

STATE OF NEVADA

BIENNIAL REPORT

OF THE

Nevada Industrial Commission

Reviewing the Administration of the Nevada Industrial Insurance Act  
for the Period—July 1, 1934, to June 30, 1936



CARSON CITY, NEVADA

STATE PRINTING OFFICE - - JOE FARNSWORTH, SUPERINTENDENT

1937



**LETTER OF TRANSMITTAL**

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CARSON CITY, NEVADA, January 26, 1937.

*To His Excellency, RICHARD KIRMAN, SR., Governor of the State of Nevada.*

DEAR SIR: The Nevada Industrial Commission has the honor to submit the accompanying report of its administration for the biennium ending June 30, 1936.

DAN J. SULLIVAN, *Chairman.*

ALEX L. TANNAHILL, *Commissioner.*

JAMES FITZGERALD, *Commissioner.*

## PERSONNEL

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DAN J. SULLIVAN.....	Chairman
ALEX L. TANNAHILL.....	Commissioner
JAMES FITZGERALD.....	Commissioner

## EMPLOYEES

GRACE M. ATHERTON.....	Secretary
DR. A. J. HOOD.....	Chief Medical Advisor
PETE PETERSON.....	Traveling Auditor
HENRY H. LEE.....	Auditor
HERBERT SPENCER.....	Claim Clerk
DORIS JOHNSON.....	Bookkeeper
JOSEPHINE MASTROIANNI.....	Stenographer
FLORA O'BRIEN.....	Stenographer
GWENDOLYN BUTTI.....	Stenographer

# REPORT OF NEVADA INDUSTRIAL COMMISSION

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The Nevada Industrial Commission submits the following report of its administration of the Nevada Industrial Insurance Act during the biennium ending June 30, 1936, together with cumulative totals showing the total premium collections, compensation and medical costs during the entire twenty-three years of its existence.

Workmen's compensation legislation is predicated on the theory that industrial enterprise creates a source of danger and becomes responsible for damages resulting from that source, and that the industry should be made to bear its share of the financial burden, growing out of industrial accidents, rather than permitting the full burden to be borne by the individual workman who happens to be the victim of a particular accident. Under this theory, the question of fault is eliminated, and the fact that an injury by accident has been sustained in any employment establishes automatically the right to compensation.

Under the old system of what was termed "Employers' Liability," the question of fault was the basis of recovery, and such recovery by the injured person was made not only difficult and expensive, but, unless negligence on the part of the employer could be proven, a favorable verdict was practically impossible.

## PREMIUM RATES

Our statute provides that such premium rates shall be charged, under the various classifications, as may be necessary to provide a fund sufficient to defray the expenses for compensation and medical attention required for the proper care of workmen injured in the course of their employment, but that such fund shall be neither more nor less than self-sustaining.

This report shows that during the twenty-three-year period ending, the premium income and compensation cost have been as follows:

### *Compensation Fund—*

Net earned premiums.....	\$8,102,177.19
Less reserve for catastrophe (statutory)....	<u>100,000.00</u>
Available for payment of compensation.....	\$8,002,177.19
Compensation paid .....	\$6,343,145.15
Unpaid pension awards.....	1,171,209.31
Estimated liabilities (pending claims).....	<u>255,010.90</u>
Total compensation cost.....	<u>\$7,769,365.36</u>
Premiums in excess of requirements.....	<u>\$232,811.83</u>

### *Medical Benefit Fund—*

Earned premium .....	\$1,738,072.69
Total medical benefit costs.....	<u>1,684,059.00</u>
Premiums in excess of costs.....	\$54,013.69

While the Commission believes the present reserves are entirely adequate, they should not be permitted to be materially reduced, and our efforts will be directed towards securing a more equitable adjustment amongst the various classes, as at the present time two of these classes show a considerable deficit, which we are happy to say is being steadily reduced.

We have called your attention in the past, and desire to call it again, to the quite general belief throughout the State that the Nevada Industrial Commission has accumulated a surplus of over a million and a half dollars. While it is true that we have assets of more than a million and a half dollars, it must also be remembered that we have unpaid pensions amounting to \$1,171,209.31 and estimated liabilities in unadjusted claims amounting to \$250,010.90, and, as heretofore stated, the present balances should not be allowed to be materially reduced if we are to preserve the integrity of our State Insurance Fund. A more complete discussion of the condition of our funds may be found in the report of Messrs. Edler and Semenza, Certified Public Accountants, which is presented in full and incorporated herein.

