

**From:** [Sarah Watkins](#)  
**To:** [Insurance Regulation](#)  
**Cc:** [Sarah Watkins](#)  
**Subject:** R0229-23 Hearing 10/30/23 - Written Testimony  
**Date:** Monday, October 30, 2023 1:06:18 PM  
**Attachments:** NSMA Letter to DOI R029-23P 10.30.23.pdf  
Assembly Commerce & Labor Hearing April 10th, 2023.pdf  
Senate Commerce & Labor Hearing May 3rd, 2023.pdf

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Good Afternoon,

Thank you for the opportunity to provide public comment today regarding R029-23. Please find attached my testimony in written form for the record.

Thank you,

*Sarah Watkins*

Executive Director

**Nevada State Medical Association**

5355 Kietzke Lane Ste 100, Reno, NV 89511

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*Sowjanya Reganti, MD, President  
Joseph Adashek, MD, President-Elect  
Andy Eisen, MD, Immediate Past President  
Jeffrey Roth, MD, Secretary  
Jay Morgan, MD, Treasurer  
Steve Lore, MD, Rural Representative  
Florence Jameson, MD, Chief AMA Delegate  
Andy Pasternak, MD, AMA Delegate  
Joseph Adashek, MD, AMA Alternate Delegate  
Peter Fenwick, MD, AMA Alternate Delegate  
Sarah Watkins, Executive Director*

October 30, 2023

Nevada Department of Insurance  
1818 E. College Parkway, Suite 103  
Carson City, NV 89706  
[regs@doi.nv.gov](mailto:regs@doi.nv.gov)

**RE: Proposed Regulation R029-23P**

To Scott Kipper, Nevada Insurance Commissioner:

The Nevada State Medical Association (NSMA) is the oldest and largest patient and physician advocacy organization in the state. Upon initial feedback from our members and their insurance carriers, NSMA has concerns regarding the revised proposed regulation, R029-23P. Due to the recent change in the proposed regulation, we are here today to vocalize our opposition and will continue to consider all options, including legal action, as we better understand the fiscal impact on our membership.

Our concerns remain that providers, as they update their policies, will begin to experience significant rate increases due to this legislation and subsequent regulation. This impact is on top of an increase in the medical malpractice caps that will slowly increase over the next several years. This is a clear demonstration of a state policy that will drive up the cost of healthcare for Nevada families. This is yet another example of an anti-healthcare policy that will drive up costs for healthcare professionals serving their communities.

NSMA is working with its members to understand the full impact on their bottom line and wants to underscore its concerns with specific industries being targeted in this regulation. The medical liability and the other four insurance lines identified in this regulation should not be treated differently from the rest of the business community without clear specification in the legislation. NSMA would like a response from the Division of Insurance on why the industries selected were singled out. The Legislative record does not reflect these specific industries being called out in testimony and attached are the minutes from the initial hearing.

We appreciate you, as the Nevada Insurance Commissioner, for taking the time to hear our concerns and look forward to more discussions in the future.

Sincerely,

*Sarah Watkins*

Sarah Watkins  
Executive Director  
Nevada State Medical Association

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Eighty-Second Session  
April 10, 2023**

The Committee on Commerce and Labor was called to order by Chair Elaine Marzola at 1:34 p.m. on Monday, April 10, 2023, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda [[Exhibit A](#)], the Attendance Roster [[Exhibit B](#)], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.state.nv.us/App/NELIS/REL/82nd2023](http://www.state.nv.us/App/NELIS/REL/82nd2023).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Elaine Marzola, Chair  
Assemblywoman Sandra Jauregui, Vice Chair  
Assemblywoman Shea Backus  
Assemblywoman Bea Duran  
Assemblywoman Melissa Hardy  
Assemblywoman Heidi Kasama  
Assemblywoman Daniele Monroe-Moreno  
Assemblyman P.K. O'Neill  
Assemblywoman Selena Torres  
Assemblyman Steve Yeager  
Assemblyman Toby Yurek

**COMMITTEE MEMBERS ABSENT:**

Assemblyman Max Carter (excused)

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Marjorie Paslov-Thomas, Committee Policy Analyst  
Sam Quast, Committee Counsel  
Joe Steigmeyer, Committee Counsel  
Cyndi Latour, Committee Manager

Minutes ID: 777



Elizabeth Lepe, Committee Secretary  
Garrett Kingen, Committee Assistant

**OTHERS PRESENT:**

Justin Watkins, representing Nevada Justice Association  
Thomas Lopey, representing Reno Police Protective Association  
Jason Mills, representing Nevada Justice Association  
Jason Leshner, representing Washoe County Sheriff Deputies Association; and  
Public Safety Alliance of Nevada  
Troyce Krumme, representing Las Vegas Metro Police Managers and  
Supervisors Association  
Rick McCann, representing Nevada Association of Public Safety Officers; and  
Nevada Law Enforcement Coalition  
John Abel, Director of Governmental Affairs, Las Vegas Police Protective  
Association  
Todd Ingalsbee, President, Professional Fire Fighters of Nevada  
Christopher Waddle, President, Reno Police Protective Association; and  
representing Public Safety Alliance of Nevada  
Steve Nicholas, Private Citizen, Reno, Nevada  
Brandon Cassinelli, Embedded Resource Officer, Reno Police Department  
Paul Klein, representing Nevada Police Union  
Shawn Thibeault, President, Henderson Police Officers Association  
Katrin Ivanoff, Private Citizen, Las Vegas, Nevada  
Lindsay Knox, representing Nevada Self-Insurers Association; and Vegas  
Chamber  
Beth Schmidt, Director-Police Sergeant, Intergovernmental Services,  
Las Vegas Metropolitan Police Department  
Ashley Kennedy, representing Clark County  
Nicole Rourke, Director, Government and Public Affairs, City of Henderson  
Vinson Guthreau, Executive Director, Nevada Association of Counties  
Matthew Sharp, Member, Board of Directors, Nevada Justice Association  
Jason Mills, President-elect, Nevada Justice Association  
Misty Grimmer, representing Employers Insurance Company of Nevada  
Dalton Hooks, representing Nevada Self-Insurers Association  
Mark Sektnan, Vice President, American Property Casualty Insurance  
Association  
Shantel Schaefer, Private Citizen, Sparks, Nevada  
Julie Alvarez, Private Citizen, Reno, Nevada  
Chas Nort, President, Nevada Alternative Solutions  
Sharon Oglesby, Private Citizen, Sparks, Nevada  
Staci Jones, Private Citizen, Reno, Nevada  
Tani Consiglio, Private Citizen, Carson City, Nevada  
Lidia Perez, Private Citizen, Reno, Nevada  
Kim Campa, Private Citizen, Nevada

Anne Glendinning, Claims Supervisor, CorVel Corporation  
Nicole Marley, Private Citizen, Las Vegas, Nevada  
Diane Ferrante, Workers' Compensation Supervisor, Sedgwick  
Tameka Lawson, Private Citizen, Las Vegas, Nevada  
Shannon Coggins, Workers' Compensation Supervisor, Sedgwick  
Brittney Turner, Workers' Compensation Adjuster, Sedgwick  
Maryanne Carlile, Private Citizen, Las Vegas, Nevada  
Alida Fluellen, Private Citizen, Las Vegas, Nevada  
La'Sheka Durden, Workers' Compensation Adjuster, Sedgwick  
Leida Herrera, Private Citizen, Las Vegas, Nevada  
Melissa Cristobal, Private Citizen, Las Vegas, Nevada  
Deannie Helget, Private Citizen, Las Vegas, Nevada  
David Martin, Private Citizen, Las Vegas, Nevada  
Marsha Spear, Private Citizen, Las Vegas, Nevada  
Audriana Patterson, Workers' Compensation Adjuster, Sedgwick  
Alma Larios, Private Citizen, Las Vegas, Nevada  
Jennifer Manolakos, Private Citizen, Las Vegas, Nevada  
Jackeline Bell, Private Citizen, Las Vegas, Nevada  
Cristian Saavedra, Workers' Compensation Adjuster, Connor Cochran  
Management Services, Inc.  
Tony Rose De Guzman, Claims Team Lead, Sedgwick  
Christine Guerrero, Private Citizen, Las Vegas, Nevada  
Daniel Stallings, Private Citizen, Las Vegas, Nevada  
Kristi Feldman, Private Citizen, Las Vegas, Nevada  
LaKeta Durden, Workers' Compensation Adjuster, Sedgwick  
Susan Riccio, Private Citizen, Las Vegas, Nevada  
Candice Egan, Private Citizen, Las Vegas, Nevada  
Arturo Sierra, Private Citizen, Las Vegas, Nevada  
Thiesha Jones, Workers' Compensation Adjuster, Connor Cochran  
Management Services, Inc.  
Wendy Mackey, Workers' Compensation Adjuster, Connor Cochran  
Management Services, Inc.  
Tina Harrison, Private Citizen, Las Vegas, Nevada  
Maria Solorzano, Private Citizen, Las Vegas, Nevada  
Michele Green, Private Citizen  
Victoria Carreon, Administrator, Division of Industrial Relations, Department  
of Business and Industry

**Chair Marzola:**

[Roll was called. Committee protocols were explained.] Today, we will be hearing four assembly bills: Assembly Bill 398, Assembly Bill 410, Assembly Bill 439, and Assembly Bill 441. With that, I will now open the hearing on Assembly Bill 398.

**Assembly Bill 398: Makes various changes relating to insurance. (BDR 57-1045)**

**Justin Watkins, representing Nevada Justice Association:**

I am here to discuss with you Assembly Bill 398. This is a bill that seeks to prohibit what are known as self-depleting insurance policies. I would like to begin the presentation by providing some background as to what self-depleting policies are, how they affect consumers, and then walk you through the very simple bill.

A self-depleting insurance policy is a liability policy that reduces dollar for dollar for every dollar spent on attorney's fees, costs, or expenses. For example, if a business has a self-depleting, \$100,000 errors and omissions policy—say it is a law firm or certified public accountant firm—and it makes an error that causes financial losses to a client, and the insurance company in evaluating that claim hires an attorney to assess the losses at an expense of, say \$20,000, then the only available insurance for the harmed party would be \$80,000. That is \$100,000 minus the costs associated with the defense. If the \$80,000 were insufficient to cover those losses and the injured party wanted to proceed towards litigation and have full access to a jury trial, it is very likely at the end of that process there would be no insurance policy left, as the cost of a trial is well in excess of six figures in almost any type of case in today's jurisprudence.

These policies can actually be written to diminish not only within a single claim but across multiple claims in multiple states. For example, in my practice, I have seen policies of a small trucking company that are \$10 million policies that are self-depleting across a twelve-month time period, meaning that if my client was injured in the eleventh or twelfth month, there is very likely to be no coverage left, as other claimants throughout the country have depleted that entire policy. These policies are also problematic from an ethical standpoint of attorneys defending the insurance company or the business. The attorney who is in defense has the competing interests of ensuring that the company is rightfully represented and, at the same time, that there is sufficient coverage to settle a rightful claim and protect that company from any personal liability above the insurance policies.

With that, I would like to walk you through the three subsections of section 1 we have in this bill. As you will see at the beginning, we are talking in section 1 that without the limitations of any other insurance policy provision it will be prohibited in the state of Nevada to write an insurance policy that reduces the limit of liability stated in the policy for costs of defense, legal costs and fees, and other expenses for those claims. I have heard from some interested parties and stakeholders that there is concern this would include prejudgment interest. I would just like to state for the record that is not the intention of this section. The cost and expenses noted here would be as defined in *Nevada Revised Statutes* (NRS) Chapter 18 and awardable by a court. That does not include prejudgment interest.

Section 1, subsection 2 authorizes the cost of defense, legal costs and fees, and other expenses for claims to be applied towards the deductible. So similarly, the self-depleting policy cannot be applied towards the deductible that the company may pay before the policy comes into action. Lastly, you will see there is somewhat of a catch-all here in subsection 3;

there is no ability to limit the availability of coverage for the cost of defense, legal costs and fees. So, you cannot find an end-around towards this bill by saying, we are going to write you an insurance policy but exclude legal costs and defense. The insurer still must provide for an attorney and pay for the legal costs and defense associated with it. I would like to circle back and talk about the different types of insurance policies we are dealing with here. These are liability policies. This would be auto policies, general liability policies, errors and omissions policies, and any policy that is in place to compensate a wrong that has been done that would limit civil remedies. With that, I will answer any questions.

**Assemblyman Yeager:**

When a policy has a provision like this, which takes into account cost of defense, legal costs and fees, if and how are you able to advise your client as a plaintiff's attorney how much recovery might be available to them in the event they actually win the case?

**Justin Watkins:**

That can be the complicating factor associated with self-depleting policies. When I have what I believe to be a legitimate claim against a carrier that has a self-depleting policy, when an offer is made that I think is below a fair offer, but I believe the cost of defense will take the policy below that fair offer, I have a difficult time picking out the moving target of how quickly the defense is going to spend their legal fees and at what point we have to cut our losses and accept the best that we can get of the insurance policy. On the other side, having done the first ten years of my career on insurance defense work, it is just as complicated to know how much you should be spending and investigating on behalf of the party—you do not represent the insurance company; you represent the party who is being sued—and to know how much defense investigation I can do, how much money I can spend before I have to put my client in the tough position where they are going to be personally liable for this loss because I burned up too much of the insurance policy.

**Assemblyman Yeager:**

In this conversation, it seems to me that certainly a plaintiff's attorney—but maybe a defense attorney—could put themselves in a pretty difficult ethical situation, maybe even one touching on malpractice. If I am advising a client that we should fight a case under the belief that there is \$100,000 available, but in actuality, there is only \$20,000 available, that is a concern. I wonder, in your experience, do you know beforehand when going into a litigation that the policy has a provision like this? It seems to me that you would need to know that to be able to give good advice. In your experience, is this something that the attorney and the claimant would learn about before making those sorts of strategic decisions about how to proceed on a case?

**Justin Watkins:**

Sometimes we know that it is a self-depleting policy before we file a lawsuit or move into litigation, but not always. Also, other than auto policies, there is no requirement in the state of Nevada that they must give me a copy of the liability policy before I file a lawsuit. Now, there is a requirement in the rules of civil procedure that they must disclose any policies of insurance in their initial disclosure, so that is somewhat early on in the process. If I did not



know before, once I filed the lawsuit I do know now, but at that point, some of the money has already been depleted.

**Assemblywoman Jauregui:**

How many policies are there in Nevada that are self-depleting policies? Are they very popular? Do companies buy them because the annual premiums on them are less?

**Justin Watkins:**

I cannot give you a specific number, but I can say that nationwide it is typically associated with certain types of practice; for example, errors and omissions policies that are on behalf of professional services, law firms, certified public accountants, and doctors. Any other professional services I can think of often have an option of self-depleting policies because the deductible is much lower and the premiums are much lower. They are popular in that way. Also, as I said, in my practice, when you see these nationwide transportation companies, they often have these self-depleting policies. I will give you one other practical example. I have a claimant against Sears, who has since gone bankrupt. That claim has now been open for over six years because of the bankruptcy. In those policies with Sears and Kmart, they had a \$5 million self-depleting deductible, so we are stuck in those situations even after bankruptcy, of there being virtually no coverage once the nationwide claimants are sifted through.

