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Workers' Compensation; liability for payment of industrial insurance premiums

NEV. REV. STAT. § 616.____ (new); § 616.392 (amended).
AB 406 (Committee on Labor and Management); 1987 STAT. Ch 199

Under existing law, an employer¹ is required to pay premiums to the state industrial insurance² fund or maintain industrial insurance.³ Chapter 199 enables a principal contractor⁴ to determine its liability to pay industrial insurance premiums on behalf of subcontractors, independent contractors, and employees of subcontractors and independent contractors.⁵ To make this determination, Chapter 199 allows the principal contractor to request that the system⁶ provide information as to whether the subcontractors or independent contractors have the necessary insurance.⁷ After completion of the project and upon request by the principal contractor, the system may issue or deny issuance of a final certificate relieving the principal contractor

1. NEV. REV. STAT. § 616.090 (definition of employer). Principal contractors are considered to be employers of subcontractors; subcontractors include independent contractors. *Id.* § 616.085 (pertaining to subcontractors); *id.* § 616.115 (pertaining to independent contractors). *See also id.* § 624.020 (definition of contractor); *id.* § 616.115 (definition of subcontractor); *id.* § 616.105 (definition of independent contractor). Chapter 199 specifies that a real estate broker or salesperson who hires an independent contractor to repair or maintain property for a property owner or property owners' association is not considered an employer for purposes of this chapter. 1987 Nev. Stat. ch. 199, sec. 4, at ____ (enacting NEV. REV. STAT. § 616.____).

2. NEV. REV. STAT. § 616.1701 (creation and purpose of state industrial insurance system).

3. *Id.* § 616.285 (applicability to employers of one or more employees); *id.* § 616.291 1-4 (qualification as self-insured employer). *See also id.* § 616.112 (definition of self-insured employer). Existing law also permits a sole proprietor to elect to be included within the system. *Id.* § 616.317 (pertaining to industrial insurance); *id.* § 617.225 (pertaining to occupational diseases); *id.* § 616.116 (definition of system). *See also id.* § 624.256 (applicant for original or renewal of contractor's license required to submit proof of industrial insurance or qualification as self-insured employer).

4. 1987 Nev. Stat. ch. 199, sec. 3, at ____ (enacting NEV. REV. STAT. § 616.____) (or property owner acting as a principal contractor).

5. *Id.*

6. NEV. REV. STAT. § 616.116 (definition of system).

7. 1987 Nev. Stat. ch. 199, sec. 3, at ____ (enacting NEV. REV. STAT. § 616.____). A principal contractor, or a property owner acting as a principal contractor, may request the system to certify whether their subcontractors and independent contractors are insured by the system, whether the sole proprietors who are subcontractors or independent contractors have elected coverage for themselves, and whether any subcontractors or independent contractors fail to pay premiums or otherwise maintain industrial insurance. *Id.* *See generally* NEV. REV. STAT. § 616.282 1, 2 (state contractors' board to be notified if a contractor's coverage or certificate of qualification as a self-insured employer lapses). *See also id.* § 624.328 2 (names of subcontractors delinquent in payment of industrial insurance premiums made available to any licensed contractor).

of liability to pay additional premiums due from a subcontractor or independent contractor.⁸ A final certificate will be deemed to have been issued if the system does not issue a final certificate or a letter denying issuance of a final certificate within sixty days of receiving a request.⁹

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8. 1987 Nev. Stat. ch. 199, sec. 3, at ___ (enacting NEV. REV. STAT. § 616.____). The system may deny issuance of a final certificate if a subcontractor or independent contractor (1) is delinquent in premium payments, (2) leaves the state, (3) is uncooperative in an audit, (4) is located principally out of state and an audit is required, (5) is delinquent in submitting payroll records, (6) closes the account with the system with premiums due, (7) fails to submit required information, (8) protests results of an audit, (9) elects not to insure with the system, or (10) does anything the system thinks may result in failure to pay premiums. *Id.* Chapter 199 specifies that, should the principal contractor or subcontractor not pay for the insurance, a property owner not acting as a principal contractor will not be held responsible for payment of any costs relating to insurance, beyond remaining money held by such an owner to assure payments under this chapter. *Id.* sec. 2, at ___ (enacting NEV. REV. STAT. § 616.____).

9. *Id.* sec. 3, at ___ (enacting NEV. REV. STAT. § 616.____). The provisions of existing law regarding appeal and decision relating to employers' accounts are expanded by Chapter 199 to include the issuance or denial of final certificates. NEV. REV. STAT. § 616.392 1, 2 (amended by 1987 Nev. Stat. ch. 199, secs. 1, 2, at ___); *see generally* 1983 Pac. L.J. REV. NEV. LEGIS. 170, notes 9-11 and accompanying text (discussion of existing law regarding appeal, hearings, and decision).

