award.
- NAC 616C.502 states: “The factors...must be applied whenever present value is computed to make a lump-sum payment for an award for a permanent partial disability. The determination of the age of an injured employee must be made by subtracting the birthdate of the injured employee from the date of the request by the injured employee for a lump-sum payment. Only the month and year may be used in the determination.”

**Silver State Plastering LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.015 (3) states: “3. Upon receipt of the notice required by subsection 1, the employer, the injured employee’s supervisor or the agent of the employer who was in charge of the type of work or the area where the accident occurred shall sign the notice. The signature of the employer, the supervisor or the employer’s agent is an acknowledgment of the receipt of the notice and shall not be deemed to be a waiver of any of the employer’s defenses or rights.”
- NRS 616C.475 (8) states: “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**MILFORD CASUALTY INSURANCE COMPANY**

**Certificate Number  
100334**

December 17, 2019

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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**Gramly Construction, Inc. is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (2)(b) states: “2. The report must:...(b) Be signed by the employer or the employer’s designee”

**In & Out Paint & Drywall LLC is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 states in part, “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation...(i) D-8, Employer’s Wage Verification Form.”

**Designer Distribution Services LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1) states: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease.”



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**MILFORD CASUALTY INSURANCE COMPANY**

**Certificate Number  
100334**

December 17, 2019

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**ADMINISTRATIVE FINES**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Milford Casualty Insurance Company, for five violations of NAC 616B.021, for failure to issue TTD payments in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Milford Casualty Insurance Company, for a single violation of NAC 616B.021, for failure to issue TTD payment in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to In & Out Paint & Drywall LLC, for a single violation of NRS 616C.045, for failure to complete the C-3 Form in a timely manner.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Provide the Workers' Compensation Section (WCS), by January 21, 2020, a written response prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NATIONAL SURETY CORPORATION**

**Certificate Number  
454**

July 12, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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National Surety Corporation was certified for workers' compensation insurance in Nevada on July 1, 1999. The claims are administered by Broadspire Services, Inc., located at 7997 W. Sahara Avenue #102, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

1. A total of six (6) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NATIONAL SURETY CORPORATION**

**Certificate Number  
454**

July 12, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616C.400	1	UP
Temporary Total Disability (TTD) Benefits	1	*
NAC 616A.480(4)	4	N/A
Use of Proper Forms	7	
NRS 616C.045	6	N/A
Duty of Employer to File Report of Industrial Injury or Occupational Disease	6	
NRS 616A.480	3	N/A
Required Execution of Blank Forms by Employer	6	
NRS 616C.475(8)	1	N/A
Written Light-Duty Job Offer	1	

\* TPA response could not be substantiated. Within thirty days of this report, provide all AMW documentation (D5, D8, AMW determination) along with proof of TTD benefit payment.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NATIONAL SURETY CORPORATION**

**Certificate Number  
454**

July 12, 2019

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**REQUIRED CORRECTIVE ACTION**

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Broadspire Services Inc., is responsible for developing policies and procedures to ensure:

- The forms adopted pursuant to NAC 616A.480(1) and (2) must be used by each insurer in the administration of claims for workers' compensation. Also, pursuant to NAC 616A.480 (3), "The forms must be accurately completed, including, without limitation, a signature and a date if required by the form." Additionally, NAC 616A.480 (4) states: "An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."

Morpheus Technologies, LLC is responsible for developing policies and procedures to ensure:

- NRS 616A.480, "every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) cause it to be filled out properly, (b) Answer fully and correctly all questions . . . and return to the insurer or Administrator, as appropriate, within 6 working days."

Na Hoku Inc. (dba Pearl Factory) is responsible for developing policies and procedures to ensure:

- NRS 616C.475(8), the employer of the employee at the time of the employee's accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer."

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**NATIONAL SURETY CORPORATION**

**Certificate Number  
454**

July 12, 2019

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**ADMINISTRATIVE FINES**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Broadspire Services, Inc., for one violation of NRS 616C.400.
  - One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Morpheus Technologies LLC (dba Morpheus Lights) for one violation of NRS 616C.045.
  - One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Morpheus Technologies LLC (dba Morpheus Lights) for one violation of NRS 616C.045.
  - One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Morpheus Technologies LLC (dba Morpheus Lights) for one violation of NRS 616C.045.
  - One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Morpheus Technologies LLC (dba Morpheus Lights) for one violation of NRS 616C.045.
  - One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Na Hoku Inc. (dba Pearl Factory) for one violation of NRS 616C.045.
  - One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to ReadyLift Suspension for one violation of NRS 616C.045.
- TPA and listed employers must provide the Workers' Compensation Section (WCS), by August 15, 2019, a written Plan of Corrective Action prepared specifically with the above Notices of Correction in mind, which clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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WORKERS' COMPENSATION SECTION  
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**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**

**Certificate Number 456**

March 1, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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National Union Fire Insurance Company of Pittsburgh, PA was certified for workers' compensation insurance in Nevada on July 1, 1999. The claims are administered by AIG Claims Inc. located at 7455 Arroyo Crossing Parkway, Suite 300, Las Vegas, Nevada 89113.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2016 through June 30, 2017. The examination focused on the following areas:

1. A total of sixteen (16) claim files was examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**

**Certificate Number 456**

March 1, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A /OP or UP Total \$ Amount</b>
NAC 616A.435(1)(8)	1	N/A
AMW calculation error	1	
NAC 616A.480(3)	1	TPD OP
Forms completed inaccurately	1	\$1,067.82
NAC 616C.091(4)	2	N/A
Determination notice discrepancies	2	
NRS 616C.065(5)(b)	1	N/A
Certificate of mailing	1	
NAC 616A.480(4)	14	N/A
Use of proper forms	34	
NRS 616C.045(2)	2	N/A
Incomplete C-3 Forms	2	
NRS 616C.065(1)	1	N/A
Untimely claim determination	1	
NAC 616B.013(2)	2	N/A
Claims administrated out of state	2	
NAC 616C.097(2)	1	N/A
Written determination without appeal rights	1	
NAC 616C.094(1)(a-b)	2	N/A
Failure to respond in writing to a written request	2	
NAC 616C.129(2)	1	N/A
Missing transfer of care letter	1	
NAC 616B.021	1	N/A
Untimely TTD payment	1	
NAC 616C.598(8)	1	N/A
Untimely TPD payment	5	
NRS 616C.155(1)	3	N/A
Early payment of compensation benefits	52	

**STATE OF NEVADA  
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**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**

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March 1, 2019

**FINDINGS (continued)**

Violation Brief Description	Number of Files Total # Violations	N/A /OP or UP Total \$ Amount
NRS 616C.490(2) Failure to schedule PPD appointment timely	1	N/A
NRS 616A.480(1) Employer non-response for mandated form	2 5	N/A

**REQUIRED CORRECTIVE ACTION**

**AIG Claims Inc. is responsible for developing policies and procedures to ensure compliance with:**

- Pursuant to NAC 616C.435 (1) and (8), a history of earnings for a period of 12 weeks must be used to calculate the average monthly wage; and the period used must consist of consecutive days, ending on the date on which the accident occurred, or the last date of the payroll period preceding the accident.
- NAC 616A.480(3) states in part: "The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section."
- Pursuant to NAC 616C.091 (4), "4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number; (b) The name of the employer; (c) The name of the insurer; (d) The name of the third-party administrator, if applicable; (e) The date of the injury; (f) The date of the written notice of determination; (g) Notice that the injured employee may, pursuant to subsection 1 or 3 of NRS 616C.315, request a hearing or appeal the determination within 70 days after the determination is issued by the insurer; and (h) The addresses of the offices of the Hearings Division of the Department of Administration located in Carson City and Las Vegas." **Response is not needed.**

March 1, 2019



**STATE OF NEVADA  
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**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**

**Certificate Number 456**

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**REQUIRED CORRECTIVE ACTION (continued)**

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- Pursuant to NRS 616C.065 (5) (b), the insurer shall notify the claimant or the person acting on behalf of the claimant that a claim has been accepted or denied...pursuant to subsection 1 or 2: if a claim has been denied, in whole or in part, obtaining a certificate of mailing.

**Response is not needed.**

- NAC 616A.480(4) and (6) states: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.” “6. Each insurer or third-party administrator is responsible for printing and distributing all other forms listed in this section. The provisions of this subsection do not prohibit an insurer, employer, provider of health care, organization for managed care or third-party administrator from providing any form listed in this section.” **Response is not needed.**

**C&H Concrete LLC is responsible for developing policies and procedures to ensure compliance with:**

- NRS 616C.045(2)(a)(b)(c) states, “The report must be on a form prescribed by the administrator, be signed by the employer or his designee, and contain specific answers to all questions required by the regulations of the administrator ...”

**El Aero Services LLC is responsible for developing policies and procedures to ensure compliance with:**

- NRS 616C.045(2)(a)(b)(c) states, “The report must be on a form prescribed by the administrator, be signed by the employer or his designee, and contain specific answers to all questions required by the regulations of the administrator ...”

March 1, 2019

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**

**Certificate Number 456**

**ADMINISTRATIVE FINES**

- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to AIG Claims Inc. for a single violation of NRS 616C.065(1), for failure to issue a claim determination in a timely manner.
- Two administrative fines totaling seven hundred fifty dollars (\$750.00) is being issued to AIG Claims Inc. for two violations of NAC 616B.013(2), for two claim files administrated out of state.
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to AIG Claims Inc. for a single violation of NAC 616C.097(2), for a written notice of determination without appeal rights.
- Two administrative fines totaling seven hundred fifty dollars (\$750.00) is being issued to AIG Claims Inc. for two violations of NAC 616C.094(1), for failure to respond in writing to a written request.
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to AIG Claims Inc. for a single violation of NAC 616C.129, for failure to give a written notice of a transfer of care with appeal rights.
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to AIG Claims Inc. for a single violation of NAC 616B.021, for payment of TTD after the date due.
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to AIG Claims Inc. for five violations of NAC 616C.598(8), for failure to pay TPD benefits timely.
- Three administrative fines totaling one thousand one hundred twenty-five dollars (\$1,125.00) is being issued to AIG Claims Inc. for fifty-two violations of NRS 616C.155(1), for early payment of compensation benefits.
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to AIG Claims Inc. for a single violation of NRS 616C.490(2), for failure to schedule a rating exam within 30 days of the date an individual is stable and ratable.

March 1, 2019

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**

**Certificate Number 456**

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**ADMINISTRATIVE FINES (continued)**

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- Three administrative fines totaling seven hundred fifty dollars (\$1,125.00) is being issued to Truckee-Carson Irrigation District, for three violations of NRS 616A.480 (1), for failure to complete and return a blank form within six working days.
- Two administrative fines totaling seven hundred fifty dollars (\$750.00) is being issued to C&H Concrete LLC, for two violations of NRS 616A.480 (1), for failure to complete and return a blank form within six working days.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Provide the Workers' Compensation Section (WCS), by April 5, 2019, a written response, prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**NEW HAMPSHIRE INSURANCE COMPANY**

**Certificate Number  
466**

May 17, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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New Hampshire Insurance Company was certified for Workers' Compensation as a private insurer in the State of Nevada on July 1, 1999. The claims are administered by Sedgwick Claims Management Services, Inc., located at 9930 W. Cheyenne Avenue, Suite 150, in Las Vegas, Nevada 89129.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Twenty (20) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**NEW HAMPSHIRE INSURANCE COMPANY**

**Certificate Number  
466**

May 17, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A/OP or UP Total \$ Amount</b>
NRS 616A.480 D-8 form received late	1 1	N/A
NRS 616B.006 Requested documentation not provided by insurer	1 1	N/A
NRS 616B.012 Misfiled documents for another claim	3 4	N/A
NRS 616C.040 C-4 forms submitted untimely	4 4	N/A
NRS 616C.045 Incomplete or Untimely C-3 forms	5 5	N/A
NRS 616C.050 Failed to provide Rights & Benefits to claimant	10 10	N/A
NRS 616C.065 Untimely claim acceptance	1 1	N/A
NRS 616C.136 Provider bills paid incorrectly	2 2	N/A
NRS 616C.475 TTD incorrectly paid	1 1	OP \$258.32
NRS 616C.475 Late TTD payment	2 5	N/A
NRS 616C.475 Employer did not provide light duty letter	2 2	N/A
NRS 616C.490 Untimely scheduling of PPD evaluation	2 2	N/A

**STATE OF NEVADA  
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**NEW HAMPSHIRE INSURANCE COMPANY**

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May 17, 2019

**FINDINGS (continued)**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A/OP or UP Total \$ Amount</b>
NRS 616C.490 Untimely PPD award offer	3 3	N/A
NRS 616C.500 TPD incorrectly paid	1 14	OP \$431.56
NAC 616A.480 Missing forms required by Administration	4 4	N/A
NAC 616A.480 Unauthorized forms and/or inaccurate documentation	18 39	N/A
NAC 616C.088 Documentation missing	1 4	N/A
NAC 616C.094 Delay in response to a written request	2 2	N/A
NAC 616C.148 PPD Evaluation submitted untimely	6 6	N/A
NAC 616C.499 PPD award paid without required documentation	2 3	N/A
NAC 616C.598 Late TPD payment	1 1	N/A

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**NEW HAMPSHIRE INSURANCE COMPANY**

**Certificate Number  
466**

May 17, 2019

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**REQUIRED CORRECTIVE ACTIONS**

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**New Hampshire Insurance Company, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616B.006 states in part: “1. An insurer shall provide to the Administrator upon written request only information in its possession which is necessary for the enforcement of any provision of this chapter or chapter 616A, 616C, 616D or 617 of NRS, or any regulation or standard adopted pursuant thereto, within 30 days after the date of the request.”
- NRS 616B.012 states in part: “1. Except as otherwise provided in this section and NRS 239.0115, 616B.015, 616B.021 and 616C.205, information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person’s identity.”
- NRS 616C.050 states in part: “1. An insurer shall provide to each claimant... (b) A statement which contains information concerning the claimant’s right to: (1) Receive the information and forms necessary to file a claim; (2) Select a treating physician or chiropractor and an alternative treating physician or chiropractor in accordance with the provisions of NRS 616C.090; (3) Request the appointment of the Nevada Attorney for Injured Workers to represent the claimant before the appeals officer; (4) File a complaint with the Administrator; (5) When applicable, receive compensation for: (I) Permanent total disability; (II) Temporary total disability; (III) Permanent partial disability; (IV) Temporary partial disability; (V) All medical costs related to the claimant’s injury or disease; or (VI) The hours the claimant is absent from the place of employment to receive medical treatment pursuant to NRS 616C.477; (6) Receive services for rehabilitation if the claimant’s injury prevents him or her from returning to gainful employment; (7) Review by a hearing officer of any determination or rejection of a claim by the insurer within the time specified by statute; and (8) Judicial review of any final decision within the time specified by statute. 2. The insurer’s statement must include a copy of the form designed by the Administrator pursuant to subsection 8 of NRS 616C.090 that notifies injured employees of their right to select an alternative treating physician or chiropractor. The Administrator shall adopt regulations for the manner of compliance by an insurer with the other provisions of subsection 1.”

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**NEW HAMPSHIRE INSURANCE COMPANY**

**Certificate Number  
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May 17, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

---

**New Hampshire Insurance Company, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.065 states in part: “1. Except as otherwise provided in NRS 616C.136, within 30 days after the insurer has been notified of an industrial accident, every insurer shall: (a) Accept a claim for compensation, notify the claimant or the person acting on behalf of the claimant that the claim has been accepted and commence payment of the claim; or (b) Deny the claim and notify the claimant or the person acting on behalf of the claimant and the Administrator that the claim has been denied.”
- NRS 616C.136 states in part: “2. If an insurer needs additional information to determine whether to pay or deny a bill for accident benefits received from a provider of health care, the insurer shall notify the provider of health care of his or her request for the additional information within 20 calendar days after the insurer receives the bill. The insurer shall notify the provider of health care of all the specific reasons for the delay in paying or denying the bill for accident benefits. Upon the receipt of such a request, the provider of health care shall furnish the additional information to the insurer within 20 calendar days after receiving the request. If the provider of health care fails to furnish the additional information within that period, the provider of health care is not entitled to the payment of interest to which the provider of health care would otherwise be entitled for the late payment of the bill for accident benefits. The insurer shall pay or deny the bill for accident benefits within 20 calendar days after the insurer receives the additional information. Except as otherwise provided in this subsection, if the bill for accident benefits is not paid within that period, the insurer shall pay interest to the provider of health care at the rate set forth in subsection 1. The interest must be calculated from 20 calendar days after the date on which the insurer receives the additional information until the date on which the bill is paid... 4. An insurer shall not pay only a portion of a bill for accident benefits that is fully payable.”
- NRS 616C.475: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability,  $66 \frac{2}{3}$  percent of the average monthly wage.”



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**NEW HAMPSHIRE INSURANCE COMPANY**

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**New Hampshire Insurance Company, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.475 states in part: “3. If a claim for the period of temporary total disability is allowed, the first payment pursuant to this section must be issued by the insurer within 14 working days after receipt of the initial certification of disability and regularly thereafter.”
- NRS 616C.490 states in part: “2. Within 30 days after receiving from a physician or chiropractor a report indicating that the injured employee may have suffered a permanent disability and is stable and ratable, the insurer shall schedule an appointment with the rating physician or chiropractor selected pursuant to this subsection to determine the extent of the employee’s disability.”
- NRS 616C.490 states in part: “6. After receiving the evaluation, the insurer shall, within 14 days, provide the employee with a copy of the evaluation and notify the employee: (a) Of the compensation to which the employee is entitled pursuant to this section; or (b) That the employee is not entitled to benefits for permanent partial disability.”
- NRS 616C.500 states in part: “1. Every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, is entitled to receive for a temporary partial disability the difference between the wage earned after the injury and the compensation which the injured person would be entitled to receive if temporarily totally disabled when the wage is less than the compensation, but for a period not to exceed 24 months during the period of disability.”
- NAC 616C.088 states in part: “1. Each file of a claim concerning an industrial injury or occupational disease that is maintained by an insurer or third-party administrator must contain: (c) All: (5) Except as otherwise provided in subparagraph (2) of paragraph (f), other documents which affect the amount, timing or denial of the payment of compensation.”

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**New Hampshire Insurance Company, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616C.094 states in part: “1. Except as otherwise provided in this section, within 30 days after receipt of a written request relating to a claim made by: (a) An injured employee, an employer, a health care provider or the attorney or other representative of any of them; or (b) A spouse, child or parent of an injured employee who is deceased or incapacitated, the insurer, third-party administrator or organization for managed care shall, in writing, notify the person making the request of its determination concerning the request.”
- NAC 616C.499 states in part: “1. If an injured employee elects to receive an award for a permanent partial disability in a lump sum, he or she must reaffirm the election within 20 days after receiving notification from the insurer pursuant to subsection 2 of NRS 616C.495 before the lump sum will be paid. 2. If an injured employee reaffirms the election within 20 days, the insurer shall make payment to the injured employee: (a) Within 20 days... 3. In offering an award for a permanent partial disability in a lump sum, the insurer shall notify the injured employee that acceptance of the award waives all of his or her rights regarding the claim, including the right to appeal, except the right to reopen the claim and to vocational rehabilitation services.”
- NAC 616C.598 states in part: “8. Compensation for a temporary partial disability must be paid within 14 days after receipt from the injured employee of information regarding his or her wages.”

**Wal-Mart Associates, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616A.480 states in part: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days.”

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**NEW HAMPSHIRE INSURANCE COMPANY**

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466**

May 17, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Wal-Mart Associates, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer’s designee... and contain specific answers to all questions required by the regulations of the Administrator.”
- NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”
- NAC 616A.480 states in part: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

**Healthcare Partners of Nevada LLC, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “1. Within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease.”

**The American Bottling Co., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer’s designee... and contain specific answers to all questions required by the regulations of the Administrator.”