**Assemblywoman Backus:**

You started going down a path I thought you were not thinking it applied to. However, now I take it that section 1, subsection 2 does apply to self-insured retention (SIR) policies. With that, I know a lot of larger companies utilize SIR policies because they can usually cover that first \$5 million, and that is a business decision they are making with that, and also the burning limits policies that are available for the insurance. Are you concerned there may be a situation where professionals and larger corporations will make a decision not to carry insurance because of the higher cost in the premium that will naturally occur due to this restructuring of what is prohibited under Nevada law?

**Justin Watkins:**

For clarification, this does not outlaw or prohibit SIR policies. You can still have an SIR policy; it is just that policy cannot be self-depleting. That is section 1, subsection 2 of the bill. I think this bill has as much consumer protections for those businesses as it does for the claimant on the other side. People are getting policies based on looking only at the premium, and in my experience, they often do not know their own policy is self-depleting and that they are going to be responsible for any amount above the policy that is now virtually, at the end, worth zero. Their personal and business assets are on the line, and I think there is a consumer protection from that perspective. Obviously, I am not a broker and I do not sell insurance policies, but I have not heard any objection from any stakeholders that say we do not think people can afford policies if this is in play.

**Assemblywoman Backus:**

I appreciate that, and I also agree with you on those burning limits policies. I think, as attorneys, there is that immediate duty where if you see that, you need to advise your client clearly when those burning limits are in play, and hopefully attorneys are taking that into consideration when they are looking at that.

**Assemblyman Yurek:**

How many other jurisdictions have enacted these sorts of prohibitions on these self-depleting policies? And can you tell us, have there ever been any unintended consequences or challenges to these laws?

**Justin Watkins:**

Excellent question, Assemblyman, and I do not have an answer to that. I will look that up and get an answer for you.

**Chair Marzola:**

If you can get that answer to the entire Committee, I appreciate it. Thank you. Committee members, are there any additional questions? [There were none.] We will go to testimony in support of Assembly Bill 398. Is there anyone wishing to testify in support of A.B. 398? [There was no one.] We will move to testimony in opposition to A.B. 398. Is there anyone wishing to testify in opposition? [There was no one.] We will move to testimony in the neutral position. Is there anyone wishing to testify in neutral to A.B. 398? [There was no one.] We will now close the hearing on Assembly Bill 398.

[[Exhibit C](#) and [Exhibit D](#) were submitted but not discussed and will become part of the record.]

I will now open the hearing on Assembly Bill 410.

**[Assembly Bill 410](#): Revises provisions relating to industrial insurance. (BDR 53-1030)**

**Assemblywoman Sandra Jauregui, Assembly District No. 41:**

I am here today with my copresenters to present Assembly Bill 410, which revises provisions regarding mental health injuries for our first responders. Most workers, including first responders, know they can file a workers' compensation claim if they get injured on the job. Still, many workers assume that their injuries or illnesses need to be physical in order to claim compensation. This may be because of how society has historically viewed mental illness, but that is changing. Post-traumatic stress disorder (PTSD) is a condition that is triggered by either experiencing or witnessing a terrifying event, or a result of repeated exposure to trauma. No one knows exposure to trauma more than our first responders. First responders are often the first to arrive at the scene of an emergency or disaster. When people are running away, it is our first responders who are running into danger to save and protect our communities.

The nature of work that our first responders engage in often involves traumatic situations, whether to themselves or the people around them who they are trying to protect or save. Dr. John Violanti, University of Buffalo, a retired New York Police Department officer, wrote in an article of the May 2018 *Dispatch* magazine of the United States Department of Justice, "Police officers are often exposed to traumatic events, such as seeing abused children or dead bodies, severe assaults, and involvement in shootings, and are therefore at risk for PTSD. Such exposure can impair the mental well-being of officers and affect their ability to perform duties to the public."

*Nevada Revised Statutes* (NRS) 616C.180 was enacted to cover PTSD for our first responders after 1 October. However, as we learned, once we pass laws and see its real-world effect, they sometimes have flaws. Right now, it only covers benefits for PTSD that are tied to one single event. For first responders who have developed PTSD after repeated exposure to some of the most horrific things imaginable, they are left without support and recourse. Assembly Bill 410 will help take care of those who take care of us during the time when they need help the most. Chair, with your permission, I would like to turn it over to my copresenter, Officer Thomas Lopey with the Reno Police Protective Association.

**Chair Marzola:**

You can begin when you are ready.

**Thomas Lopey, representing Reno Police Protective Association:**

The changes to this law would assist officers in seeking treatment and assistance for PTSD. Due to the unique nature of our job, we are constantly exposed to high levels of stress and trauma, which can take a significant toll on our mental health. I have a few statistics that I have pulled from various sources. Emergency medical services personnel found that 37 percent of individuals within that profession have symptoms of PTSD, compared to 3.5 percent of the general population. That is over ten times higher than the general population. Similarly, 14.8 percent of police officers reported symptoms consistent with PTSD, compared to 3.5 percent of the general population. These also include anxiety disorders. Another study showed that out of 6,000 firefighters, 16.8 percent reported symptoms consistent with PTSD, compared to 3.5 percent of the general population. Due to the unique nature of the job, we are expected to bring order to chaotic situations. We are expected to be the level head when we respond to chaotic incidents and scenes. When people are harmed, we are expected to remain calm and assist other people. We do not have the luxury to allow our emotions to take over when we are helping other individuals. Because of that, we are often left at home by ourselves with poor coping mechanisms. More often than not, we suffer from forms of complex PTSD or delayed onset PTSD. It is very difficult for us to tie our mental health or PTSD to a single defining event because we respond to so many chaotic events and see the most heinous crimes people can imagine.

The current verbiage in NRS 616C.180 does not allow us to file claims for a cumulative PTSD, and it is limiting our ability to seek assistance for our first responders. Our first responders need the ability to get assistance so we can have longer careers. We are also

seeing that individuals are retiring from law enforcement well before they max out their service. Currently, the law says, for new hires, it is thirty years at any age. We are seeing a lot of individuals in law enforcement and in first responder professions leaving after approximately fifteen years; we are not getting to the end of our service. With this bill, I am hoping we can provide the mental health assistance we need for our first responders.

**Assemblywoman Jauregui:**

I did have a third copresenter, Leslie Bell, who is the workers' compensation representative with the Reno Police Protective Association. Unfortunately, she felt ill and was not able to be here. If the Chair would allow, I would like to share with the Committee her written comments [[Exhibit E](#)] because she did have some statistics on how this could be a cost-savings measure in the long run. Here to help answer questions, I have Dr. Steven Nicholas, who is a marriage and family therapist and nationally certified counselor, and Ryan Simpson, a marriage and family therapist and nationally certified counselor.

Before we go to questions, I want to walk the Committee through the amendment. Committee members, you should have received an amendment that was just handed out [[Exhibit F](#)]. It is also already posted to the Nevada Electronic Legislative Information System. This amendment is a complete gut-and-replace of the bill that you read, so it would be a full replace. My original intent was to apply this only to first responders. As I submitted it and tried to draft it myself, it applied to every state employee. Again, my intent was to limit this only to first responders, so the amendment you have before you makes some quick changes to NRS 616C.180.

First, it changes section 1, subsection 2 to say, "except as provided in subsection 4." Then, in section 1, subsection 4, we removed the language that says, "and shall not be deemed the result of gradual mental stimulus." And we added in paragraph (b) of section 1, subsection 4 "or series of events." Those three changes would be the entire bill. And again, that is to make sure that this only applies to first responders and that it is covering a series of gradual events they might have been exposed to that caused the PTSD. With that, we are now open for questions.

**Chair Marzola:**

Committee member, are there any questions?

**Assemblyman Yeager:**

Obviously we have this exclusion under the law now. Do we have any sense of how often these sorts of claims are being made in the context of workers' compensation and being denied because the current law does not allow it, or was that maybe in the written testimony of the presenter who was not here?

**Assemblywoman Jauregui:**

Yes, that was actually part of Leslie Bell's presentation. I believe she had reached out to PERS [Public Employees' Retirement System] to gather that information. That is information I can share with you and the Committee once we get that over.

**Assemblywoman Monroe-Moreno:**

I do not have a question; I just have a comment to thank you both for bringing this bill. I know firsthand how this will help so many of our law enforcement officers and first responders in general who run into danger.

**Assemblywoman Backus:**

Thank you for clarifying that because I was starting to process how far this could go. One thing I noticed is, unlike some of the other provisions we were looking at, this provision specifically defines who a first responder is under subsection 8, paragraph (b)(2) and it has in there "A police officer." We have seen in other bills where this may get interpreted where it is now just limited to police officers. I was curious if that was the intent or who you imagine to be included as "A police officer."

**Assemblywoman Jauregui:**

As defined in NRS 617.457, it lists out who is defined as first responders, and it includes police officers, firefighters, dispatchers—it is a full list of who would fall into that category under NRS 617.457.

**Assemblywoman Backus:**

Thank you. I was just concerned because in this section it specifically defines who a first responder is, unlike the other statutes we have looked at that have a length. I was concerned this may be limited to who the reviewers are looking at as to who a police officer is. That is under section 1, subsection 8 of the bill, I was thinking of where we have seen situations where a marshal may not constitute a police officer.

**Assemblywoman Jauregui:**

So you want further definition for section 1, subsection 2? In section 1, subsection 8, it is saying, as used in this section, a "first responder" means: (1) a salaried or volunteer firefighter; (2) a police officer; (3) an emergency dispatcher or call taker who is employed by a law enforcement or public safety agency in this State; or (4) an emergency medical technician or paramedic who is employed by a public safety agency in this State.

Is your question regarding defining police officer further? I think my intent would be just to cover—because everyone else who is covered in this section is just those definitions of first responders who are defined under first responder in section 1, subsection 8(b)—so it is just covering those people under section 1, subsection 8(b).

**Assemblywoman Duran:**

For clarification, is that going to cover marshals, school police, and tribal police?

**Assemblywoman Jauregui:**

It is our intent to cover anyone defined as a peace officer.

**Chair Marzola:**

Legal counsel is going to clarify that.

**Sam Quast, Committee Counsel:**

The definition of police officer, for the purposes of all of the industrial insurance chapters, is defined in NRS 616A.283. That ties into—police officer has a meaning ascribed to it in NRS 617.135, where it lists specifically who is defined as a police officer. That is: sheriff, deputy sheriff, officer of a metropolitan police department or city police officer, and then sixteen others.

**Chair Marzola:**

Are there any additional questions? [There were none.] We will move to testimony in support of Assembly Bill 410. Is there anyone wishing to testify in support of A.B. 410?

**Jason Mills, representing Nevada Justice Association:**

We are in support of this particular bill because, as the sponsors and presenters pointed out, a major error that happens along these lines that Speaker Yeager brought up earlier is, in fact, we do see claims regularly denied where we are seeing they are being brought up as a gradual onset. We get into these strange fights over what was the specific incident, whether or not they had some more gradual onset stimulus when, in reality, the police officer or firefighter is clearly suffering from PTSD and yet these claims are being denied. This would actually fix that particular issue, so we are in support of that. Also, with regard to the definition, as pointed out by Legal, that is our experience as well. Anything that is found in NRS 616C.180 is referenced back to the two definitional aspects of police officer and clearly defined there in the act. We would like to thank the Assemblywoman for bringing this bill and thank the Committee for hearing it today and urge your support.

**Jason Leshar, representing Washoe County Sheriff Deputies Association; and Public Safety Alliance of Nevada:**

We wholeheartedly support A.B. 410 as a step in the right direction. This legislation seemingly works hand-in-hand with NRS 289.510, which will require an annual behavioral wellness visit for peace officers. These visits will be designed to aid in preserving the emotional and mental health of our officers and will include an assessment of any conditions which may affect the performance of their duties to the public they serve. At the federal level, our very own Senator Catherine Cortez Masto has championed legislation to address the chronic effects of PTSD on peace officers. Police suicide has been at an all-time high in recent years, and Senator Cortez Masto has been a leading advocate to pass legislation and reduce the instances of these tragic events. As it stands now, there is no recognition within the workers' compensation system of the long-term effects of these mental health issues on our peace officers. Assembly Bill 410 seeks to rectify the situation, and we stand in support and urge you all to do the same.

**Troyce Krumme, representing Las Vegas Metro Police Managers and Supervisors Association:**

We stand in support of A.B. 410, specifically to bring it on the gradual onset rather than a single set of circumstances. As an anecdotal that I will share, I spent four years in our child abuse and child death investigative team in Las Vegas. While I will tell you, you might not be able to point to the first time you have seen something the human eye is not supposed to

see, you might not identify it the second time. But after about a four-year period, when you separate and take a moment and a deep breath, you realize just how significant of an impact those series of events could be. For that reason, I applaud the lawmaker who brought this forward and this Committee and encourage them to support A.B. 410.

**Rick McCann, representing Nevada Association of Public Safety Officers; and Nevada Law Enforcement Coalition:**

First of all, I want to thank Assemblywoman Jauregui for sponsoring this bill. Simply put, as you have already heard, this bill creates an opportunity—just an opportunity—for stress-related claims by our first responders. I know there will be opponents of the bill who will assert that it will open up chances for first responders to abuse the process. That is not what we are here to discuss—is opportunities to abuse the process. It allows claims for first responders who witness an event or a series of events, proven by clear and convincing medical or psychiatric testimony. That is already law. They do not just get it handed to them; they have a burden of proof. Make them prove it, but give them the chance to prove it. How many babies or children are these cops, firefighters, and emergency medical technicians going to dig out of the bottom of the pool, in front of their parents, and try to resuscitate them? How many crashes are going to mangle bodies that they have to pull out? How many suicides where brains are everywhere? How many burned bodies? I have represented these people for decades. I only do it for one reason: because they do things I cannot do, and neither can most of you. Although there are some cops I am looking at right now—you could, I cannot. They deserve an opportunity for this claim. Give them this opportunity by supporting this bill, A.B. 410.

**John Abel, Director of Governmental Affairs, Las Vegas Police Protective Association:**

I have been an officer for seventeen years. I have been in two officer-involved shootings, I have seen numerous dead babies, I have helped pull babies out of the pool, and I was one of those officers in 2011 who watched my partner die. And in the year afterwards, I had a very difficult time mentally. Luckily, I had friends around to help me, but the biggest thing for me was the stigma—the stigma of coming forward for help. This bill would go a long way in helping officers realize that people support them and that they do not have to continue to do this job if they cannot mentally handle it. We advocate for this bill.

**Todd Ingalsbee, President, Professional Fire Fighters of Nevada:**

I got a little emotional hearing Mr. McCann talk about those things, because I know for a fact that this year alone, I buried three of our brothers and sisters within the last six months. One was a 22-year veteran who went through the process six years ago, got out of the process, but because of all the things he responded to, he decided to take his own life. I had a 10-year person too, within Las Vegas Fire and Rescue, also do that. Again, I think Mr. McCann hit it on the head. This is just allowing us to file a claim. I urgently ask for your support.

**Christopher Waddle, President, Reno Police Protective Association; and representing Public Safety Alliance of Nevada:**

I am currently a police officer with the Reno Police Department, and I have PTSD. Back to Speaker Yeager's question, we had one officer last year who was denied based on this

provision, that I know of. It is something that is very important and, as has been said, it is not just a gimme. It is not something that we are asking for everybody to get. It is something you still have to qualify for. I am a very hardened supporter of this bill.

