

# NYE COUNTY AGENDA INFORMATION FORM

Action    
  Presentation    
  Presentation & Action

<b>Department: County Manager</b>		<b>Agenda Date:</b>	
<b>Category: Regular Agenda Item</b>		<b>June 30, 2020</b>	
<b>Contact: Tim Sutton</b>		Phone: 775-751-6391	Continued from meeting of:
<b>Return to:</b>	<b>Location: Tonopah</b>		Phone: 775-751-6391
<b>Action requested:</b> (Include what, with whom, when, where, why, how much (\$) and terms) <p>Discussion and deliberation to: 1) submit a Notice of Withdrawal for Workers' Compensation Services for Nye County to Nevada Public Agency Insurance Pool; and 2) submit Application for Authority to Self-Insure for Workers' Compensation for Nye County to the State of Nevada Department of Business and Industry Nevada Division of Insurance.</p>			
<b>Complete description of requested action:</b> (Include, if applicable, background, impact, long-term commitment, existing county policy, future goals, obtained by competitive bid, accountability measures)   Any information provided after the agenda is published or during the meeting of the Commissioners will require you to provide 20 copies: one for each Commissioner, one for the Clerk, one for the District Attorney, one for the Public and two for the County Manager. Contracts or documents requiring signature must be submitted with three original copies.			
<b>Expenditure Impact by FY(s):</b> (Provide detail on Financial Form) <p style="text-align: right;"><input type="checkbox"/> No financial impact</p>			

**Routing & Approval** (Sign & Date)

1. Dept	Date	6.	Date
2.	Date	7. HR	Date
3.	Date	8. Legal	Date
4.	Date	9. Finance	Date
5.	Date	10. County Manager	Date

Place on Agenda

11/6

ITEM # 15

**STATE OF NEVADA**  
**WORKERS' COMPENSATION**  
**SELF-INSURANCE REQUIREMENTS**

- SEND APPLICATION TO:** State of Nevada  
Division of Insurance  
Self-Insured Workers' Compensation Section  
ATTN: Shirley Choma/Sherri Abeyta  
1818 East College Parkway, Suite 103  
Carson City, NV 89706  
(775) 687-0776/(775) 687-0775
- FILING FEE:** \$200.00 (**NON-REFUNDABLE**)
- APPLICATION:** Employer's Application for Self-Insurance (form)  
  
Initial application requires three (3) years of **Audited** financial statements of the applicant, if (3) years are available, and three (3) years of loss runs.
- QUALIFICATION REQUIREMENTS:** **Must have a tangible net worth of at least \$2.5 million.** If the employer demonstrates a strong financial position **BUT FAILS TO MEET THE \$2.5 MILLION TANGIBLE NET WORTH**, an irrevocable letter of credit in the amount \$2.5 million in lieu of the \$2.5 million tangible net worth may be accepted. If the letter of credit is used as a substitute for the tangible net worth requirement, the security deposit may not be in the form of a letter of credit. Parents may be required to indemnify subsidiaries.
- SECURITY DEPOSIT:** The greater of \$100,000 or 105% of the employer's expected annual incurred cost, in the form of a surety bond, negotiable securities backed by the full faith and credit of the United States, cash, or a letter of credit (from a federally insured financial institution).
- EXCESS INSURANCE:** Required. Minimum self-insured retention is \$100,000. **Must be countersigned by a licensed Nevada agent and have a 60-day cancellation clause.**
- ASSESSMENTS:** Initial insolvency fund assessment = 0.50% of the security deposit. Annual Insolvency Fund = 0.25% of the security deposit
- CLAIMS ADMINISTRATION:** Self-insured employers are permitted to self-administer their workers' compensation claims. Otherwise, claims must be administered by a licensed third-party administrator.
- REPORTS REQUIRED:** Annual **audited** financial statements of the employer due 120 days after employer's fiscal year end.  
  
Employer's Annual Claims Information Report is due on September 30 each year.