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Pursuant to NRS 616B.003**

**NEW HAMPSHIRE INSURANCE COMPANY**

**Certificate Number  
466**

May 17, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**RTC California, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer’s designee... and contain specific answers to all questions required by the regulations of the Administrator.”

**Rush Truck Centers of Nevada, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.045 states in part: “2. The report must be filed on a form prescribed by the Administrator... be signed by the employer or the employer’s designee... and contain specific answers to all questions required by the regulations of the Administrator.”
- NRS 616C.475 states in part: “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”
- NAC 616A.480 states in part: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation.”

**Express Services, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.475 states in part: “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NEW HAMPSHIRE INSURANCE COMPANY**

**Certificate Number  
466**

May 17, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Express Services, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

**Universal Health Services, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480 states in part: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation.”
- NAC 616A.480 states in part: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

**Cashman Equipment Company, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NAC 616A.480 states in part: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NEW HAMPSHIRE INSURANCE COMPANY**

**Certificate Number  
466**

May 17, 2019

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**ADMINISTRATIVE FINES**

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One administrative fine, totaling one thousand dollars (\$1,000.00), is being issued to New Hampshire Insurance Company, for violation of NRS 616C.050, for failure to provide multiple claimants with Rights and Benefits.

One administrative fine, totaling three hundred seventy-five dollars (\$375.00), is being issued to New Hampshire Insurance Company, for violation of NRS 616C.490(2), for failure to timely schedule claimant's PPD evaluation appointments.

Three administrative fines, totaling one thousand, one hundred twenty-five dollars (\$1,125.00), are being issued to New Hampshire Insurance Company, for five violations of NRS 616C.490(6), for failure to timely provide claimant a PPD award determination.

One administrative fine, totaling three hundred seventy-five dollars (\$375.00), is being issued to New Hampshire Insurance Company, for violation of NAC 616C.094, for failure to timely respond to written request by claimant.

One administrative fine, totaling three hundred seventy-five dollars (\$375.00), is being issued to New Hampshire Insurance Company, for violation of NAC 616C.499, for failure to obtain required documentation before paying PPD lump sum award.

One administrative fine, totaling three hundred seventy-five dollars (\$375.00), is being issued to New Hampshire Insurance Company, for violation of NAC 616C.598(8), for failure to timely pay compensation due to claimant.

One administrative fine, totaling three hundred seventy-five dollars (\$375.00) is being issued to Rush Truck Centers of Nevada, Inc., for violation of NAC 616A.480(1), for failure to submit Employer's Wage Verification form (D-8).

One administrative fine, totaling three hundred seventy-five dollars (\$375.00) is being issued to Universal Health Services, Inc., for violation of NAC 616A.480(1), for failure to submit Employer's Wage Verification form (D-8).

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NEW HAMPSHIRE INSURANCE COMPANY**

**Certificate Number  
466**

May 17, 2019

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NEW YORK MARINE AND GENERAL INSURANCE COMPANY**

**Certificate Number  
1449**

May 10, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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New York Marine and General Insurance Company was certified as a private insurer for Workers' Compensation Insurance in the State of Nevada on October 14, 2011. The claims are administered by Cannon Cochran Management Services, Inc. (CCMSI), located at 7251 W. Lake Mead Blvd., Ste. 260, Las Vegas, NV 89128.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Twenty (20) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NEW YORK MARINE AND GENERAL INSURANCE COMPANY**

Certificate Number  
**1449**

May 10, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616C.040	4	N/A
Late reporting of claims for compensation	4	
NRS 616C.045	5	N/A
Incomplete or unsigned reporting by employers	5	
NAC 616C.435	1	Underpaid
AMW calculation period erroneously included days after date of injury	1	\$2,598.32 Additional payment made using corrected calculation
NAC 616A.480	13	N/A
Use of different forms	13	
NAC 616C.148	1	N/A
PPD evaluation provided late	1	

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NEW YORK MARINE AND GENERAL INSURANCE COMPANY**

**Certificate Number  
1449**

May 10, 2019

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**REQUIRED CORRECTIVE ACTIONS**

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Pursuant to NRS 616D.120(2)(a)

**The Nevada employers listed:**

Elite Golf Management LLC,  
David Saxe Productions LLC,  
Production Support Services,  
Dynamic Scenery & Supply, and  
Consolidated Personnel Services, Inc. (Creative Tent International)

**are responsible for developing policies and procedure to ensure compliance with:**

- **NRS 616C.045** states in part: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator;”

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers’ Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PACIFIC COMPENSATION INSURANCE COMPANY**

**Certificate Number  
98012**

December 23, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Pacific Compensation Insurance Company was certified as a private insurer for workers' compensation in the State of Nevada on May 18, 2007. The claims are administered by Gallagher Bassett Services, Inc., located at 4670 S. Fort Apache Road # 250, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Ten (10) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PACIFIC COMPENSATION INSURANCE COMPANY**

**Certificate Number  
98012**

December 23, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616A.480	9	N/A
Unapproved, incomplete or missing forms	18	
NRS 616C.040	1	N/A
Untimely submission of claim	1	
NRS 616C.475	1	Underpaid
TTD paid incorrectly or untimely	2	\$2,400.13

**REQUIRED CORRECTIVE ACTIONS**

Pursuant to NRS 616D.120(2)(a)

**Pacific Compensation Insurance Company , is responsible for developing policies and procedure to ensure compliance with:**

- **NRS 616C.475(1):** Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage.
- **NRS 616C.475(3):** If a claim for the period of temporary total disability is allowed, the first payment pursuant to this section must be issued by the insurer within 14 working days after receipt of the initial certification of disability and regularly thereafter.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PACIFIC COMPENSATION INSURANCE COMPANY**

**Certificate Number  
98012**

December 23, 2019

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**REQUIRED CORRECTIVE ACTIONS(continued)**

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**Three (3) Nevada Employers, J.A. Sutherland (Taco Bell), Hennessey's Las Vegas, and Cardinale AG Nevada, Inc., are responsible for developing policies and procedures to ensure compliance with:**

- **NAC 616A.480(1 & 3):** 1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation: ... 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 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; ... 3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PACIFIC INDEMNITY COMPANY**

**Certificate Number  
510**

September 12, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Pacific Indemnity Company was certified for Workers' Compensation as a private insurer in the State of Nevada on July 1, 1999. The claims are administered by Gallagher Bassett Services, Inc., located at 4670 S. Fort Apache Road, Suite 250, in Las Vegas, NV 89147.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Ten (10) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**PACIFIC INDEMNITY COMPANY**

**Certificate Number  
510**

September 12, 2019

**FINDINGS**

Violation Brief Description	Number of Files Total # Violations	N/A/OP or UP Total \$ Amount
NRS 616A.480 Untimely D-8 form	1 1	N/A
NRS 616B.012 Misfiled forms for another claim	2 2	N/A
NRS 616C.040 C-4 forms submitted untimely	2 2	N/A
NRS 616C.475 TTD incorrectly paid	2 2	2 Claims OP Total = \$753.60
NRS 616C.475 Missing and/or untimely light duty letter	2 2	N/A
NRS 616C.500 TPD incorrectly paid	1 3	OP = \$12.90 UP = \$637.38
NAC 616A.480 Unauthorized and/or incomplete forms	9 32	N/A
NAC 616C.082 Document did not indicate date of receipt	2 2	N/A
NAC 616C.091 Denial determination missing required information	1 1	N/A
NAC 616C.148 PPD Evaluation submitted untimely	1 1	N/A

**STATE OF NEVADA  
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**PACIFIC INDEMNITY COMPANY**

**Certificate Number  
510**

September 12, 2019

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**REQUIRED CORRECTIVE ACTIONS**

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**Pacific Indemnity Company, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616B.012 states in part: “1. Except as otherwise provided in this section and NRS 239.0115, 616B.015, 616B.021 and 616C.205, information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person’s identity.”
- NRS 616C.475 states in part: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage.”
- NRS 616C.500 states in part: “1. Except as otherwise provided in subsection 2 and NRS 616C.175, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, is entitled to receive for a temporary partial disability the difference between the wage earned after the injury and the compensation which the injured person would be entitled to receive if temporarily totally disabled when the wage is less than the compensation, but for a period not to exceed 24 months during the period of disability.”
- NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section. 4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”



**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**PACIFIC INDEMNITY COMPANY**

**Certificate Number  
510**

September 12, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Pacific Indemnity Company, is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616C.082 states in part: “1. An insurer, third-party administrator or organization for managed care shall ensure that the date of receipt of all documents concerning claims that it receives pursuant to chapters 616A to 617, inclusive, of NRS or regulations adopted pursuant thereto is indicated on each such document or maintained in an electronically generated, verifiable report.”
- NAC 616C.091 states in part: “1. After receipt of a claim for compensation, the insurer or third-party administrator shall give written notice of its determination to accept or deny the claim to the injured employee, the attorney or other authorized representative of the injured employee or his or her dependents and, if the injured employee’s employer is not self-insured, to the injured employee’s employer... 4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number; (b) The name of the employer; (c) The name of the insurer; (d) The name of the third-party administrator, if applicable; (e) The date of the injury; (f) The date of the written notice of determination;”

**Elie Tahari LTD, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616A.480 states in part: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days.”
- NRS 616C.475 states in part: “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
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Pursuant to NRS 616B.003**

**PACIFIC INDEMNITY COMPANY**

**Certificate Number  
510**

September 12, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**John Varvatos Enterprises, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.475 states in part: “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**First Foundation, Inc., is responsible for developing policies and procedure to ensure compliance with:**

- NAC 616A.480 states in part: “3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

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**ADMINISTRATIVE FINE**

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Pursuant to NRS 616A.480(1) and NRS 616D.120

- One administrative fine, totaling three hundred seventy-five (\$375.00), is being issued to Elie Tahari LTD, for a single violation of NRS 616A.480(1), for failure to timely submit Employer’s Wage Verification Form (D-8).

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**PACIFIC INDEMNITY COMPANY**

**Certificate Number  
510**

September 12, 2019

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PHARMACISTS MUTUAL INSURANCE COMPANY**

**Certificate Number  
11662**

September 13, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Pharmacists Mutual Insurance Company was certified for workers' compensation insurance in Nevada on October 19, 2001. The claims are administered by Tristar Risk Management, located at 5820 S. Eastern Avenue, Suite 250, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

1. A total of two (2) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA**  
**DEPARTMENT OF BUSINESS AND INDUSTRY**  
**DIVISION OF INDUSTRIAL RELATIONS**  
**WORKERS' COMPENSATION SECTION**  
**EXECUTIVE SUMMARY OF COMPLIANCE AUDIT**  
**Pursuant to NRS 616B.003**

**PHARMACISTS MUTUAL INSURANCE COMPANY**

**Certificate Number**  
**11662**

September 13, 2019

<b>FINDINGS</b>
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<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616C.480(1)(2) (4)	2	N/A
Use of Forms – Required Forms, Altered Forms	4	
NRS 616C.045	1	N/A
Duty of Employer to File Report of Industrial Injury or Occupational Disease	1	

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
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Pursuant to NRS 616B.003**

**PHARMACISTS MUTUAL INSURANCE COMPANY**

**Certificate Number  
11662**

September 13, 2019

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**REQUIRED CORRECTIVE ACTION**

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Tristar Risk Management is responsible for developing policies and procedures to ensure:

- The forms adopted pursuant to NAC 616A.480 (1) and (2) must be used by each insurer in the administration of claims for workers' compensation. NAC 616A.480 (4) states: "An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."

Well Care Apothecary is responsible for developing policies and procedures to ensure:

- NRS 616C.045, "within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility..., an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (3) An employer who files the report required by subsection 1 by electronic transmission shall, upon request, mail to their insurer or third-party administrator the form that contains the original signature of the employer or the employer's designee. The form must be mailed within 7 days after receiving such request."

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- A written Plan of Corrective Action was submitted by the TPA with the Response to Findings, no further action required.
- Above named employer must provide the Workers' Compensation Section (WCS), by October 16, 2019, a written Plan of Corrective Action prepared specifically with the above Notices of Correction in mind, which clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**THE PHOENIX INSURANCE COMPANY**

**Certificate Number  
526**

January 18, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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The Phoenix Insurance Company was certified for workers' compensation insurance in Nevada on July 1, 1999. The claims are administered by Sedgwick CMA, located at 9930 W. Cheyenne Avenue, Suite 150, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2016 through June 30, 2017. The examination focused on the following areas:

1. A total of twenty (20) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**THE PHOENIX INSURANCE COMPANY**

**Certificate Number  
526**

January 18, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616B.012(1)	2	N/A
Confidentiality	2	
NRS 616C.015	1	N/A
Notice of Injury or Death	1	
NRS 616C.045	13	N/A
Duty of Employer to File Report of Industrial Injury or Occupational Disease	13	
NRS 616C.065(1)	3	N/A
Timely Claim Determination	3	
NRS 616C.065(5)(b)	1	N/A
Claim Determination - Denial	1	
NRS 616C.097	6	N/A
Notification of Appeal Rights	9	
NRS 616C.475(8)	8	N/A
Written Light-Duty Job Offer	9	
NRS 616C.495(5)	1	UP
Calculation of PPD Lump-Sum Payment	1	\$0.40
NAC 616A.480(4)	14	N/A
Use of Proper Forms	25	
NAC 616B.016(3)	5	N/A
Claim Reporting	5	
NAC 616C.082(1)	2	N/A
Action on Filings – Date of Receipt	2	
NAC 616C.094(1)(2)	5	N/A
Notice of Determination Concerning Request	7	



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**THE PHOENIX INSURANCE COMPANY**

**Certificate Number  
526**

January 18, 2019

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**REQUIRED CORRECTIVE ACTION**

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**Sedgwick CMS is responsible for developing policies and procedures to ensure:**

- The forms adopted pursuant to NAC 616A.480(1) and (2) must be used by each insurer in the administration of claims for workers' compensation. Also, pursuant to NAC 616A.480 (3), "The forms must be accurately completed, including, without limitation, a signature and a date if required by the form." Additionally, NAC 616A.480 (4) states: "An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."
- NAC 616B.016(3)(a-b) states: "As used in this section: (a) "Claim for accident benefits only" means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim did not include benefits for a temporary total disability, temporary partial disability or permanent total disability. (b) "Claim for benefits for lost time" means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim included benefits for a temporary total disability, temporary partial disability or permanent total disability."
- NRS 616B.012(1), "Except as otherwise provided in this section ... information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal person's identity."
- NRS 616C.065(5b)(6), (5) the insurer shall notify the claimant or the person acting on behalf of the claimant that a claim has been accepted or denied pursuant to subsection 1 or 2 by: (b) If the claim has been denied, in whole or in part, obtaining a certificate of mailing. (6) The failure of the insurer to obtain a certificate of mailing as required by paragraph (b) of subsection 5 shall be deemed to be a failure of the insurer to mail the written determination of the denial of a claim as required by this section.
- NRS 616C.082(1), the insurer shall ensure that all documents concerning claims that it receives indicate the date of receipt.
- NRS 616C.097, states that any written notice of a determination must include at the bottom of the notice the appropriate appeal rights.
- NRS 616C.495(5) defines the calculation of the lump-sum payment.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**THE PHOENIX INSURANCE COMPANY**

**Certificate Number  
526**

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**THE PHOENIX INSURANCE COMPANY**

**Certificate Number  
526**

January 18, 2019

---

**REQUIRED CORRECTIVE ACTION (*continued*)**

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**Cintas Corporation is responsible for developing policies and procedures to ensure:**

- NRS 616C.475(8), the employer of the employee at the time of the employee's accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.

**UnitedHealth Group, Inc., is responsible for developing policies and procedures to ensure:**

- NRS 616C.015, an injured employee must report an accident within 7 days, on a form prescribed by the Administrator and provided by the employer in duplicate, so a copy may be provided to the injured employee. The form must be completed in its entirety and be signed by the injured employee and the employer.
- NRS 616C.475(8), the employer of the employee at the time of the employee's accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**THE PHOENIX INSURANCE COMPANY**

**Certificate Number  
526**

January 18, 2019

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**ADMINISTRATIVE FINES**

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- One administrative fine for seven hundred fifty dollars (\$750.00) is being issued to Sedgwick CMS, for a single subsequent violation of NRS 616C.065(1).
- One administrative fine for seven hundred fifty dollars (\$750.00) is being issued to Sedgwick CMS, for a single subsequent violation of NRS 616C.065(1).
- One administrative fine for seven hundred fifty dollars (\$750.00) is being issued to Sedgwick CMS, for a single subsequent violation of NRS 616C.065(1).
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single subsequent violation of NAC 616C.082(1).
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single violation of NAC 616C.094(1)(2).
- One administrative fine for seven hundred fifty dollars (\$750.00) is being issued to Sedgwick CMS, for a single subsequent violation of NAC 616C.094(1)(2).
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single violation of NAC 616C.094(1)(2).
- One administrative for one thousand dollars (\$1000.00) is being issued to Sedgwick CMS, for a single subsequent violation of NAC 616C.094(1)(2).
- One administrative fine for seven hundred fifty dollars (\$750.00) is being issued to Sedgwick CMS, for a single subsequent violation of NAC 616C.094(1)(2).
- One administrative fine for seven hundred fifty dollars (\$750.00) is being issued to Sedgwick CMS, for a single subsequent violation of NAC 616C.094(1)(2).
- One administrative fine for seven hundred fifty dollars (\$750.00) is being issued to Sedgwick CMS, for a single subsequent violation of NAC 616C.094(1)(2).

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**THE PHOENIX INSURANCE COMPANY**

**Certificate Number  
526**

January 18, 2019

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**ADMINISTRATIVE FINES (*continued*)**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Cintas Corporation, for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Cintas Corporation, for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Cintas Corporation, for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Cintas Corporation, for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Cintas Corporation, for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Cintas Corporation, for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to UnitedHealth Group, Inc. (dba Optum Services, Inc.), for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to UnitedHealth Group, Inc. (dba Health Plan of Nevada, Inc.), for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to UnitedHealth Group, Inc. (dba Optum Services, Inc.), for a single violation of NRS 616C.045.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**THE PHOENIX INSURANCE COMPANY**

**Certificate Number  
526**

January 18, 2019

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**ADMINISTRATIVE FINES (*continued*)**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to UnitedHealth Group, Inc. (dba Optum Services, Inc.), for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to UnitedHealth Group, Inc. (dba Optum Services, Inc.), for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to UnitedHealth Group, Inc. (dba Health Plan of Nevada, Inc.), for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to UnitedHealth Group, Inc. (dba Optum Services, Inc.), for a single violation of NRS 616C.045.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Sedgwick CMS and listed employers must provide the Workers' Compensation Section (WCS), by February 20, 2019, a written Plan of Corrective Action prepared specifically with the above Notices of Correction in mind, which clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**QBE INSURANCE CORPORATION**

**Certificate Number  
1199**

December 27, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

QBE Insurance Corporation was certified for Workers' Compensation as a private insurer in the State of Nevada on August 19, 2011. The claims are administered by Sedgwick Claims Management Services, Inc., located at 9930 W. Cheyenne Avenue, Suite 150, in Las Vegas, Nevada 89129.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Fifteen (15) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**QBE INSURANCE CORPORATION**

**Certificate Number  
1199**

December 27, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616A.480	2	N/A
Untimely and/or missing documentation	3	
NRS 616C.040	1	N/A
C-4 form submitted untimely	1	
NRS 616C.475	3	3 Claims OP
TTD incorrectly paid	3	Total = \$1,266.08
NRS 616C.475	1	N/A
Late TTD payment	1	
NRS 616C.490	1	N/A
Untimely scheduling of PPD evaluation	1	
NRS 616C.490	1	N/A
Untimely PPD award offer	1	
NAC 616A.480	14	N/A
Unauthorized, inaccurate and/or incomplete forms	30	
NAC 616C.094	1	N/A
No response to a written request from claimant	6	
NAC 616C.598	2	N/A
Late TPD payments	7	



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**QBE INSURANCE CORPORATION**

**Certificate Number  
1199**

December 27, 2019

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**REQUIRED CORRECTIVE ACTIONS**

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Pursuant to NRS 616D.120(2)(a)

**QBE Insurance Corporation and Sedgwick Claims Management Services, Inc., are responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NRS 616C.475: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage.”
- Pursuant to NRS 616C.475: “3. If a claim for the period of temporary total disability is allowed, the first payment pursuant to this section must be issued by the insurer within 14 working days after receipt of the initial certification of disability and regularly thereafter.”
- Pursuant to NRS 616C.490: “2. Within 30 days after receiving from a physician or chiropractor a report indicating that the injured employee may have suffered a permanent disability and is stable and ratable, the insurer shall schedule an appointment with the rating physician or chiropractor selected pursuant to this subsection to determine the extent of the employee’s disability.”
- Pursuant to NRS 616C.490: “6. After receiving the evaluation, the insurer shall, within 14 days, provide the employee with a copy of the evaluation and notify the employee: (a) Of the compensation to which the employee is entitled pursuant to this section; or (b) That the employee is not entitled to benefits for permanent partial disability.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**QBE INSURANCE CORPORATION**

**Certificate Number  
1199**

December 27, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**QBE Insurance Corporation and Sedgwick Claims Management Services, Inc., are responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to 616C.094: “1. Except as otherwise provided in this section, within 30 days after receipt of a written request relating to a claim made by: (a) An injured employee, an employer, a health care provider or the attorney or other representative of any of them; or (b) A spouse, child or parent of an injured employee who is deceased or incapacitated, the insurer, third-party administrator or organization for managed care shall, in writing, notify the person making the request of its determination concerning the request. 2. If the insurer, third-party administrator or organization for managed care terminates or denies any benefit in response to a written request, it shall notify the person making the request, the injured employee and the attorney or authorized representative of the injured employee, in writing, giving the reasons for its determination and an explanation of the right of the person making the request to appeal the determination.”
- Pursuant to NAC 616C.598: “8. Compensation for a temporary partial disability must be paid within 14 days after receipt from the injured employee of information regarding his or her wages.”

