

SENATE BILL NO. 377—SENATORS D. HARRIS  
AND OHRENSCHALL

MARCH 20, 2019

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to workers’ compensation. (BDR 53-1025)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to industrial insurance; authorizing the use of money in the Fund for Workers’ Compensation and Safety in the State Treasury to make certain payments; revising the authority of the Administrator of the Division of Industrial Relations of the Department of Business and Industry to make certain payments from the Uninsured Employers’ Claim Account in the Fund for Workers’ Compensation and Safety; establishing certain methods which must be used by the Administrator to determine the period of wages earned by an employee to calculate an average monthly wage; revising provisions providing for an annual increase in benefits for permanent total disability; authorizing assessments against certain employers to defray the costs of certain compensation for permanent total disability; repealing provisions authorizing annual payments to certain persons who are entitled to compensation for permanent total disability; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

- 1 Existing law provides for an annual increase in compensation in the amount of
- 2 2.3 percent to claimants or dependents thereof who are entitled to compensation for
- 3 permanent total disability under industrial insurance for an industrial injury or
- 4 disablement from an occupational disease that occurs on or after January 1, 2004.
- 5 (NRS 616C.473) Existing law provides for a single annual payment to claimants
- 6 and their dependents who are entitled to receive compensation for permanent total
- 7 disability but are not entitled to the 2.3 percent annual increase in that



8 compensation because the industrial injury or disablement occurred before  
9 January 1, 2004. (NRS 616C.453) Existing law provides that such annual payments  
10 are paid from the Uninsured Employers' Claim Account in the Fund for Workers'  
11 Compensation and Safety in the State Treasury, an account which is funded by  
12 assessments against insurers and certain employers who provide accident benefits  
13 for injured employees. (NRS 616A.430)

14 Existing law sets forth the uses of money and securities in the Fund for  
15 Workers' Compensation and Safety. (NRS 616A.425) **Section 1** of this bill  
16 provides that money in the Fund may also be used to: (1) reimburse insurers and  
17 employers for payments of an annual increase in compensation for permanent total  
18 disability to claimants and dependents of claimants who are entitled to such  
19 compensation due to an industrial injury or disablement which occurred before  
20 January 1, 2004, to the extent income realized on the investment of the assets in the  
21 Uninsured Employers' Claim Account in the Fund is sufficient to pay that  
22 compensation; and (2) pay the salary and other expenses of administering the  
23 payment of increased compensation to claimants and dependents of claimants who  
24 are entitled to compensation for permanent total disability caused by industrial  
25 injuries and disablements from occupational diseases that occurred before  
26 January 1, 2004.

27 **Section 2.5** of this bill authorizes an insurer or employer who pays an annual  
28 increase in compensation for permanent total disability to a claimant or dependent  
29 who is entitled to such compensation due to an industrial injury or disablement  
30 which occurred before January 1, 2004, to obtain reimbursement from the  
31 Administrator of the Division of Industrial Relations of the Department of Business  
32 and Industry and establishes the procedure for obtaining such a reimbursement.  
33 Under **section 2.5**, reimbursements approved by the Administrator are required to  
34 be paid from the income realized on the investment of the assets in the Uninsured  
35 Employers' Claim Account in the Fund for Workers' Compensation and Safety in  
36 the State Treasury. If the income realized on the investment of the assets in that  
37 Account is insufficient to fund the annual increase in compensation, the remainder  
38 of the reimbursements are required to be paid from certain assessments levied on  
39 insurers and employers by the Administrator.

40 Existing law provides that the amount of compensation for certain industrial  
41 injuries or death is based, in part, on the average monthly wage of the injured or  
42 deceased employee. (NRS 616C.440, 616C.475, 616C.490, 616C.505) Existing law  
43 requires the Administrator of the Division of Industrial Relations of the Department  
44 of Business and Industry to provide by regulation for a method of determining  
45 average monthly wage. (NRS 616C.420) **Section 2.8** of this bill incorporates in  
46 statute certain provisions from current regulations which contain methods for  
47 determining the period of wages earned by an employee that must be used to  
48 calculate the average monthly wage. (NAC 616C.435)

49 **Section 3** of this bill provides for a 2.3 percent annual increase in compensation  
50 for permanent total disability to claimants and dependents of claimants who are  
51 entitled to such compensation due to an industrial injury or disablement which  
52 occurred before January 1, 2004, with compensation to be increased on January 1,  
53 2020, and on January 1 each year thereafter.