The increase in medical costs has far exceeded the increase in compensation costs, and extreme measures may be required to prevent a further increase in our medical benefit premium rates. The present tendency amongst certain physicians is to charge for their services a fee many times in excess of that charged for services rendered in similar cases of a nonindustrial nature. This may have to be remedied by a radical change in our present medical fee schedule by the adoption of a schedule that would take into consideration the character of the condition treated and the results obtained, rather than the number of visits made to the injured party by the attending physician, which is the present system followed, and under which system it has been necessary to increase the medical benefit premiums more than one hundred percent during the last ten years.

#### LITIGATION

During the biennium covered by this report nine thousand three hundred and ninety-one claims for compensation were presented to the Commission, and during that period four actions have been brought against the Commission by dissatisfied claimants.

In the twenty-three years of its existence the Nevada Industrial Commission has been named defendant in thirty-four actions brought by claimants who were dissatisfied with the award of the Commission, with the following result:

3.....Dismissed.  
 9.....Adjusted without trial.  
 7.....Won by claimant.  
 9.....Won by Commission.  
 2.....In court; no action by plaintiff for years.  
 4.....Pending.

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During this period of twenty-three years, forty-nine thousand and twelve compensation claims have been passed on and adjudicated by the Commission without any controversy over the awards made, and

in addition to these there have been forty-two thousand claims submitted by doctors, nurses, hospitals, druggists, etc., for medical services, which have been passed on as well.

The Nevada Industrial Commission has by far the lowest percentage of controverted claims of any State in the Union, and this results in a saving to the taxpayers of many thousands of dollars in court costs each year.

During this biennium two cases, which were filed in the previous period by dissatisfied claimants against the Commission, have been adjudicated, resulting in a victory for the Commission in one instance, an adjustment without having to resort to final court action in a second case, and the third is still pending in the United States District Court.

In addition to the above litigation instituted by dissatisfied claimants the Commission has, through its legal advisor, Mr. George L. Sanford, taken necessary action in cases where suit was brought by the injured workman against a third party, and in which the Nevada Industrial Commission was named and acted as intervener. Mr. Sanford has also represented this Commission in actions taken against the Reinsurance Company, who carried the reinsurance required by this Commission on the operations conducted by the contractors at Boulder Dam, and in all instances, where a single accident resulted in a loss of more than fifteen thousand dollars, recovery has been secured for the amount awarded in excess of that sum. As a result of the efforts of our legal representative in such cases, there has been returned to our fund the sum of ten thousand seven hundred and ninety-one dollars and sixty-two cents, and there are other cases of the same character that have not been finally adjudicated, on which we may reasonably expect a further return.

#### DECISIONS OF THE COMMISSION

If a question at law is involved in any decision or award made by the Commission the case is at once referred to our legal advisor, and it must be noted that in most instances, where final adjudication is made by the courts, the question at issue is—whether or not the accident described in the claim filed arose out of and was received in the course of employment, and this is a question which is quite often difficult to determine, and particularly where the accident occurred off of the premises of the employer. It is, therefore, recommended that an amendment be made to the existing law which will more clearly define the circumstances under which the workman may be entitled to compensation, and this would undoubtedly result in reduced litigation and the attendant cost involved.