**AHS Staffing LLC, is responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NRS 616A.480: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**QBE INSURANCE CORPORATION**

**Certificate Number  
1199**

December 27, 2019

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**REQUIRED CORRECTIVE ACTIONS (continued)**

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**Production Pattern & Foundry Co. Inc., is responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NRS 616A.480: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days.”
- Pursuant to NAC 616A.480: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation... 3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

**ALT Group LLC, is responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NAC 616A.480: 3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”

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DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**QBE INSURANCE CORPORATION**

**Certificate Number  
1199**

December 27, 2019

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**ADMINISTRATIVE FINES**

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**Pursuant to NRS 616C.490(6), NAC 616D.415(2) and NRS 616D.120(2):**

One administrative fine, totaling three hundred seventy-five dollars (\$375.00), is being issued to QBE Insurance Corporation, for one violation of NRS 616C.490(6), for failure to timely provide claimant a PPD award determination.

**Pursuant to NRS 616A.480(1), NAC 616D.415(2) and NRS 616D.120(2)**

One administrative fine, totaling three hundred seventy-five dollars (\$375.00), is being issued to AHS Staffing LLC, for two violations of NRS 616A.480(1), for failure to submit Employer's Report of Injury (C-3) and Notice of Injury or Occupational Disease (C-1).

**Pursuant to NRS 616A.480(1), NAC 616D.415(2) and NRS 616D.120(2)**

One administrative fine, totaling three hundred seventy-five dollars (\$375.00), is being issued to Production Pattern & Foundry Co. Inc., for one violation of NRS 616A.480(1), for failure to timely submit Employer's Wage Verification form (D-8).

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

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Pursuant to NRS 616B.003**

**SAFETY NATIONAL CASUALTY CORPORATION**

**Certificate Number 936**

February 7, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Safety National Casualty Corporation was certified for workers' compensation insurance in Nevada on July 1, 1999. The claims are administered by Corvel Enterprise Comp Inc., located at 101 Convention Center Drive, Suite 675, Las Vegas, Nevada 89109.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2016 through June 30, 2017.  
The examination focused on the following areas:

1. A total of twenty (20) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**SAFETY NATIONAL CASUALTY CORPORATION**

**Certificate Number 936**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A /OP or UP Total \$ Amount</b>
NAC 616C.435	1	OP
AMW calculation errors	1	\$.18 TTD
NAC 616C.435	1	OP
AMW calculation errors	1	\$10.85 TTD
NAC 616C.435	2	unknown
AMW calculation errors	2	
NAC 616B.021	5	N/A
Untimely TTD payment	6	
NRS 616C.045 (1)	5	N/A
C-3 Form received late	5	
NRS 616C.045 (2)(3-4)	9	N/A
C-3 Form incomplete	9	
NAC 616A.480(4)	19	N/A
Use of proper forms	45	
NRS 616C.490(6)	1	N/A
Delay of over 14 days to offer PPD	1	
NRS 616A.480(1)	6	N/A
Employer non-response for mandated form	10	
NRS 616C.475(8)	4	N/A
Written Light-Duty Job Offer	4	
NAC 616C.091(4)	2	N/A
Determination notice discrepancies	2	
NAC 616C.097(2)	1	N/A
Appeal rights missing	2	
NAC 616C.094(1)(a-b)	2	N/A
Response delays or no written response	5	
NAC 616C.129(2)	1	N/A
Missing transfer of care letter	1	

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**SAFETY NATIONAL CASUALTY CORPORATION**

**Certificate Number 936**

NRS 616C.136(1)	1	N/A
Late bill payment	1	

February 7, 2019

**FINDINGS**

February 7, 2019

**REQUIRED CORRECTIVE ACTION**

**Corvel Enterprise Comp Inc. is responsible for developing policies and procedures to ensure compliance with:**

- NAC 616C.129 (2) states, “The insurer shall give written notice to all interested persons of the transfer of an injured employee to a new physician or chiropractor, which must include notice to the injured employee or the attorney or authorized representative of the injured employee of the right to appeal the transfer.”
- Pursuant to NAC 616C.091(3) and (4), “3. If the insurer or third-party administrator accepts the claim, the notice of acceptance provided to the injured employee, the attorney or other authorized representative of the injured employee or his or her dependents must include: (a) Written notice of acceptance of the claim; (b) A copy of Form D-52, Alternative Choice of Physician or Chiropractor; and (c) Either: (1) If established and available, the Internet address of the website of the insurer or third-party administrator at which the injured employee, the attorney or other authorized representative of the injured employee or his or her dependents can obtain a list of providers of health care who are authorized to provide health care services to the injured employee; or (2) Notification that, pursuant to NAC 616C.030, the injured employee, the attorney or other authorized representative of the injured employee, his or her dependents or the treating physician or chiropractor of the injured employee may, upon written request, obtain a list of providers of health care who are authorized to provide health care services to the injured employee. 4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number; (b) The name of the employer; (c) The name of the insurer; (d) The name of the third-party administrator, if applicable; (e) The date of the injury; (f) The date of the written notice of determination; (g) Notice that the injured employee may, pursuant to subsection 1 or 3 of NRS 616C.315, request a hearing or appeal the determination within 70 days after the determination is issued by the insurer;

**STATE OF NEVADA  
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**SAFETY NATIONAL CASUALTY CORPORATION**

**Certificate Number 936**

and (h) The addresses of the offices of the Hearings Division of the Department of Administration located in Carson City and Las Vegas.”

February 7, 2019

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**REQUIRED CORRECTIVE ACTION (continued)**

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**The Gap Inc., is responsible for developing policies and procedures to ensure compliance with:**

- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**Ralph Lauren Retail, Inc. is responsible for developing policies and procedures to ensure compliance with:**

- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”
- Pursuant to NRS 616C.045 (2) (a-c), the C-3 Form must be filed on a form prescribed by the Administrator; be signed by the employer or his designee and contain specific answers to all questions required by the regulations of the Administrator. ”

**Bed Bath & Beyond Inc. is responsible for developing policies and procedures to ensure compliance with:**

- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the



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employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

- Pursuant to NRS 616C.045 (2) (a-c), the C-3 Form must be filed on a form prescribed by the Administrator; be signed by the employer or his designee and contain specific answers to all questions required by the regulations of the Administrator. ”

February 7, 2019

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**REQUIRED CORRECTIVE ACTION (continued)**

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**PVH Corp is responsible for developing policies and procedures to ensure compliance with:**

- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”
- Pursuant to NRS 616C.045 (2) (a-c), the C-3 Form must be filed on a form prescribed by the Administrator; be signed by the employer or his designee and contain specific answers to all questions required by the regulations of the Administrator. ”

**El Pollo Loco Inc. is responsible for developing policies and procedures to ensure:**

- Pursuant to NRS 616C.045 (2) (a-c), the C-3 Form must be filed on a form prescribed by the Administrator; be signed by the employer or his designee and contain specific answers to all questions required by the regulations of the Administrator. ”

**Bass Pro Outdoor World, LLC is responsible for developing policies and procedures to ensure:**

- Pursuant to NRS 616C.045 (2) (a-c), the C-3 Form must be filed on a form prescribed by the Administrator; be signed by the employer or his designee and contain specific answers to all questions required by the regulations of the Administrator. ”

**O’Reilly Automotive Stores Inc. is responsible for developing policies and**

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**procedures to ensure:**

- Pursuant to NRS 616C.045 (2) (a-c), the C-3 Form must be filed on a form prescribed by the Administrator; be signed by the employer or his designee and contain specific answers to all questions required by the regulations of the Administrator. ”

February 7, 2019

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**REQUIRED CORRECTIVE ACTION (continued)**

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**Banner Health is responsible for developing policies and procedures to ensure:**

- Pursuant to NRS 616C.045 (2) (a-c), the C-3 Form must be filed on a form prescribed by the Administrator; be signed by the employer or his designee and contain specific answers to all questions required by the regulations of the Administrator. ”

**Foot Locker Retail Inc. is responsible for developing policies and procedures to ensure:**

- Pursuant to NRS 616C.045 (2) (a-c), the C-3 Form must be filed on a form prescribed by the Administrator; be signed by the employer or his designee and contain specific answers to all questions required by the regulations of the Administrator. ”

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**ADMINISTRATIVE FINES**

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- Two administrative fines totaling seven hundred fifty dollars (\$750.00) is being issued to Corvel Enterprise Comp Inc., for two violations of NAC 616C.435, for failure to calculate AMW correctly.
- Six administrative fines totaling two thousand three hundred seventy-five dollars (\$2,375.00) is being issued to Corvel Enterprise Comp Inc., for six violations of NAC 616B.021, for payment of TTD after the date due.

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- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to Corvel Enterprise Comp Inc., for a subsequent violation of NRS 616C.490(6), for failure to issue the PPD offer timely to the injured employee of the compensation to which the employee is entitled to.

February 7, 2019

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**ADMINISTRATIVE FINES (continued)**

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- One administrative fine totaling five hundred dollars (\$500.00) is being issued to Corvel Enterprise Comp Inc., for a subsequent violation of NAC 616C.097(2), for failure to issue a written determination with appeal rights as required.
- Five administrative fines totaling three thousand dollars (\$2,500.00) is being issued to Corvel Enterprise Comp Inc., for six subsequent violations of NAC 616C.094, for failure to respond in a timely manner.
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to Corvel Enterprise Comp Inc., for a subsequent violation of NRS 616C.136(1), for failure to pay medical bill within 45 days after the insurer or third-party administrator receives the bill.
- Nineteen (19) administrative fines totaling seven thousand one hundred twenty-five dollars (\$7,125.00) is being issued to Corvel Enterprise Comp Inc., for forty-five (45) violations of NAC 616A.480 (4), for failure to use proper forms.
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to Harbor Freight Tools USA, Inc., for a single violation of NRS 616C.045 (1), for failure to file the C-3 Form timely.
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to Ralph Lauren Retail, Inc., for a single violation of NRS 616C.045 (1), for failure to file the C-3 Form timely.

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- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to Bed Bath & Beyond Inc., for a single violation of NRS 616C.045 (1), for failure to file the C-3 Form timely.
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to O'Reilly Automotive Stores Inc., for a single violation of NRS 616C.045 (1), for failure to file the C-3 Form timely.

February 7, 2019

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**ADMINISTRATIVE FINES (continued)**

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- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to Foot Locker Retail, Inc., for a single violation of NRS 616C.045 (1), for failure to file the C-3 Form timely.
- Two administrative fines totaling seven hundred fifty dollars (\$750.00) is being issued to Prime Healthcare Services-North Vista LLC, for two violations of NRS 616A.480 (1), for failure to complete and return a blank form within six working days.
- Two administrative fines totaling seven hundred fifty dollars (\$750.00) is being issued to The Gap Inc., for two violations of NRS 616A.480 (1), for failure to complete and return a blank form within six working days.
- Two administrative fines totaling seven hundred fifty dollars (\$750.00) is being issued to Bass Pro Outdoor World, LLC for two violations of NRS 616A.480 (1), for failure to complete and return a blank form within six working days.
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to Skechers USA Inc., for a single violation of NRS 616A.480 (1), for failure to complete and return a blank form within six working days.
- Two administrative fines totaling seven hundred fifty dollars (\$750.00) is being issued to The Men's Warehouse Inc., for two violations of NRS 616A.480 (1), for failure to complete and return a blank form within six working days.

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- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to Foot Locker Retail, Inc., for a single violation of NRS 616A.480 (1), for failure to complete and return a blank form within six working days.

February 7, 2019

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Provide the Workers' Compensation Section (WCS), by March 12, 2019, a written response, prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

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**T.H.E. INSURANCE COMPANY**

**Certificate Number 1753**

March 14, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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T.H.E. Insurance Company was certified for workers' compensation insurance in Nevada on February 5, 2002. The claims are administered by Nevada Alternative Solutions, Inc., (NAS), located at 9506 West Flamingo Road, Suite 102, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

1. A total of three claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

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**FINDINGS**

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There were no reportable findings in this examination. No corrective action is required.

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**TECHNOLOGY INSURANCE COMPANY INC**

**Certificate Number  
17636**

January 31, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Technology Insurance Company, Inc. was certified for workers' compensation insurance on May 19, 2006. The claims are administered by AmTrust North America, located at 4730 S. Fort Apache Road #250, Las Vegas, NV 89147.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2016 through June 30, 2017. The examination focused on the following areas:

1. A total of twenty (20) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

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**TECHNOLOGY INSURANCE COMPANY INC**

**Certificate Number  
17636**

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**FINDINGS**

<b><u>Violation</u> Brief Description</b>	<b><u>Number of Files</u> Total # Violations</b>	<b><u>N/A/OP or UP</u> Total \$ Amount</b>
NRS 616C.045 (1) C-3 Forms not submitted	3 3	N/A
NRS 616C.045(1)(2)(a,b&c) Incomplete C-3 Forms	2 2	N/A
NRS 616C.015(3) Inaccurate completion of C-1 Form	1 1	N/A
NAC 616C.088 Missing required documents	5 Multiple	N/A
NRS 616A.480 (1) Employer non-response for mandated form	1 1	N/A
NAC 616C.432 (1-2) AMW calculation error	1 1	TTD UP \$4.38
NRS 616C.475 (1) Overpayment of TTD benefits	1 4	TTD OP \$3,210.97
NRS 616C.475 (1) Underpayment of TTD benefits	1 1	TTD UP \$89.73
NRS 616C.490 (2) Untimely scheduling of a PPD appointment	1 1	N/A N/A



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**FINDINGS – (continued)**

<b><u>Violation</u> Brief Description</b>	<b><u>Number of Files</u> Total # Violations</b>	<b><u>N/A/OP or UP</u> Total \$ Amount</b>
NRS 616C.475 (3)	2	N/A
Untimely TTD payments	2	N/A
NRS 616C.490 (1) & NAC 616C.502	1	PPD UP
D-9a Form completed inaccurate	1	\$169.79
NAC 616A.480 (3)	9	N/A
Use of proper forms	Multiple	N/A

**REQUIRED CORRECTIVE ACTION**

**AmTrust North America is responsible for developing policies and procedures to ensure:**

- NAC 616A.480(4) states: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- Pursuant to NAC 616C.432 (1-2) states, “the average monthly wage will be calculated by multiplying the average daily wage of an employee during a period of earnings by 30.44. The following formulas will be used to compute an average daily wage and an average monthly wage: Gross earnings divided by days in period of earnings = average daily wage. Average daily wage x 30.44 = average monthly wage.”

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**REQUIRED CORRECTIVE ACTION – (continued)**

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- Pursuant to NAC 616C.435, “Period used to calculate average monthly wage.”
- NRS 616C.475 (1) states in part: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage.”

**Westward Dough Operating Co. is responsible for developing policies and procedures to ensure:**

- NRS 616C.045(1) states: “Within 6 working days after receipt of a claim for compensation from a physician or chiropractor, an employer shall complete and mail to his insurer or claims administrator an employer’s report of industrial injury or occupational disease.” **A response is not required.**
- NRS 616A.480(1) states: “Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days.” **A response is not required.**

**Applied Business Solutions LLC. & Zoom LLC. is responsible for developing policies and procedures to ensure:**

- NRS 616C.015 sec 3. “3. The employer, the injured employee’s supervisor or the agent of the employer who was in charge of the type of work or the area where the accident occurred shall sign the notice.”

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**REQUIRED CORRECTIVE ACTION – (continued)**

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**The Lodge LLC. is responsible for developing policies and procedures to ensure:**

- NRS 616C.045(1)(2)(a)(b)(c) states, “The report must be on a form prescribed by the administrator, be signed by the employer or his designee, and contain specific answers to all questions required by the regulations of the administrator ...”

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**ADMINISTRATIVE FINES**

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- One administrative fine for seven hundred fifty dollars (\$750.00) is being issued to AmTrust North America, for two violations of NRS 616C.475 (3), for failure to issue TTD payment timely.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to AmTrust North America for a single violation of NRS 616C.475 (1). Underpayment of TTD benefit.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to AmTrust North America for a single violation of NRS 616C.490 (1), for failure to issue accurate PPD benefits.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to AmTrust North America, for a single violation of NRS 616C.490 (2), for untimely scheduling of PPD evaluation.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to AmTrust North America for one violation of NAC 616C.088 (1), for missing claim documents.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to AmTrust North America for one violation of NAC 616C.088 (1), for missing claim documents.

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**TECHNOLOGY INSURANCE COMPANY INC**

**Certificate Number  
17636**

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Provide the Workers' Compensation Section (WCS), by March 1, 2019, a written response, prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

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**TRANS PACIFIC INSURANCE COMPANY**

**Certificate Number  
1073**

May 10, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Trans Pacific Insurance Company was licensed to write workers' compensation insurance in Nevada on July 1, 1999. The claims are administered by Matrix Absence Management, Inc. located at 452 East Silverado Ranch Boulevard, # 170, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

- 1) A total of thirteen (13) claim files were examined during the audit;
- 2) Timely determination regarding commencement of payment or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of permanent partial disability;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration.