54 **Section 4** of this bill provides that assessments against employers who provide  
55 accident benefits for injured employees may be used to pay reimbursement to  
56 insurers for the cost of the annual increase in compensation payable to claimants  
57 and dependents of claimants who are entitled to such compensation due to an  
58 industrial injury or disablement which occurred before January 1, 2004, to the  
59 extent that income realized on the investment of the assets in the Uninsured  
60 Employers' Claim Account is insufficient to pay that reimbursement.

61 **Section 5** of this bill repeals provisions which authorize a single annual  
62 payment to claimants and their dependents who are entitled to receive



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63 compensation for permanent total disability but are not entitled to the 2.3 percent  
64 annual increase in that compensation. **Section 2** of this bill eliminates the authority  
65 of the Administrator of the Division of Industrial Relations of the Department of  
66 Business and Industry to make the annual payments from the Uninsured  
67 Employers' Claim Account in the Fund for Workers' Compensation and Safety  
68 and, instead, authorizes the reimbursements authorized by **section 2.5** to be paid  
69 from the Account.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     **Section 1.** NRS 616A.425 is hereby amended to read as  
2 follows:

3     616A.425 1. There is hereby established in the State Treasury  
4 the Fund for Workers' Compensation and Safety as an enterprise  
5 fund. All money received from assessments levied on insurers and  
6 employers by the Administrator pursuant to NRS 232.680 must be  
7 deposited in this Fund.

8     2. All assessments, penalties, bonds, securities and all other  
9 properties received, collected or acquired by the Division for  
10 functions supported in whole or in part from the Fund must be  
11 delivered to the custody of the State Treasurer for deposit to the  
12 credit of the Fund.

13     3. All money and securities in the Fund must be used to defray  
14 all costs and expenses of administering the program of workers'  
15 compensation, including the payment of:

16     (a) All salaries and other expenses in administering the Division  
17 of Industrial Relations, including the costs of the office and staff of  
18 the Administrator.

19     (b) All salaries and other expenses of administering NRS  
20 616A.435 to 616A.460, inclusive, the offices of the Hearings  
21 Division of the Department of Administration and the programs of  
22 self-insurance and review of premium rates by the Commissioner.

23     (c) The salary and other expenses of a full-time employee of the  
24 Legislative Counsel Bureau whose principal duties are limited to  
25 conducting research and reviewing and evaluating data related to  
26 industrial insurance.

27     (d) All salaries and other expenses of the Fraud Control Unit for  
28 Industrial Insurance established pursuant to NRS 228.420.

29     (e) Claims against uninsured employers arising from compliance  
30 with NRS 616C.220 and 617.401.

31     (f) That portion of the salaries and other expenses of the Office  
32 for Consumer Health Assistance of the Department of Health and  
33 Human Services established pursuant to NRS 232.458 that is related



1 to providing assistance to consumers and injured employees  
2 concerning workers' compensation.

3 *(g) For claimants and dependents of claimants who are*  
4 *entitled to receive compensation for a permanent total disability*  
5 *caused by an industrial injury or a disablement that occurred*  
6 *before January 1, 2004:*

7 *(1) Reimbursement to insurers for the cost of the annual*  
8 *increase in the compensation pursuant to subsection 2 of NRS*  
9 *616C.473; and*

10 *(2) The salary and other expenses of administering the*  
11 *payment of the annual increase in the compensation pursuant to*  
12 *subsection 2 of NRS 616C.473.*

13 4. The State Treasurer may disburse money from the Fund only  
14 upon written order of the Controller.

15 5. The State Treasurer shall invest money of the Fund in the  
16 same manner and in the same securities in which the State Treasurer  
17 is authorized to invest state general funds which are in his or her  
18 custody. Income realized from the investment of the assets of the  
19 Fund must be credited to the Fund.

20 6. The Commissioner shall assign an actuary to review the  
21 establishment of assessment rates. The rates must be filed with the  
22 Commissioner 30 days before their effective date. Any insurer or  
23 employer who wishes to appeal the rate so filed must do so pursuant  
24 to NRS 679B.310.

25 7. If the Division refunds any part of an assessment, the  
26 Division shall include in that refund any interest earned by the  
27 Division from the refunded part of the assessment.