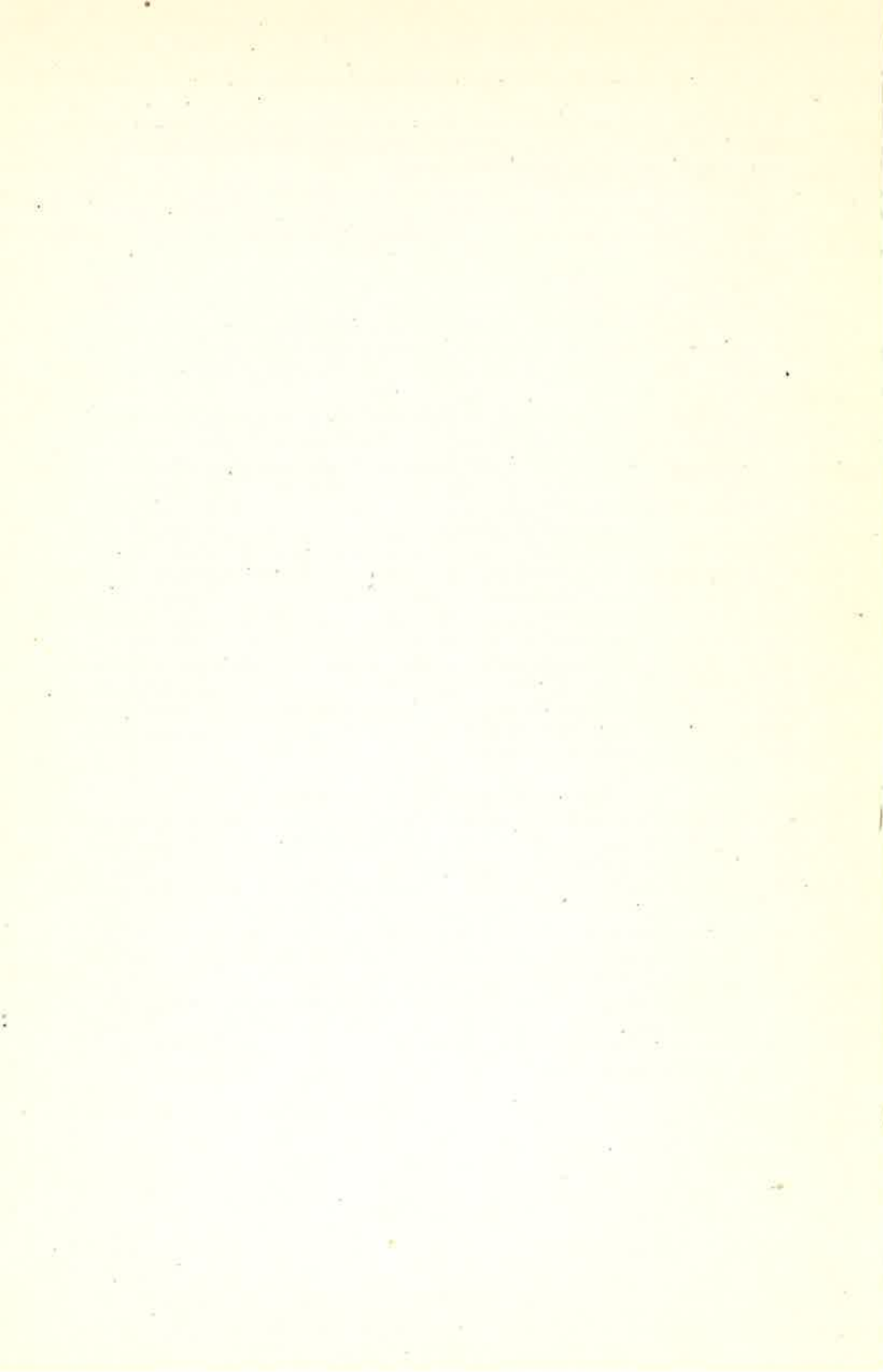


TABLE NO. 1  
Experience by Classes for Twenty-three Years, Ending June 30, 1936

Class	PREMIUM INCOME		COMPENSATION, ADMINISTRATION AND RESERVE				Surplus or deficit, exclusive of earnings
	Paid and estimated delinquents	Excess premium refunded 1918 and 1920	Net premium income	Total compensation	Administration expense	Statutory reserve	
Mining.....	\$3,219,889.98	\$104,863.81	\$3,115,626.17	\$3,248,797.72	\$298,028.33	\$56,852.97	\$488,052.85
Ore reduction.....	493,857.91	.....	493,857.91	442,550.97	45,710.77	7,002.42	1,466.25
Nevada Consolidated Copper Corp.....	1,203,872.28	74,832.08	1,129,040.20	973,542.77	111,428.67	19,001.38	25,067.38
Total mining.....	\$4,917,620.17	\$179,695.89	\$4,738,524.28	\$4,664,891.46	\$455,167.77	\$82,856.77	\$464,391.72
Railroads.....	\$154,777.71	\$7,988.82	\$147,494.39	\$104,644.36	\$14,326.00	\$2,657.10	\$75,866.93
Public utilities.....	929,641.44	17,664.90	212,276.54	137,011.43	21,255.38	2,589.41	51,427.42
State and subdivisions, compulsory.....	701,332.49	9,984.87	691,397.62	745,321.23	94,913.98	4,124.56	123,064.17
Miscellaneous.....	2,320,613.62	8,195.26	2,312,484.36	2,117,396.83	214,793.13	7,782.16	27,487.81
Totals.....	\$8,324,041.43	\$221,864.24	\$8,102,177.19	\$7,769,365.36	\$770,461.18	\$100,000.00	\$537,649.35