**Steve Nicholas, Private Citizen, Reno, Nevada:**

I am a mental health provider in our community here in northern Nevada. I am also a collaborative investigator for the *Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition* (DSM-V). As a collaborative investigator reviewing the various diagnoses, when it comes to PTSD, approximately 50 percent of the respondents which were from the general population in those trials demonstrated the likelihood they were delayed onset of symptoms. Quite frankly, the DSM-V did not specifically study first response cultures. However, as a clinician who specifically works with first-response cultures, there is no question in my mind and in my years of practice that delayed onset is the norm for first-response cultures. That is simply because these cultures are created—and quite frankly, they should be to an extent—to train our valiant men and women to be prepared, be composed, get it done, and you can feel later. But unfortunately, in that culture, there is never a convenient time to feel, especially if you are understaffed and overworked. Our valiant men and women are in a culture where we are being assessed for acute stress disorder. The likelihood of responding to acute single incidents is incredibly small because the truth is, there is maturational stress. These incidents, as they mature, they mutate, they turn into the form of substance use disorders, massive divorce rates, death by suicide rates, among many other conditions. The chronic nature of PTSD is the norm for these populations. I overwhelmingly endorse the passage of this bill.

**Brandon Cassinelli, Embedded Resource Officer, Reno Police Department:**

I am a 15-year veteran of the Reno Police Department, and I am also a licensed marriage and family therapist intern for the state of Nevada. For the preceding four years, I have held a very special role within the Reno Police Department. My title is embedded resource officer. This position was created specifically to address some of the ongoing concerns you have heard already from testimony regarding mental health stigma and the engagement regarding that. I would like to provide a bit of insight into what this is costing us practically and pragmatically. I am glad that Assemblywoman Jauregui mentioned John Violanti; he is a prolific researcher in this field. He cites in a 2016 study that three major stressors that anyone experiences with regard to their job—but especially first responders—are organizational, personal, and operational, with organizational being ranked at the top. Whether we like it or not, we are all part of the same governmental organization in one form or another. I can testify to the statement that for the last four years, in one instance, with regard to your question, Assemblyman Yeager, that presently we are faced with two options: either we cite a single event or people are retiring early. According to a 2021 study from Calibre Press [unintelligible], voluntary early retirement prequalification for full benefits are up 196 percent in the last ten years—and that is in police/fire. People are either leaving the job or they are taking their own lives. This provides them a third option and allows them an ability to sense and feel that they are loved, respected, cared for, and actually part of the communities they serve. I fully endorse this bill as well.



**Paul Klein, representing Nevada Police Union:**

We concur with all the sentiments, the very moving testimony you have heard before you, and we support this bill.

**Shawn Thibeault, President, Henderson Police Officers Association:**

I am a 16-year veteran of the Henderson Police Department, and in total a 30-year veteran of law enforcement. The Henderson Police Officers Association concurs with all of the testimony that has been given here today, and would hope you would give back to the people who give so much. This is going to mean a lot to a lot of people. We support this bill.

**Katrin Ivanoff, Private Citizen, Las Vegas, Nevada:**

This is the most commonsense bill I have heard this entire session. Please support this bill; I will always support first responders and veterans. Those are the people who give the most from their personal life. They sacrifice the most. It was mentioned that some people would take advantage of it. In every single profession, in every single group, in every single country, there are bad apples and good apples. Because there are going to be a couple of bad apples, we should not deny the people who are helping us get the help when they need it. When you go into the firefighter, policeman, and first responder profession, you go in there because you have a calling, most of the time—99 percent of the time. You do not go in that profession because you want to take advantage of something. Let us face it; they do not get paid that well, and I cannot believe they are going through all these troubles because of some kind of loophole in the law. We have to rein something on those insurances. This is a commonsense bill. Please support this bill.

**Chair Marzola:**

Is there anyone else wishing to speak in support of A.B. 410? We will now hear testimony in opposition to A.B. 410. Is there anyone wishing to testify in opposition?

**Lindsay Knox, representing Nevada Self-Insurers Association; and Vegas Chamber:**

We are here in very soft opposition, as we believe we can work with the Majority Leader on a fix to this to ensure our first responders get the proper care.

**Beth Schmidt, Director-Police Sergeant, Intergovernmental Services, Las Vegas Metropolitan Police Department:**

Per the rules of the Committee, we are also in opposition to A.B. 410 as written. We appreciate Assemblywoman Jauregui's willingness to gather stakeholders to discuss this very important issue, and we look forward to continuing to work with her on this bill. The Las Vegas Metropolitan Police Department (Metro) is concerned that A.B. 410, as written, will not accomplish what we all want, which is timely and available mental health care for our first responders. One of our concerns is that mental health care under workers' compensation is limited. Employees under workers' compensation are restricted to seeing doctors on the Division of Industrial Relations (DIR) list, and even more limited to seeing doctors who will accept workers' compensation payment because these visits have to be billed under the Nevada fee schedule. To the best of our knowledge, right now there is one psychologist in the Las Vegas Valley that is available to treat our employees under workers'

compensation. To be clear, Metro is committed to prioritizing our employees' mental health specifically, and their wellness more broadly. To that end, Metro first responders have free unlimited mental health coverage under our health plan. Having this in place allows our employees to seek care from any mental health provider that accepts health insurance. We would encourage all agencies with first responders in the state to provide similar services under their health plan. We look forward to continuing to work with Assemblywoman Jauregui on A.B. 410.

**Ashley Kennedy, representing Clark County:**

I will ditto other comments that have been said before. In Clark County, we support our employees who do this really difficult work, as you heard in other testimony today. That is not lost on us. We do have similar tools, and we want to ensure that our employees continue to have those tools so they can continue to do the job we ask them to do. We have some technical concerns about the bill as written and as amended that we will continue to work through with the bill sponsor.

**Nicole Rourke, Director, Government and Public Affairs, City of Henderson:**

We would like to echo the comments of the Nevada Self-Insurers Association. Also, we want to add that the city recognizes that first responders' jobs are very stressful just by nature. We have recently dedicated time to expand mental health benefits through our self-insured policy as well as through our wellness initiative. We are actually getting ready to open a wellness center for our first responders to make their access easier in this area. By providing resources for our first responders in this manner, we are not overburdening our workers' compensation program and are not creating delays that may be associated with those investigations. With that, we look forward to working with Assemblywoman Jauregui on how to find the exact right approach to provide mental health support for our first responders.

**Vinson Guthreau, Executive Director, Nevada Association of Counties:**

We echo the comments of the folks who went before me. We look forward to continuing stakeholder conversations to get some of the technical things ironed out and get this to a workable place.

**Chair Marzola:**

Is there anyone else wishing to testify in opposition to A.B. 410? [There was no one.] Is there anyone wishing to testify in neutral to A.B. 410? [There was no one.] Majority Leader Jauregui, you may begin your closing remarks when you are ready.

**Assemblywoman Jauregui:**

I am going to keep my closing remarks brief because I cannot say it any better than those who are here in support of Assembly Bill 410. I want to thank the Committee for hearing it and urge your support.

[[Exhibit G](#) and [Exhibit H](#) were submitted but not discussed and will become a part of the record.]

**Chair Marzola:**

I will now close the hearing on A.B. 410. I will now open the hearing on Assembly Bill 439. Welcome, Mr. Sharp. You may begin when you are ready.

**Assembly Bill 439: Revises provisions governing contracts of insurance. (BDR 57-1044)**

**Matthew Sharp, Member, Board of Directors, Nevada Justice Association:**

I am here to present Assembly Bill 439, and it basically deals with a simple subject matter of forced arbitrations in health insurance contracts. Fortunately, the bill as written was a little overbroad; unfortunately, those communication things happened. We presented an amendment that I hope all of you have received. Basically, what the amendment does is include a provision that essentially is the same as what already exists under Nevada law in the context of uninsured and underinsured motorists' coverage. The reason why I point to that is the provision under existing law that has been in existence since 1979 in the context of uninsured motorists, simply says an insurance company can have an arbitration provision in an insurance policy, but it is not binding on the insured. That means if the insured wants to assert their Seventh Amendment right to trial by jury, they can do that; if they want to submit to arbitration, they can do that. What this bill does for health insurance is says that when we are dealing with issues as fundamental as our own health, you should have the right to a trial by jury when that right is available. That is really all this bill does. It does not cast doubt upon arbitrations when they are mutually agreed to. It simply says if you are going to have a provision, it should only be binding upon the insurance company so the insured continues to have the right to have a trial by jury. The rationale behind that is the insurance companies write the contracts. You, as a consumer, have little to no say over those contracts, so you should be able to maintain your constitutional right.

With that, I can deal with the more specific provisions. There are approximately four provisions to existing law that would be repealed under our amendment. Those repeals deal with arcane arbitration provisions that frankly do not have a lot of current aptitude in our present makeup as to how we litigate cases. But again, it comes back to the same point that the insured in the state of Nevada dealing with matters as important as your health care should have a right to trial by jury. With that, if there are any questions, I would be happy to answer.

**Assemblyman Yeager:**

I am looking at the amendment and want to make sure I understand what it is doing in context with the bill itself. It looks to me that you are wanting to limit this to just the sort of health care-related contracts of insurance. In the bill, it looks like the amendment deletes sections 1 through 3, so we would not be talking about life insurance; we would not be talking about credit insurance; all those sections that are being deleted. So it is just the health care piece—it is saying what it is limited to. Is that correct?

**Matthew Sharp:**

That is correct, and the rationale behind that is all the different types of policies you are generally referring to do not have those provisions. It is only in this unique area of health insurance that we are dealing with this problem.

**Chair Marzola:**

Committee members, are there any additional questions? [There were none.] Are you able to give us an example of how this comes up?

**Matthew Sharp:**

Generally speaking, in group health insurance, that is your employer/employee-based insurance. Almost everyone is governed by a federal law called the Employment Retirement Income Securities Act (ERISA). There are very small portions of people who are not, so what the insurance industry has done is they have said for those people who are not subject to ERISA, we want to pressure you into forced arbitration. The irony is that all of you have these policies that say you are to be forced into arbitration, and they are never asserted in the context of ERISA, and we can deal without getting into the minutia. The reason being is because the remedies are already limited; under ERISA, you do not get a trial by jury. What we are saying is, in a small group of people who have state rights, they should have the same right that our founders said we have, which is the right to trial by jury, which is guaranteed by both the *U.S. Constitution* and the *Nevada Constitution*.

**Chair Marzola:**

Any there any additional questions? [There were none.] We will move to testimony in support of Assembly Bill 439. Is there anyone wishing to testify in support? [There was no one.] We will move to testimony in opposition to Assembly Bill 439. Is there anyone wishing to testify in opposition? [There was no one.] Is there anyone wishing to testify in the neutral position to Assembly Bill 439? [There was no one.] Mr. Sharp, would you like to give closing remarks? [There were no closing remarks. [Exhibit I](#) and [Exhibit J](#) were submitted but discussed and will become part of the record.]

I will now close the hearing on Assembly Bill 439.

I will now open the hearing on Assembly Bill 441. Mr. Mills, you may begin when you are ready.

**Assembly Bill 441: Revises provisions relating to industrial insurance. (BDR 53-1002)**

**Jason Mills, President-elect, Nevada Justice Association:**

On behalf of our organization, I would like to thank you personally for bringing this bill on behalf of your entire Committee. It is much needed. I can report to you that we have spent several months with the major stakeholders in negotiating the terms that are in the amendment that should be before you today [[Exhibit K](#)]. Specifically, the Nevada Resort Association, the Nevada Self-Insurers Association, the Employers Insurance Company of Nevada as major stakeholders, as well as the Nevada Justice Association, rarely come to the

table in full support of bills, but when they do, we try our hardest to get a good bunch of policy in front of you all. What I am working from today is the A.B. 441 proposed amendment that says it is proposed by the Nevada Justice Association that you should all have access to. I believe it consists of thirty-two pages. I will briefly go through each section.

With regard to section 1 of this bill, this essentially allows us to have electronic workers' compensation files available for inspection. Currently, it is all physical inspection rules. Section 2 also indicates that rather than having access to just the complete file, a reproduction of that complete file as well will be sufficient for the ability to review them. With regard to section 3, subsection 1, this provision requires the DIR [Division of Industrial Relations] to begin to publish the information on a quarterly basis for when the assignment of permanent partial disability physicians—these are typically at the end of the claim—we would like the Division to actually publish whom these assignments are going to. I can report to you that for more than a decade, my organization and others have tried to parse out from the DIR precisely how these random rotation assignments occur and who is getting these particular assignments. I can report to you that for a long period of time, we have never really gotten any answers out of them. Therefore, we think publishing this information publicly will be useful for all stakeholders involved.

With regard to section 4, this is an amendment to existing law that would allow—right now, the insurers are required to use a master list from DIR to compile their treating physicians in the workers' compensation space. A problem arose over the last few years. This was an amendment from the 79th Legislative Session. It was a fantastic bill brought by Senator Nicole Cannizzaro. What happened is, for several years doctors signed up to be treaters in particular subspecialties that they actually do not treat. Imagine for insurers, employers, and claimants, when we want to utilize Doctor X because he or she has listed his or her name as that type of subspecialty treater and they do not actually do the treatment. All this does is say if you are going to name yourself as a treating physician in a particular subspecialty, you should be required to treat and accept those particular claims. Also in section 4, they must accept and treat employees under the Nevada Industrial Insurance Act or else they will be removed from these panel lists. Simply adding yourself on a panel list and then not actually accepting and treating is useless to the insurers, employers, and the claimants. We want to make sure the doctors are actually going to do that when they are on these lists; if not, they would be removed. Lastly, there has also been confusion for the insurers, employers, the Division, and claimants that these lists the insurers file are in various formats and often are not in searchable database form. This would require the Division to produce a format or style in various searchable formats that could be used, whether in an index, database, a PDF file, a CSV file, et cetera, that are searchable and usable for everyone in the community to see rather than random order pixelated images.

Section 5 of the bill does several things. It addresses what should happen if a physician or chiropractor does not treat a particular specialty. It is hard for the Division to know whether or not doctors are doing this stuff, but the insurers, employers, and claimants are people who are regularly interacting with these doctors and do know when the doctors are or are not

doing this. We are inserting a provision that essentially says we can notify the Division on a form that is prescribed by the administrator that we think maybe a physician is not actually treating, and any person can submit this to the Division. Then, the Division has 90 days to figure out if the doctors are treating or not and accepting these types of claims. If they are not, they would effectively be removed from that panel list. For example, if a doctor lists he or she does spine surgery, shoulder surgery, knee surgery, elbow surgery, hand surgery, ankle surgery, hip surgery—I do not know of any doctor that actually does all of that in the twenty-first century. The problem is that maybe that doctor's staff accidentally filled the form out that way. So if we said, hey, by the way, this doctor is actually only doing knees, can you check him for the spine, the shoulders, and everything else. If the Division ascertains he or she is not actually doing that, they would only be removed from those subspecialties they are not treating and accepting. And of course, if a doctor or physician changes their role or their practice in the future—say they are a shoulder doctor and now they also want to do knees—they can always reapply to that other subspecialty and then be easily added.

Section 6 has to do with clarification on the use of the independent medical examination. That is a right that this body granted in the 79th Session, and it is frequently used for an initial or second permanent partial disability (PPD) examination. There have been some concerns over the last few years in litigation whether or not it conflicts with an existing law that is in statute. What we have done is clarify that we can use this independent medical examination right for an initial PPD examination or a second or subsequent PPD determination. If the claimant does utilize this particular right for a second examination—if he or she ends up not getting a greater amount than what the insurers had offered, then the insurers would essentially be allowed an offset of the cost of those exams, which are usually around \$1,000, but only against their recovery of their PPD award. There would not be an out-of-pocket charge or against their medical rights or anything like that. If they are entitled to an award and they wanted to fight for a higher award utilizing this particular provision and then it does not come out higher, the insurers effectively have quote unquote wasted \$1,000 and the provision would—I am using \$1,000 as an example because that is usually roughly what PPD exams are—they would be able to recapture that. We also clarified that PPD exams, under the independent medical exam (IME) statute, fall under a particular cost provision rule, and the IMEs under the rest of the statute fall under the IME charging fees. That has been a point of consternation or confusion for insurers and physicians over the last few years, and this seeks to clarify that.