# Self-Insured Workers' Compensation Employers Eligibility and Application Instructions

Pursuant to [NRS 616B.300](#), an employer may qualify and remain qualified as a self-insured employer for workers' compensation if the employer:

- Has a tangible net worth of \$2,500,000, and
- Establishes a security deposit, based upon claims history and not less than \$100,000, and
- Provides evidence of excess insurance to provide protection against catastrophic loss, and
- Establishes claims administration

Download the [Initial Requirements for a Self-Insured Employer](#). ([NRS 616B.300](#))

## An application must include:

1. [Self-Insured Application Form](#)
2. Filing Fee: \$200 (Non-refundable) The \$200 filing fee is payable by check, money order or electronic funds transfer to the Nevada Division of Insurance; the [Incoming Funds Deposit Notification form](#) must be submitted for electronic funds transfers.
3. Three (3) years of audited financial statements
4. Three (3) years of loss runs
5. Proposed start date for self-insured status
6. Proposed claims administrator
7. Once the above requirements are met, the following will be required:
  - Security deposit
  - Evidence of excess insurance
  - Insolvency assessment (0.5% of security deposit)

## Applications and fee payment should be submitted to:

Nevada Division of Insurance  
1818 East College Pkwy., Ste. 103  
Carson City, NV 89706

# **Mandatory Reporting for Self-Insured Workers' Compensation**

The following list of Self-Insured Workers' Compensation required industry reports is provided by the Department of Business and Industry, Division of Insurance. The list is not all inclusive. It is the responsibility of each insurance company and applicable entity to know Nevada's laws, regulations and bulletins. It is also the responsibility of each insurer and applicable entity to adhere to reporting laws, regulations and bulletins that become effective after this list has been distributed. For more information, please contact [Maurice Fuller](#) at (775) 687-0742 or [Shirley Choma](#) at (775) 687-0776.

## **Reporting Requirements for Self-Insured WC Employers in Nevada include:**

1. [Annual Claims Information Report](#) — due 9/30 ([NAC 616B.460](#)) ([NAC 616B.463](#)) ([NAC 616B.471](#))
2. Audited Financials—due 120 days after the end of the employer's fiscal year ([NRS 616B.336](#))
3. Change in claims administrator—Notification must be received by DOI and DIR before the change occurs ([NAC 616B.448\(3\)](#))

## **Special Requirements for Self-Insured Employers include:**

1. Insolvency Assessment—due 9/30 ([NRS 616B.309](#), [NAC 616B.478](#))
2. Evidence of Excess Insurance—to be provided before expiration of current policy ([NRS 616B.300\(5\)](#))
3. Complete copy of policy of excess insurance—due within 60 days (NAC 616B.424(4), (R095-17))
4. Security Deposit—([NRS 616B.300\(2\)](#))
5. DIR Quarterly Assessment—Contact 775.684.7077
6. Annuity reporting—list due 9/30 and agreement due within 10 days ([NAC 616B.471](#))



Department of Business and Industry

# Nevada Division of Insurance

1818 E. College Pkwy., Suite 103, Carson City, Nevada 89706 **Phone:** (775) 687-0700 **Fax:** (775) 687-0787 **Web:** doi.nv.gov

## Application for Authority to Self Insure for Workers' Compensation

Nevada Industrial Insurance Act and Occupational Diseases Act Chapter 616A through 616D and 617, inclusive, of the Nevada Revised Statutes

### PART A – EMPLOYER INFORMATION

Name of employer		FEIN	Proposed effective date
Mailing address		Physical address	
Contact person		Email address	
Title		Phone number	Fax number
Contact address		City	State Zip or postal code
Principal activity of the business			
Type of ownership of the Company <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Individually Owned		Are you registered with the Secretary of State? <input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, what is the date of registration?
This business was organized or incorporated (dd/mm/yy)		Under the laws of the state of	Date of commencement of business in Nevada
Do you have a parent company? <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, name of parent company	
Address of parent company			
List the principals of your organization (corporate officers, partners or owners). (Attach a list, if necessary.)			
NAME		TITLE	PERCENTAGE OF OWNERSHIP

List subsidiaries, divisions, and affiliates to be included in the Nevada self-insurance program. (Attach a list, if necessary.)		
NAME	ADDRESS	FEIN

Provide the name and address for each operation to be covered under the Nevada self-insurance program. (Attach a list, if necessary.)	
NAME	ADDRESS

**PART B – ADMINISTRATOR INFORMATION**

Do you plan to self-administer claims processing? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please complete the information below.	Estimated cost of administration
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Provide the name, title, address and telephone number of each person involved in the processing of workers' compensation claims. (Attach a list, if necessary.)			
NAME	TITLE	ADDRESS	TELEPHONE

Do you plan to retain a third-party administrator to administer claims? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please complete the information below.	
<i>NOTE: A third-party administrator must hold a certificate of registration with the Division of Insurance and have offices located within the State of Nevada.</i>	
Third-party administrator name	Address
Account manager(s)	
Telephone number	
Email address	Estimated cost of administration

## PART C – SAFETY PROGRAM

Pursuant to NRS 616B.300 and 616B.424(4), explain what administrative resources are in place to enable you to promptly report, administer, and settle all claims.

