



Workers' Compensation

Employers:

How do I obtain workers' compensation insurance?

Nevada law requires business owners with **one or more** employees in the State of Nevada to obtain and maintain workers' compensation coverage. There are few exceptions to this requirement. Business owners failing to comply with this law face fines up to \$15,000, may have their business ordered closed until the insurance has been obtained and be held financially responsible for all costs associated with an employee who sustains a work related injury. In addition, the uninsured business owner may be subject to civil litigation brought about by an injured employee.



Since January 1, 2000, Nevada no longer provides workers' compensation through a State fund. However, employers may obtain workers' compensation insurance from a **private insurance carrier** authorized by the Division of Insurance (DOI) to provide workers' compensation in Nevada. If qualified, an employer may be **self-insured** through an approval process overseen by the DOI. There are associations for smaller businesses interested in becoming self-insured. **Associations of self-insured employers** are groups of employers generally in the same type of business. Current listings of approved self-insured associations and self-insured employers may be found on DOI's Web site at <http://doi.state.nv.us/index.htm>.

Private insurance carriers may establish competitive rates that are approved by the DOI. If you are looking for new coverage or have not been renewed by your current insurer (your insurer must give you 60 days notice of intent of non-renewal) you have a number of options for obtaining the required coverage. These include:

- Your first step may be to **contact the agent or broker who handles your other lines of insurance**. With over 300 private carriers authorized to write workers' compensation insurance in Nevada, your broker/agent may be able to provide the coverage required.
- If you are unable to find an insurer (having been refused coverage by 2 or more) willing to write workers' compensation for your business, coverage may be secured through the **assigned risk program**, i.e., the **involuntary or residual market pool**. Additional information on this option may be obtained from your broker/agent.

NOTE: This program is administered by the National Council on Compensation Insurance (NCCI). Coverage may be obtained through a licensed agent or by calling the NCCI toll free at 1-800-NCCI-123 (622-4123). There is a surcharge added to the minimum rate when obtaining coverage through the assigned risk program. If coverage is obtained through this plan, the employer or his agent should continue to contact other licensed carriers to find a lower rate.

There is always a way for an employer to obtain workers' compensation coverage in Nevada. Depending on the circumstances, one of the choices described above should fit the specifics of a particular employer's situation.