28 **Sec. 2.** NRS 616A.430 is hereby amended to read as follows:

29 616A.430 1. There is hereby established in the State Treasury  
30 the Uninsured Employers' Claim Account in the Fund for Workers'  
31 Compensation and Safety, which may be used only for the purpose  
32 of making payments in accordance with the provisions of NRS  
33 616C.220 ~~[, 616C.453]~~ and 617.401 ~~[ ]~~ *and subsection 2 of NRS*  
34 *616C.473.* The Administrator shall administer the Account and shall  
35 credit any excess money toward the assessments of the insurers for  
36 the succeeding years.

37 2. All assessments, penalties, bonds, securities and all other  
38 properties received, collected or acquired by the Administrator for  
39 the Uninsured Employers' Claim Account must be delivered to the  
40 custody of the State Treasurer.

41 3. All money and securities in the Account must be held by the  
42 State Treasurer as custodian thereof to be used solely for workers'  
43 compensation.

44 4. The State Treasurer may disburse money from the Account  
45 only upon written order of the State Controller.



1 5. The State Treasurer shall invest money of the Account in the  
2 same manner and in the same securities in which the State Treasurer  
3 is authorized to invest money of the State General Fund. Income  
4 realized from the investment of the assets of the Account must be  
5 credited to the Account.

6 6. The Administrator shall assess each insurer, including each  
7 employer who provides accident benefits for injured employees  
8 pursuant to NRS 616C.265, an amount to be deposited in the  
9 Uninsured Employers' Claim Account. To establish the amount of  
10 the assessment, the Administrator shall determine the amount of  
11 money necessary to maintain an appropriate balance in the Account  
12 for each fiscal year and shall allocate a portion of that amount to be  
13 payable by private carriers, a portion to be payable by self-insured  
14 employers, a portion to be payable by associations of self-insured  
15 public or private employers and a portion to be payable by the  
16 employers who provide accident benefits pursuant to NRS  
17 616C.265, based upon the expected annual expenditures for claims  
18 of each group of insurers. After allocating the amounts payable, the  
19 Administrator shall apply an assessment rate to the:

20 (a) Private carriers that reflects the relative hazard of the  
21 employments covered by the private carriers, results in an equitable  
22 distribution of costs among the private carriers and is based upon  
23 expected annual premiums to be received;

24 (b) Self-insured employers that results in an equitable  
25 distribution of costs among the self-insured employers and is based  
26 upon expected annual expenditures for claims;

27 (c) Associations of self-insured public or private employers that  
28 results in an equitable distribution of costs among the associations  
29 of self-insured public or private employers and is based upon  
30 expected annual expenditures for claims; and

31 (d) Employers who provide accident benefits pursuant to NRS  
32 616C.265 that reflects the relative hazard of the employments  
33 covered by those employers, results in an equitable distribution of  
34 costs among the employers and is based upon expected annual  
35 expenditures for claims.

36 ↪ The Administrator shall adopt regulations for the establishment  
37 and administration of the assessment rates, payments and any  
38 penalties that the Administrator determines are necessary to carry  
39 out the provisions of this subsection. As used in this subsection, the  
40 term "group of insurers" includes the group of employers who  
41 provide accident benefits for injured employees pursuant to  
42 NRS 616C.265.

43 7. The Commissioner shall assign an actuary to review the  
44 establishment of assessment rates. The rates must be filed with the  
45 Commissioner 30 days before their effective date. Any insurer who



1 wishes to appeal the rate so filed must do so pursuant to  
2 NRS 679B.310.

3 **Sec. 2.5.** Chapter 616C of NRS is hereby amended by adding  
4 thereto a new section to read as follows:

5 *1. An insurer, including an employer who provides accident*  
6 *benefits for injured employees pursuant to NRS 616C.265, who*  
7 *pays an annual increase in compensation for a permanent total*  
8 *disability to a claimant or a dependent of a claimant pursuant to*  
9 *subsection 2 of NRS 616C.473 is entitled to be reimbursed for the*  
10 *amount of that increase in accordance with this section if the*  
11 *insurer provides to the Administrator all of the following:*

12 (a) *The name of the claimant or dependent of a claimant to*  
13 *whom the insurer paid the increase in compensation.*

14 (b) *The claim number under which the compensation for a*  
15 *permanent total disability was paid to the claimant or dependent of*  
16 *a claimant.*

17 (c) *The date of the industrial injury or disablement from an*  
18 *occupational disease which resulted in the permanent total*  
19 *disability of the injured employee.*

