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CONSOLIDATED INSURANCE PROGRAMS

The eligibility requirements for consolidated insurance programs for industrial insurance (workers' compensation construction wrap-ups) are set forth in section 710 of chapter 616B of the Nevada Revised Statutes ("NRS"). The 1999 Legislature set the initial minimum estimated total cost of a construction project to qualify to be administered as a consolidated insurance program at $150 million. On June 30th of each year, the Commissioner is required to adjust the minimum estimated total cost of a construction project to reflect the present value of that amount with respect to the "construction cost index." NRS 616B.710(4)(a) defines the construction cost index as the construction cost index published by *Engineering News-Record* as a measure of inflation.

Effective July 1, 2009, to be eligible for a consolidated insurance program, the estimated total cost of a construction project must be at least $210 million.

Pursuant to Senate Bill 99 of the 2007 Legislature, NRS 616B.732 was amended to require that the workers' compensation loss experience under a consolidated insurance program be attributed to the subcontractor or general contractor that is the employer of the injured worker. Prior to July 1, 2007, the workers' compensation loss experience under a consolidated insurance program was attributed to the owner or principal contractor of the project. The Commissioner adopted regulation R204-08 to clarify that the provisions of Senate Bill 99 apply to projects incepting on or after July 1, 2007.

Insurers, producers and project administrators are hereby reminded that, for consolidated insurance programs incepting on or after July 1, 2007, the loss experience must be reported on behalf of the employer of the injured worker. Please contact the National Council on Compensation Insurance, Inc. at 1-800-622-4123 if you have questions regarding loss experience reporting under consolidated insurance programs.

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