Class	CONDITION OF FUNDS	
	Interest earnings	Actual condition
Mining.....	\$341,729.39	\$146,323.66
Ore reduction.....	54,392.01	52,985.76
Nevada Consolidated Copper Corp.....	124,014.72	149,082.10
Total mining.....	\$520,136.12	\$55,744.40
Railroads.....	\$16,181.98	\$42,048.31
Public utilities.....	23,427.29	74,854.67
State and subdivisions, compulsory.....	76,783.21	46,380.96
Miscellaneous.....	257,483.78	229,995.97
Totals.....	\$894,011.74	\$356,362.39

*Italic figures denote deficit. Administration expense 9.26% of gross premium income.*

TABLE NO. 2  
Accident Experience of Twenty-second Year, Ending June 30, 1935

	COVERAGE		COMPENSATION COST					
	No. contrib- tors	No. full time workers	Pay roll exposure	Premium	All cases	Deaths	Temporary total disability	Permanent partial disability
<i>Class 1—Mining—</i>								
Copper.....	7	58	\$101,701.87	\$3,530.65	\$5,723.82	\$4,662.72	\$1,061.10	\$22,869.05
Gold, silver and miscellaneous metals.....	378	1,677	2,333,153.36	102,694.07	98,800.64	24,137.09	46,194.50	2,841.40
Nonmetal.....	16	76	110,178.38	4,059.85	15,503.30	9,376.05	2,685.85	
Total Class 1.....	401	1,811	\$3,095,049.61	\$110,284.57	\$114,527.76	\$38,775.86	\$49,941.45	\$25,810.45
<i>Class 2—Milling—</i>								
Gold, silver and miscellaneous metals.....	66	357	\$626,648.08	\$15,077.41	\$28,799.05	\$13,450.05	\$7,250.70	\$3,098.30
Nonmetal.....	3	52	84,908.72	1,728.88	67.05		67.05	
Total Class 2.....	69	409	\$711,556.80	\$16,806.29	\$23,866.10	\$13,450.05	\$7,317.75	\$3,098.30
<i>Class 3—Nevada Consolidated Copper Corp.—</i>								
Copper Mining.....	1	338	\$595,019.06	\$13,545.76	\$3,631.32	\$5,781.02	\$1,322.70	\$1,027.60
Milling and smelting.....	1	542	1,017,488.71	12,091.91	10,834.35		3,152.85	7,681.50
Total Class 3.....	2	880	\$1,612,507.77	\$25,637.67	\$19,465.67	\$5,781.02	\$4,975.55	\$8,709.10
Total mining industry.....	472	3,100	\$5,419,114.18	\$152,728.53	\$157,859.53	\$58,006.93	\$62,234.75	\$37,617.85
<i>Class 4—Railroads—</i>								
All operations.....	8	179	\$247,172.91	\$3,738.76	\$355.90		\$355.90	
<i>Class 5—Public Utilities—</i>								
Electric light, power and gas works.....	12	437	\$753,999.13	\$23,185.76	\$908.60		\$908.60	
Telephone and telegraph companies.....	6	124	135,404.17	723.71				
Waterworks.....	9	40	57,929.54	761.57	3,922.70		2,607.75	\$1,314.95
Total Class 5.....	27	601	\$947,332.84	\$24,651.04	\$4,831.30		\$3,516.35	\$1,314.95
<i>Class 6—State and Municipal, Compulsory—</i>								
State departments and institutions.....	9	896	\$1,941,188.81	\$19,131.29	\$10,747.80	\$7,123.35	\$2,702.20	\$922.25
State highway contracts.....	27	797	1,156,147.78	31,564.14	38,071.45	18,979.55	17,440.90	7,751.00
Counties.....	17	684	1,069,816.72	10,695.87	3,100.80		2,860.80	240.00
Cities and towns.....	15	416	694,530.01	7,468.44	1,552.90		1,552.90	
Schools.....	28	828	1,356,886.73	4,248.12	173.40		173.40	
Total Class 6.....	96	3,621	\$6,218,570.05	\$73,107.86	\$54,446.35	\$21,102.90	\$24,430.20	\$8,913.25