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**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A / OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616A.480 (1)	11	N/A
Improper Forms	14	N/A
NAC 616A.480 (1)(e)	8	N/A
Outdated C-4 Forms	8	N/A
NAC 616B.021	1	N/A
Untimely TTD Compensation	3	N/A
NAC 616B.021 & NAC 616C.577 (2)	1	N/A
Untimely VRM Compensation	1	N/A
NAC 616C.088	1	N/A
Missing Documents	1	N/A
NAC 616C.1162 (1)(a)	1	N/A
Notification of Medical Appointment	1	N/A
NAC 616C.150 (1) & (4)(a)	1	OP
Overpayment of Mileage Reimbursement	3	\$219.74
NAC 616C.150 (1) & (4)(a)	2	UP
Underpayment of Mileage Reimbursement	2	\$237.71
NAC 616C.432 (1-2)	1	UP
Incorrect AMW Resulting in Underpayment of TTD	1	\$14.28
NAC 616C.432 (1-2) & NAC 616C.435 (4)	2	OP
Incorrect AMW Resulting in Overpayments of TTD	2	\$17.97
NAC 616C.432 (1-2) & NAC 616C.435 (4) & (9)	1	UP
Incorrect AMW Resulting in Underpayments of TTD	4	\$1,825.90
NAC 616C.432 (1-2) & NAC 616C.435 (4) & (9)	1	UP
Incorrect AMW Resulting in Underpayment of PPD	1	\$6,884.17
NRS 616A.480 (1)	3	N/A
Untimely or Incomplete D-8 Forms	5	N/A
NRS 616C.475 (8)	3	N/A
Missing Written Offers of Temporary Light-Duty	3	N/A

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**REQUIRED CORRECTIVE ACTION**

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**Trans Pacific Insurance Company and Matrix Absence Management, Inc. must provide the Workers' Compensation Section with adequate written corrective action plans for the Notices of Correction listed below which clearly shows what action will be taken to ensure that these areas are corrected and will remain so:**

- NAC 616C.432 (1-2) states: "the average monthly wage (AMW) will be calculated by multiplying the average daily wage of an employee during a period of earnings by 30.44. The following formulas will be used to compute an average daily wage and an average monthly wage: Gross earnings divided by days in period of earnings = average daily wage. Average daily wage x 30.44 = average monthly wage."
- NAC 616C.435 (4) states: "4. If information concerning payroll is not available for a period of 12 weeks, wages may be averaged for the available period, but not for a period of less than 4 weeks."
- NAC 616C.435 (9) states: "9. As used in this section, "earnings" means earnings received from the employment in which the injury occurs and in any concurrent employment."
- NAC 616A.480 states in part: "1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation:... (j) D-9(a), Permanent Partial Disability Award Calculation Worksheet... (cc) D-26, Application for Reimbursement of Claim-Related Travel Expenses...(zz) D-53, Alternative Choice of Physician or Chiropractor and Referral to a Specialist." **A response is not required.**
- NAC 616B.021 states: "1. Mail a check for compensation, a benefit penalty or a penalty imposed pursuant to NRS 616C.065 to: (a) The claimant; or (b) Upon the written direction of the claimant, the attorney or other authorized representative of the claimant; or 2. Make a check for compensation, a benefit penalty or a penalty imposed pursuant to NRS 616C.065 available to the claimant or, if directed in writing by the claimant, the attorney or other authorized representative of the claimant in the office of the insurer or third-party administrator." **A response is not required.**

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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- NAC 616C.088 states in part: “Each file of a claim concerning an industrial injury or occupational disease that is maintained by an insurer or third-party administrator must contain: ...” **A response is not required.**
- NAC 616C.1162 (1)(a) states: “1. If an insurer or employer requests that an injured employee who has filed a claim for compensation submit to a medical examination pursuant to NRS 616C.140, the insurer or employer shall notify the injured employee, in writing, of the time and place of the medical examination: (a) At least 10 days before the date of the medical examination, if the employee resides within the state in which the medical examination will be conducted...” **A response is not required.**
- NAC 616C.150 (1) states: “1. The insurer shall reimburse an injured employee for the cost of transportation to and from the place where the injured employee receives health care if he or she is required to travel 20 miles or more, one way, from the injured employee’s: (a) Residence to the place where he or she receives health care; or (b) Place of employment to the place where he or she receives health care if the care is required during his or her normal working hours.” **A response is not required.**
- NAC 616C.150 (4) (a) states in part: “4. Except as otherwise provided in subsection 6, reimbursement for the cost of transportation must be computed at a rate equal to: (a) The mileage allowance for state employees who use their personal vehicles for the convenience of the State...” **A response is not required.**
- NAC 616C.577 (2) states in part: “2. The compensation for a temporary total disability terminates and vocational rehabilitation maintenance commences on the date on which an injured employee becomes eligible for vocational rehabilitation benefits. An insurer shall pay the injured employee vocational rehabilitation maintenance at least every 14 days thereafter...” **A response is not required.**



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**REQUIRED CORRECTIVE ACTION *(continued)***

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**Renown South Meadows Medical Center is responsible for developing policies and procedures to ensure:**

- NAC 616A.480 (1)(e) states: “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation:... (e) C-4, Employee’s Claim for Compensation/Report of Initial Treatment...”

**Panasonic Corporation of North America is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) states: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days.”
- NRS 616C.475 (8) states: “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

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May 10, 2019

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**ADMINISTRATIVE FINES**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Matrix Absence Management, Inc., for a single violation of NAC 616B.021, for failure to issue TTD payment in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Matrix Absence Management, Inc., for a single violation of NAC 616B.021, for failure to issue VRM payment in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Panasonic Corporation of North America, for a single violation of NRS 616A.480 (1), for failure to submit the D-8 Form in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Panasonic Corporation of North America, for a single violation of NRS 616A.480 (1), for failure to submit the D-8 Form in a timely manner.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Provide the Workers' Compensation Section (WCS), by June 11, 2019, a written response prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**TRAVELERS INDEMNITY COMPANY (THE)**

**Certificate Number  
650**

July 19, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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The Travelers Indemnity Company was certified for workers' compensation insurance on July 1, 1999. The claims are self-administered by Travelers, located at 7450 Arroyo Crossing Parkway, Suite 200, Las Vegas, NV 89113.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2016 through June 30, 2017. The examination focused on the following areas:

1. A total of twenty (20) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**TRAVELERS INDEMNITY COMPANY**

**Certificate Number  
650**

July 19, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A / OP or UP Total \$ Amount</b>
NRS 616C.045 (1) C-3 Form received untimely	10	N/A
NRS 616C.045 (2)(3-4) C-3 Form incomplete	8	N/A
NRS 616C.475 (8) Missing temporary, light-duty employment offers	2	N/A
NRS 616C.475 (8) Missing temporary, light-duty employment offers	2	N/A
NRS 616C.475 (8) Missing temporary, light-duty employment offers	1	N/A
NRS 616C.475 (8) Missing temporary, light-duty employment offers	1	N/A
NAC 616C.432 (1-2) AMW calculation errors	3	UP
NAC 616C.432 (1-2) AMW calculation errors	3	\$73.82
NAC 616C.432 (1-2) AMW calculation errors	3	OP
NAC 616C.432 (1-2) AMW calculation errors	3	\$458.24
NAC 616C.598 (1) Overpayment of TPD Compensation	1	OP
NAC 616C.598 (1) Overpayment of TPD Compensation	3	\$164.78
NRS 616C.490(2) Untimely PPD Appointment Letter	1	N/A
NRS 616C.490(2) Untimely PPD Appointment Letter	1	N/A
NRS 616C.495(5) PPD Payment error	1	OP
NRS 616C.495(5) PPD Payment error	1	\$8.16
NRS 616C.495 (5) PPD Under Payment	1	UP
NRS 616C.495 (5) PPD Under Payment	1	\$54.09
NRS 616C.490 (6) Delay of over 14 days to offer PPD	2	N/A
NRS 616C.490 (6) Delay of over 14 days to offer PPD	2	N/A
NAC 616C.091 (2) Determination notice discrepancy	1	N/A
NAC 616C.091 (2) Determination notice discrepancy	1	N/A
NAC 616A.480(4) Use of Forms – Required Forms	14	N/A
NAC 616A.480(4) Use of Forms – Required Forms	22	N/A
NAC 616C.082(1) Action on Filings – Date of Receipt	10	N/A
NAC 616C.082(1) Action on Filings – Date of Receipt	15	N/A

**STATE OF NEVADA  
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**TRAVELERS INDEMNITY COMPANY**

**Certificate Number  
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July 19, 2019

**FINDINGS – (continued)**

Violation	Number of Files	N/A / OP or UP
Brief Description	Total # Violations	Total \$ Amount
NAC 616C.088 (2)	8	N/A
Missing documents	23	N/A
NRS 616C.136 (1)	1	N/A
Late bill payment	1	N/A

**REQUIRED CORRECTIVE ACTION**

**Travelers Indemnity Company is responsible for developing policies and procedures to ensure compliance with:**

- NAC 616C.091 (1) states: “After receipt of a claim for compensation, the insurer or third-party administrator shall give written notice of its determination to accept or deny the claim to the injured employee, the attorney or other authorized representative of the injured employee or his or her dependents and, if the injured employee’s employer is not self-insured, to the injured employee’s employer.” **Further response is not required.**
- NAC 616C.432 (1-2) states: “the average monthly wage will be calculated by multiplying the average daily wage of an employee during a period of earnings by 30.44. The following formulas will be used to compute an average daily wage and an average monthly wage: Gross earnings divided by days in period of earnings = average daily wage. Average daily wage x 30.44 = average monthly wage.”
- NRS 616C.495 (5) states: “The lump sum payable must be equal to the present value of the compensation awarded, less any advance payment or lump sum previously paid. The present value must be calculated using monthly payments in the amounts prescribed in subsection 7 of NRS 616C.490 and actuarial annuity tables adopted by the Division. The tables must be reviewed annually by a consulting actuary.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**TRAVELERS INDEMNITY COMPANY**

**Certificate Number  
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July 19, 2019

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**REQUIRED CORRECTIVE ACTION (continued)**

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- NRS 616C.490(2) states in part: “Within 30 days after receiving from a physician or chiropractor a report indicating that the injured employee may have suffered a permanent partial disability and is stable and ratable, the insurer shall schedule an appointment with a rating physician or chiropractor to determine the extent of the employee’s disability.”
- NAC 616A.480 (4) states: “An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.” **Further response is not required.**
- NAC 616C.082 (1) states: “1. An insurer, third-party administrator or organization for managed care shall ensure that all documents concerning claims that it receives pursuant to chapters 616A to 617, inclusive, of NRS or regulations adopted pursuant thereto indicate the date of receipt.” **Further response is not required.**
- NAC 616C.088(2) states in part: “The file for each industrial injury or occupational disease must contain:”
- NRS 616C.136(1) states: “Except as otherwise provided in this section, an insurer shall pay or deny a bill for accident benefits received from a provider of health care within 45 calendar days after the insurer or third-party administrator receives the bill. Except as otherwise provided in this section, if the bill for accident benefits is not paid within that period, the insurer shall pay interest to the provider of the health care at a rate of interest equal to the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institution, on January 1 or July 1, as the case may be, immediately preceding the date on which the payment was due, plus 6 percent. The interest must be calculated from 45 calendar days after the date on which the bill is received until the date on which the bill is paid.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**TRAVELERS INDEMNITY COMPANY**

**Certificate Number  
650**

July 19, 2019

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**REQUIRED CORRECTIVE ACTION (continued)**

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- NAC 616C.598 (1) states: “1. If the wage that an injured employee receives upon reemployment is less than the compensation for a temporary total disability to which he or she is entitled, compensation for a temporary partial disability must be used to make up the difference.”

**Sackett National Holdings is responsible for developing policies and procedures to ensure:**

- Pursuant to NRS 616C.045 (2) (a-c), “the C-3 Form must be filed on a form prescribed by the Administrator; be signed by the employer or his designee and contain specific answers to all questions required by the regulations of the Administrator.”

**Hydro Inc. dba Advanced Gardens is responsible for developing policies and procedures to ensure:**

- Pursuant to NRS 616C.045 (2) (a-c), “the C-3 Form must be filed on a form prescribed by the Administrator; be signed by the employer or his designee and contain specific answers to all questions required by the regulations of the Administrator.”

**PlusFour Inc. is responsible for developing policies and procedures to ensure:**

- NRS 616A.480 (1) and (2) state: “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days. 2. If an employer fails to comply with the provisions of subsection 1, the Administrator shall impose a fine of not more than \$1,000 for each failure to comply.” **A response is not required.**

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
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Pursuant to NRS 616B.003**

**TRAVELERS INDEMNITY COMPANY**

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July 19, 2019

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**REQUIRED CORRECTIVE ACTION (continued)**

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**Rascal L.L.C. is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 states in part: "...within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility ... an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. (2) The report must: ... (c) Contain specific answers to all questions required by the regulations of the Administrator..."

**Altereco Painting is responsible for developing policies and procedures to ensure compliance with:**

- NRS 616C.475 (8) states: "If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee's accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer."

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**ADMINISTRATIVE FINES**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Black Hawk Gaming – Development for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Yamas, Inc. (dba Ross J's) for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to V.F.G. USA, Inc., for a single violation of NRS 616C.045.



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**TRAVELERS INDEMNITY COMPANY**

**Certificate Number  
650**

July 19, 2019

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**ADMINISTRATIVE FINES (continued)**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Rare Partnership LLC., for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Arnold Machinery Company, for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sunshine Minting, Inc., for a single violation of NRS 616C.045.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Altereco Painting Inc., for two violations of NRS 616C.045.
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to Muscular Dystrophy Association, Inc., for a single violation of NRS 616C.045.
- Two administrative fines totaling seven hundred fifty dollars (\$750.00) is being issued to Travelers Indemnity Company, for two violations of NRS 616C.490(6), for failure to provide within 14 days the employee with a copy of the evaluation and notify the employee.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Hydro Inc. dba Advanced Gardens for a single violation of NRS 616A.480(1), for failure to complete and return a blank form within six working days.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Black Hawk Gaming - Development for a single violation of NRS 616A.480(1), for failure to complete and return a blank form within six working days.
- One administrative fine for seven hundred fifty dollars (\$750.00) is being issued to VGW Inc., for three violations of NRS 616A.480(1), for failure to complete and return a blank form within six working days.

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**TRAVELERS INDEMNITY COMPANY**

**Certificate Number  
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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Provide the Workers' Compensation Section (WCS), by August 20, 2019, a written response, prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**TRAVELERS INDEMNITY COMPANY OF CONNECTICUT (THE)**

**Certificate Number  
652**

January 10, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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The Travelers Indemnity Company of Connecticut was licensed to write workers' compensation insurance in Nevada on July 1, 1999. The claims are self-administered by Travelers located at 7450 Arroyo Crossing Parkway, Suite 200, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2016 through June 30, 2017. The examination focused on the following areas:

- 1) A total of twenty (20) claim files were examined during the audit;
- 2) Timely determination regarding commencement of payment or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of permanent partial disability;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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WORKERS' COMPENSATION SECTION  
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**TRAVELERS INDEMNITY COMPANY OF CONNECTICUT (THE)**

**Certificate Number  
652**

January 10, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A / OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616A.480 (1)	8	N/A
Incorrect or Missing Forms	8	N/A
NAC 616B.016 (1)	1	N/A
Incorrect Reporting	1	N/A
NAC 616B.021 (1)	2	N/A
Untimely TTD Compensation	2	N/A
NAC 616C.094 (1)	2	N/A
Untimely or Missing Response to Written Request	2	N/A
NAC 616C.097 (2)	4	N/A
Missing Appeal Rights	4	N/A
NAC 616C.150 (1) & (4)(a)	1	UP
Incorrect Mileage Reimbursement	1	\$45.80
NAC 616C.150 (1) & (4)(a)	1	OP
Incorrect Mileage Reimbursement	1	\$66.87
NAC 616C.432 (1-2)	1	OP
Incorrect AMW Resulting in Overpayment of TTD	1	\$1,701.88
NAC 616C.432 (1-2)	1	UP
Incorrect AMW Resulting in Underpayment of TTD	1	\$741.75
NAC 616C.432 (1-2) & NAC 616C.435 (8)	2	OP
Incorrect AMW Resulting in Overpayments of TTD	2	\$18,728.99
NAC 616C.432 (1-2) & NAC 616C.435 (8)	2	OP
Incorrect AMW Resulting in Underpayments of TTD	2	\$203.86
NAC 616C.432 (1-2)	1	UP
Incorrect AMW Resulting in Underpayment of PPD	1	\$118.93
NAC 616C.432 (1-2) & NAC 616C.435 (8)	1	UP
Incorrect AMW Resulting in Underpayment of PPD	1	\$14.88

**STATE OF NEVADA  
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**FINDINGS (continued)**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A / OP or UP Total \$ Amount</b>
NAC 616C.577 (1) Overpayment of VRM	1 1	OP \$33.23
NAC 616C.598 (1) Overpayment of TPD	1 3	OP \$82.11
NAC 616C.598 (8) Untimely TPD Compensation	1 3	N/A N/A
NRS 616B.012 (1) Misfiled Claim Documents	4 1	N/A N/A
NRS 616C.045 (1-2) Incomplete or Missing Forms	8 11	N/A N/A
NRS 616C.065 (1) Untimely Claim Acceptance	1 1	N/A N/A
NRS 616C.065 (1) & NAC 616C.091 (1) Missing Claim Acceptance	1 1	N/A N/A
NRS 616C.475 (1) Overpayments of TTD Compensation	2 2	OP \$105.55
NRS 616C.475 (3) Untimely TTD Compensation	1 2	N/A N/A
NRS 616C.475 (8) Missing Written Offers of Temporary Light-Duty	6 6	N/A N/A
NRS 616C.490 (2) Untimely Scheduling of PPD Appointment	1 1	N/A N/A
NRS 616C.505 Underpayment of Death Benefits	1 1	UP \$2.70
NRS 616C.710 Incorrectly Listed Catastrophic Claim	1 1	N/A N/A

**STATE OF NEVADA  
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**TRAVELERS INDEMNITY COMPANY OF CONNECTICUT (THE)**

**Certificate Number  
652**

January 10, 2019

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**REQUIRED CORRECTIVE ACTION**

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**Travelers Indemnity Company of Connecticut must provide the Workers' Compensation Section with adequate written corrective action plans for the Notices of Correction listed below which clearly shows what action will be taken to ensure that these areas are corrected and will remain so:**

- NAC 616B.016 (1) states in part: "1. Upon the request of the Administrator, each insurer shall file a report with the Administrator which contains the following information: (a) For claims other than claims for an occupational disease:... (5) The number of claims that were denied by the insurer."
- NAC 616A.480 states in part, "1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation:... (f) D-5, Wage Calculation Form for Claims Agent's Use...(r) D-13, Injured Employee's Right to Reopen a Claim Which Has Been Closed."
- NAC 616B.021 (1) states, "1. Not later than the date that compensation is due to a claimant, an insurer or third-party administrator shall: 1. Mail a check for compensation, a benefit penalty or a penalty imposed pursuant to NRS 616C.065 to: (a) The claimant; or (b) Upon the written direction of the claimant, the attorney or other authorized representative of the claimant."
- NAC 616C.091 (1) states: "1. After receipt of a claim for compensation, the insurer or third-party administrator shall give written notice of its determination to accept or deny the claim to the injured employee, the attorney or other authorized representative of the injured employee or his or her dependents and, if the injured employee's employer is not self-insured, to the injured employee's employer."

**STATE OF NEVADA  
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**REQUIRED CORRECTIVE ACTION (*continued*)**

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- NAC 616C.094 (1) states in part: “1. Except as otherwise provided in this section, within 30 days after receipt of a written request relating to a claim made by: (a) An injured employee, an employer, a health care provider or the attorney or other representative of any of them;...the insurer, third-party administrator or organization for managed care shall, in writing, notify the person making the request of its determination concerning the request.”
- NAC 616C.097 (2) states: “2. Any written notice of a determination of an insurer that relates to benefits, other than accident benefits provided by an insurer who has contracted with an organization for managed care, must include at the bottom of the notice a statement in substantially the following form: If you disagree with the above determination, sign, date, and briefly explain on the bottom of this notice the reason for your appeal and return it to the Hearing Officer at the Department of Administration within 70 days after the date on which the notice was mailed by the insurer.”
- NAC 616C.150 (1) states: “1. The insurer shall reimburse an injured employee for the cost of transportation to and from the place where the injured employee receives health care if he or she is required to travel 20 miles or more, one way, from the injured employee’s: (a) Residence to the place where he or she receives health care; or (b) Place of employment to the place where he or she receives health care if the care is required during his or her normal working hours.”
- NAC 616C.150 (4)(a) states: Effective, January 1, 2017, the standard mileage for transportation incurred for using a private vehicle while traveling on official state business is 53.5 cents per mile.
- NAC 616C.432 (1-2) states: “the average monthly wage will be calculated by multiplying the average daily wage of an employee during a period of earnings by 30.44. The following formulas will be used to compute an average daily wage and an average monthly wage: Gross earnings divided by days in period of earnings = average daily wage. Average daily wage x 30.44 = average monthly wage.”
- NAC 616C.435 (8) states: “8. The period used to calculate the average monthly wage must consist of consecutive days, ending on the date on which the accident or disease occurred, or the last day of the payroll period preceding the accident or disease if this period is representative of the average monthly wage.”