Section 7 of the bill changes the way the rotating physicians and chiropractors are selected. Again, we have been trying for over a decade to figure out how the assignments actually take place. We mostly get Wizard of Oz behind the cape kind of stuff and we can never figure it out. One of the things we are trying to do is insert randomness into the process because randomness cannot have thumbs on the scale, so that is what we are attempting to insert in there. We are also removing the requirement for quote unquote specialization on PPD examinations. We think that is an anachronistic problem that for years, the American Medical Association (AMA) *Guides to the Evaluation of Permanent Impairment* that we are required to use in PPD examinations. These physicians are trained on that guidebook. For

example, chiropractors will rate fusion procedures or surgeries, yet they do not actually do those in their day-to-day life, but they are very capable of understanding how that guidebook works. The fact of the matter is as long as you are able to use this guidebook, your area of specialization is not that important. We run into problems on these particular issues. For example, there are two physicians I know of in the south who are currently able to rate the eyes, but the guidebook says what and how you rate eyes. Now, we are in a situation where the rules say the treating doctor cannot also rate the person, so when the treating doctor treated for the eyes, now that leaves only one person for the rating. What happens if Mr. Hook's client, or Ms. Grimmer's client, or my client wants to challenge that first rating? There is no one else to pick. The point is that if the specialization requirement is lifted, and as long as the physician has passed the guide's testing requirements—which they do in order to get their licenses here in Nevada—then that specialization rule should be lifted and not exist. Again, more than 70 percent of the rating physicians are chiropractors and none of them do fusions or shoulder surgeries and they are already rating those body parts to begin with, so this particular provision does not make much sense to us.

We also added a provision that a doctor can always say, hey, I got an assignment that I am not comfortable with. Perhaps a neurologist does not want to rate a heart exam because they are just not comfortable doing it. Then they have the right to say, hey, Division of Industrial Relations, I do not want to accept that. For example, a lawyer might legally be allowed to defend a federal death penalty case, but I can assert to you that I have no business defending a federal death penalty case and I would tell someone if they try to make me do that. We think the same rules should apply to the physicians; if they get an assignment they do not think is correct for them, they can raise their hand and say, no thanks. Then the Division would randomly assign the next person from the list. At the end of that section, it says the Division will be required to report annually which doctors are getting these assignments and what they are turning away so we can verify any potential problems down the road.

Section 8 deals with a particular problem on lump sum awards. There was some confusion on whether or not when a claimant would sign his or her election for a lump sum on their award—they are allowed to do that under the law—what actuarial table should be used? What we are basically saying is whatever actuarial table is in effect on the date they make their election, that will be the one used. The table changes every year based on what is happening with mortality rates and thirty-year Treasury bills for the United States. Every year the table adjusts for an entire twelve-month period, and when the claimant makes his or her election, whatever table is in effect on the date they make their election should be the table that is utilized.

Section 9 has to do with a strange thing in the existing rules. If we file a complaint against an insurer or an employer about something they are doing in their claims management, we do not have bad faith in the state of Nevada for workers' compensation handling, so it is all done through *Nevada Revised Statutes* Chapter 616D, particularly section 120. When we file complaints on those things, the DIR will often do an investigation. Existing law says they have 90 days to do that investigation, but we only have up to 100 days to appeal if the Division does not do anything. That means there is only a 10-day window to appeal if the

Division does nothing. We are expanding that out to 120 days so that there is a true 30-day window to appeal, not a 10-day window.

Another problem that exists under current law, if the Division does nothing for 90 days, it is deemed denied. If the Division does nothing on my request for a complaint, the law already says it is denied, yet we are running into a strange situation where we appeal those and we go to the appeals officer weeks, months, sometimes years later, then the Division will jump in and say, hey, we went ahead and finished that investigation and here are our findings. But the law already deemed that a denial. Why are we doing that? Why are we doing it later? What we are doing in this particular provision is, if the Division has not acted in those 90 days, we have that additional 30 days to appeal. They do as well—both parties. If they do not like the outcome of that, they can appeal it, and the jurisdiction over whether or not a benefit penalty should exist. Now, we will just rest with the appeals officer—essentially the court—who is the one that is deciding these things rather than the Division running back in three weeks, three months, or three years later and causing confusion into the process. That has to do with the sections I am covering. I believe the remaining sections I will turn over to Misty Grimmer and Dalton Hooks.

**Misty Grimmer, representing Employers Insurance Company of Nevada:**

As Mr. Mills has already noted, this is sort of the usual Nevada Justice Association, Employers Insurance Company of Nevada show with respect to workers' compensation. Like most legislative interims, back in the summer we begin chatting with each other about some changes that would improve the workers' compensation system for all parties. We all come to the table with a list of asks; some of them we can agree on and some of them we do not. Those conversations continued once we got up here, and A.B. 441 is the result of those conversations. Mr. Mills has walked you through most of the sections of the bill and the reasons for those changes. I will focus on two sections that are particularly important to the Employers Insurance Company of Nevada.

Section 10 references the physical location of insurance adjusters who adjust workers' compensation claims. I believe workers' compensation is the last type of insurance that still requires adjusters to live in the state of Nevada. These days, most insurance adjusting is done virtually and the same could happen for workers' compensation except for the current statutory requirement. We are proposing that the adjusters who are employed by insurance companies be allowed to be located outside of the state of Nevada. They would still be required to have whatever training and licensure is required by the Division of Insurance (DOI) but would not have to physically be here. They would, however, have to be available for Nevada working hours. The third-party administrators (TPAs) who have requested that for their adjusters would still have the residency requirement—so the flexibility requested in this bill is just intended for insurance company adjusters. The Department of Insurance has suggested the addition of some language to this section to make it clear that all adjusters, whether with an insurer or a TPA, are still required to be certified as adjusters by DOI. Before the work session document comes before you, we will work to add the language that has been suggested by DIR and DOI.



Section 13 puts in some changes related to the administration of cost-of-living adjustments for claimants who were injured prior to 2019. For a very quick history, in 2019 the Legislature approved Assembly Bill 370 of the 80th Session and Senate Bill 377 of the 80th Session, which put in place cost-of-living increases of 2.3 percent for workers injured prior to 2019. This section of the law applies to claimants with a permanent disability rating or to families of a claimant who died in the line of work—so a death benefit claim. In Nevada, we have lifetime reopening, so there are still thousands of claims on the books dating as far back as into the 1950s that must be administered. The vast majority of those claims are administered by Employers Insurance Company (EIC) since we used to be the state industrial insurance system before Nevada privatized workers' compensation in the late 1990s. When the Legislature passed Assembly Bill 370 of the 80th Session and Senate Bill 377 of the 80th Session, EIC is responsible for providing most of those COLAs [cost-of-living adjustments]. The way the process is supposed to work is we pay out the COLAs to the claimant. Then, we submit documentation of those payments to DIR. The Division of Industrial Relations verifies the accuracy and then does an assessment of all the insurers to cover reimbursing us for the outlay of those payments. Assessments of all insurers is how all of the operations and obligations of DIR are funded. However, since the enactment of the bills in 2019, there have been some misunderstandings of how the process should be carried out, resulting in employers paying out the COLAs but not receiving reimbursement. This is an ongoing process and I believe headway is being made in addressing the monies currently owed. Our goal with the changes in A.B. 441 is to remove the ambiguity of how this process is administered and provide more direction and timelines to DIR of exactly how the process should proceed, and the requirements for everyone in the insurance industry to pay their portion of the cost.

**Dalton Hooks, representing Nevada Self-Insurers Association:**

My organization represents employers, self-insured employers, and associations of those employers in these matters, so that is the standpoint from which we come to the table. The portion that I am presenting is on the additional language that has been added, but it does not have a section. It is one of the last ones. It seeks to provide parity between those groups that are represented by the Nevada Self-Insurers Association. Under this provision, NRS 616B.371, what our language does is it proposes to repeal it. What it did in 1993—and subsequently was revised in 1995—after we went three-way and were no longer a captive state, was to preclude these associations from either being officers or having a financial stake in a third-party administrator and vice versa, and also precluded them from entering into such contracts. The intent here is to provide parity between the employers, insurers, and third-party administrators who can already do this and allow associations to do it as well. I can certainly answer any questions.

**Chair Marzola:**

Committee members, do you have any questions?

**Assemblyman Yeager:**

I have to be honest, I always read through these bills, and I am not quite sure what is happening when I am reading them because this is not an area I practice in, but I appreciate

having you here to explain what is happening, and I appreciate the way you all collaborate on these bills. It seems like every session we have one, and I think that is the way the process is supposed to work, so thank you for that. I have two questions. I think one is for Mr. Mills and one would be for Ms. Grimmer. Mr. Mills, you talked about sections 3 and 7 in the amendment, and I think section 3 and section 7 are addressing different things. What I heard you say on section 3 was, we wanted some sort of transparency I think in terms of who is being selected. But then, in section 7 we are talking about random assignment versus rotation. I was hoping you could maybe explain to me in a bit more detail what section 3 and then what section 7 are trying to accomplish? And are those two things related or are they completely different issues?

**Jason Mills:**

Section 3 has a reporting requirement for the administrator, the DIR, to essentially list out the physicians as they get the assignments for their PPD selections, so they would list out Dr. X received X number of PPD examinations by a random assignment and by mutual agreement. Those are the two ways you can have a PPD done. Section 7 does two things—it actually might do three if we get really deep in the woods. It removes this notion of the assignments selected "in rotation" because that is where there is—we have not been able to get a definitive answer from the Division in over a decade exactly how that "in rotation" selection truly works. We think that by removing the language of "in rotation" to "randomly" would—basically all the names that are in the hopper would be able to be selected for those provisions. Also, there is the removal of the specialization that I talked about, and the doctor could then also say that he or she is not willing to accept the rate because it is outside their scope. But if you look at the tail end of section 7, there is also a reporting requirement that is similar to that in section 3, but slightly different. I believe that is what you are referring to, that they have to annually indicate the number of times the doctor was selected and how many he or she actually did. Then we can essentially pare what he or she is rejecting. That is where the subtle difference is, I think, between that section 7 and section 3. I hope that answers your question, sir. If not, I am available for you.

**Assemblyman Yeager:**

It did, thank you. My other question I believe is for Ms. Grimmer. You had talked about—and I do not remember the two numbers—repealing the two cost-of-living adjustment bills from 2019. I was trying to look at the amendment and I thought you were perhaps referring to the deletion of NRS 616B.371, but then Mr. Hooks talked about that section. Can you confirm that you are looking to repeal those bills? Also, is there replacement language that is going somewhere in the amendment? I heard you talk about—answering some questions resolving some ambiguity. Is that in the amendment somewhere?

**Misty Grimmer:**

It is not our intention to repeal what was put into place by those two statutes. *Nevada Revised Statutes* 616C.266 is still in place and the COLA is, and everything that was put into place by those two bills would absolutely still move forward. What we are looking at when you see the added green language in that lower section in that part of the statute is to put in more structure around the process for how it gets handled at DIR, and also put in some time

frames because part of the challenge has been that the information has been submitted and then getting responses back has not been very timely. The system has really dragged on for quite a while and EIC is in the position of basically having fronted those monies and is still waiting for reimbursement. We are absolutely not doing anything to change the rights of those claimants and their families to get the COLAs.

**Assemblyman Yeager:**

Mr. Hooks talked about repealing NRS 616B.371, but I guess the statute you are looking at changes underneath that, is it NRS 616C.266? Is that where the changes are, or maybe NRS 616C.268? I am trying to make sure I am looking at the right section.

**Jason Mills:**

I think I might be able to clarify, if I may. If you look on page 26 of the document, and it ends at section 11, because that is originally where the Legislative Counsel Bureau ended. This next section would be what Mr. Hooks was referring to as the repealing of NRS 616B.371. If you flip the page to page 27, that is actually striking out NRS 616B.371. Then, there is no delineation to the next section; it just jumps right into NRS 616C.266, which is what Ms. Grimmer is referring to where they are basically trying to recover their COLA funds they were essentially promised several years ago, but are having a really hard time getting it. I hope that clarifies it.

**Assemblywoman Duran:**

This is truly an upgrade for workers' compensation. I appreciate that. When you have a second opinion, is it just going to be for the permanent or partial disability? You are not going to be able to—other than to get a second opinion on any denied claim?

**Jason Mills:**

The existing law is a statute called NRS 616C.145. It already exists and has for several sessions. It allows for an independent medical examination by a claimant in various settings. It allows them to argue about the scope of the claim, the treatment, whether they should have more care, whether or not their claims are stabled, et cetera. There is disagreement amongst the parties on whether or not that can be used in the denied claim or not. This bill does not address that particular issue. But what this bill does do—it was also a section in the Independent Medical Exam (IME) statute that as exists has subsection 5 that is being able to be utilized only for PPD examinations. The rest of the statute was dealing with true independent medical examinations. What we had done is, in the prior iteration of the law, there is a section that allowed for this IME rule to also be used for PPDs, but because of another statute that exists, there was some confusion on whether or not we could use this section in certain circumstances, particularly on a second examination of a PPD. This bill clarifies that we most certainly can, but it has a caveat attached to it. That is, if we use it for a second time around, after a determination by the insurers or the employers have already been made and we do not get a higher award, or a PPD, or an impairment number, then the insurers and employers can recapture the cost—only in that second scenario after determination was rendered, and that was already on the table, and they can only recover

those monies from existing awards that are sitting on the table at that time. I hope that clarifies. If not, I can continue to answer.

**Assemblywoman Duran:**

Is it the same process, where you have thirty days to appeal your rating?

**Jason Mills:**

Actually, when insurers issue determinations, we have 70 days to appeal those. Only when it is the administrator of DIR, there is typically a 30-day time frame that is allotted. Another part of the bill was attempting to fix that strange 10-day window to make it 30 days. However, when insurers render determinations, we have 70 days when we are "aggrieved" under existing statute.

**Chair Marzola:**

Committee members, are there any additional questions? [There were none.] On page 16 of the amendment, you are changing "in rotation" to "randomly." I am not sure if multiple people can answer this or just you, Mr. Mills. You stated that for a long time, if ever, you could not get an answer on how the rotation worked. Did I understand that correctly?

**Jason Mills:**

That is correct.

**Chair Marzola:**

How are we going to know if "randomly" is going to work?

**Jason Mills:**

I think one of the ways we are going to do that is with the reporting requirement. We will be able to see which doctors are getting these assignments through random assignment versus mutually agreed upon, because the rule allows, Mr. Hooks and I, or Ms. Grimmer and I, or through our clients, we both agree to Dr. X. That is a mutual agreement. Statute already says that. When we cannot agree, the statute then automatically goes into the rotation assignment, and we have never gotten a sufficient response from DIR on how that process truly works. If we randomize it, then we should also be able to see—on the ones where the parties are not mutually agreeing—shouldn't those numbers be very similar? And then with section 7 that Speaker Yeager brought up, if we then see the numbers the doctors are rejecting, you can then start to figure out that it is more open and everyone can see that there is no funny business going on, because you can rarely look at the numbers that are being produced, if that makes sense.