TABLE NO. 3  
Accident Experience of Twenty-third Year, Ending June 30, 1936

	No. contributors	No. full time workers	COVERAGE		COMPENSATION COST					
			Pay roll exposure	Premium	All cases	Deaths	Temporary total disability	Permanent partial disability		
<i>Class 1—Mining—</i>										
Copper.....	7	176	\$294,292.83	\$11,223.17	\$6,709.60	.....	\$2,678.50	\$4,031.10		
Gold, silver and miscellaneous metals.....	367	2,198	3,840,631.21	143,894.80	126,775.80	\$35,645.75	54,809.65	36,320.40		
Nonmetal.....	14	117	131,615.35	6,904.88	21,604.06	12,882.86	3,967.35	4,753.85		
Total Class 1.....	388	2,491	\$4,316,539.39	\$162,022.85	\$155,039.46	\$48,528.61	\$61,455.50	\$45,105.35		
<i>Class 2—Mining—</i>										
Gold, silver and miscellaneous metals.....	73	458	\$803,296.71	\$18,642.98	\$12,408.95	\$150.00	\$7,549.70	\$4,709.25		
Nonmetal.....	4	54	39,402.24	2,021.48	38.40	.....	38.40	.....		
Total Class 2.....	77	512	\$902,698.95	\$20,664.46	\$12,447.35	\$150.00	\$7,588.10	\$4,709.25		
<i>Class 3—Nevada Consolidated Copper Corp.—</i>										
Copper Mining.....	1	528	\$871,473.84	\$20,515.96	\$10,659.80	\$1,150.00	\$4,488.00	\$5,021.80		
Milling and smelting.....	1	822	1,344,316.11	15,887.04	5,034.25	300.00	2,801.90	1,923.35		
Total Class 3.....	2	1,350	\$2,215,789.95	\$36,403.00	\$15,694.05	\$1,450.00	\$7,289.90	\$6,945.15		
Total mining industry.....	467	4,353	\$7,435,028.29	\$219,090.31	\$183,220.86	\$50,128.61	\$76,333.50	\$56,758.75		
<i>Class 4—Railroads—</i>										
All operations.....	8	181	\$264,490.07	\$4,072.24	\$348.45	.....	\$523.45	\$320.00		
<i>Class 5—Public Utilities—</i>										
Electric light, power and gas works.....	15	347	\$590,719.86	\$14,009.68	\$2,461.00	.....	\$2,409.00	\$52.00		
Telephone and telegraph companies.....	5	117	185,436.36	718.86	60.00	.....	60.00	.....		
Waterworks.....	10	55	83,946.41	1,253.55	7,359.14	\$7,115.14	244.00	.....		
Total Class 5.....	30	519	\$810,102.63	\$15,982.09	\$9,880.14	\$7,115.14	\$2,713.00	\$52.00		
<i>Class 6—State and Municipal, Compulsory—</i>										
State departments and institutions.....	9	950	\$2,083,489.71	\$95,758.38	\$12,011.15	.....	\$6,572.90	\$5,438.25		
State highway contracts.....	21	935	1,399,265.96	4,452.53	\$4,611.25	\$150.00	21,500.00	12,961.25		
Counties.....	17	719	1,143,805.87	12,169.77	7,894.15	.....	3,627.90	2,800.55		
Cities and towns.....	16	438	723,231.29	9,774.88	4,462.30	.....	2,362.30	2,100.00		
Schools.....	30	889	1,535,510.56	5,155.22	483.50	.....	226.00	257.50		
Total Class 6.....	93	3,931	\$6,853,803.39	\$94,310.83	\$65,890.80	\$8,044.15	\$34,289.10	\$33,557.55		