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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- NAC 616C.577 (1) states in part: “1. An insurer shall pay vocational rehabilitation maintenance to an injured employee at the rate at which the compensation for a temporary total disability is calculated, as provided in NRS 616C.475.”
- NAC 616C.598 (1) states: “1. If the wage that an injured employee receives upon reemployment is less than the compensation for a temporary total disability to which he or she is entitled, compensation for a temporary partial disability must be used to make up the difference.”
- NRS 616B.012 (1) states: “1. Except as otherwise provided in this section and NRS 239.0115, 616B.015, 616B.021 and 616C.205, information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person’s identity.”
- NRS 616C.475 (1) states in part: “1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage.”
- NRS 616C.490 (2) states in part: “2. Within 30 days after receiving from a physician or chiropractor a report indicating that the injured employee may have suffered a permanent disability and is stable and ratable, the insurer shall schedule an appointment with the rating physician or chiropractor selected pursuant to this subsection to determine the extent of the employee’s disability...”
- NRS 616C.505 states in part: “If an injury by accident arising out of and in the course of employment causes the death of an employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, the compensation is known as a death benefit and is payable as follows:...2. Except as otherwise provided in subsection 3, to the surviving spouse of the deceased employee, 66 2/3 percent of the average monthly wage is payable until the death of the surviving spouse.”



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**TRAVELERS INDEMNITY COMPANY OF CONNECTICUT (THE)**

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**REQUIRED CORRECTIVE ACTION *(continued)***

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- NRS 616C.710 states in part: “An insurer that has accepted a claim for a catastrophic injury may thereafter rescind or revise its original determination that the injury is a catastrophic injury if:...2. The injured employee is stable and ratable...” **A response is not required.**

**Emeril’s Homebase, LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1-2) states: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, indicates that the injured employee is expected to be off work for 5 days or more.”

**Brady Linen Services, LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states, “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**TRAVELERS INDEMNITY COMPANY OF CONNECTICUT (THE)**

**Certificate Number  
652**

January 10, 2019

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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**Gaming Partners International Corporation is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1-2) states: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, indicates that the injured employee is expected to be off work for 5 days or more.”

**GCW, Inc. is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states, “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

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DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**TRAVELERS INDEMNITY COMPANY OF CONNECTICUT (THE)**

**Certificate Number  
652**

January 10, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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**Get Fresh Sales, Incorporated is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1-2) states: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, indicates that the injured employee is expected to be off work for 5 days or more.”
- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**Icon Tech Poker Face, LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1-2) states: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, indicates that the injured employee is expected to be off work for 5 days or more.”

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**TRAVELERS INDEMNITY COMPANY OF CONNECTICUT (THE)**

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**REQUIRED CORRECTIVE ACTION *(continued)***

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**Joe Mertz Production Consulting, LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1-2) states: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, indicates that the injured employee is expected to be off work for 5 days or more.”
- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**Pacific Paper Tube, Inc. is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1-2) states: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, indicates that the injured employee is expected to be off work for 5 days or more.”

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DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
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Pursuant to NRS 616B.003**

**TRAVELERS INDEMNITY COMPANY OF CONNECTICUT (THE)**

**Certificate Number  
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January 10, 2019

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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**Nevada Fine Wine & Spirits, LLC dba Total Wine is responsible for developing policies and procedures to ensure:**

- NRS 616C.045 (1-2) states: "1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer's report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer's designee; (c) Contain specific answers to all questions required by the regulations of the Administrator; and (d) Be accompanied by a statement of the wages of the employee if the claim for compensation received from the treating physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, indicates that the injured employee is expected to be off work for 5 days or more."

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**ADMINISTRATIVE FINES**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Travelers Indemnity Company of Connecticut, for a single violation of NAC 616C.598 (8), for failure to issue TPD payment timely.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Travelers Indemnity Company of Connecticut, for a single violation of NAC 616C.598 (8), for failure to issue TPD payment timely.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Travelers Indemnity Company of Connecticut, for a single violation of NAC 616C.598 (8), for failure to issue TPD payment timely.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**TRAVELERS INDEMNITY COMPANY OF CONNECTICUT (THE)**

**Certificate Number  
652**

January 10, 2019

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**ADMINISTRATIVE FINES (*continued*)**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Travelers Indemnity Company of Connecticut, for a single violation of NRS 616C.065 (1), for failure to issue a claim determination in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Travelers Indemnity Company of Connecticut, for a single violation of NRS 616C.065 (1), for failure to issue a claim determination in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Travelers Indemnity Company of Connecticut, for a single violation of NRS 616C.475 (3), for failure to issue TTD compensation in a timely manner.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Travelers Indemnity Company of Connecticut, for a single violation of NRS 616C.475 (3), for failure to issue TTD compensation in a timely manner.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Provide the Workers' Compensation Section (WCS), by February 11, 2019, a written response prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**UTAH BUSINESS INSURANCE COMPANY**

**Certificate Number  
118514**

August 26, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Utah Business Insurance Company was certified for workers' compensation insurance in Nevada on October 3, 2012. The claims are administered by S&C Claims Services, Inc., located at 7881 W. Charleston, Blvd., Ste. 210, Las Vegas, NV 89117.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

1. A total of twenty (20) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

August 26, 2019

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**UTAH BUSINESS INSURANCE COMPANY**

**Certificate Number  
118514**

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616C.091(3)(4)	20	N/A
Claim files contained determination notice discrepancies	20	

**REQUIRED CORRECTIVE ACTION**

**S&C Claims Services, Inc. is responsible for developing policies and procedures to ensure compliance with:**

- Pursuant to NAC 616C.091(3)(4): “3. If the insurer or third-party administrator accepts the claim, the notice of acceptance provided to the injured employee, the attorney or other authorized representative of the injured employee or his or her dependents must include: (a) Written notice of acceptance of the claim; (b) A copy of Form D-52, Alternative Choice of Physician or Chiropractor; and (c) Either: (1) If established and available, the Internet address of the website of the insurer or third-party administrator at which the injured employee, the attorney or other authorized representative of the injured employee or his or her dependents can obtain a list of providers of health care who are authorized to provide health care services to the injured employee; or (2) Notification that, pursuant to NAC 616C.030, the injured employee, the attorney or other authorized representative of the injured employee, his or her dependents or the treating physician or chiropractor of the injured employee may, upon written request, obtain a list of providers of health care who are authorized to provide health care services to the injured employee. 4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number; (b) The name of the employer; (c) The name of the insurer; (d) The name of the third-party administrator, if applicable; (e) The date of the injury; (f) The date of the written notice of determination; (g) Notice that the injured employee may,

August 26, 2019



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**UTAH BUSINESS INSURANCE COMPANY**

**Certificate Number  
118514**

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**REQUIRED CORRECTIVE ACTION (continued)**

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- pursuant to subsection 1 or 3 of NRS 616C.315, request a hearing or appeal the determination within 70 days after the determination is issued by the insurer; and (h) The addresses of the offices of the Hearings Division of the Department of Administration located in Carson City and Las Vegas.” **No further response required.**

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- No corrective action required. The WCS received the required corrective action with the response to the findings.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**ZURICH AMERICAN INSURANCE COMPANY**

**Certificate Number 737**

February 13, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Zurich American Insurance Company was certified for workers' compensation insurance in Nevada on July 1, 1999. The claims are administered by Zurich American Insurance Company located at 7450 Arroyo Crossing Parkway, Suite 230, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2016 through June 30, 2017. The examination focused on the following areas:

1. A total of nineteen (19) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**ZURICH AMERICAN INSURANCE COMPANY**

**Certificate Number 737**

February 13, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A /OP or UP Total \$ Amount</b>
NRS 616C.045 (2)(a-c)(3-4) Duty of employer to file a completed report	4 4	N/A
NRS 616C.045 (2)(a-c) Incomplete C-3 form	1 1	N/A
NAC 616A.480(4) Use of proper forms	17 58	N/A
NAC 616A.480(3) Forms completed inaccurately	1 1	N/A
NAC 616C.094(1)(a-b) Failure to respond to written request	3 5	N/A
NRS 616A.480(1) Employer non-response for mandated form	3 4	N/A
NRS 616C.475 (1) Incorrect TTD benefit amount paid	1 1	TTD OP \$125.70
NRS 616C.475 (1) Incorrect TTD benefit amount paid	1 1	TTD UP \$116.28
NRS 616C.475(8) Written Light-Duty Job Offer	6 6	N/A
NAC 616B.021 Untimely TTD benefits	1 1	N/A
NAC 616C.502 Computing present value for lump-sum payment	1 1	PPD OP \$.32
NAC 616B.016(3)(a-b) Claims erroneously reported	7 7	N/A
NAC 616C.091(4) Determination notice discrepancies	2 2	N/A
NAC 616C.129 Missing written notice of transfer of care	1 1	N/A

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**ZURICH AMERICAN INSURANCE COMPANY**

**Certificate Number 737**

February 13, 2019

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**REQUIRED CORRECTIVE ACTION**

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**Zurich American Insurance Company is responsible for developing policies and procedures to ensure compliance with:**

- NAC 616A.480(4) states: “4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.” In addition:

NAC 616D.400(3) states...If an insurer, organization for managed care, health care provider, third-part administrator, employer or employee leasing company does not agree, in writing, to correct a single, unintentional violation during the course of an investigation or audit, the Administrator may impose an administrative fine in an amount not to exceed those amounts set forth in subsection 2 of NRS 616D.120 or order a plan of corrective action to be submitted to the Administrator, or both.

- Pursuant to NAC 616C.091(3) and (4), “3. If the insurer or third-party administrator accepts the claim, the notice of acceptance provided to the injured employee, the attorney or other authorized representative of the injured employee or his or her dependents must include: (a) Written notice of acceptance of the claim; (b) A copy of Form D-52, Alternative Choice of Physician or Chiropractor; and (c) Either: (1) If established and available, the Internet address of the website of the insurer or third-party administrator at which the injured employee, the attorney or other authorized representative of the injured employee or his or her dependents can obtain a list of providers of health care who are authorized to provide health care services to the injured employee; or (2) Notification that, pursuant to NAC 616C.030, the injured employee, the attorney or other authorized representative of the injured employee, his or her dependents or the treating physician or chiropractor of the injured employee may, upon written request, obtain a list of providers of health care who are authorized to provide health care services to the injured employee. 4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number; (b) The name of the employer; (c) The name of the insurer; (d) The name of the third-party administrator, if applicable; (e) The date of the injury; (f) The date of the written notice of determination; (g) Notice that the injured employee may, pursuant to subsection 1 or 3 of NRS 616C.315, request a hearing or appeal the determination within 70 days after the determination is issued by the insurer; and (h) The addresses of the offices of the Hearings Division of the Department of Administration located in Carson City and Las Vegas.”  
**A response is not required.**

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**REQUIRED CORRECTIVE ACTION** *(continued)*

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- NAC 616B.016(3)(a-b) states: “As used in this section: (a) “Claim for accident benefits only” means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim did not include benefits for a temporary total disability, temporary partial disability or permanent total disability. (b) “Claim for benefits for lost time” means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim included benefits for a temporary total disability, temporary partial disability or permanent total disability.” **A response is not required.**
  
- NAC 616B.021 states” “Not later than the date that compensation is due to a claimant, an insurer or third-party administrator shall: 1. Mail a check for compensation, a benefit penalty or a penalty imposed pursuant to NRS 616C.065 to: (a) The claimant; or (b) Upon the written direction of the claimant, the attorney or other authorized representative of the claimant; or 2. Make a check for compensation, a benefit penalty or a penalty imposed pursuant to NRS 616C.065 available to the claimant or, if directed in writing by the claimant, the attorney or other authorized representative of the claimant in the office of the insurer or third-party administrator.” **A response is not required.**
  
- Pursuant to NAC 616C.502, “the factors in the following table must be applied whenever present value is computed to make a lump-sum payment for an award for a payment partial disability. The determination of the age of an injured employee must be made by subtracting the birthdate of the injured employee from the date of the request by the injured employee for a lump-sum payment. Only the month and year may be used in the determination.” **A response is not required.**
  
- NAC 616C.129 (2) states, “The insurer shall give written notice to all interested persons of the transfer of an injured employee to a new physician or chiropractor, which must include notice to the injured employee or the attorney or authorized representative of the injured employee of the right to appeal the transfer.” **A response is not required.**

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**REQUIRED CORRECTIVE ACTION *(continued)***

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**Mandalay Employment LLC dba Four Seasons Hotel Las Vegas is responsible for developing policies and procedures to ensure:**

- NAC 616A.480(3) states: “The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section.”
- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**Moorea Investments Inc. is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**PJ Las Vegas LLC is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states, “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

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**ZURICH AMERICAN INSURANCE COMPANY**

**Certificate Number 737**

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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**Martin Harris Construction is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states, "If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee's accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer."

**Source Refrigeration & HVAC Inc. is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states, "If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee's accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer."

**Robinson Holdings LTD is responsible for developing policies and procedures to ensure:**

- NRS 616C.475 (8) states, "If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee's accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer."

**Marigold Mining Company is responsible for developing policies and procedures to ensure:**

- Pursuant to NRS 616C.045 (2) (a-c), the C-3 form must be filed on a form prescribed by the Administrator; be signed by the employer or his designee and contain specific answers to all questions required by the regulations of the Administrator.

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Pursuant to NRS 616B.003**

**ZURICH AMERICAN INSURANCE COMPANY**

**Certificate Number 737**

February 13, 2019

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**ADMINISTRATIVE FINES**

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- One administrative fine in the amount of three hundred seventy-five dollars (375.00) is being issued to Zurich American Insurance Company, for a single violation of NRS 616C.475 (1), for failure to pay the correct TTD payment.
- Six administrative fines in the amount of two thousand two hundred fifty dollars (\$2,250.00) is being issued to Zurich American Insurance Company, for six violations of NAC 616A.480 (4), for failure to use the appropriate form in the administering of claims.
- Five administrative fines in the amount of one thousand eight hundred seventy-five dollars (\$1,875.00) is being issued to Zurich American Insurance Company, for five violations of NAC 616C.094(1), for failure to respond in a timely manner.
- One administrative fine in the amount of three hundred seventy-five dollars (\$375.00) is being issued to HSW Propipe Inc., for a single violation of NRS 616C.045 (2)(a-c)(3-4), for failure to complete and return the mandated C-3 Form.
- One administrative fine in the amount of three hundred seventy-five dollars (\$375.00) is being issued to Intellisource LLC, for a single violation of NRS 616C.045 (2)(a-c)(3-4), for failure to complete and return the mandated C-3 Form.
- One administrative fine in the amount of three hundred seventy-five dollars (\$375.00) is being issued to Source Refrigeration & HVAC Inc., for a single violation of NRS 616C.045 (2)(a-c)(3-4), for failure to complete and return the mandated C-3 Form.
- One administrative fine in the amount of three hundred seventy-five dollars (\$375.00) is being issued to Planet Hollywood International Inc., for a single violation of NRS 616C.045 (2)(a-c)(3-4), for failure to complete and return the mandated C-3 Form.
- Two administrative fines in the amount of seven hundred fifty dollars (\$750.00) is being issued to Source Refrigeration & HVAC Inc., for two violations of NRS 616A.480 (1), for failure to complete and return a blank form within six working days.



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**ZURICH AMERICAN INSURANCE COMPANY**

**Certificate Number 737**

February 13, 2019

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**ADMINISTRATIVE FINES *(continued)***

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- One administrative fine in the amount of three hundred seventy-five dollars (\$375.00) is being issued to Martin Harris Construction., for a single violation of NRS 616A.480 (1), for failure to complete and return a blank form within six working days.
  
- One administrative fine in the amount of three hundred seventy-five dollars (\$375.00) is being issued to Planet Hollywood International Inc., for a single violation of NRS 616A.480 (1), for failure to complete and return a blank form within six working days.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Provide the Workers' Compensation Section (WCS), by March 18, 2019, a written response, prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**No Claims Audits**

**STATE OF NEVADA  
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**AMERICAN ALTERNATIVE INSURANCE CORPORATION**

**Certificate Number  
81**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

American Alternative Insurance Corporation was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 29, 2018, it was reported American Alternative Insurance Corporation had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

---

None required.

**STATE OF NEVADA  
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**ANSUR AMERICA INSURANCE COMPANY**

**Certificate Number  
10729**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Ansur America Insurance Company was certified for workers' compensation insurance on April 8, 2002. No Third-Party Administrator has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

---

**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 19, 2018, it was reported Ansur America Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**ARROWOOD INDEMNITY COMPANY**

**Certificate Number  
576**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Arrowood Indemnity Company was certified for workers' compensation insurance on July 1, 1999. Tristar Risk Management has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 23, 2018, it was reported Arrowood Indemnity Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**ASSOCIATED INDEMNITY CORPORATION**

**Certificate Number  
90**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Associated Indemnity Corporation was certified for workers' compensation insurance on July 1, 1999. Broadspire Services has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On November 13, 2018, it was reported Associated Indemnity Corporation had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**AXIS INSURANCE COMPANY**

**Certificate Number  
1163**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Axis Insurance Company was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 24, 2018, it was reported Axis Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**BEDIVERE INSURANCE COMPANY**

**Certificate Number  
959**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Bedivere Insurance Company was certified for workers' compensation insurance on August 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

---

**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 23, 2018, it was reported Bedivere Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.



**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**CAPITOL INDEMNITY CORPORATION**

**Certificate Number  
1416**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Capitol Indemnity Corporation was certified for workers' compensation insurance on September 17, 2008. Corvel Enterprise Comp. Inc. has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 29, 2018, it was reported Capitol Indemnity Corporation had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**CINCINNATI INSURANCE COMPANY (THE)**

**Certificate Number  
1188**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

The Cincinnati Insurance Company was certified for workers' compensation insurance on July 1, 1999. Broadspire Services has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On November 19, 2018, it was reported Cincinnati Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**CLARENDON NATIONAL INSURANCE COMPANY**

**Certificate Number  
134**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Clarendon National Insurance Company was certified for workers' compensation insurance on July 1, 1999. S & C Claims Services Inc. has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 24, 2018, it was reported Clarendon National Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**COLONY SPECIALTY INSURANCE COMPANY**

**Certificate Number  
1786**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Colony Specialty Insurance Company was certified for workers' compensation insurance on September 11, 2000. No Third-Party Administrator has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 24, 2018, it was reported Colony Specialty Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**COUNTRY CASUALTY INSURANCE COMPANY**

**Certificate Number  
1334**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Country Casualty Insurance Company was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

---

**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 23, 2018, it was reported Country Casualty Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

---

None required.

**STATE OF NEVADA  
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**COUNTRY MUTUAL INSURANCE COMPANY**

**Certificate Number  
1359**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Country Mutual Insurance Company was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

---

**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 23, 2018, it was reported Country Mutual Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

---

None required.

**STATE OF NEVADA  
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**COUNTRY PREFERRED INSURANCE COMPANY**

**Certificate Number  
1368**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Country Preferred Insurance Company was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

---

**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 23, 2018, it was reported Country Preferred Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**DAKOTA TRUCK UNDERWRITERS**

**Certificate Number  
118202**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Dakota Truck Underwriters was certified for workers' compensation insurance on September 5, 2012. Nevada Alternative Solutions Inc. has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On November 9, 2018, it was reported Dakota Truck Underwriters had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.