**Chair Marzola:**

It does. It makes it more transparent.

**Jason Mills:**

Transparency, that is correct, Madam Chair.

**Chair Marzola:**

Thank you, I appreciate that answer. Are there any additional questions? [There were none.] We will move to support testimony for Assembly Bill 441. Is there anyone wishing to testify in support of Assembly Bill 441?

**Rick McCann, representing Nevada Association of Public Safety Officers; and Nevada Law Enforcement Coalition:**

We are here to support A.B. 441. Frankly, I do not argue with Mr. Mills on these things. My attitude is, let us go ahead and work session this now and get out of here.

**Todd Ingalsbee, President, Professional Fire Fighters of Nevada:**

We wholeheartedly support this bill. Thank you for the cumulative work by everybody. I can echo what Mr. Mills said. I think it might be the first time I know for sure that I agreed with Mr. Hooks on anything, so it is actually nice. This is about getting our men and women back to work so they can serve your constituents. I think that is important and I think this bill is necessary.

**Jason Leshner, representing Washoe County Sheriff Deputies Association; and Public Safety Alliance of Nevada:**

These are some commonsense changes to NRS Chapter 616, so we speak in favor.

**Troyce Krumme, representing Las Vegas Metro Police Managers and Supervisors Association:**

We ditto all the comments and are in favor.

**Mark Sektnan, Vice President, American Property Casualty Insurance Association:**

We are in support of the bill, particularly section 10, that allows insurers to adjust claims outside of the state of Nevada. [[Exhibit L](#) was submitted but not discussed and will become a part of the record.]

**Chair Marzola:**

Is there anyone else wishing to testify in support? [There was no one.] We will move to testimony in opposition to Assembly Bill 441.

**Shantel Schaefer, Private Citizen, Sparks, Nevada:**

I am a licensed and trained professional in the workers' compensation industry here in Nevada. I have undergone extensive training as well as licensure to obtain the specialized handling claims. Passage of A.B. 441 will directly impact me and my family, as well as many of my coworkers in this industry. Allowing management of Nevada workers' compensation claims out of state is going to result in numerous jobs being lost and businesses leaving our great state of Nevada. The workers' compensation industry is a predominantly female one and allows females to excel and grow in a specialized and rewarding career. Like other business sectors, extensive training and experience is required to handle this important job. If you vote to pass this bill, I along with many of my industry partners and coworkers, will be unemployed and forced to seek other employment.

**Chas Nort, President, Nevada Alternative Solutions:**

We have been in business since 1991. I concur, and reiterate the comments of Ms. Schaefer, who just testified. We employ a number of people, and we are opposed to the language of section 10, simply for the fact that we have had a brick-and-mortar statute for decades. So have a number of other western states; namely, Oregon, Washington, Idaho, Montana, and New Mexico, with similar requirements of having an in-state office to do administration. There is a reason for that: accountability and enforcement. The Division of Industrial Relations, in my opinion, will be burdened even more than they are now. To look at out-of-state adjusters—my experience goes back years and years. When I opened my office in 1991, a TPA license was required, and the adjusters or claims examiners could work under my license. That was the way for many years. Then there came a time where I had to get a workers' compensation license, WCR, not only an administrator's license, and then there came a point a few sessions ago where it was required that claims examiners become licensed adjusters in the state of Nevada in order to adjust claims. They had already had years of experience, and then they had to take a test and pass it, as would be required by this particular language in section 10. Can you ensure that the person in Minnesota or New York has five years of experience, or any experience? The language in section 10 does not address that. I am very concerned about claims arising under NRS Chapter 616A and NRS Chapter 616D inclusive, that a salaried employee of an insurer located in another state can adjust claims without a license. I would like clarification, at least, on that. As I said, I employ a number of individuals who are exclusively dedicated to insurance carrier-based work. If this door is open to allow insurance carriers to adjust claims outside of the state, I am losing at least five to eight employees. They have been with me for 15 and 20 years.

**Chair Marzola:**

Can you please wrap up your testimony? It has been two minutes.

**Chas Nort:**

Those are our concerns. You are going to lose jobs in Nevada. It is bad for Nevada. It is bad for Nevadans. Is it good for all? I do not think so.

**Julie Alvarez, Private Citizen, Reno, Nevada:**

I am a licensed workers' compensation claims adjuster here in Nevada. I have undergone extensive training as well as licensure to obtain the specialized position of handling claims. I am the breadwinner in my family. I provide financial support to my elderly family members. All of my concerns have been outlined in prior testimony. Therefore, for the reasons already stated, I do not support this bill.

**Sharon Oglesby, Private Citizen, Sparks, Nevada:**

I am a licensed workers' compensation claims adjuster here in Nevada. I also have undergone extensive training as well as licensure to obtain this specialized position of handling claims. All of my concerns have been outlined in prior testimony. Therefore, for the reasons already stated, I do not support this bill, A.B. 441, section 10. I believe we need to preserve jobs in Nevada.

**Staci Jones, Private Citizen, Reno, Nevada:**

I am also a licensed workers' compensation adjuster. With respect to the Committee's time, I echo the statements of those who have gone before me in opposition to A.B. 441.

**Tani Consiglio, Private Citizen, Carson City, Nevada:**

I am also in the workers' compensation industry, where I have been working for many years. I am also against this bill, as I am the breadwinner in my family. I think it is important that we keep the jobs in the state of Nevada to adjusters that are knowledgeable in that area. Therefore, I am against this bill.

**Lidia Perez, Private Citizen, Reno, Nevada:**

I have been in the industry for over 20 years. This has been my career for all those years, and I have been handling the claims. I am opposed to the bill as stated previously by my colleagues.

**Kim Campa, Private Citizen, Nevada:**

In respect of your time, I echo the statements before me, and I am here in opposition of A.B. 441.

**Anne Glendinning, Claims Supervisor, CorVel Corporation:**

I have been an insurance professional here in Nevada for thirty-two years. I object to section 10. We have been talking about the residency since 1990 when Fremont Insurance Company came in to make its acquisitions, which obviously ended up as Employers Insurance Company of Nevada. I completely understand the financial benefits for carriers to take this out of state. It is very real; I understand that. However, it is not the time here in Nevada. We need to support our state agencies because we are currently in a crisis state and we have addressed the Department of Administration based with the new hire. However, the Department of Insurance needs to relook at their licensing and the education aspect of their licensure, because with this, they would have to have a license that is reciprocal over the states. Currently, the state has a staff license, which is not reciprocated. The state required that most professionals who had national adjusting licenses relinquish those to acquire this particular license. That would all have to be reworked and we would have to have a relevant test as well as be able to adjudicate the education. They asked for Texas education when this all started, saying Texas was the same as Nevada. I assure you; it is not. We need to look at that. Next would be the Department of Industrial Insurance. They do not have the technology or the talent to be able to do this. They are struggling with what they have now. As Mr. Mills kindly said, everything is paper—everything is archaic. They do not have the tools and now they do not have the talent to pursue this. You need to hire insurance professionals to run the Department of Industrial Insurance. Currently, that is not in place. Last, I would ask that it is not the problem at the adjuster's desk. That is not where this starts and stops. The problems we are having in Nevada are a result of our state agencies and the system having the challenges we have not been able to overcome. Those need to be addressed.

**Chair Marzola:**

Could you please wrap up your testimony?

**Anne Glendinning:**

I ask that you not include section 10 in this bill. I think the rest of the bill is pretty good, but section 10 and taking the residency out—it is not the time. Put it aside. Let us address it in another two years.

**Nicole Marley, Private Citizen, Las Vegas, Nevada:**

I am currently a claims compliance officer. For twenty-seven years, I have been doing this work. I am concerned about the implementation of this bill and allowing out-of-state adjusters to perform Nevada claims administration. Thirteen years ago, I found myself a single parent. This career gave me stability where I could provide for my children. In our industry, there are a large percentage of claims adjusters who are single parents. This bill would significantly reduce the state adjusters in Nevada, leaving Nevadans out of work. We have over 300 licensed adjusters in Nevada and that will be significantly reduced because of section 10 of this bill. I stand in opposition of this bill, and I hope you make the right decision to allow Nevadans to continue to work. Our unemployment rate is extremely high right now. Like my colleagues said, I echo them in saying that now is not the right time to do this. Maybe later, but not right now.

**Diane Ferrante, Workers' Compensation Supervisor, Sedgwick:**

I am a workers' compensation supervisor in the state of Nevada. I also hold a Nevada resident adjuster's license. If you pass this bill, it will not only impact me financially, as I am the sole provider for my household, but it will impact most of my family who I work with, and a lot of people in Nevada will lose jobs.

**Tameka Lawson, Private Citizen, Las Vegas, Nevada:**

I am a supervisor in workers' compensation as well as a native of Las Vegas, Nevada. I am here asking you to reconsider the passing of A.B. 441, as it will impact me, my peers, and my coworkers. As the primary breadwinner of my family and a mother of six—one of whom has special needs—the bill could potentially place me out of work, unable to care for my family's financial needs. Given my family commitments, which includes taking care of my grandmother and my parents, I cannot move out of state to work at another location for employment. Please reconsider passing A.B. 441.

**Shannon Coggins, Workers' Compensation Supervisor, Sedgwick:**

I am a Nevada native of forty-eight years. I am a supervisor for a third-party administrator handling workers' compensation claims. I hold the Nevada resident adjuster's license and I have been in this industry for seven years. I am here to ask for you to consider the effects of A.B. 441, section 10. If this bill passes, it will directly affect my job and the jobs of my peers. This bill will allow for outsourcing to another state, which will eliminate my job and the jobs of my coworkers. I am the sole provider of my household, and this bill passing would directly affect my ability to provide the basic necessities for me and my household.



**Brittney Turner, Workers' Compensation Adjuster, Sedgwick:**

I am a native of Las Vegas, Nevada. After going through many jobs, I chose this career because it helps people and because of the stability that it gave me to provide for my family. I am in disagreement with the bill, specifically with section 10. I feel like this is a job where I spent a lot of time and energy studying for the test and I knew it was something specific that I could hold onto and possibly retire from. I am new; I got my license within the last year. It is very important to me, and it is not easy. They say there are a lot of jobs out there, but it is not that easy. I do not want to go back to the unemployment process. I appreciate my coworkers, and moving this out of state, I do not think that—the way we handle the claims, I think it will affect the claimants and the time and effort that we put into our claims, getting these claimants back to work, and getting them paid so they can take care of their family as well. I am definitely in opposition to section 10.

**Maryanne Carlile, Private Citizen, Las Vegas, Nevada:**

I am a licensed claims adjuster in the state of Nevada in opposition of section 10. Prior to being an adjuster, I was laid off due to the pandemic. With a newborn at home and a partner who was also laid off, I was forced to find new work. I got into workers' compensation because I have always wanted to help people. When I was finally licensed, I knew I could make a living doing something that made a difference for people who are going through a difficult time in their lives. With that being said, I started working full time while my partner stayed at home to care for our child. This specific job has also given me the opportunity to meet in person with some injured workers who have more severe injuries to better understand their injuries and also reassure and support them during their recovery, which has been eye-opening for me. I work with a dedicated client, which means this new legislation could result in the elimination of my position, ultimately leaving me without an income. With that being said, I am just one of many people who would be affected by this. There are always two sides to a story. This is the side I would hope you consider before putting anything into law.

**Alida Fluellen, Private Citizen, Las Vegas, Nevada:**

I am a Nevada resident and licensed adjuster. I have been in the industry for over 40 years, and I am a sole provider for my household. If Assembly Bill 441 is passed, this would affect my financial ability to support my family as well as have financial effects on my coworkers and all Nevada licensed adjusters. I echo the opposition.

**La'Sheka Durden, Workers' Compensation Adjuster, Sedgwick:**

I am a licensed Nevada adjuster, and I am here today in hopes for the reconsideration of section 10 of this bill. The passing of this bill will not only affect all Nevada adjusters, but also our families and how we take care of them. A lot of us are still recovering financially from the 2020 pandemic. Now, three years later, we are facing the threat of the loss of our job security. Today, I stand with and represent all Nevada adjusters when I say, I hope you sit down and discuss the passing of the bill and take into consideration that we are not just adjusters. We are wives; we are husbands; we are parents; we are grandparents; and we are caretakers. Not only are we trying to help and better the lives of our Nevada injured workers, but we are also trying to better ourselves and our families.

**Leida Herrera, Private Citizen, Las Vegas, Nevada:**

The passing of this bill, particularly section 10, could ultimately result in losing my job. In Nevada there are many TPA offices that are specifically handling Nevada claims. This would make it difficult for me to find work in this field elsewhere, which would negatively affect me and my family. I am the primary wage earner in my family. It may further be required to have to move my entire family out of state to find work in my field. This will be a financial hardship and devastation to many people. I do not support this bill.

**Melissa Cristobal, Private Citizen, Las Vegas, Nevada:**

I am currently a workers' compensation claims examiner working for a TPA. I have been in the business in Nevada for over two decades. I would like to emphasize that the passing of A.B. 441, section 10, also affects the TPAs, the third-party administrators, because we do handle claims for the carriers that are not in Nevada. Personally, it will impact my financial well-being because I am the sole provider for my household. Having this be moved out of state will also include harming the well-being of my mother because she is here. I urge and greatly hope that section 10 does not pass.

**Deannie Helget, Private Citizen, Las Vegas, Nevada:**

I am a licensed workers' compensation claims adjuster here in Nevada. I have undergone extensive training as well as licensure to obtain this specialized position of handling claims. I, too, am the breadwinner of my household. All of my concerns have been outlined in prior testimony. Therefore, for the reasons stated, I do not support section 10 of this bill.

**David Martin, Private Citizen, Las Vegas, Nevada:**

I am here representing myself as a Nevada residents' license workers' compensation claims adjuster. I am in opposition and implore you, esteemed Assemblymen, to consider my plea to deny the passing of A.B. 441, section 10. I am the main provider for my young family, which consists of my wife and three girls: ages 11, 9 and 3. My family and I relocated to the state of Nevada a little over a year ago to provide our girls with better opportunities than what my wife and I were afforded when we were younger. If this bill passes, it will most certainly have a detrimental effect on my ability to financially support my family, essentially denying the very reasons why we brought our kids here in the first place. Section 10 amends NRS Chapter 684A and opens up the landscape regarding carriers handling claims from outside of the state. The passing of this bill will most certainly affect and jeopardize my current employment, as well as those of my fellow coworkers.

**Marsha Spear, Private Citizen, Las Vegas, Nevada:**

To the leadership in this Committee, I would like to state my opposition to A.B. 441, section 10. I am a licensed workers' compensation claims adjuster here in Nevada. I have been in the industry for over 30 years. I have extensive knowledge and have gone through training as well as licensure to obtain this specialized position of handling claims. I provide financial support in order to maintain my household. All of my concerns have been outlined in prior testimony. Therefore, for the reasons stated, I do not support this bill.

**Audriana Patterson, Workers' Compensation Adjuster, Sedgwick:**

I am a Nevada resident licensed adjuster and a mother of three. I am testifying today and ask that you please do not pass A.B. 441, section 10. If this section of the bill is passed, it will financially affect my ability to provide for my three children, and I will be without a job.