20 (d) *The date on which the disability of the injured employee*  
21 *was determined or deemed to be total and permanent.*

22 (e) *The amount of the compensation for a permanent total*  
23 *disability to which the claimant or dependent of a claimant was*  
24 *entitled as of December 31, 2019.*

25 (f) *Proof of the insurer's payment of the increase in*  
26 *compensation for a permanent total disability.*

27 (g) *The amount of reimbursement requested by the insurer.*

28 2. *An insurer must provide the Administrator with the items*  
29 *required pursuant to subsection 1 not later than March 31 of each*  
30 *year to be eligible for reimbursement for payments of increases in*  
31 *compensation for permanent total disability which were made in*  
32 *the immediately preceding calendar year.*

33 3. *An insurer may not be reimbursed pursuant to this section*  
34 *unless the insurer's request for reimbursement is approved by the*  
35 *Administrator.*

36 4. *If the Administrator approves an insurer's request for*  
37 *reimbursement, the Administrator must withdraw from the*  
38 *Uninsured Employers' Claim Account established pursuant to*  
39 *NRS 616A.430 an amount of the income realized from the*  
40 *investment of the assets in that Account that is necessary to*  
41 *reimburse the insurer or employer for the cost of the increase in*  
42 *compensation paid to claimants and dependents pursuant to*  
43 *subsection 2 of NRS 616C.473. If the income realized from the*  
44 *investment of the assets in the Account is insufficient to pay such*  
45 *reimbursement, the Administrator must pay the remainder of the*



1 *reimbursement from the assessments levied by the Administrator*  
2 *pursuant to NRS 232.680.*

3 *5. An insurer may elect to apply any approved reimbursement*  
4 *under this section towards any current or future assessment levied*  
5 *by the Administrator pursuant to NRS 232.680.*

6 **Sec. 2.8.** NRS 616C.420 is hereby amended to read as follows:

7 616C.420 *1. The Administrator shall provide by regulation*  
8 *for a method of determining average monthly wage.*

9 *2. The method established pursuant to subsection 1 must*  
10 *provide that:*

11 *(a) Except as otherwise provided in this subsection, a history*  
12 *of wages earned for a period of 12 weeks must be used to calculate*  
13 *an average monthly wage.*

14 *(b) If a 12-week period of wages earned is not representative of*  
15 *the average monthly wage of the injured employee, wages earned*  
16 *over a period of 1 year or the full period of employment, if it is less*  
17 *than 1 year, may be used. Wages earned over 1 year or the full*  
18 *period of employment, if it is less than 1 year, must be used if the*  
19 *average monthly wage would be increased.*

20 *(c) If an injured employee is a member of a labor organization*  
21 *and is regularly employed by referrals from the office of that*  
22 *organization, wages earned from all employers for a period of 1*  
23 *year may be used. A period of 1 year using all the wages earned by*  
24 *the injured employee from all his or her employers must be used if*  
25 *the average monthly wage would be increased.*

26 *(d) If information concerning payroll is not available for a*  
27 *period of 12 weeks, wages earned may be averaged for the*  
28 *available period, but not for a period of less than 4 weeks.*

29 *(e) If information concerning payroll is unavailable for a*  
30 *period of at least 4 weeks, average wages earned must be projected*  
31 *using the rate of pay on the date of the injury or illness and the*  
32 *projected working schedule of the injured employee.*

33 *(f) If wages earned are based on piecework and a history*  
34 *of wages earned is unavailable for a period of at least 4 weeks, the*  
35 *wages earned must be determined as being equal to the average*  
36 *wages earned by other employees doing the same work.*

37 *(g) If these methods of determining a period of wages earned*  
38 *cannot be applied reasonably and fairly, an average monthly wage*  
39 *must be calculated by the insurer at 100 percent of:*

40 *(1) The sum which reasonably represents the average*  
41 *monthly wage of the injured employee, as defined in regulations*  
42 *adopted pursuant to this section, at the time the injury or illness*  
43 *occurs; or*



1           (2) *The amount determined using the hourly wage on the*  
2 *day the injury or illness occurs and the projected working*  
3 *schedule of the injured employee.*

4           (h) *The period used to calculate the average monthly wage*  
5 *must consist of consecutive days, ending on the date on which the*  
6 *injury or illness occurs, or the last day of the payroll period*  
7 *preceding the injury or illness if this period is representative of the*  
8 *average monthly wage.*