Class 7—Miscellaneous—		397	\$628,108.56	\$10,566.65	\$12,232.30	\$6,286.80	\$5,935.50
Garages and service stations.....	74	86	145,578.49	2,572.98	624.20	624.20	
Brewing, bottling, ice manufacturing.....	8	113	192,785.89	3,882.19	3,285.35	2,332.50	932.85
Coal wood and timber yards.....	29	507	848,021.88	26,292.91	20,779.85	11,993.55	7,136.30
Construction and building.....	161	118	150,111.55	2,200.08	1,023.75	761.25	262.50
Creameries and dairies.....	23	20	41,050.39	1,214.06	2,898.95	1,398.95	1,500.00
Foundries and machine shops.....	12	536	706,031.61	5,206.68	9,388.98	2,271.90	1,943.35
Hotels and restaurants.....	74	184	240,818.12	1,816.33	993.60	993.60	
Laundries and cleaners.....	17	82	127,890.27	4,248.54	2,035.00	1,465.00	570.00
Logging, lumbering and planing mills.....	9	6	154,638.34	3,449.97	3,544.65	1,719.65	1,825.00
Packing houses, products.....	6	104	292,307.14	817.99	184.45	184.45	
Printing and publishing.....	13	169	1,518,428.67	13,609.31	12,147.20	4,825.00	2,517.40
Stores, mercantile and meat markets.....	148	1,002	175,280.91	3,989.72	3,539.50	2,489.50	1,050.00
Teaming, transfer, auto trucking.....	40	101	152,465.00	547.26	3,277.75	2,489.50	
Banking.....	6	97	1,180,087.78	29,955.51	31,261.25	17,444.75	13,326.50
Ranching.....	561	1,158	414,719.44	6,043.87	1,619.40	1,079.40	540.00
Oil distributors.....	23	232	841,842.66	9,513.84	6,436.55	2,712.05	3,724.50
All others.....	150	610	95,841.59	1,324.21			
Stage lines.....	7	56	610,028.75	60,707.86	23,204.35	9,335.95	5,480.30
Pipe fabrication plants.....	2	398					
Total Class 7.....	1,363	5,970	\$8,513,037.04	\$187,959.96	\$135,197.08	\$21,504.48	\$66,948.40

Class 7-4—Boulder Dam Construction—		1,243	\$1,230,247.28	\$78,845.51	\$40,474.25	\$1,550.00	\$22,087.25
Six Companies, Inc.....	1	1,243					
Grand totals all classes.....	1,962	16,197	\$25,106,708.70	\$600,260.94	\$435,511.58	\$88,342.38	\$197,649.45

		Total number	Average per case	Per \$100 pay roll	Compensatory Cases Cost
Mining.....	1	703	\$220.61	\$3.59	
Milling.....	2	68	188.05	1.38	
Nevada Consolidated Copper Corp.....	3	100	156.84	.78	
Total mining industry.....	..	871	\$210.36	\$2.46	
Railroads.....	4	11	\$77.13	\$0.32	
Public utilities.....	5	38	260.00	1.22	
State and municipal, compulsory.....	6	328	200.89	.96	
Miscellaneous.....	7	886	152.59	1.59	
Boulder Dam construction.....	7-A	154	262.82	3.29	
Grand total all classes.....	..	2,289	\$190.26	\$1.73	

TABLE NO. 4  
Frequency of Accidents by Classes and Extent of Disability Twenty-second Fiscal Year, July 1, 1934, to June 30, 1935