**Alma Larios, Private Citizen, Las Vegas, Nevada:**

I am a Nevada resident workers' compensation supervisor. I hold a Nevada resident adjuster's license. If you pass A.B. 441, section 10, regarding carries handling claims out of state, I will not be able to financially support my elderly mother, my sister who has Down syndrome, as well as paying college tuition for my child. Section 10 of this bill, if passed, will also impact the livelihood of all my fellow coworkers as well as all Nevada licensed resident adjusters. I ask that you carefully take into consideration the testimony that you are hearing today and consider the impact that you will place on Nevada resident adjusters and their loved ones.

**Jennifer Manolakos, Private Citizen, Las Vegas, Nevada:**

I have been a claims adjuster in Nevada since October 31, 2002. You asked us to get licensed, and at that time, I already had ten years of experience under my belt. The passing of section 10 will take away my ability to not only financially support my family, but medically support my family. People know me as just a claims examiner; they do not know the human side of me. Right now, I am supporting my husband going through cancer treatments. I have a son who gets monthly multiple sclerosis treatments. Moving claims out of state potentially means that I lose my job. I would no longer be financially or medically able to support them. I am asking you to please carefully consider this and not approve section 10.

**Jackeline Bell, Private Citizen, Las Vegas, Nevada:**

I am a licensed claims supervisor. I am here today hoping for reconsideration of A.B. 441, section 10. I am here as a concerned citizen because this bill will have the potential to directly affect not only my career, but the careers of my peers. This bill will eliminate our job security, which will have a trickle effect across the state of Nevada and leave many of us without jobs. Please reconsider A.B. 441.

**Cristian Saavedra, Workers' Compensation Adjuster, Connor Cochran Management Services, Inc.:**

I am a licensed workers' compensation adjuster here in Nevada, and I have undergone extensive training as well as licensure to obtain this specialized position of handling claims. I am proud to be in the profession I am in, helping my community and my fellow Nevadans. Please reconsider A.B. 441, section 10. I am not in support of it.

**Tony Rose De Guzman, Claims Team Lead, Sedgwick:**

I am a claims team lead. I have been in claims for over 12 years. This bill, if it passes, may impair my career along with a lot of people within the industry and our community here in Nevada. It affects hundreds of people's current livelihoods. This bill removes the assurance that we can continue working our current jobs for the foreseeable future. It takes out the

certainty that our employment status can stay consistent. I am here today as an interested individual asking for the reconsideration of A.B. 441, section 10.

**Christine Guerrero, Private Citizen, Las Vegas, Nevada:**

I am a licensed workers' compensation claims adjuster here in Nevada. I have undergone extensive training as well as licensure to obtain the specialized position of handling claims. All of my concerns have been outlined in prior testimony. Therefore, for reasons already stated, I do not support this bill.

**Daniel Stallings, Private Citizen, Las Vegas, Nevada:**

I first moved to the state two years ago in search for better opportunities, cost of living, somewhere I could actually put down roots. That is why I am here. I can only speak to my personal experience. I do not have any family here; I am here by myself. Though I do take care of my elderly family in Carolina. My father is going through cancer treatments; I pay for those. What I want you to understand is, if you truly wanted to take care of an injured worker and get them back to work and get them what they need, you need someone who lives in the state who wants to be here to push that forward.

**Kristi Feldman, Private Citizen, Las Vegas, Nevada:**

With respect to the Committee's time, I echo the statements before me and I am here in opposition of A.B. 441. I am a registered nurse and board-certified case manager. I work with a TPA for workers' compensation with the adjusters hand-in-hand to ensure they have the best medical care. Therefore, passing section 10 would definitely affect our ability to work together and best serve the injured workers in Nevada.

**LaKeta Durden, Workers' Compensation Adjuster, Sedgwick:**

I am a Nevada adjuster. In consideration of A.B. 441, section 10, I feel it would be unfair for Nevada adjusters to have out-of-state adjusters take over Nevada claims and our positions. It has been an issue for Nevada adjusters who have the knowledge and experience with Nevada statutes to continue claims within Nevada due to all the hard work and determination we all have put in to receiving our licenses. This decision not only affects me and my colleagues, but also our family. I openly reject the passing of this bill.

**Susan Riccio, Private Citizen, Las Vegas, Nevada:**

I am a licensed compensation claims adjuster here in Nevada, and I have undergone extensive training as well as licensure to obtain this specialized position of position handling claims. All my concerns have been outlined in prior testimony. Therefore, for reasons already stated, I do not support this bill.

**Candice Egan, Private Citizen, Las Vegas, Nevada:**

I am also a licensed workers' compensation claims adjuster here in Nevada. I am the steady provider for my household. All my concerns have been outlined in prior testimony. Therefore, for the reasons already stated, I do not support this bill, A.B. 441, section 10.

**Arturo Sierra, Private Citizen, Las Vegas, Nevada:**

I am a licensed workers' compensation claims examiner. I have been in this field for over 20 years, and I love what I do in helping people get better. The passage of A.B. 441, section 10 will directly affect me and my family. I encourage you to not pass this bill.

**Thiesha Jones, Workers' Compensation Adjuster, Connor Cochran Management Services, Inc.:**

I am also a claims licensed adjuster for Nevada. I am also a single parent of three. If this bill is passed, it will not allow me to take care of my children. Regarding my personal health, having multiple sclerosis, it will put a burden on my family. And as already stated in those other reasons, I am also opposed to this bill.

**Wendy Mackey, Workers' Compensation Adjuster, Connor Cochran Management Services, Inc.:**

I am just starting my career in workers' compensation, awaiting the assignment of my license from the Division of Insurance. I believe this bill would eliminate jobs in the community, and possibly my job, or my coworkers' jobs. All of my concerns have been outlined in prior testimony. Therefore, for the reasons already stated, I do not support this bill.

**Tina Harrison, Private Citizen, Las Vegas, Nevada:**

I am a claims professional in the state of Nevada. For reasons already stated, I oppose this bill.

**Maria Solorzano, Private Citizen, Las Vegas, Nevada:**

I am a licensed workers' compensation adjuster. As for all the reasons already stated, I oppose A.B. 441, section 10.

**Michele Green, Private Citizen:**

I have been in the workers' compensation industry for over twenty-five years, and I am not ready to retire anytime soon. In respect of the Committee's time, I concur with the statements made before me, specifically on section 10, which threatens my livelihood and those of my coworkers. I am in opposition to A.B. 441, section 10.

**Chair Marzola:**

Is there anyone else wishing to provide testimony in opposition? [There was no one.] We will move to testimony in neutral. Is there anyone wishing to testify in neutral?

**Victoria Carreon, Administrator, Division of Industrial Relations, Department of Business and Industry:**

We are the regulatory agency regarding workers' compensation for Nevada. The bill does have an impact on our agency, so I want to cover some of those things. We submitted a fiscal note for consideration. Section 3 and section 7 require quarterly and annual reports on the number of rating exams that have been completed. We currently do not collect that data. We have the data on the number of ratings that have been assigned, so we would need to be collecting that data from insurers and would need to set up a system to do that. In addition,

section 6 allows for a second disability rating, and we currently do an average of 5,349 ratings per year. We believe this addition of allowing for a second rating would increase the demand by about 33 percent, so that would have an impact on our workload as well. Finally, section 9 provides that our agency would have no further jurisdiction over investigating benefit penalty complaints after 90 days. It is important to note that benefit penalty complaints investigations are very complex. By the time a claim gets to that point, there have been many years of history, typically, and it is a very complex claim to investigate. We currently have two compliance audit investigators—three positions; each of them can do four of these per month. There is also a supervisor of those positions, a chief compliance audit investigator. She does about two of these per month. We have had about 230 of these investigation requests per year over the last couple of years. With the current staff level we have, we can do 120 of them within a year. That leaves 110 of them that would remain to be done, so we would need additional staff resources in order to do them within 90 days.

**Chair Marzola:**

Is there anyone else wishing to testify in neutral? [There was no one.] Mr. Mills, Ms. Grimmer, and Mr. Hooks, would you like to give closing remarks?

**Jason Mills:**

We would like to thank you for your time today and for this bill. As I said, we worked hard and diligently to get the major stakeholders involved in this particular bill, and we think we have done so. I did hear from—I noticed there at the end with regard to the administrator, some points with regard to the denials on the claims. The problem is, the statute already deems them denied by the ninetieth day. What we have pointed out, that once a denial is in place as a matter of law, how does the agency then continue to have jurisdiction over something that this law has already said they have denied? To that end, they would no longer have to investigate them. As you are well aware, being in court, the triers of fact, judges by evidence being presented to them by the parties—are very capable of determining whether or not an insurer or a party has done something wrong or improper. So in fact, we see it is not as a cost to the Division, but rather a relief from some of that pressure. With that, we think this particular bill as we put forth as amended, should proceed. For any questions you have, I am here to respond to.

**Misty Grimmer:**

Thank you for taking the time to listen to this and consider this bill and all of the testimony. With respect to the claims adjustment, I want to point out there is nothing in the bill that mandates all insurance company claims adjusting is going to leave the state of Nevada. It just gives the flexibility to insurance companies who would like to have it located wherever they may be, which may not be in the state of Nevada. Also, nothing in the bill changes whatever licensure or certification the state of Nevada requires for adjusters to have in order to adjust claims. So even if they are in New York, or wherever they happen to be, they still would have to have the same certifications that are required currently. It is my understanding from talking to others in the industry that there is actually a shortage of claims

adjusters in the state of Nevada. I would hope that all of those fantastic people who testified about how hardworking they are—more than likely, I would hope would be able to keep their jobs in the trade they are in.

**Dalton Hooks:**

Madam Chair, I do not have any additional comments unless there are questions for me, but thank you for your time.

**Chair Marzola:**

I will now close the hearing on Assembly Bill 441. I will now open up for public comment. [There was no public comment.] This concludes our meeting. This is our first meeting for today. Our next meeting will be Monday, April 10, later today at 6 p.m. This meeting is adjourned [at 3:58 p.m.].

RESPECTFULLY SUBMITTED:

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Elizabeth Lepe  
Committee Secretary

APPROVED BY:

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Assemblywoman Elaine Marzola, Chair

DATE: \_\_\_\_\_

## EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a letter dated April 10, 2023, submitted by Mark Sektnan, Vice President, American Property Casualty Insurance Association, in opposition to [Assembly Bill 398](#).

[Exhibit D](#) is a letter dated April 9, 2023, submitted by Aviva Gordon, Chair, Legislative Committee, and Emily Osterberg, Director of Government Affairs, on behalf of Henderson Chamber of Commerce, in support of [Assembly Bill 398](#).

[Exhibit E](#) is a letter dated April 10, 2023, submitted by Leslie Bell, Workers' Compensation Representative, Reno Police Protective Association, in support of [Assembly Bill 410](#).

[Exhibit F](#) is a proposed amendment to [Assembly Bill 410](#), presented and submitted by Assemblywoman Sandra Jauregui, Assembly District No. 41.

[Exhibit G](#) is a letter dated April 9, 2023, submitted by Aviva Gordon, Chair, Legislative Committee, and Emily Osterberg, Director of Government Affairs, on behalf of Henderson Chamber of Commerce, in opposition to [Assembly Bill 410](#).

[Exhibit H](#) is a letter dated April 10, 2023, submitted by Mark Sektnan, Vice President, American Property Casualty Insurance Association, in opposition to [Assembly Bill 410](#).

[Exhibit I](#) is a proposed amendment to [Assembly Bill 439](#), submitted by Nevada Justice Association.

[Exhibit J](#) is written testimony dated April 8, 2023, signed and submitted by Christian John Rataj, Esq., NAMIC Senior Regional Vice President, State Government Affairs, Western Region, in opposition to [Assembly Bill 439](#).

[Exhibit K](#) is a proposed amendment to [Assembly Bill 441](#), submitted by Nevada Justice Association.

[Exhibit L](#) is a letter dated April 10, 2023, submitted by Mark Sektnan, Vice President, American Property Casualty Insurance Association, in support of [Assembly Bill 441](#).



**MINUTES OF THE  
SENATE COMMITTEE ON COMMERCE AND LABOR**

**Eighty-second Session  
May 3, 2023**

The Senate Committee on Commerce and Labor was called to order by Chair Pat Spearman at 8:02 a.m. on Wednesday, May 3, 2023, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Pat Spearman, Chair  
Senator Roberta Lange, Vice Chair  
Senator Melanie Scheible  
Senator Skip Daly  
Senator Julie Pazina  
Senator Scott Hammond  
Senator Carrie A. Buck  
Senator Jeff Stone

**GUEST LEGISLATORS PRESENT:**

Assemblywoman Tracy Brown-May, Assembly District No. 42  
Assemblywoman Heidi Kasama, Assembly District No. 2

**STAFF MEMBERS PRESENT:**

Cesar Melgarejo, Policy Analyst  
Bryan Fernley, Counsel  
Veda Wooley, Counsel  
Lynn Hendricks, Committee Secretary

**OTHERS PRESENT:**

Shawn Azam  
Jamie Cogburn, Nevada Justice Association  
Jenny Drago

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Lea Case, American Property Casualty Insurance Association  
Jesse Wadhams, Nevada Insurance Council  
Sylvia Smith-Turk, Stewart Title; Nevada Land Title Association  
Tiffany Banks, Nevada Realtors Association  
Chelsea Capurro, Zillow  
Shawnyne Garren, Douglas County Recorder; Recorders Association of Nevada  
Paul Moradkhan, Vegas Chamber  
Sharath Chandra, Administrator, Real Estate Division, Nevada Department of  
Business and Industry

CHAIR SPEARMAN:

I will open the hearing on Assembly Bill (A.B.) 334.

**ASSEMBLY BILL 334 (1st Reprint)**: Revises provisions relating to insurance for motor vehicles. (BDR 57-949)

ASSEMBLYWOMAN TRACY BROWN-MAY (Assembly District No. 42):

I appreciate the opportunity to present A.B. 334. This measure helps to protect automobile insurance consumers by setting stringent deadlines. We also have a proposed amendment (Exhibit C).

SHAWN AZAM:

I am a small business owner in the heart of Las Vegas. My family and I run two automotive collision repair facilities and have been operating in Nevada since 2011. Last year was the hardest we have ever experienced for our family, our businesses, our customers and for the industry as a whole.

I am presenting A.B. 334 today on behalf of almost 50 of our customers who have felt lied to, deceived and ignored by their own insurance companies, which were supposed to represent them, protect them and have their best interests in mind. Over the past six months, our customers and our business have submitted close to 50 complaints to the Division of Insurance (DOI), Nevada Department of Business and Industry, against insurers for unfair claims handling and delays on claims. Some of these customers have been waiting for up to two months for the insurance company just to have an employee come out and take a look at their vehicles.

Unfortunately, this has become a more common practice that hurts everyone in the industry. Our businesses are left in limbo, unable to move forward with

repairs. Consumers are left paying for rental cars and trying to figure out how to get back to their normal lives. Insurance adjusters are left overworked and stressed.

This bill brings Nevada consumer protections that other states have already mandated. It allows insurance companies a maximum of six days to inspect a vehicle once a claim has been submitted and two days after that to provide an estimate, once liability and coverage have been determined. It also allows customers to proceed with proper repairs if the insurance company delays longer than eight days in total.

I would like to share with you the experience one of our customers had last year. Imagine you are a single mother of two. You work hard every day to support your family and put food on the table. One day you are driving home from picking up your child at school, when suddenly a piece of debris comes into your lane. You strike it and pray for your family's safety. You pull to the side of the road only to find out that your undercarriage is damaged such that your car is leaking coolant and requires to be towed into a shop. You contact your insurance company and are advised to take the vehicle to the shop on October 12, 2022. You give a sigh of relief, knowing that you have been paying the same insurance company for ten years and have full coverage, even rental coverage. You rent a car and drive home, doing the best you can to keep your family in good spirits.