9           ↳ *As used in this subsection, “wages earned” means wages*  
10 *earned from the employment in which the injury or illness occurs*  
11 *and in any concurrent employment.*

12           **Sec. 3.** NRS 616C.473 is hereby amended to read as follows:

13           616C.473 1. If a claimant or a dependent of a claimant is  
14 entitled to receive compensation pursuant to chapters 616A to 617,  
15 inclusive, of NRS for a permanent total disability caused by an  
16 industrial injury or a disablement from an occupational disease that  
17 occurs on or after January 1, 2004, the claimant or dependent is  
18 entitled to an annual increase in that compensation in the amount of  
19 2.3 percent. The compensation must be increased pursuant to this  
20 ~~[section:]~~ *subsection:*

21           (a) On January 1 of the year immediately after the year in which  
22 the claimant or dependent becomes entitled to receive that  
23 compensation; and

24           (b) On January 1 of each successive year after the year specified  
25 in paragraph (a) in which the claimant or dependent is entitled to  
26 receive that compensation.

27           2. *If a claimant or a dependent of a claimant is entitled to*  
28 *receive compensation pursuant to chapters 616A to 617, inclusive,*  
29 *of NRS for a permanent total disability caused by an industrial*  
30 *injury or a disablement from an occupational disease that*  
31 *occurred before January 1, 2004, the claimant or dependent is*  
32 *entitled to an annual increase in that compensation in the amount*  
33 *of 2.3 percent. The compensation must be increased pursuant to*  
34 *this subsection:*

35           (a) *On January 1, 2020; and*

36           (b) *On January 1 of each year thereafter.*

37           3. Any increase in compensation provided pursuant to this  
38 section is in addition to any increase in compensation to which a  
39 claimant or a dependent of a claimant is otherwise entitled by law.

40           **Sec. 4.** NRS 232.680 is hereby amended to read as follows:

41           232.680 1. The cost of carrying out the provisions of NRS  
42 232.550 to 232.700, inclusive, and of supporting the Division,  
43 a full-time employee of the Legislative Counsel Bureau and the  
44 Fraud Control Unit for Industrial Insurance established pursuant to  
45 NRS 228.420, and that portion of the cost of the Office for





1 Consumer Health Assistance established pursuant to NRS 232.458  
2 that is related to providing assistance to consumers and injured  
3 employees concerning workers' compensation, must be paid from  
4 assessments payable by each insurer, including each employer who  
5 provides accident benefits for injured employees pursuant to  
6 NRS 616C.265.

7 2. The Administrator shall assess each insurer, including each  
8 employer who provides accident benefits for injured employees  
9 pursuant to NRS 616C.265. To establish the amount of the  
10 assessment, the Administrator shall determine the amount of money  
11 necessary for each of the expenses set forth in subsections 1 and 4 of  
12 this section and subsection 3 of NRS 616A.425 and determine the  
13 amount that is payable by the private carriers, the self-insured  
14 employers, the associations of self-insured public or private  
15 employers and the employers who provide accident benefits  
16 pursuant to NRS 616C.265 for each of the programs. For the  
17 expenses from which more than one group of insurers receives  
18 benefit, the Administrator shall allocate a portion of the amount  
19 necessary for that expense to be payable by each of the relevant  
20 group of insurers, based upon the expected annual expenditures for  
21 claims of each group of insurers. After allocating the amounts  
22 payable among each group of insurers for all the expenses from  
23 which each group receives benefit, the Administrator shall apply an  
24 assessment rate to the:

25 (a) Private carriers that reflects the relative hazard of the  
26 employments covered by the private carriers, results in an equitable  
27 distribution of costs among the private carriers and is based upon  
28 expected annual premiums to be received;

29 (b) Self-insured employers that results in an equitable  
30 distribution of costs among the self-insured employers and is based  
31 upon expected annual expenditures for claims;

32 (c) Associations of self-insured public or private employers that  
33 results in an equitable distribution of costs among the associations  
34 of self-insured public or private employers and is based upon  
35 expected annual expenditures for claims; and

36 (d) Employers who provide accident benefits pursuant to NRS  
37 616C.265 that reflect the relative hazard of the employments  
38 covered by those employers, results in an equitable distribution of  
39 costs among the employers and is based upon expected annual  
40 expenditures for claims.