**STATE OF NEVADA  
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**EAGLE WEST INSURANCE COMPANY**

**Certificate Number  
1733**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Eagle West Insurance Company was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

---

**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On November 29, 2018, it was reported Eagle West Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**EMC PROPERTY & CASUALTY COMPANY**

**Certificate Number  
11673**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

EMC Property & Casualty Company was certified for workers' compensation insurance on April 8, 2002. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 25, 2018, it was reported EMC Property & Casualty Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**EMPLOYERS FIRE INSURANCE COMPANY (THE)**

**Certificate Number  
212**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

The Employers Fire Insurance Company was certified for workers' compensation insurance on August 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 23, 2018, it was reported The Employers Fire Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**FORTUITY INSURANCE COMPANY**

**Certificate Number  
10728**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Fortuity Insurance Company was certified for workers' compensation insurance on February 12, 2002. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On November 26, 2018, it was reported Fortuity Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**FRANKENMUTH MUTUAL INSURANCE COMPANY**

**Certificate Number  
1766**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Frankenmuth Mutual Insurance Company was certified for workers' compensation insurance on August 12, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

---

**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 19, 2018, it was reported Frankenmuth Mutual Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**HUDSON INSURANCE COMPANY**

**Certificate Number  
1741**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Hudson Insurance Company was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

---

**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 25, 2018, it was reported Hudson Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**ILLINOIS NATIONAL INSURANCE COMPANY**

**Certificate Number  
1507**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Illinois National Insurance Company was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On November 8, 2018, it was reported Illinois National Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
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**LAMORAK INSURANCE COMPANY**

**Certificate Number  
173**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Lamorak Insurance Company was certified for workers' compensation insurance on August 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 23, 2018, it was reported Lamorak Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.



**STATE OF NEVADA  
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**MERIDIAN SECURITY INSURANCE COMPANY**

**Certificate Number  
116538**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Meridian Security Insurance Company was certified for workers' compensation insurance on March 7, 2012. Cannon Cochran Management Services, Inc. (CCMSI) has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On November 2, 2018, it was reported Meridian Security Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

---

None required.

**STATE OF NEVADA  
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**MIDWEST INSURANCE COMPANY**

**Certificate Number  
100017**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Midwest Insurance Company was certified for workers' compensation insurance on February 27, 2008. No Third-Party Administrator has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 23, 2018, it was reported Midwest Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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**NATIONAL INDEMNITY COMPANY**

**Certificate Number  
444**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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National Indemnity Company was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

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On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On November 19, 2018, it was reported National Indemnity Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NEVADA MUTUAL INSURANCE COMPANY, INC.**

**Certificate Number  
12716**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Nevada Mutual Insurance Company, Inc. was certified for workers' compensation insurance on October 24, 2011. S & C Claims Services Inc. has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

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On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 25, 2018, it was reported Nevada Mutual Insurance Company, Inc. had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NORTH AMERICAN ELITE INSURANCE COMPANY**

**Certificate Number  
1455**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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North American Elite Insurance Company was certified for workers' compensation insurance on May 15, 2001. No Third-Party Administrator has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

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On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 22, 2018, it was reported North American Elite Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NORTH AMERICAN SPECIALTY INSURANCE COMPANY**

**Certificate Number  
1210**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

North American Specialty Insurance Company was certified for workers' compensation insurance on July 1, 1999. Gallagher Bassett has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

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On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 25, 2018, it was reported North American Specialty Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PENNSYLVANIA INSURANCE COMPANY**

**Certificate Number  
1662**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Pennsylvania Insurance Company was certified for workers' compensation insurance on August 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

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On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 22, 2018, it was reported Pennsylvania Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PROASSURANCE INDEMNITY COMPANY, INC.**

**Certificate Number  
1622**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

ProAssurance Indemnity Company, Inc. was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

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On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 22, 2018, it was reported ProAssurance Indemnity Company, Inc. had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PROCENTURY INSURANCE COMPANY**

**Certificate Number  
17720**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

ProCentury Insurance Company was certified for workers' compensation insurance on March 18, 2010. No Third-Party Administrator has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

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On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On November 27, 2018, it was reported ProCentury Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**SOUTHERN INSURANCE COMPANY**

**Certificate Number  
603**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Southern Insurance Company was certified for workers' compensation insurance on October 29, 2009. Amtrust North America has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

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On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 31, 2018, it was reported Southern Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**STATE AUTOMOBILE MUTUAL INSURANCE COMPANY**

**Certificate Number  
17721**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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State Automobile Mutual Insurance Company was certified for workers' compensation insurance on December 29, 2006. Cannon Cochran Management Services, Inc, (CCMSI) has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

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On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On November 2, 2018, it was reported State Automobile Mutual Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**UNITED STATES FIDELITY & GUARANTY COMPANY**

**Certificate Number  
691**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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United States Fidelity & Guaranty Company was certified for workers' compensation insurance on July 1, 1999. Travelers has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

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The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

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On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On November 19, 2018, it was reported United States Fidelity & Guaranty Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**UNIVERSAL UNDERWRITERS INSURANCE COMPANY**

**Certificate Number  
695**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Universal Underwriters Insurance Company was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

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On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 25, 2018, it was reported Universal Underwriters Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**UTICA MUTUAL INSURANCE COMPANY**

**Certificate Number  
704**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

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Utica Mutual Insurance Company was certified for workers' compensation insurance on July 1, 1999. No Third-Party Administrator has been designated to administer claims.

---

**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 25, 2018, it was reported Utica Mutual Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**WASHINGTON INTERNATIONAL INSURANCE COMPANY**

**Certificate Number  
1495**

November 15, 2019

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**BACKGROUND OF PRIVATE CARRIER**

---

Washington International Insurance Company was certified for workers' compensation insurance on April 29, 2008. No Third-Party Administrator has been designated to administer claims.

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**SCOPE AND OBJECTIVES**

---

The examination designated the time period from July 1, 2017, through June 30, 2018.

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**FINDINGS**

---

On October 15, 2018, the Workers' Compensation Section requested a log of the claims that were filed with the insurer for the period of July 1, 2017, through June 30, 2018.

On October 22, 2018, it was reported Washington International Insurance Company had no claims filed and/or no policies written for the audit period selected.

Zero (0) claims were examined.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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None required.

**Self-Insured Employers**



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CDS U.S. INTERMEDIATE HOLDINGS, INC.**

**Certificate Number  
132789**

December 5, 2019

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**BACKGROUND OF SELF-INSURED EMPLOYER**

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CDS U.S. Intermediate Holdings, Inc. was certified as a self-insured employer on July 8, 2015. The claims are administered by Sierra Nevada Administrators, Inc. located at 2716 North Tenaya Way, 4<sup>th</sup> Floor, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

- 1) A total of twenty (20) claim files were examined during the audit;
- 2) Timely determination regarding commencement of payment or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of permanent partial disability;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CDS U.S. INTERMEDIATE HOLDINGS, INC.**

**Certificate Number  
132789**

December 5, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A / OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616A.480 (1)	17	N/A
Improper Forms	30	N/A
NAC 616A.480 (4)	20	N/A
Altered Forms	33	N/A
NAC 616B.016 (3)(a)(b)	1	N/A
Incorrect Reporting	1	N/A
NAC 616C.091 (4)	2	N/A
Denial Determinations	2	N/A
NAC 616C.502	1	UP
Underpayment of PPD – Incorrect Present Value Factor	1	\$4.39
NRS 616C.475 (1)	1	OP
Overpayment of TTD	1	\$874.37
NRS 616C.475 (8)	1	N/A
Untimely Written Offers of Temporary Light-Duty	1	N/A
NRS 616C.490 (7)	2	OP
Overpayment of PPD – Compensation Commence Date	2	\$105.38
NRS 616C.495 (5)	1	OP
Overpayment of PPD – Present Value	1	\$37.44

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CDS U.S. INTERMEDIATE HOLDINGS, INC.**

**Certificate Number  
132789**

December 5, 2019

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**REQUIRED CORRECTIVE ACTION**

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**CDS U.S. Intermediate Holdings, Inc. and Sierra Nevada Administrators, Inc. must provide the Workers' Compensation Section with adequate written corrective action plans for the Notices of Correction listed below which clearly shows what action will be taken to ensure that these areas are corrected and will remain so:**

- NAC 616A.480 (4) states, "4. An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator."
- NAC 616A.480 states in part, "1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers' compensation:... (b) D-2, Brief Description of Your Rights and Benefits if You Are Injured on the Job... (gg) D-30, Notice of Claim Acceptance...(hh) D-31, Notice of Intention to Close Claim...(zz) D-53, Alternative Choice of Physician or Chiropractor and Referral to a Specialist."
- NRS 616C.475 (1) states in part: "1. Except as otherwise provided in this section, NRS 616C.175 and 616C.390, every employee in the employ of an employer, within the provisions of chapters 616A to 616D, inclusive, of NRS, who is injured by accident arising out of and in the course of employment, or his or her dependents, is entitled to receive for the period of temporary total disability, 66 2/3 percent of the average monthly wage."
- NRS 616C.490 (7) states in part: "7...Compensation must commence on the date of the injury or the day following the termination of temporary disability compensation, if any, whichever is later, and must continue on a monthly basis for 5 years or until the claimant is 70 years of age, whichever is later."
- NRS 616C.495 (5) states in part: "5. The lump sum payable must be equal to the present value of the compensation awarded, less any advance payment or lump sum previously paid..."

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CDS U.S. INTERMEDIATE HOLDINGS, INC.**

**Certificate Number  
132789**

December 5, 2019

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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- NAC 616C.502 states: “The factors...must be applied whenever present value is computed to make a lump-sum payment for an award for a permanent partial disability. The determination of the age of an injured employee must be made by subtracting the birthdate of the injured employee from the date of the request by the injured employee for a lump-sum payment. Only the month and year may be used in the determination.”
- The forms adopted pursuant to NAC 616A.480 (1) must be used by each insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation. **A response is not required.**
- NAC 616B.016 (3)(a)(b) states, “as used in this section: (a) ‘Claim for accident benefits only’ means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim did not include benefits for a Temporary Total Disability, Temporary Partial Disability or Permanent Total Disability. (b) ‘Claim for benefits for lost time’ means a claim in which the benefits received by the injured employee or his or her dependents for the duration of the claim included benefits for a Temporary Total Disability, Temporary Partial Disability or Permanent Total Disability.” **A response is not required.**
- NAC 616C.091 (4) states: “4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number; (b) The name of the employer; (c) The name of the insurer; (d) The name of the third-party administrator, if applicable; (e) The date of the injury; (f) The date of the written notice of determination; (g) Notice that the injured employee may, pursuant to subsection 1 or 3 of NRS 616C.315, request a hearing or appeal the determination within 70 days after the determination is issued by the insurer; and (h) The addresses of the offices of the Hearings Division of the Department of Administration located in Carson City and Las Vegas.” **A response is not required.**

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CDS U.S. INTERMEDIATE HOLDINGS, INC.**

**Certificate Number  
132789**

December 5, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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**CDS U.S. Intermediate Holdings, Inc. is responsible for developing policies and procedures to ensure compliance with:**

- NRS 616C.475 (8) states: “If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Provide the Workers’ Compensation Section (WCS), by January 6, 2020, a written response prepared specifically with the above Findings and Claims Administration in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CITY OF RENO**

**Certificate Number  
123079**

April 11, 2019

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**BACKGROUND OF SELF-INSURED EMPLOYER**

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City of Reno was certified for Workers' Compensation as a self-insured employer in the State of Nevada on September 1, 1992. The claims are administered by Cannon Cochran Management Services, Inc. (CCMSI), located at 595 Double Eagle Court, Suite 2003, in Reno, Nevada 89501.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Twenty (20) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CITY OF RENO**

**Certificate Number  
123079**

April 11, 2019

**FINDINGS**

Violation Brief Description	Number of Files Total # Violations	N/A/OP or UP Total \$ Amount
NRS 616B.012 Misfiled forms for another claim	1 1	N/A N/A
NRS 616C.475 Missing or untimely light duty offer	3 3	N/A N/A
NAC 616A.480 C-4 form not signed by injured worker	1 1	N/A N/A
NAC 616A.480 Unauthorized or outdated forms	14 22	N/A N/A
NAC 616C.148 PPD Evaluation submitted untimely	6 6	N/A N/A

**REQUIRED CORRECTIVE ACTION**

**City of Reno, is responsible for developing policies and procedure to ensure compliance with:**

- NRS 616C.475 states in part: “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CITY OF RENO**

**Certificate Number  
123079**

April 11, 2019

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notice of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**DOUGLAS COUNTY**

**Certificate Number  
143601**

September 16, 2019

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**BACKGROUND OF SELF-INSURED EMPLOYER**

---

Douglas County was certified as a self-insured employer in the State of Nevada on July 1, 2017. The claims are administered by Cannon Cochran Management Services, Inc. (CCMSI), located at 595 Double Eagle Court, Unit 2003, Reno, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Fifteen (15) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**DOUGLAS COUNTY**

**Certificate Number  
143601**

September 16, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A/OP or UP Total \$ Amount</b>
NRS 616B.012	1	N/A
Foreign documents in file	2	
NRS 616C.040	4	N/A
Claim for compensation submitted late	4	
NRS 616C.475	1	UP
TTD paid for too few days	1	\$735.90
NAC 616A.480	2	N/A
Wage Verification forms submitted unsigned	2	
NAC 616C.583	5	N/A
Light duty letters did not include required elements	15	

**REQUIRED CORRECTIVE ACTION**

Pursuant to NRS 616D.120(2)(a)

**Douglas County, is responsible for developing policies and procedure to ensure compliance with:**

Pursuant to NAC 616A.480: "3. The forms listed in this section must be accurately completed, including, without limitation, a signature and a date if required by the form. An insurer or employer may designate a third-party administrator as an agent to sign any form listed in this section."

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**DOUGLAS COUNTY**

**Certificate Number  
143601**

September 16, 2019

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**REQUIRED CORRECTIVE ACTION (continued)**

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**Douglas County, is responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NAC 616C.583: "1. An offer of employment at light duty to an injured employee by his or her employer must: (a) Be in writing; (b) Be mailed to both the insurer and the injured employee; and (c) Include: (1) The net wage to be paid the injured employee; (2) The hours which the injured employee will be expected to work; (3) A reasonable description of the physical requirements of the employment; (4) A reasonable description of the duties the injured employee will be expected to perform; (5) A description of any fringe benefits of the employment; and (6) The geographical location of the employment."

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NYE COUNTY SCHOOL DISTRICT**

**Certificate Number  
122969**

October 4, 2019

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**BACKGROUND OF SELF-INSURED EMPLOYER**

---

Nye County School District was certified as a self-Insured employer in the State of Nevada on July 1, 2008. The claims are administered by Cannon Cochran Management Services, Inc. (CCMSI), located at 7251 W. Lake Mead Boulevard, Suite 260, in Las Vegas, Nevada 89128.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Ten (10) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NYE COUNTY SCHOOL DISTRICT**

**Certificate Number  
122969**

October 4, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616B.012	3	N/A
Misfiled forms for another claim	3	
NRS 616B.018	1	N/A
Claim indexed with incorrect information	1	
NRS 616C.015	1	N/A
C-1 not signed by employee or designee	1	
NRS 616C.040	1	N/A
C-4 forms submitted untimely	1	
NRS 616C.045	9	N/A
Incomplete and/or Untimely C-3 forms	9	
NRS 616C.065	1	N/A
Untimely claim determination	1	
NRS 616C.475	5	4 Claims OP = \$10,471.53 1 Claim UP = \$995.09
TTD calculated incorrectly	7	
NAC 616A.480	4	N/A
Unauthorized, incomplete and/or missing forms	11	
NAC 616C.082	4	N/A
Document did not indicate date of receipt	9	
NAC 616C.088	3	N/A
Documentation missing	4	

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NYE COUNTY SCHOOL DISTRICT**

**Certificate Number  
122969**

October 4, 2019

**FINDINGS (continued)**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616C.094	1	N/A
No response to written request by claimant	1	
NAC 616C.148	1	N/A
PPD Evaluation submitted untimely	1	
NAC 616C.438	2	N/A
AMW calculated incorrectly	2	

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NYE COUNTY SCHOOL DISTRICT**

**Certificate Number  
122969**

October 4, 2019

---

**REQUIRED CORRECTIVE ACTIONS**

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Pursuant to NRS 616D.120(2)(a)

**Nye County School District, is responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NRS 616C.045: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator;”
  
- Pursuant to NAC 616C.094: “1. Except as otherwise provided in this section, within 30 days after receipt of a written request relating to a claim made by: (a) An injured employee, an employer, a health care provider or the attorney or other representative of any of them; or (b) A spouse, child or parent of an injured employee who is deceased or incapacitated, the insurer, third-party administrator or organization for managed care shall, in writing, notify the person making the request of its determination concerning the request. 2. If the insurer, third-party administrator or organization for managed care terminates or denies any benefit in response to a written request, it shall notify the person making the request, the injured employee and the attorney or authorized representative of the injured employee, in writing, giving the reasons for its determination and an explanation of the right of the person making the request to appeal the determination.”
  
- Pursuant to NAC 616C.438: “Each day within a period of earnings must be counted to determine the period of employment, except for days on which an injured employee was:  
1. Absent because of a certified illness or disability, including, without limitation, time for which temporary disability payments were made;”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**NYE COUNTY SCHOOL DISTRICT**

**Certificate Number  
122969**

October 4, 2019

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**ADMINISTRATIVE FINE**

---

Pursuant to NRS 616C.045 and NAC 616D.415(2)

One administrative fine, totaling three hundred seventy-five dollars (\$375.00), is being issued to Nye County School District for nine (9) violation of NRS 616C.045, for incomplete and/or untimely Employer's Report of Injury forms (C-3).

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PILOT TRAVEL CENTERS LLC**

**Certificate Number  
122981**

December 6, 2019

---

**BACKGROUND OF SELF-INSURED EMPLOYER**

---

Pilot Travel Centers LLC was certified as a self-insured employer in the State of Nevada on March 1, 2012. The claims are administered by Cannon Cochran Management Services, Inc. (CCMSI), located at 7251 W. Lake Mead Boulevard, Suite 260, in Las Vegas, Nevada 89128.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017, through June 30, 2018. The examination focused on the following areas:

- 1) Ten (10) claims were examined.
- 2) Timely determination regarding claim acceptance or denial;
- 3) Timely payment of initial compensation;
- 4) Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
- 5) Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
- 6) Timely evaluation and offer of PPD;
- 7) Notification of the right of appeal concerning determination(s) made;
- 8) Timely responses to requests;
- 9) Vocational rehabilitation benefits;
- 10) Use of proper forms;
- 11) Claims administration; and
- 12) Violations of NRS 616D.120.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PILOT TRAVEL CENTERS LLC**

**Certificate Number  
122981**

December 6, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A/OP or UP Total \$ Amount</b>
NRS 616C.040 C-4 forms submitted untimely	8 8	N/A
NRS 616C.045 Incomplete and/or Unsigned C-3 forms	10 10	N/A
NRS 616C.065 Untimely claim determination	4 4	N/A
NRS 616C.475 Late TTD payment	1 1	N/A
NRS 616C.475 Employer did not provide light duty letter	2 2	N/A
NAC 616A.480 Unauthorized and/or incomplete forms	4 5	N/A
NAC 616C.088 Documentation missing	1 1	N/A

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PILOT TRAVEL CENTERS LLC**

**Certificate Number  
122981**

December 6, 2019

---

**REQUIRED CORRECTIVE ACTIONS**

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Pursuant to NRS 616D.120(2)(a)

**Pilot Travel Centers LLC and Cannon Cochran Management Services, Inc., are responsible for developing policies and procedure to ensure compliance with:**

- Pursuant to NRS 616C.045: “1. Except as otherwise provided in NRS 616B.727, within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility if the duty to file the claim for compensation has been delegated to the medical facility pursuant to NRS 616C.040, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease. 2. The report must: (a) Be filed on a form prescribed by the Administrator; (b) Be signed by the employer or the employer’s designee; (c) Contain specific answers to all questions required by the regulations of the Administrator;”
- Pursuant to NRS 616C.065 states in part: “1. Except as otherwise provided in NRS 616C.136, within 30 days after the insurer has been notified of an industrial accident, every insurer shall: (a) Accept a claim for compensation, notify the claimant or the person acting on behalf of the claimant that the claim has been accepted and commence payment of the claim; or (b) Deny the claim and notify the claimant or the person acting on behalf of the claimant and the Administrator that the claim has been denied.”
- Pursuant to NRS 616C.475 states in part: “3. If a claim for the period of temporary total disability is allowed, the first payment pursuant to this section must be issued by the insurer within 14 working days after receipt of the initial certification of disability and regularly thereafter.”
- Pursuant to NRS 616C.475 states in part: “8. If the certification of disability specifies that the physical limitations or restrictions are temporary, the employer of the employee at the time of the employee’s accident may offer temporary, light-duty employment to the employee. If the employer makes such an offer, the employer shall confirm the offer in writing within 10 days after making the offer.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**PILOT TRAVEL CENTERS LLC**

**Certificate Number  
122981**

December 6, 2019

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**ADMINISTRATIVE FINE**

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Pursuant to NRS 616C.045 and NAC 616D.415(2)

One administrative fine, totaling three hundred seventy-five dollars (\$375.00), is being issued to Pilot Travel Centers LLC for ten (10) violation of NRS 616C.045, for incomplete Employer's Report of Injury forms (C-3).