Over the course of the next few weeks, you get updates from the shop stating that it has disassembled your vehicle and sent the photos and repair estimate to your insurance company to review. However, it has not heard anything from the insurance company other than excuses. One month after the accident, the car rental company calls to say your insurance will no longer cover your rental car, since almost all policies cover a maximum of 30 days rental. Renting a car costs about \$45 a day, which is \$1,350 a month, which is more than you pay in rent.

Thinking of how you will get your kids to school, you anxiously start calling the repair shop, the insurance company and anyone else you can think of. The shop advises you that it is still waiting on the insurance company and has made numerous attempts to get an adjuster to come inspect the damage to your car. The repair totals \$13,000, and you do not have enough money to fix your car on your own. So you wait. You borrow cars, you ask for rides, you ration your kids' food and you wait.

On December 13, 2022, two months after the accident, you receive a call from the shop that an adjuster has just arrived to review the damage to your car and approve the \$13,000 needed to repair it. The next day, the shop tells you it has received paperwork for a mere \$7,000, about half of what is needed and not even close to what was gone over in person.

There are delays after delays. Finally, on February 6, 2023, three months after the accident and the initial contact with the insurance company, after emails, phone calls and complaints, the shop finally calls to say it has received the full amount needed to fix your car, and it proceeds to order parts. Ten days later, you finally have your car back. After three months of sleepless nights, worry and stress, it only took ten days to repair your car. What did the insurance company do next? It said it was sorry. It did not offer to pay for three months of car rental.

Unfortunately, this is just one of the almost 50 complaints provided to the DOI. It is time to say no to improper claims handling, say no to families paying for the insurance companies' delays. This bill is a large step in the right direction and will help to stop the bad actors from delaying claims while protecting our consumers.

ASSEMBLYWOMAN BROWN-MAY:

As we started to research this issue, I reached out to the DOI and was informed that it received 308 complaints of delayed car repairs in 2021 and 449 complaints in 2022. Delay of car repair is a pervasive issue in Nevada. There is nothing in statute establishing how long insurance companies have to respond to claims.

The amendment in [Exhibit C](#) is the result of much negotiation with the interested parties to identify a fair time frame for businesses providing the service to respond to the consumer. This is clearly a consumer protection issue. We successfully negotiated six business days for the initial response from the time a claim is filed and liability is accepted by the insurance company, and two business days following that for the company to respond to the estimate for repair. That means the insurance company has eight business days total to respond once it has accepted liability of your claim.

SENATOR STONE:

In your research, did you find that these delay complaints were triggered by one or two different companies, or are you seeing a vast array of companies that are doing this?

ASSEMBLYWOMAN BROWN-MAY:

There are only a couple of bad actors in this field. I have never personally had an issue with this. I have reputable insurance companies. One thing we have seen is that the insurance companies that charge less have a tendency to do less. I do not want to call them out by name because there are some good adjusters out there. However, this problem is not widespread throughout the industry.

SENATOR STONE:

Have any of the problem companies used the excuse that there are material shortages? We have seen material shortages in many different industries as a result of the COVID-19 pandemic.

ASSEMBLYWOMAN BROWN-MAY:

No, we have not heard that excuse. To the best of my knowledge, the problem is simply that no adjuster is available. The most frequent excuse is staffing shortages.

It is important to point out that this bill does not require an adjuster to physically appear to inspect the vehicle. Many insurance companies now have applications that allow the customer to take a photo of the vehicle with their phone and file a claim using the app. The company can then respond to your claim using the same app. This will help them expedite the process.

SENATOR PAZINA:

Do other states have laws like this? If so, could you name a few with legislation similar to this in place?

ASSEMBLYWOMAN BROWN-MAY:

We looked at other states to find good examples. Both New York and California allow six days, as do several other states across the Country. That seemed reasonable, so that is what we asked for.

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CHAIR SPEARMAN:

I wish you had been here when we heard the home warranty bill because it sounds similar.

Do we have a representative from the DOI here? I would like to ask them if this is a theme in the insurance industry today. If it is, perhaps we need to look at creating some type of umbrella, so people do not have to wait 18 months to get a first response.

ASSEMBLYWOMAN BROWN-MAY:

I did not see anyone from the DOI here today, but we are happy to follow up on that because I agree with you. This does indeed seem to be a common theme.

JAMIE COGBURN (Nevada Justice Association):

We are in support of A.B. 334, which is a great bill. I have had personal experience with this issue recently. About a week and a half ago, my car was hit in a parking lot. I was able to drive it home, but I have yet to hear from my insurance company regarding claim adjustment and scheduled repair. This is a common experience.

We represent many injured people. The first thing they are concerned about is their health and their car because they have to get to work. We have somebody dedicated to this issue in our office. All they do is call adjuster after adjuster saying, "Hey, we just need to get the repairs approved so the car can be fixed and our client can get back to a normal life."

We support this bill and ask you to do the same.

JENNY DRAGO:

I am a consumer in Las Vegas. I have had problems with getting my claim approved so my car can be repaired. It was a simple bumper job that should have taken no more than a week, but I was without my car for a month waiting on the insurance company. I had to pay for a rental car out of my own pocket, and the insurance company does not want to do anything about it. I thought I had a good reputable insurance company, but I am finding that it is not. It is extremely stressful to be without a car when you have children you have to take to and fro. Something has to be done about this. It is hurting too many people.

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LEA CASE (American Property Casualty Insurance Association):

We want to thank the sponsor for continuing to work with us on this bill. While we cannot speak to the specific case mentioned by Mr. Azam, we encourage our members to do their best to get these claims out the door as quickly as possible. That is in our best interest, as well as the best interest of the customer.

We are still looking at the time lines and feel that eight days is not quite enough time. Strict time lines do not take into account any of the multiple issues that can come up when trying to get these claims adjusted properly. In addition, [Exhibit C](#) touches on the manner of repair, and that is the purview of the repair company, not the insurer. It is not something the insurer has control over.

We thank you for your time and will continue to work with the bill sponsor.

JESSE WADHAMS (Nevada Insurance Council):

We thank Assemblywoman Brown-May for her consideration of the comments we have made so far, but we continue to have concerns about some of the language in A.B. 334. There are some latent ambiguities with regard to the "manner of repair" language, and eight days is a relatively short time frame.

I would also note that the bill focuses on only one side of a two-sided equation. The insurance companies are highly regulated in Nevada. We have prompt pay statutes, and we have trade practice laws.

We have committed to work with the Assemblywoman and the proponents on getting to a solution that works for everyone.

CHAIR SPEARMAN:

Who is responsible for the charges that rack up when a claim is not being handled by the insurance company? As we heard, it is not the consumer who is promulgating the delays. Do consumers have any options other than walking away and letting their credit go into the toilet?

MR. WADHAMS:

The issue of who pays is between the insurer and the insured. The issue in this bill is not so much the payments as it is the time frame. I believe most of our regulated entities are trying to inspect and get these things processed as soon as possible. They do not want these cases to linger and run up costs.

CHAIR SPEARMAN:

I am asking because the insured is expecting prompt service, and the extra charges are caused by the delay, which is the fault of the insurer. If I am three days late paying my premium, my insurance is likely to be canceled. But if my insurer is a month and a half late approving the repair of my insured car, I have to pay all the bills with no recourse. That is the problem the bill is trying to fix.

MR. WADHAMS:

Unfortunately, A.B. 334 could set up even more delays. For example, section 1, subsection 4 of the bill says if the inspection of the vehicle cannot occur for some reason, the insurer is now restricted in its ability to negotiate payments and processes. There is no sort of corresponding obligation put on the repair shop. I would not say that this happens, but it could potentially set up a gamesmanship situation in which the shop hides the vehicle.

CHAIR SPEARMAN:

Are you saying the bill sets up the opportunity for people to be less responsive?

MR. WADHAMS:

I do not think I quite put it that way. There are always language issues.

CHAIR SPEARMAN:

You said gamesmanship. I am trying to understand. The insurers may be doing the best they can, but there are still bad actors. This bill is not designed for the good companies that are doing the right thing, but to catch the bad actors who are not doing the best they can, the ones that are not consumer-friendly.

You said this bill could make things worse. How?

MR. WADHAMS:

Let me start with the premise that we agree with you. No one wants to defend the bad operators and say that delays are beneficial to the consumer. That is not the issue at all. All I am saying is that if you look at the language in subsection 4, unless the repair facility makes the vehicle available, the insurer becomes limited to certain points. They can only talk about the labor and price of the parts. There are potential problems, but I am not saying someone would do these things. We have worked with the Assemblywoman, and we have all tried to work in good faith to ensure that the consumer is protected.



CHAIR SPEARMAN:

I am still puzzled. I understand the language, but insurance companies usually have attorneys on retainer, and consumers usually do not. The consumers are just trying to get their cars so they can go back to work and get on with their lives. The language is designed to make sure that there are no loopholes. Correct me if I am wrong, but the language is designed to make sure that the good people are still able to do what they should do while stopping the bad actors. I am trying to see how the language will create more delays.

MR. WADHAMS:

The language can be always tightened up. We do not have some philosophical disagreement with the point you are trying to make. It is simply that the language can be better refined

CHAIR SPEARMAN:

I understand that, but you said that if this bill were to go through, it would exacerbate an already bad situation. I am trying to understand how making sure people are required to do the right thing would exacerbate the situation.

MR. WADHAMS:

It sets up a potential for conflict between lawyers as to the meaning of subsection 4. We are trying to tighten up the language because we do not disagree as to where we want to go.

SENATOR STONE:

I am going to follow up as well. This is a consumer protection product. An automobile is a necessary piece of infrastructure for people today. We do not live in New York City where you can just jump on a subway and go to work. When people lose their cars, they need to get them fixed quickly. This bill basically allows six days, after which the insurer corresponds with the repair shop and says, "Okay, you didn't take a picture of the left fender; just take another picture and send it to us." The process has gotten automated today. Insurance adjusters have codes for every piece of a car that needs to be fixed and a formula for the cost of the labor.

Do you believe that the eight days is enough to get an appropriate response so that the automobiles can be appropriately repaired? If not, what is missing from this bill that would allow an insurance company to expeditiously provide the service consumers are paying for?

MR. WADHAMS:

Industry members seem to think that eight days might be too limited. I cannot say what time the industry might settle on.

We do appreciate the chance to start to modernize the industry. You will see language in [Exhibit C](#) regarding digital inspections, for example.

SENATOR STONE:

I appreciate that response. To me, it seems like eight days is plenty of time to be able to review something and come up with a logical reason as to why it can be accomplished or not. It seems to me that the insurance companies should pay for the costs of delay. That should be nonnegotiable. There needs to be some accountability. That is what the Assemblywoman is trying to achieve here, and it is a good idea to have that accountability.

You mentioned that there are just a handful of companies that are not providing the service customers need. It might be that their premiums are lower because they do not hire enough staff. But customers should be able to expect a certain level of service so they can continue to go to work and feed their families. I hope you will continue to work with the sponsor. I tend to think she has a good point, unless you can tell me why eight days is not enough, and I have not heard a good reason yet. My aunt worked for the American Automobile Association for 40 years as an adjustor. I chatted with her last night, and she said, "We get back to the customer in 36 to 40 hours, and we never have any problems."

Ms. CASE:

Thank you for your comments. The strict time line is an issue in some cases, especially as our cars become more technologically advanced. You mentioned the left fender photo that may not have been taken correctly. It could be that when you take the left fender off, the electrical system behind it also needs repair. That means the estimate you gave for repair is now completely wrong. Eight days does not allow for any of those different issues that might come up as our cars become more technologically advanced.

SENATOR STONE:

I appreciate that response. But I also know that part of that advanced computer technology is self-diagnostics, where you can insert a plug and find out everything wrong with that engine. It will tell you that the odometer is not

working because the left tire and axle were damaged. The technology works in both directions. I am not trying to be argumentative; I just think the Assemblywoman has a great idea for accountability. I look forward to your continued negotiations with her to protect the consumer.

CHAIR SPEARMAN:

You bring up a good point. A good business plan means you are updating it all the time. When a grocery store has a spill, the manager has a plan to deal with it that was developed before the store opened its doors for the first time: put down warning signs and get out the mop.

Like my colleague, I am not trying to be argumentative. Eight days may be a short time for an insurer but imagine how long it is for someone whose car is the only means of transportation. For the insured customer, two days is a lot, and eight days is an eternity to wait to hear from an insurance company that will only pay for a rental car for a month. I do not know anyone who could do without a car for eight days. I do not know all the particulars about the case presented today. But it seems to me that someone who is in business to do business and who wants to stay in business will plan for these things. They do not happen all the time, but they do happen, and they are no one's fault.

Let me just make a suggestion, and I will leave this alone. Perhaps the small insurance companies should partner with some of the larger companies. Maybe one of the insurance companies that is doing things right could put on a seminar with the others to show them how it is done. My truck was hit when I was not in it, and because the other person reported it via text, my insurance company contacted me within 12 hours. Because I was in the service, I have a really good insurance company. These are the kinds of companies that the people who cannot figure it out ought to be going to and saying, "Help me get better."

I am asking you to go back to the people you represent and ask them to walk in the shoes of their customers for a while and then see if they can do a little better by them.

ASSEMBLYWOMAN BROWN-MAY:

I would like to clarify a couple of points. The time frame in the bill is eight working days, not eight calendar days. In addition, there is a second response time written into the bill. If a vehicle is dismantled and additional repairs are identified at that point, the clock starts again with a supplemental

repair. That puts us at 16 days. There can then be multiple supplemental requests for repairs as the car is dismantled if additional repairs or damages are identified and new repairs are necessary. The clock starts over again every time we have a new request.

The process we are trying to limit starts when a claim is submitted to the insurance company. The insurance company determines that the customer has a policy that covers the damaged vehicle and accepts liability, and then it puts the estimate together for repair. The eight days does not include the completion of repairs. That can take a lot longer because often parts have to be ordered. It is eight days just for the insurance company to tell the repair shop to begin repairs.

I filed this bill at the start of Session. We identified hundreds of complaints in Nevada through the DOI. I immediately reached out to the interested parties in the first weeks of Session to say, "I am going to have a bill about car insurance repair delays, and I would like to know what is standard business practice. What does an insurance company typically do that we can build a bill around?" My intention was never to attack the good actors, the people who are there supporting our constituents, but just to add in a time frame for the people who are not responding.

As of last night, I believed there was no opposition to this bill. This morning, I find we do have opposition. We are now 84 or so days into the Session, and we still do not have a time frame for auto insurance repair responses. Unfortunately, I think that speaks to the issue at hand.

I would encourage your consideration and support of A.B. 334. Eight days is a reasonable amount of time. California allows six days; New York only allows two days. We gave Nevada companies eight days, and we feel confident that it is time to protect our consumers.

MR. AZAM:

I would like to respond to some of the comments we have heard. I have in front of me responses from one of the top three insurers in Nevada. We have said that the bad actors are often small insurance companies, but unfortunately sometimes the larger companies get into trouble in this way too. In both of these incidents, the repair shop sent the insurance company an estimate of the cost of repairs on June 21, 2022. In both cases, the insurance company replied

that it would be completed by July 18. In other words, one of the top three insurance companies planned to take a full month to complete an in-person assessment of the damage.

CHAIR SPEARMAN:

I will close the hearing on A.B. 334 and open the hearing on A.B. 392.