41 ➔ The Administrator shall adopt regulations that establish the  
42 formula for the assessment and for the administration of payment,  
43 and any penalties that the Administrator determines are necessary to  
44 carry out the provisions of this subsection. The formula may use  
45 actual expenditures for claims. As used in this subsection, the term



1 “group of insurers” includes the group of employers who provide  
2 accident benefits for injured employees pursuant to NRS 616C.265.

3 3. Federal grants may partially defray the costs of the Division.

4 4. Assessments made against insurers by the Division after the  
5 adoption of regulations must be used to defray all costs and  
6 expenses of administering the program of workers’ compensation,  
7 including the payment of:

8 (a) All salaries and other expenses in administering the Division,  
9 including the costs of the office and staff of the Administrator.

10 (b) All salaries and other expenses of administering NRS  
11 616A.435 to 616A.460, inclusive, the offices of the Hearings  
12 Division of the Department of Administration and the programs of  
13 self-insurance and review of premium rates by the Commissioner of  
14 Insurance.

15 (c) The salary and other expenses of a full-time employee of the  
16 Legislative Counsel Bureau whose principal duties are limited to  
17 conducting research and reviewing and evaluating data related to  
18 industrial insurance.

19 (d) All salaries and other expenses of the Fraud Control Unit for  
20 Industrial Insurance established pursuant to NRS 228.420.

21 (e) Claims against uninsured employers arising from compliance  
22 with NRS 616C.220 and 617.401.

23 (f) That portion of the salaries and other expenses of the Office  
24 for Consumer Health Assistance established pursuant to NRS  
25 232.458 that is related to providing assistance to consumers and  
26 injured employees concerning workers’ compensation.

27 ~~{5. If the Division refunds any part of an assessment, the  
28 Division shall include in that refund any interest earned by the  
29 Division from the refunded part of the assessment.}~~

30 *(g) For claimants and dependents of claimants who are  
31 entitled to receive compensation for a permanent total disability  
32 caused by an industrial injury or a disablement that occurred  
33 before January 1, 2004, reimbursement to insurers for the cost of  
34 the annual increase in the compensation pursuant to subsection 2  
35 of NRS 616C.473.*

36 **Sec. 5.** NRS 616C.453 is hereby repealed.

37 **Sec. 5.5.** The amendatory provisions of section 2.8 of this act  
38 apply prospectively with regard to any claim pursuant to chapters  
39 616A to 616D, inclusive, or 617 of NRS which is open on or filed  
40 on or after July 1, 2019.

41 **Sec. 6.** This act becomes effective on July 1, 2019.



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**TEXT OF REPEALED SECTION**

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**616C.453 Additional annual payment to certain claimants and dependents of claimants who are entitled to receive compensation for permanent total disability; adoption of regulations to determine amount of payment.**

1. If a claimant or a dependent of a claimant is entitled to receive compensation pursuant to chapters 616A to 617, inclusive, of NRS for a permanent total disability and the claimant or dependent is not entitled to an annual increase in that compensation pursuant to NRS 616C.473, the claimant or dependent is entitled to an annual payment for that permanent total disability in an amount determined by the Administrator pursuant to subsection 3, but such annual payments may not exceed \$1,200 per claimant or dependent. Except as otherwise provided in subsection 5, the total payments made pursuant to this section may not exceed \$500,000 per year.

2. Each year, the Administrator shall withdraw from the Uninsured Employers' Claim Account established pursuant to NRS 616A.430 an amount of the income realized from the investment of the assets in the Account that is necessary to fund the payments calculated pursuant to subsection 3.

3. The Administrator shall adopt regulations establishing a method for the equitable distribution of the money withdrawn from the Account pursuant to subsection 2. The regulations must provide for payments that result in the largest proportional share of the money being paid to claimants and dependents who receive the lowest amount of compensation pursuant to chapters 616A to 617, inclusive, of NRS for the permanent total disability. The Administrator may adopt any other regulations that are necessary to carry out the provisions of this section.

4. Except as otherwise provided in subsection 5, the Administrator shall make the payment required by this section to each claimant and dependent of the claimant who is entitled to the payment not later than October 1 of each year. Any payment received by the claimant or dependent of the claimant pursuant to this section is in addition to any compensation to which the claimant or dependent of the claimant is otherwise entitled by law.

5. The Administrator may make a payment from the Account to a claimant or a dependent of a claimant that would have been payable in a prior year pursuant to subsection 3 if the Administrator



determines that the claimant or dependent was entitled to the payment pursuant to subsection 1.

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