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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Written plans of corrective action must be provided to the Workers' Compensation Section (WCS) whenever a Notice of Correction is issued, either before the final report or within thirty (30) days after issuance of the same.

Acceptable written plans of corrective action are those which are prepared specifically with the Notices of Correction in mind, clearly showing what actions will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**T&R CONSTRUCTION GROUP**

**Certificate Number 135224**

April 12, 2019

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**BACKGROUND OF SELF-INSURED EMPLOYER**

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T&R Construction Group was certified as a self-insured employer on April 15, 2016. The claims are administered by Nevada Alternative Solutions, Inc., located at 9506 West Flamingo Road, Suite 102, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

1. A total of eleven (11) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

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**FINDINGS**

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There were no reportable findings in this examination. No corrective action is required.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**WESTERN CAB COMPANY INC**

**Certificate Number  
123030**

August 5, 2019

---

**BACKGROUND OF SELF-INSURED EMPLOYER**

---

Western Cab Company, Inc. was certified as a self-insured employer on September 1, 2001. The claims are administered by R.A. Wong & Associates, located at 5110 S. Valley View Blvd., Suite 100, Las Vegas, NV 89118.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2017 through June 30, 2018. The examination focused on the following areas:

1. A total of twenty (20) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**WESTERN CAB COMPANY INC**

**Certificate Number  
123030**

August 5, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A / OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616C.094(1)	1	N/A
Failure to respond in writing to 2 written requests	2	N/A
NAC 616C.1162(1)(a)	1	N/A
Notice of request for medical examination	1	N/A
NAC 616C.091 (4)	5	N/A
Determination notice discrepancies	5	N/A
NAC 616C.598 (8)	1	N/A
Untimely TPD payment used	2	N/A
Explanation of Benefits (EOBs)	7	N/A
Missing Appeal Rights	11	N/A
NRS 616A.480 (1)	3	N/A
Incomplete D-8 Forms	3	N/A

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003

**WESTERN CAB COMPANY INC**

Certificate Number  
123030

August 5, 2019

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**REQUIRED CORRECTIVE ACTION**

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**R. A. Wong is responsible for developing policies and procedures to ensure compliance with:**

- NAC 616C.1162 (1) (a) states: “If an insurer or employer requests that an injured employee who has filed a claim for compensation submit to a medical examination pursuant to NRS 616C.140, the insurer or employer shall notify the injured employee, in writing, of the time and place of the medical examination: (a) At least 10 days before the date of the medical examination, if the employee resides within the state in which the medical examination will be conducted.”
- NAC 616C.091 (4), “4. A written notice of determination issued by an insurer or third-party administrator must include: (a) The claim number; (b) The name of the employer; (c) The name of the insurer; (d) The name of the third-party administrator, if applicable; (e) The date of the injury; (f) The date of the written notice of determination; (g) Notice that the injured employee may, pursuant to subsection 1 or 3 of NRS 616C.315, request a hearing or appeal the determination within 70 days after the determination is issued by the insurer; and (h) The addresses of the offices of the Hearings Division of the Department of Administration located in Carson City and Las Vegas.” **Response is not needed.**

**Western Cab Company is responsible for developing policies and procedures to ensure compliance with:**

- NRS 616A.480 (1): “1. Every employer receiving from the insurer or Administrator any blank form with directions to fill it out shall: (a) Cause it to be filled out properly. (b) Answer fully and correctly all questions therein propounded, and if unable to do so, shall give sufficient reasons for his or her failure. Answers to questions must be verified and returned to the insurer or Administrator, as appropriate, within 6 working days. 2. If an employer fails to comply with the provisions of subsection 1, the Administrator shall impose a fine of not more than \$1,000 for each failure to comply.”  
**Response is not needed.**



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**WESTERN CAB COMPANY INC**

**Certificate Number  
123030**

August 5, 2019

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**ADMINISTRATIVE FINES**

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- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to R.A. Wong, for two violations of NAC 616C.094, for failure to respond in a timely manner.
  
- One administrative fine totaling three hundred seventy-five dollars (\$375.00) is being issued to R. A. Wong, for two violations of NAC 616C.598, for failure to pay TPD benefits timely.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Provide the Workers' Compensation (WCS) by September 6, 2019 a written plan of corrective action, prepared specifically with the above Claims Administration findings in mind, which will clearly show what action will be taken to assure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**YRC, INC.**

**Certificate Number  
123240**

February 15, 2019

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**BACKGROUND OF SELF-INSURED EMPLOYER**

---

YRC, Inc. was certified as a self-insured employer on May 1, 1986. The claims are administered by Sedgwick Claims Management Services, located at 9930 W. Cheyenne Avenue, Suite 150, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The examination covered the time period from July 1, 2016 through June 30, 2017. The examination focused on the following areas:

1. A total of ten (10) claim files were examined during the audit;
2. Timely determination regarding commencement of payment or denial;
3. Timely payment of initial compensation;
4. Accurate calculation and payment of temporary partial disability (TPD), temporary total disability (TTD), permanent partial disability (PPD), and/or permanent total disability (PTD) compensation;
5. Timely and accurate payment of medical bills in accordance with the Nevada Medical Fee Schedule or as otherwise contracted;
6. Timely evaluation and offer of permanent partial disability;
7. Notification of the right of appeal concerning determination(s) made;
8. Timely responses to requests;
9. Vocational rehabilitation benefits;
10. Use of proper forms;
11. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**YRC, INC.**

**Certificate Number  
123240**

February 15, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A/OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NRS 616C.065(5)(b)	2	N/A
Claim Determination - Denial	2	
NRS 616C.475(1)	1	UP
Entitlement to TTD	1	\$881.66
NAC 616C.480(1)(2)	4	N/A
Use of Forms – Required Forms	4	
NAC 616C.082(1)	7	N/A
Action on Filings – Date of Receipt	8	
NRS 616C.015	5	N/A
Notice of Injury or Death	5	
NRS 616C.045	2	N/A
Duty of Employer to File Report of Industrial Injury or Occupational Disease	2	

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**YRC, INC.**

**Certificate Number  
123240**

February 15, 2019

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**REQUIRED CORRECTIVE ACTION**

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**Sedgwick CMS is responsible for developing policies and procedures to ensure:**

- NRS 616C.065(5b)(6), (5) “the insurer shall notify the claimant or the person acting on behalf of the claimant that a claim has been accepted or denied pursuant to subsection 1 or 2 by: (b) If the claim has been denied, in whole or in part, obtaining a certificate of mailing. (6) The failure of the insurer to obtain a certificate of mailing as required by paragraph (b) of subsection 5 shall be deemed to be a failure of the insurer to mail the written determination of the denial of a claim as required by this section.”
- The forms adopted pursuant to NAC 616A.480(1) and (2) must be used by each insurer in the administration of claims for workers’ compensation. Additionally, NAC 616A.480 (4) states: “An insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator may not use a different form or change a form without the prior written approval of the Administrator.”
- NRS 616C.082(1), “the insurer shall ensure that all documents concerning claims that it receives indicate the date of receipt.”

**YRC, Inc., is responsible for developing policies and procedures to ensure:**

- NRS 616C.015, an injured employee must report an accident within 7 days, on a form prescribed by the Administrator and provided by the employer in duplicate, so a copy may be provided to the injured employee. The form must be completed in its entirety and be signed by the injured employee and the employer.
- Pursuant to NRS 616C.045, “within 6 working days after the receipt of a claim for compensation from a physician or chiropractor, or a medical facility, an employer shall complete and file with his or her insurer or third-party administrator an employer’s report of industrial injury or occupational disease.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**YRC, INC.**

**Certificate Number  
123240**

February 15, 2019

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**ADMINISTRATIVE FINE**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Sedgwick CMS, for a single subsequent violation of NRS 616C.475(1).

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Sedgwick CMS submitted a written Plan of Corrective Action with the Response to Findings, no further action required.
- YRC, Inc., must provide the Workers' Compensation Section (WCS), by March 21, 2019, a written Plan of Corrective Action prepared specifically with the above Notices of Correction in mind, which clearly show what action will be taken to assure that these areas are corrected and will remain so.

# **Risk-Based Audits**

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**Third Party Administrator License Number 17700**

July 10, 2019

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**BACKGROUND OF THIRD PARTY ADMINISTRATOR**

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Cannon Cochran Management Services, Inc. (CCMSI), was licensed for workers' compensation on October 1, 2009. The claims are currently administered by CCMSI located at several locations throughout Nevada, which are: 7251 West Lake Mead Boulevard, Suite 260, Las Vegas, Nevada; 201 South Roop Street, Suite 202, Carson City; 595 Double Eagle Court, Unit 2003, Reno, Nevada; and 400 South Martin Luther King Boulevard, Suite 435, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The risk-based examination covered the Permanent Total Disability (PTD) claim files.

The risk-based examination focused on the following areas:

1. A total of ninety-five (95) claim files were examined during the audit;
2. Timely and accurate calculation and compensation of PTD claims;
3. Retention and maintenance of claim files, pursuant to NAC 616C.088;
4. Compliance with issuance of annual accounting letters to injured employees, pursuant to NRS 616C.447;
5. Accurate annual reporting of PTD claims to DIR;
6. Use of proper forms;
7. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**Third Party Administrator License Number 17700**

July 10, 2019

**FINDINGS**

<b>Violation</b>	<b>Number of Files</b>	<b>N/A /OP or UP</b>
<b>Brief Description</b>	<b>Total # Violations</b>	<b>Total \$ Amount</b>
NAC 616C.088	20	N/A
Missing Claim Documents	20	N/A
NAC 616C.527	7	N/A
Incorrect Reporting on the Annual PTD Claims Data Report in 2016	7	N/A
NRS 616C.440 (4)	17	Total Amount Waived
Repayment of PPD Lump Sums	17	\$618,775.70
NRS 616C.445	2	N/A
Missing D-14 Forms	2	N/A
NRS 616C.447	33	N/A
Missing Annual PTD Accounting Letters	33	N/A
NRS 616C.440(1)(a)	6	OP
Incorrect PTD Compensation	6	\$12,051.60
NRS 616C.440(1)(a)	1	UP
Incorrect PTD Compensation	1	98.58
NRS 616C.440(4)	1	UP
Over Collected PPD Offset (above the ten percent)	1	\$30,691.53
NRS 616C.440(4)	1	UP
Over Collected PPD Offset	1	\$5,761.74
NRS 616C.440(4)	4	Total Amount of Offsets
Offset of PPD Installments	4	\$79,407.89
NRS 616C.473(1)	8	UP
Incorrect Cola Increases	8	\$24,384.50
NRS 616C.473(1)	8	OP
Incorrect Cola Increases	8	\$33,451.16



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**Third Party Administrator License Number 17700**

July 10, 2019

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**REQUIRED CORRECTIVE ACTION**

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**Cannon Cochran Management Services, Inc. is responsible for developing comprehensive, written policies and procedures to ensure the following violations will not occur again.**

- NAC 616C.088 states in part: “1. Each file of a claim concerning an industrial injury or occupational disease that is maintained by an insurer or third-party administrator must contain...”
- NAC 616C.527 states: “1. An insurer shall provide any information required by the Administrator to carry out the provisions of NAC 616C.526 and NRS 616C.453. 2. An insurer who violates subsection 1 is subject to administrative action pursuant to NRS 616D.120.”
- NRS 616C.440 (4) states: “4. If an employee who has received compensation in a lump sum for a permanent partial disability pursuant to NRS 616C.495 is subsequently determined to be permanently and totally disabled, the insurer of the employee’s employer shall recover pursuant to this subsection the actual amount of the lump sum paid to the employee for the permanent partial disability.... or a combination of both, more than the actual amount of the lump sum paid to the employee. To recover the actual amount of the lump sum, the insurer shall: (a) Unless the employee submits a request described in paragraph (b), deduct from the compensation for the permanent total disability an amount that is not more than 10 percent of the rate of compensation for a permanent total disability until the actual amount of the lump sum paid to the employee for the permanent partial disability is recovered; or (b) Upon the request of the employee, accept in a single payment from the employee an amount that is equal to the actual amount of the lump sum paid to the employee for the permanent partial disability, less the actual amount of all deductions made to date by the insurer from the employee for repayment of the lump sum.” (Retroactive and effective July 1, 2003) *(In regards to waived PPD lump sum offsets)*

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**Third Party Administrator License Number 17700**

July 10, 2019

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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- NRS 616C.445 states: “Each former employee receiving benefits for a permanent total disability shall report annually on the anniversary date of the award to the insurer all of the former employee’s employment for the prior 12-month period. In the event the former employee fails to make the report to the insurer within 30 days following the anniversary date, the insurer shall notify the employer and the employee that the report has not been received and the insurer may then order any further payments suspended until the report of employment is filed with the insurer.”
  
- NRS 616C.447 (1) states: “1. An insurer that makes payments of compensation to an injured employee for a permanent total disability shall provide to the injured employee an annual accounting in the form of a letter that sets forth with respect to the payments: (a) The total amount of the compensation for the permanent total disability that the injured employee is entitled to receive, before any deductions are made; (b) The net amount of the current payment for the compensation; (c) The amount of any deduction that is made against the total amount of the compensation, if any; and (d) If a deduction is being made against the total amount of the compensation to repay any previous awards of compensation for a permanent partial disability: (1) The amount of the deduction; (2) The claim number for each of those awards; and (3) The balance of each of those awards.” (Effective June 13, 2005)

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**Third Party Administrator License Number 17700**

July 10, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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**Boyd Gaming Corporation is responsible for developing comprehensive, written policies and procedures to ensure the following violations will not occur again.**

- NAC 616C.527 states: “1. An insurer shall provide any information required by the Administrator to carry out the provisions of NAC 616C.526 and NRS 616C.453. 2. An insurer who violates subsection 1 is subject to administrative action pursuant to NRS 616D.120.”
- NRS 616C.445 states: “Each former employee receiving benefits for a permanent total disability shall report annually on the anniversary date of the award to the insurer all of the former employee’s employment for the prior 12-month period. In the event the former employee fails to make the report to the insurer within 30 days following the anniversary date, the insurer shall notify the employer and the employee that the report has not been received and the insurer may then order any further payments suspended until the report of employment is filed with the insurer.”
- NRS 616C.447 (1) states: “1. An insurer that makes payments of compensation to an injured employee for a permanent total disability shall provide to the injured employee an annual accounting in the form of a letter that sets forth with respect to the payments: (a) The total amount of the compensation for the permanent total disability that the injured employee is entitled to receive, before any deductions are made; (b) The net amount of the current payment for the compensation; (c) The amount of any deduction that is made against the total amount of the compensation, if any; and (d) If a deduction is being made against the total amount of the compensation to repay any previous awards of compensation for a permanent partial disability: (1) The amount of the deduction; (2) The claim number for each of those awards; and (3) The balance of each of those awards.” (Effective June 13, 2005)

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**Third Party Administrator License Number 17700**

July 10, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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**Caesars Entertainment Corporation is responsible for developing comprehensive, written policies and procedures to ensure the following violations will not occur again.**

- NRS 616C.447 (1) states: “1. An insurer that makes payments of compensation to an injured employee for a permanent total disability shall provide to the injured employee an annual accounting in the form of a letter that sets forth with respect to the payments: (a) The total amount of the compensation for the permanent total disability that the injured employee is entitled to receive, before any deductions are made; (b) The net amount of the current payment for the compensation; (c) The amount of any deduction that is made against the total amount of the compensation, if any; and (d) If a deduction is being made against the total amount of the compensation to repay any previous awards of compensation for a permanent partial disability: (1) The amount of the deduction; (2) The claim number for each of those awards; and (3) The balance of each of those awards.” (Effective June 13, 2005)

**Carson City is responsible for developing comprehensive, written policies and procedures to ensure the following violations will not occur again.**

- NRS 616C.445 states: “Each former employee receiving benefits for a permanent total disability shall report annually on the anniversary date of the award to the insurer all of the former employee’s employment for the prior 12-month period. In the event the former employee fails to make the report to the insurer within 30 days following the anniversary date, the insurer shall notify the employer and the employee that the report has not been received and the insurer may then order any further payments suspended until the report of employment is filed with the insurer.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**Third Party Administrator License Number 17700**

July 10, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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**The City of Las Vegas is responsible for developing comprehensive, written policies and procedures to ensure the following violations will not occur again.**

- NRS 616C.447 (1) states: “1. An insurer that makes payments of compensation to an injured employee for a permanent total disability shall provide to the injured employee an annual accounting in the form of a letter that sets forth with respect to the payments: (a) The total amount of the compensation for the permanent total disability that the injured employee is entitled to receive, before any deductions are made; (b) The net amount of the current payment for the compensation; (c) The amount of any deduction that is made against the total amount of the compensation, if any; and (d) If a deduction is being made against the total amount of the compensation to repay any previous awards of compensation for a permanent partial disability: (1) The amount of the deduction; (2) The claim number for each of those awards; and (3) The balance of each of those awards.” (Effective June 13, 2005)

**The City of Reno is responsible for developing comprehensive, written policies and procedures to ensure the following violations will not occur again.**

- NRS 616C.447 (1) states: “1. An insurer that makes payments of compensation to an injured employee for a permanent total disability shall provide to the injured employee an annual accounting in the form of a letter that sets forth with respect to the payments: (a) The total amount of the compensation for the permanent total disability that the injured employee is entitled to receive, before any deductions are made; (b) The net amount of the current payment for the compensation; (c) The amount of any deduction that is made against the total amount of the compensation, if any; and (d) If a deduction is being made against the total amount of the compensation to repay any previous awards of compensation for a permanent partial disability: (1) The amount of the deduction; (2) The claim number for each of those awards; and (3) The balance of each of those awards.” (Effective June 13, 2005)

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**Third Party Administrator License Number 17700**

July 10, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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**Las Vegas Metropolitan Police Department is responsible for developing comprehensive, written policies and procedures to ensure the following violations will not occur again.**