**ASSEMBLY BILL 392 (1st Reprint)**: Makes various changes relating to property.  
(BDR 10-209)

ASSEMBLYWOMAN HEIDI KASAMA (Assembly District No. 2):

Thank you for allowing us to present A.B. 392. Before I begin, I want to point out that section 1 of the bill has to do with deceptive trade practices regarding 40-year listing agreements. Section 2 of the bill is entirely unrelated to section 1 and has to do with cleanup language needed in *Nevada Revised Statutes* (NRS) 645. Both sections of the bill make changes to NRS 645, but they are otherwise completely unrelated.

As many of you know, I have been an office manager for the Summerlin office of Berkshire Hathaway HomeServices Nevada Properties. Being in real estate is almost like being an elected official: every day is a surprise as to what awaits you. There is never a dull moment, as we know.

Last year, our corporate broker brought to my attention that we had unusual liens showing up against properties we had listed for sale. When escrow was opened with the title company on properties we were selling, the title company discovered liens from MV Realty with a 40-year listing agreement. That type of lien is binding on the heirs and the estate. Imagine your kids discovering a lien like this maybe 30 years from now. In our case, when we asked the owners about these liens, they told us they had no idea where the liens came from.

What MV Realty does is advertise on the Internet that it will do a comparative market analysis on your property and pay you \$500 to \$1,000. In exchange, you agree to allow it to list your property when you sell it, even if that does not happen for 40 years. When you are ready to close on the property, the title company will contact MV Realty to get a lien release, for which it charges a commission of 3 percent. The company has not done any of the work to sell the house, and it has not been communicating with the owner.

The paperwork is expertly drawn up. It does say it is a 40-year listing agreement, but that is not clear in any of the advertising. The company is preying on owners who are looking for quick cash, and it is a deceptive trade practice.

Section 1 of A.B. 392 is intended to stop this egregious deceptive trade practice. In Florida, the Office of the Attorney General (AG) is suing this company, and other states have begun to pass bills like this or file lawsuits against the company. I reported this to Nevada's AG last summer. I also introduced this bill because I wanted to get it in statute and stop this practice.

SYLVIA SMITH-TURK (Stewart Title; Nevada Land Title Association):

I co-chair the State Legislative/Regulatory Action Committee for the American Land Title Association. I would like to thank Assemblywoman Kasama for bringing our portion of this bill to the Committee. I will be addressing section 1 of A.B. 392 only.

We refer to the type of lien Assemblywoman Kasama described as a nontitle recorded agreement for personal service (NTRAPS). We find the acronym fitting for this.

These NTRAPS are recorded in the property record. They consist of an agreement to provide a future service in exchange for a small upfront monetary fee that is paid to the owner when they sign these agreements. These are strictly personal service agreements; however, they are recorded even though they technically should not be and do not constitute interest in the real property.

The agreement calls for the homeowner to list with the company. If the homeowner does not list with the company, whether the homeowner sells the house personally, lists with a different company or loses the house to foreclosure, the homeowner is indebted to pay a 3 percent commission to the company. This commission is calculated based on the value of the property at the time the owner signed the agreement.

As Assemblywoman Kasama indicated, it often happens that the people who have acquired title have no idea this agreement exists. They are not the ones who signed it, and they do not know anything about it until they try to sell the property. Over 800 of these agreements are currently on record in Nevada. The bulk of them are in Clark County, but there are a lot of them in Washoe County

and some of the rural counties—Elko, Humboldt, Pershing, Douglas. They are pretty much spread throughout Nevada.

Let me give you a couple of real-life stories. Our company closed the sale transaction for a seller. He bought the property in 2013. He went through a divorce and refinanced in 2021, then signed an NTRAPS agreement in 2022, for which he was paid approximately \$1,300. He sold the property to an investor in 2023. He was in trouble financially, and the property was in foreclosure, so it was never listed. When we reached out to get the demand on the agreement, the company demanded \$16,000 to release that lien, and unfortunately, he had to pay.

In another situation, the owners of a property wanted to refinance because they were in financial distress and facing foreclosure. The agreement with MV Realty said the company would subordinate or give up its place for a new loan. However, the lending company demanded the lien be paid in full because it did not like the fact that the property would be encumbered. The owners had no choice because they had to get the new loan. In the end, they had to pay MV Realty \$25,000. Again, MV Realty did nothing to earn that money.

These are just two examples of the issues these agreements can create. They create hurdles and costly clouds on the title to the property. Our industry is also concerned about being able to obtain releases in the future if we are unable to find these companies. That situation will require a court action called a quiet title action for the lien to be removed at the homeowner's expense. It can cost thousands of dollars and delay things anywhere from six months to a year.

This bill was written to prevent future agreements of this type and to deem them void and unenforceable. Any previous or already recorded agreements will be required to record a notice clearly indicating the agreement, the amount due, the expiration date and clear contact information. If that notice is not recorded, it will be considered void and unenforceable.

Similar bills have passed in other states. Currently, Utah, Georgia, North Dakota and Idaho have passed bills. As Assemblywoman Kasama indicated, several AG's offices have filed lawsuits, including Florida, Massachusetts, Pennsylvania and North Carolina.

This section of the bill was modeled after the private transfer fee legislation passed in 2011. We have met with Nevada's AG and will follow up on this issue.

ASSEMBLYWOMAN KASAMA:

I would like to turn over the presentation now to Tiffany Banks, who is general counsel for the Nevada Realtors Association. She will go over section 2 of the bill.

TIFFANY BANKS (Nevada Realtors Association):

We are happy to be here today alongside Assemblywoman Kasama to explain sections 2 and 3 of A.B. 392. Section 1 of this bill has our full support.

Section 2 sets forth certain duties of a person who acts as a property manager while performing his or her duties pursuant to a property management agreement. A property management agreement is a legally binding contract between a client and a broker in which the broker agrees to accept valuable consideration from a client or another person for providing property management for that client. Property management means the physical administrative or financial maintenance and management of real property or the supervision of such activities for a fee, commission or other compensation pursuant to the property management agreement. It is important to note that in order to hold a property management permit, you have to be a Nevada real estate licensee.

The intent of this bill and the language provided is to clarify the relationship between a property manager and owner. It is not intended to set forth duties creating a separate license for property managers.

The language contained in section 2 closely mirrors the language already in existence under NRS 645.252 to set forth duties of a licensee acting as an agent in a real estate transaction. Where this differs is that it expands and clarifies those duties specific to a property manager, such as accounting for all money the property manager receives. Existing law already sets forth actions that may be taken if unlicensed property management activities are conducted that require a license, so that is not discussed here.



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Section 3 is a straightforward change, revising the definition of the term "agency" to include a relationship arising out of a property management agreement.

The Nevada Realtors Association is committed to working with Assemblywoman Kasama on legislation that protects consumers while clarifying the responsibilities of those engaging in property management in Nevada.

CHAIR SPEARMAN:

How old were the property owners in the two cases you gave? I ask because we have statutes that protect seniors in cases of deceptive trade practices.

Ms. SMITH-TURK:

The gentleman who paid \$16,000 was in his early 40s. I do not know the age of the other owners.

CHAIR SPEARMAN:

Is MV Realty an actual real estate company, or is it someone trying to get away with something?

ASSEMBLYWOMAN KASAMA:

They are an actual real estate company. I believe they started in New Jersey.

SENATOR STONE:

Thank you for enlightening us on this sham and scam. This is a form of extortion. Is MV Realty licensed in Nevada?

ASSEMBLYWOMAN KASAMA:

I do not know. I know they were licensed in New Jersey, but I do not know if they are licensed anywhere else. They started on the East Coast and moved west. I was shocked when we started understanding what was going on.

SENATOR STONE:

Do not you need a cooperative agreement if you are an out-of-state broker and your broker is selling a piece of property here?

ASSEMBLYWOMAN KASAMA:

They are simply entering into an agreement regarding a listing.

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SENATOR STONE:

Do you not still have to be licensed in Nevada to consummate that listing?

ASSEMBLYWOMAN KASAMA:

You are correct. If you want to list a property and so on, you need to be licensed. However, they were not listing it or marketing it. They were only putting a lien on the property.

SENATOR STONE:

It is disturbing to hear that situations like this exist. I appreciate you bringing this forward and helping people who, through no fault of their own, tried to sign up for a service and inadvertently signed their rights away.

SENATOR PAZINA:

I agree with my colleagues. It is horrifying that Nevadans are getting caught up in these agreements.

My question is twofold. First, how many people in Nevada would you say are currently trapped in these agreements? Second, how would they know if they are?

ASSEMBLYWOMAN KASAMA:

As Ms. Smith-Turk testified, they did a title search and found about 800 people in Nevada in this situation. Most of them do not know it and will not until they try to sell the property or refinance. When they pass away, their heirs will find out as soon as they try to sell the property.

SENATOR PAZINA:

Is there a way people can determine if they are caught up in this?

Ms. SMITH-TURK:

Property owners can contact their favorite title company, and as a free service, we will do what we call a property profile. In order for such an agreement to exist, the owner must at some point have been contacted by MV Realty, signed the agreement and received payment. The owner may not have understood the exact agreement being signed. It might not have been MV Realty; Orion was another company we found in Las Vegas doing this.

SENATOR DALY:

I am fully in support of section 1 of the bill.

In section 2, subsection 1, paragraph (d), subparagraph (3), it says there has to be a provision in the agreement that the property manager will keep information confidential for at least one year afterward. If it is confidential information, they should have to keep it confidential. Why does the bill say it only has to be kept confidential for a year?

Ms. BANKS:

This was not something we asked for. I would say this is just how the Legislative Counsel Bureau drafted the bill. I think the point is that it be kept confidential for one year after the revenue termination of the property management agreement regardless of a court order. If it is something that does not have to be kept confidential, this would not apply. This is not something that was important to us.

ASSEMBLYWOMAN KASAMA:

This is just adding language we have had for 40 years in the real estate chapter. The information you have to keep confidential includes anything the clients share with you that they want kept confidential, such as the fact that they went through a divorce. One year is the time that has been in our regulations.

SENATOR DALY:

If that is the standard, I do not have an issue with that. I would still like to know why the confidential information is being kept for just one year. But if that is the standard, I understand.

CHAIR SPEARMAN:

I know that deceptive trade practices are already defined in statute. Would this bill look backward or just forward? I am trying to figure out a way for people who have been duped to get their money back. I guess this is one more for our legal folks.

ASSEMBLYWOMAN KASAMA:

The bill talks about the practice not being allowed going forward. However, the language was worked out with the title association that notice has to be done. If notice is not done within a year, the agreement will become null and void. That is how they are dealing with the ones currently in place.

CHAIR SPEARMAN:

Mr. Fernley, can you weigh in? I want to make sure we get this right. If someone challenges it, I want to make sure we have it covered.

ASSEMBLYWOMAN KASAMA:

Section 1, subsection 7 deals with notice for the agreements that have already been recorded.

BRYAN FERNLEY (Counsel):

That is correct. Section 1, subsection 7 requires a service provider who has entered into a service agreement on or before October 1, 2023, to record a notice of service agreement with the county recorder in which the property is located. That has to include certain information about the notice of service agreement, the legal description of the property and certain other information. If that is not recorded by July 31, 2024, the service agreement is void and unenforceable.

CHELSEA CAPURRO (Zillow):

We want to express our strong support for A.B. 392. I have been informed that 19 states have passed or have pending legislation on this issue. This is a great sign that the states are catching on to this practice.

Homeownership can be the gateway to financial stability and generational wealth creation. This bill seeks to protect this important resource for homeowners. Consumers rely on real estate professionals to act in good faith and help them understand complex real estate processes, and by and large, they do. However, regulation is needed to protect consumers from emerging deceptive trade practices by bad actors that lock homeowners into lengthy and costly listing agreements with terms they do not fully understand. These predatory agreements include paying homeowners small amounts of cash upfront in exchange for exclusive future listing rights of their homes, binding for up to 40 years, enforced through a lien that restricts heirs and costing tens of thousands of dollars for homeowners to terminate an agreement. This bill provides crucial protections for consumers.

SHAWNYNE GARREN (Douglas County Recorder; Recorders Association of Nevada):  
I wanted to address Senator Pazina's question about how homeowners find out if they have one of these on record against their property. As Ms. Smith-Turk mentioned, you can reach out to a title company and ask it to perform a search.

However, the records in the recorder's office are public, and all of our records are indexed by name. This means you can do a search yourself of your own property or that of a family member. Most of the 17 counties in Nevada have their records accessible online, and you can search them by name. One thing that is interesting about these records is that the NTRAPS are recorded as memorandums and are not clearly identified as liens. If you do not know what you are looking for, you may have trouble finding the information. That is where some of the deceptive part of it comes into play.

When one of my staff members was reviewing one of these documents, she brought it to my attention and said, "What is this? A 40-year listing agreement—does this make any sense to you?" Her background is in title; my background is in real estate, and I have been in the recorder's office for 16 years. When I looked into it, I was quite bothered by the document. However, statute dictates that if the document is presented in recordable form, a recorder must record the document. We do not have the authorization or discretion to determine validity or enforceability of a document. All the same, I reached out to our legal counsel and asked if we had to record it. I was told that we do.

With that said, we are very much in support of section 1 of A.B. 392.

PAUL MORADKHAN (Vegas Chamber):

We are in support of A.B. 392. We appreciate the work that has been done by the bill sponsor and the industry. Obviously, the Vegas Chamber does not support the practices that have been discussed today. We appreciate the efforts of the bill sponsor and others to bring greater transparency and consumer protections to Nevada.

SHARATH CHANDRA (Administrator, Real Estate Division, Nevada Department of Business and Industry):

We are neutral on this bill. I am available to answer any questions you have.

CHAIR SPEARMAN:

I will close the hearing on A.B. 392 and open the hearing on A.B. 398.

**ASSEMBLY BILL 398 (1st Reprint)**: Makes various changes relating to insurance. (BDR 57-1045)

MR. COGBURN:

Assembly Bill 398 is a bill that would prohibit what are called self-depleting insurance policies. A self-depleting insurance policy is one where payments for the costs of defense, legal costs and fees are deducted from the whole, and the policy can deplete over time. If my law firm has a policy for \$100,000, any payments for attorneys' fees or the cost of defense will be deducted from that \$100,000. If \$20,000 is paid out today, there will only be \$80,000 left in the policy. This does not have to be a single event type of policy, meaning it is \$100,000 for one action. It could be a policy that covers the entire State, company or Nation.

I will give you a recent example. There is a nursing home chain that is going insolvent. The owners had a \$3 million policy that covered over 200 different facilities across the Nation. That company was in the process of closing and liquidating all of its nursing homes. All the claims for that year will need to come from the \$3 million. However, after all the attorneys have been paid, there will not be much left for anything else.

I will walk you through this bill. Simply put, it says if you issue new policies or renew policies, you cannot have a self-depleting policy provision that reduces the limited liability stated in the policy by the cost of defense legal cost and fees or other expenses related to the claims.

Section 1, subsection 2 makes a blanket statement that you cannot otherwise limit the availability of coverage for the cost of defense or legal costs.

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CHAIR SPEARMAN:

There being no questions, I will close the hearing on A.B. 398. Is there any public comment? Hearing none, we are adjourned at 9:24 a.m.

RESPECTFULLY SUBMITTED:

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Lynn Hendricks,  
Committee Secretary

APPROVED BY:

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Senator Pat Spearman, Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Introduced on Minute Report Page No.</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
	B	1		Attendance Roster
A.B. 334	C	2	Assemblywoman Tracy Brown-May	Proposed Amendment