Upon approval for self-insurance, how do you plan to notify your employees of the change in coverage, administration of claims, and employee rights?

Do you have a formal safety program?  Yes  No

Provide the name of the person responsible for administration of your loss control program.

Name	Title	Telephone number
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Give a brief description of your safety and loss control program. (Do not send manual.)

What medical facilities are available to your employees?  First aid  In-plant staff  Local clinic  Hospital

Do you have a light-duty program available for employees who, either temporarily or permanently, cannot return to their normal duties because of a workers' compensation injury or illness?  Yes  No

Explain:

## PART D – FINANCIAL INFORMATION

Audited financial statements with the accompanying footnotes and the auditor's opinions for the three most recent years must be submitted with this application. If more current audited financial information is available, this must also accompany the application.

Please indicate the type of information supplied  Annual report  10-K report  Other

The current net worth of the applying business is \$

Did the applicant have negative earnings in any of the last three years?  Yes  No

What is the fiscal year end of the business? (mm/dd)

## PART E – WORKERS’ COMPENSATION CLAIMS EXPERIENCE

Please submit complete loss runs that include number of medical claims, number of lost time claims, the payments made for medical and indemnity cost, the amounts reserved for claims payments, total incurred cost for medical, and indemnity payments for the last three years. This information should be provided by the present insurer.

Please supply the insurers’ names, addresses, and policy numbers for all accounts that will be transferred to the self-insurance coverage.

NAME	ADDRESS	POLICY NUMBER

How many employees did your business have as of June 30 for the last three years?

Year 1	Year 2	Year 3
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Have there been any fatalities in the last three years? If yes, attached a detailed statement for each incident.  Yes  No

## PART F – NEVADA REQUIREMENTS FOR DEPOSITS, INSOLVENCY ASSESSMENT, AND EXCESS INSURANCE

The following do not have to be supplied to this office until approval has been granted but must be in place before the Certificate of Authority will be issued.

- Nevada requires a security deposit for all self-insured workers’ compensation employers. This deposit is calculated by the Division, and successful applicants will be notified of the required amount.
- Nevada assesses an initial insolvency fee of 0.50% of the initial deposit. In subsequent years the annual assessment is 0.25% of the deposit amount as of June 30 of that year. This amount is calculated by the Division, and applicants will be notified of the required amount.
- Nevada requires a self-insured employer to provide a policy of excess insurance. This coverage must have a minimum self-insured retention of \$100,000, a minimum of 60 days written notice of cancellation, and must be countersigned by a licensed Nevada agent.

Please identify the intended excess carrier and amount of self-insured retention.

Carrier	Self-insured retention
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## PART G – AGREEMENTS

In consideration of being certified for workers' compensation self-insurance in the state of Nevada, the applicant hereby agrees:

1. That the information in this application and the required attachments are true and correct.
2. That the liabilities for compensation to injured employees or their dependents will be promptly discharged in accordance with the requirements of the Nevada Industrial Insurance Act and Occupational Diseases Act, Chapters 616A through 616D and 617 inclusive, including any amendments.
3. That all reports of compensable or reportable injuries, diseases, and deaths will be promptly furnished to the Division of Industrial Relations or the Commissioner of Insurance as required by law.
4. That the Commissioner of Insurance will be promptly notified of any changes in financial condition which are material and affect the employer's ability to self insure claims.
5. That before any liquidation, sale, or transfer of ownership is made, the Commissioner of Insurance will be notified 60 days in advance and, subject to approval, arrangements for the payment of all existing liabilities will be made.
6. That the applicant will comply with any and all self-insurance workers' compensation statutes and regulations.

### AFFIDAVIT

*NOTE: If applicant is an individual, the sole proprietor shall sign; partnership, all partners shall sign; LLC, a member shall sign; corporation, an officer shall sign.*

Being duly sworn on oath that I have read the above foregoing application, that I am acquainted with the affairs of the applicant employer and that the representations and statements set forth are true in substance and in fact.

**Must be signed by an officer, director, principal or partner of the applicant:**

\_\_\_\_\_  
Month                      Day                      Year

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or printed name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
City    State    Zip