- NAC 616C.088 states in part: “1. 1. Each file of a claim concerning an industrial injury or occupational disease that is maintained by an insurer or third-party administrator must contain...”
- NAC 616C.527 states: “1. An insurer shall provide any information required by the Administrator to carry out the provisions of NAC 616C.526 and NRS 616C.453. 2. An insurer who violates subsection 1 is subject to administrative action pursuant to NRS 616D.120.”
- NRS 616C.440 (4) states: “4. If an employee who has received compensation in a lump sum for a permanent partial disability pursuant to NRS 616C.495 is subsequently determined to be permanently and totally disabled, the insurer of the employee’s employer shall recover pursuant to this subsection the actual amount of the lump sum paid to the employee for the permanent partial disability.... or a combination of both, more than the actual amount of the lump sum paid to the employee. To recover the actual amount of the lump sum, the insurer shall: (a) Unless the employee submits a request described in paragraph (b), deduct from the compensation for the permanent total disability an amount that is not more than 10 percent of the rate of compensation for a permanent total disability until the actual amount of the lump sum paid to the employee for the permanent partial disability is recovered; or (b) Upon the request of the employee, accept in a single payment from the employee an amount that is equal to the actual amount of the lump sum paid to the employee for the permanent partial disability, less the actual amount of all deductions made to date by the insurer from the employee for repayment of the lump sum.” (Retroactive and effective July 1, 2003) *(In regards to waived PPD lump sum offsets)*

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**Third Party Administrator License Number 17700**

July 10, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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**Las Vegas Metropolitan Police Department *(continued)***

- NRS 616C.447 (1) states: “1. An insurer that makes payments of compensation to an injured employee for a permanent total disability shall provide to the injured employee an annual accounting in the form of a letter that sets forth with respect to the payments: (a) The total amount of the compensation for the permanent total disability that the injured employee is entitled to receive, before any deductions are made; (b) The net amount of the current payment for the compensation; (c) The amount of any deduction that is made against the total amount of the compensation, if any; and (d) If a deduction is being made against the total amount of the compensation to repay any previous awards of compensation for a permanent partial disability: (1) The amount of the deduction; (2) The claim number for each of those awards; and (3) The balance of each of those awards.” (Effective June 13, 2005)

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**Third Party Administrator License Number 17700**

July 10, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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**New Hampshire Insurance Company is responsible for developing comprehensive, written policies and procedures to ensure the following violations will not occur again.**

- NAC 616C.527 states: “1. An insurer shall provide any information required by the Administrator to carry out the provisions of NAC 616C.526 and NRS 616C.453. 2. An insurer who violates subsection 1 is subject to administrative action pursuant to NRS 616D.120.”
- NRS 616C.447 (1) states: “1. An insurer that makes payments of compensation to an injured employee for a permanent total disability shall provide to the injured employee an annual accounting in the form of a letter that sets forth with respect to the payments: (a) The total amount of the compensation for the permanent total disability that the injured employee is entitled to receive, before any deductions are made; (b) The net amount of the current payment for the compensation; (c) The amount of any deduction that is made against the total amount of the compensation, if any; and (d) If a deduction is being made against the total amount of the compensation to repay any previous awards of compensation for a permanent partial disability: (1) The amount of the deduction; (2) The claim number for each of those awards; and (3) The balance of each of those awards.” (Effective June 13, 2005)

**Washoe County is responsible for developing comprehensive, written policies and procedures to ensure the following violations will not occur again.**

- NRS 616C.447 (1) states: “1. An insurer that makes payments of compensation to an injured employee for a permanent total disability shall provide to the injured employee an annual accounting in the form of a letter that sets forth with respect to the payments: (a) The total amount of the compensation for the permanent total disability that the injured employee is entitled to receive, before any deductions are made; (b) The net amount of the current payment for the compensation; (c) The amount of any deduction that is made against the total amount of the compensation, if any; and (d) If a deduction is being made against the total amount of the compensation to repay any previous awards of compensation for a permanent partial disability: (1) The amount of the deduction; (2) The claim number for each of those awards; and (3) The balance of each of those awards.” (Effective June 13, 2005)



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**CANNON COCHRAN MANAGEMENT SERVICES, INC.**

**Third Party Administrator License Number 17700**

July 10, 2019

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**ADMINISTRATIVE FINES**

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- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Cannon Cochran Management Services, Inc., for one violation of NRS 616C.440 (1) (a), for incorrect PTD compensation.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Cannon Cochran Management Services, Inc., for one violation of NRS 616C.440 (4), for the over collection of an offset above the ten percent for the PPD lump sum recovery.
- One administrative fine for three hundred seventy-five dollars (\$375.00) is being issued to Cannon Cochran Management Services, Inc., for one violation of NRS 616C.440 (4), for the over collection of an offset for the PPD lump sum recovery.
- Four (4) administrative fines, each at three hundred seventy-five dollars (\$375.00), totaling \$1,500.00, are being issued to Cannon Cochran Management Services, Inc., for four (4) violations of NRS 616C.440 (4), for the PPD installments that were being offset.
- Eight (8) administrative fines, each at three hundred seventy-five dollars (\$375.00), totaling \$3,000.00, are being issued to Cannon Cochran Management Services, Inc., for eight (8) violations of NRS 616C.473 (1), for incorrect COLA increases.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Cannon Cochran Management Services, Inc. and listed employers must provide the Workers' Compensation Section (WCS), by August 13, 2019, a written response specifically with the above Notices of Correction in mind, which clearly show what action will be taken to ensure that these areas are corrected and will remain so.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**SIERRA NEVADA ADMINISTRATORS, INC.**

**Third Party Administrator License Number 4479**

June 28, 2019

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**BACKGROUND OF THIRD PARTY ADMINISTRATOR**

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Sierra Nevada Administrators, Inc. (Sierra), was licensed for workers' compensation on October 1, 2009. The claims are currently administered by Sierra located at 2716 North Tenaya Way, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The risk-based examination covered the Permanent Total Disability (PTD) claim files for Clark County School District.

The risk-based examination focused on the following areas:

1. A total of five (5) claim files were examined during the audit;
2. Timely and accurate calculation and compensation of PTD claims;
3. Retention and maintenance of claim files, pursuant to NAC 616C.088;
4. Compliance with issuance of annual accounting letters to injured employees, pursuant to NRS 616C.447;
5. Accurate annual reporting of PTD claims to DIR;
6. Use of proper forms;
7. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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Pursuant to NRS 616B.003**

**SIERRA NEVADA ADMINISTRATORS, INC.**

**Third Party Administrator License Number 4479**

June 28, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A /OP or UP Total \$ Amount</b>
NAC 616A.480 (1)	3	N/A
Improper Forms	3	N/A
NAC 616B.021 (1)(a)	1	N/A
Untimely PTD Compensation	2	N/A
NAC 616C.088	2	N/A
Missing Claim Files	2	N/A
NRS 616C.440 (4)	3	UP
Over Collected Offsets for PPD Lump Sum Recovery	3	\$6,212.44
NRS 616C.445	5	N/A
Missing D-14 Forms	5	N/A
NRS 616C.447(1)	3	N/A
Missing annual PT accounting letters	3	N/A
NRS 616C.473 (1)	2	UP
Incorrect COLA Increases	2	\$6,964.50

**REQUIRED CORRECTIVE ACTION**

**Sierra Nevada Administrators, Inc. is responsible for developing comprehensive, written policies and procedures to ensure the following violations will not occur again.**

- NAC 616C.088 states in part: “1. An insurer shall maintain a file of employees’ claims concerning industrial injuries and occupational disease, including, without limitations, claims which have been denied. The file must be indexed by the names and social security numbers of the injured employees. 2. The file for each industrial injury or occupational disease must contain...”

**STATE OF NEVADA  
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Pursuant to NRS 616B.003**

**SIERRA NEVADA ADMINISTRATORS, INC.**

**Third Party Administrator License Number 4479**

June 28, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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- NRS 616C.445 states: “Each former employee receiving benefits for a permanent total disability shall report annually on the anniversary date of the award to the insurer all of the former employee’s employment for the prior 12-month period. In the event the former employee fails to make the report to the insurer within 30 days following the anniversary date, the insurer shall notify the employer and the employee that the report has not been received and the insurer may then order any further payments suspended until the report of employment is filed with the insurer.”
- NRS 616C.447 (1) states: “1. An insurer that makes payments of compensation to an injured employee for a permanent total disability shall provide to the injured employee an annual accounting in the form of a letter that sets forth with respect to the payments: (a) The total amount of the compensation for the permanent total disability that the injured employee is entitled to receive, before any deductions are made; (b) The net amount of the current payment for the compensation; (c) The amount of any deduction that is made against the total amount of the compensation, if any; and (d) If a deduction is being made against the total amount of the compensation to repay any previous awards of compensation for a permanent partial disability: (1) The amount of the deduction; (2) The claim number for each of those awards; and (3) The balance of each of those awards.” (Effective June 13, 2005)
- NAC 616A.480 (1) states in part, “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation:...(s) D-14, Permanent Total Disability Report of Employment..”
- NAC 616B.021 (1)(a) states: “Not later than the date that compensation is due to a claimant, an insurer or third-party administrator shall: 1. Mail a check for compensation, a benefit penalty or a penalty imposed pursuant to NRS 616C.065 to: (a) The claimant.”

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**SIERRA NEVADA ADMINISTRATORS, INC.**

**Third Party Administrator License Number 4479**

June 28, 2019

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**ADMINISTRATIVE FINES**

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- Two (2) administrative fines, each at three hundred seventy-five dollars (\$375.00), totaling seven hundred fifty dollars (\$750.00), are being issued to Sierra Nevada Administrators, Inc., for two (2) violations of NRS 616C.440 (4), for the over collection of PPD offset.
- One (1) administrative fine at three hundred seventy-five dollars (\$375.00) is being issued to Sierra Nevada Administrators, Inc., for one (1) violation of NRS 616C.440 (4), for including PPD installment payments in the total offset amount.
- Two (2) administrative fine, each at three hundred seventy-five dollars (\$375.00), totaling seven hundred fifty dollars (\$750.00), are being issued to Sierra Nevada Administrators, Inc., for two (2) violations of NRS 616C.473 (1) for the incorrect COLA calculations.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Sierra Nevada Administrators, Inc., must provide the Workers' Compensation Section (WCS), by August 1, 2019, a written Plan of Corrective Action prepared specifically with the above Notices of Correction in mind, which clearly show what action will be taken to ensure that these areas are corrected.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**SIERRA NEVADA ADMINISTRATORS, INC.**

**Third Party Administrator License Number 4479**

June 28, 2019

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**BACKGROUND OF THIRD PARTY ADMINISTRATOR**

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Sierra Nevada Administrators, Inc. (Sierra), was licensed for workers' compensation on October 1, 2009. The claims are currently administered by Sierra located at 2716 North Tenaya Way, Las Vegas, Nevada.

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**SCOPE AND OBJECTIVES**

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The risk-based examination covered the Permanent Total Disability (PTD) claim files.

The risk-based examination focused on the following areas:

1. A total of twelve (12) claim files were examined during the audit;
2. Timely and accurate calculation and compensation of PTD claims;
3. Retention and maintenance of claim files, pursuant to NAC 616C.088;
4. Compliance with issuance of annual accounting letters to injured employees, pursuant to NRS 616C.447;
5. Accurate annual reporting of PTD claims to DIR;
6. Use of proper forms;
7. Claims administration.

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**SIERRA NEVADA ADMINISTRATORS, INC.**

**Third Party Administrator License Number 4479**

June 28, 2019

**FINDINGS**

<b>Violation Brief Description</b>	<b>Number of Files Total # Violations</b>	<b>N/A /OP or UP Total \$ Amount</b>
NAC 616A.480 (1)	3	N/A
Improper Forms	3	N/A
NAC 616C.088	9	N/A
Missing Claim Files	24	N/A
NAC 616C.432 & NAC 616C.435	1	N/A
Incorrect AMW	1	N/A
NRS 616C.440 (1)(a)	2	UP
Underpayment of PTD Compensation	2	\$333,759.03
NRS 616C.440 (1)(a)	3	OP
Overpayment of PTD Compensation	3	\$225.23
NRS 616C.440 (4)	2	UP
Over Collected Offsets for PPD Lump Sum Recovery	2	\$37,790.32
NRS 616C.440 (4)	2	OP
Remaining PPD Lump Sum Recovery Not Collected	2	\$6,265.81
NRS 616C.445	6	N/A
Missing D-14 Forms	6	N/A
NRS 616C.447(1)	2	N/A
Missing annual PT accounting letters	2	N/A
NRS 616C.473 (1)	1	OP
Incorrect COLA Increases	1	\$101.46
NRS 616C.453 & NAC 616C.527	6	N/A
Incorrect PTD reporting	6	N/A

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
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WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**SIERRA NEVADA ADMINISTRATORS, INC.**

**Third Party Administrator License Number 4479**

June 28, 2019

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**REQUIRED CORRECTIVE ACTION**

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**Sierra Nevada Administrators, Inc. is responsible for developing comprehensive, written policies and procedures to ensure the following violations will not occur again.**

- NAC 616C.088 states in part: “1. An insurer shall maintain a file of employees’ claims concerning industrial injuries and occupational disease, including, without limitations, claims which have been denied. The file must be indexed by the names and social security numbers of the injured employees. 2. The file for each industrial injury or occupational disease must contain...”
- NRS 616C.440 (4) states: “4. If an employee who has received compensation in a lump sum for a permanent partial disability pursuant to NRS 616C.495 is subsequently determined to be permanently and totally disabled, the insurer of the employee’s employer shall recover pursuant to this subsection the actual amount of the lump sum paid to the employee for the permanent partial disability.... or a combination of both, more than the actual amount of the lump sum paid to the employee. To recover the actual amount of the lump sum, the insurer shall: (a) Unless the employee submits a request described in paragraph (b), deduct from the compensation for the permanent total disability an amount that is not more than 10 percent of the rate of compensation for a permanent total disability until the actual amount of the lump sum paid to the employee for the permanent partial disability is recovered; or (b) Upon the request of the employee, accept in a single payment from the employee an amount that is equal to the actual amount of the lump sum paid to the employee for the permanent partial disability, less the actual amount of all deductions made to date by the insurer from the employee for repayment of the lump sum.” (Retroactive and effective July 1, 2003)
- NRS 616C.445 states: “Each former employee receiving benefits for a permanent total disability shall report annually on the anniversary date of the award to the insurer all of the former employee’s employment for the prior 12-month period. In the event the former employee fails to make the report to the insurer within 30 days following the anniversary date, the insurer shall notify the employer and the employee that the report has not been received and the insurer may then order any further payments suspended until the report of employment is filed with the insurer.”



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION  
EXECUTIVE SUMMARY OF COMPLIANCE AUDIT  
Pursuant to NRS 616B.003**

**SIERRA NEVADA ADMINISTRATORS, INC.**

**Third Party Administrator License Number 4479**

June 28, 2019

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**REQUIRED CORRECTIVE ACTION *(continued)***

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- NRS 616C.447 (1) states: “1. An insurer that makes payments of compensation to an injured employee for a permanent total disability shall provide to the injured employee an annual accounting in the form of a letter that sets forth with respect to the payments: (a) The total amount of the compensation for the permanent total disability that the injured employee is entitled to receive, before any deductions are made; (b) The net amount of the current payment for the compensation; (c) The amount of any deduction that is made against the total amount of the compensation, if any; and (d) If a deduction is being made against the total amount of the compensation to repay any previous awards of compensation for a permanent partial disability: (1) The amount of the deduction; (2) The claim number for each of those awards; and (3) The balance of each of those awards.” (Effective June 13, 2005)
  
- NAC 616A.480 (1) states in part, “1. The following posters and forms or data must be used by an insurer, employer, injured employee, provider of health care, organization for managed care or third-party administrator in the administration of claims for workers’ compensation:...(s) D-14, Permanent Total Disability Report of Employment..”
  
- NAC 616C.527 states: “1. An insurer shall provide any information required by the Administrator to carry out the provisions of NAC 616C.526 and NRS 616C.453. 2. An insurer who violates subsection 1 is subject to administrative action pursuant to NRS 616D.120.”
  
- NRS 616C.473 (1) states: “1. If a claimant or a dependent of a claimant is entitled to receive compensation pursuant to chapters 616A to 617, inclusive, of NRS for a permanent total disability caused by an industrial injury or a disablement from an occupational disease that occurs on or after January 1, 2004, the claimant or dependent is entitled to an annual increase in that compensation in the amount of 2.3 percent. The compensation must be increased pursuant to this section: (a) On January 1 of the year immediately after the year in which the claimant or dependent becomes entitled to receive that compensation; and (b) On January 1 of each successive year after the year specified in paragraph (a) in which the claimant or dependent is entitled to receive that compensation.”

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**REQUIRED CORRECTIVE ACTION (*continued*)**

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- NRS 616C.453 states: 1. If a claimant or a dependent of a claimant is entitled to receive compensation pursuant to chapters 616A to 617, inclusive, of NRS for a permanent total disability and the claimant or dependent is not entitled to an annual increase in that compensation pursuant to NRS 616C.473, the claimant or dependent is entitled to an annual payment for that permanent total disability in an amount determined by the Administrator pursuant to subsection 3, but such annual payments may not exceed \$1,200 per claimant or dependent. Except as otherwise provided in subsection 5, the total payments made pursuant to this section may not exceed \$500,000 per year. 2. Each year, the Administrator shall withdraw from the Uninsured Employers' Claim Account established pursuant to NRS 616A.430 an amount of the income realized from the investment of the assets in the Account that is necessary to fund the payments calculated pursuant to subsection 3. 3. The Administrator shall adopt regulations establishing a method for the equitable distribution of the money withdrawn from the Account pursuant to subsection 2. The regulations must provide for payments that result in the largest proportional share of the money being paid to claimants and dependents who receive the lowest amount of compensation pursuant to chapters 616A to 617, inclusive, of NRS for the permanent total disability. The Administrator may adopt any other regulations that are necessary to carry out the provisions of this section. 4. Except as otherwise provided in subsection 5, the Administrator shall make the payment required by this section to each claimant and dependent of the claimant who is entitled to the payment not later than October 1 of each year. Any payment received by the claimant or dependent of the claimant pursuant to this section is in addition to any compensation to which the claimant or dependent of the claimant is otherwise entitled by law. 5. The Administrator may make a payment from the Account to a claimant or a dependent of a claimant that would have been payable in a prior year pursuant to subsection 3 if the Administrator determines that the claimant or dependent was entitled to the payment pursuant to subsection 1.”
- NAC 616C.432 states: “The average monthly wage will be calculated by multiplying the average daily wage of an employee during a period of earnings by 30.44. The following formulas will be used to compute an average daily wage and an average monthly wage: (1) Gross earnings divided by days in period of earnings = average daily wage. (2) Average daily wage x 30.44 = average monthly wage.

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**REQUIRED CORRECTIVE ACTION *(continued)***

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- NAC 616C.435 states, "1. Except as otherwise provided in this section, a history of earnings for a period of 12 weeks must be used to calculate an average monthly wage."

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**ADMINISTRATIVE FINES**

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- One (1) administrative fine at three hundred seventy-five dollars (\$375.00) is being issued to Sierra Nevada Administrators, Inc., for one (1) violation of NRS 616C.440 (1)(a), for PTD compensation error.
- One (1) administrative fine at three hundred seventy-five dollars (\$375.00) is being issued to Sierra Nevada Administrators, Inc., for one (1) violation of NRS 616C.440 (4), for the over collection in PPD offset.
- One (1) administrative fine at three hundred seventy-five dollars (\$375.00) is being issued to Sierra Nevada Administrators, Inc., for one (1) violation of NRS 616C.453 and NAC 616C.527 for the incorrect reporting to DIR which resulted in an overpayment from the Fund.

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**AGENCY RESPONSE/ENFORCEMENT ACTION**

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- Sierra Nevada Administrators, Inc., must provide the Workers' Compensation Section (WCS), by August 1, 2019, a written Plan of Corrective Action prepared specifically with the above Notices of Correction in mind, which clearly show what action will be taken to ensure that these areas are corrected.