Class	No. contributors	No. full-time workers	Pay roll exposure	Total	Death and permanent total disability	Permanent partial disability	TEMPORARY TOTAL DISABILITY—7 days or more	Under 7 days	—No. of Accidents—Per full-time workers	Per \$100,000 pay roll
<i>Class 1—Mining—</i>										
Copper.....	7	58	\$101,701.87							
Gold, silver and miscellaneous metals.....	378	1,677	2,833,163.36							
Nonmetal.....	16	76	110,178.38							
Total Class 1.....	401	1,811	\$3,095,049.61	637	10	45	492	90	351.74	20.58
<i>Class 2—Milling—</i>										
Gold, silver and miscellaneous metals.....	66	357	\$626,648.08							
Nonmetal.....	3	52	84,908.72							
Total Class 2.....	69	409	\$711,556.80	109	2	6	67	34	266.50	15.32
<i>Class 3—Nevada Consolidated Copper Corp.—</i>										
Copper mining.....	1	338	\$595,019.06							
Milling and smelting.....	1	542	1,017,488.71							
Total Class 3.....	2	880	\$1,612,507.77	78	1	12	57	8	88.64	4.84
Total mining industry.....	472	3,100	\$5,419,114.18	824	13	63	616	132	265.81	15.21
<i>Class 4—Railroads—</i>										
All operations.....	8	179	\$247,172.91	10	0	0	8	2	56.86	4.05
<i>Class 5—Public Utilities—</i>										
Electric light, power and gas.....	12	437	\$753,999.13							
Telephone and telegraph.....	6	124	135,404.17							
Waterworks.....	9	40	57,929.54							
Total Class 5.....	27	601	\$947,332.84	50	0	3	35	12	83.19	5.28
<i>Class 6—State and Municipal, Compulsory—</i>										
State departments and institutions.....	9	896	\$1,941,188.81							
State highway contracts.....	27	797	1,156,147.78							
Counties.....	17	684	1,069,816.72							
Cities and towns.....	15	416	694,530.01							
Schools.....	28	828	1,356,886.73							
Total class 6.....	96	3,621	\$6,218,570.05	295	5	20	232	38	81.47	4.74

<i>Class 7—Miscellaneous—</i>										
Garages and service stations.....	68									
Brewing, bottling and ice manufacturing.....	8									
Coal, wood and lumber yards.....	28	353								
Construction and building.....	135	77								
Creameries and dairies.....	23	99								
Foundries and machine shops.....	10	218								
Hotels and restaurants.....	50	127								
Laundries and cleaners.....	11	20								
Logging, lumbering and planing mills.....	7	482								
Packing houses, products.....	5	146								
Printing and publishing.....	12	46								
Stores, mercantile, and meat markets.....	137	148								
Teaming, transfer, auto trucking.....	37	916								
Banking.....	8	87								
Ranching.....	430	89								
Oil distributors.....	22	990								
All others.....	141	189								
Stage lines.....	6	521								
Pipe fabrication plants.....	1	52								
		579								
Total Class 7.....	1,148	5,272								
			787		8	73	585	121	149.28	10.65
<i>Class 7-A—Boulder Dam Construction—</i>										
Six Companies, Inc.....	1	3,747								
			382		4	71	288	19	101.95	10.43
Grand total all classes.....	1,752	16,520	2,348		30	240	1,764	324	142.13	9.83

\$547,830.54  
 133,399.64  
 166,826.77  
 370,326.36  
 146,321.97  
 37,650.48  
 607,361.11  
 192,677.02  
 73,776.77  
 219,109.19  
 248,509.57  
 1,388,241.27  
 137,466.71  
 336,360.39  
 343,136.45  
 696,445.67  
 88,391.03  
 907,401.03

\$7,389,204.78  
 \$3,661,892.86  
 \$23,883,287.62

TABLE NO. 5  
Frequency of Accidents by Classes and Extent of Disability Twenty-third Fiscal Year, July 1, 1935, to June 30, 1936

	No. contributors	No. full-time workers	Pay roll exposure	Total	Death and permanent disability	Permanent partial disability	TEMPORARY		No. of ACCIDENTS—	
							Disability 7 days or more	Under 7 days	Per 1,000 full-time workers	Per \$100,000 pay roll
<i>Class 1—Mining—</i>										
Copper.....	7	176	\$294,292.83							
Gold, silver and miscellaneous metals.....	367	2,198	3,840,631.21							
Nonmetal.....	14	117	181,615.35							
Total Class 1.....	388	2,491	\$4,316,539.39	846	12	63	628	143	339.62	19.60
<i>Class 2—Mining—</i>										
Gold, silver and miscellaneous metals.....	73	458	\$503,286.71							
Nonmetal.....	4	54	99,402.24							
Total Class 2.....	77	512	\$902,698.95	75	1	7	60	7	146.48	8.31
<i>Class 3—Nevada Consolidated Copper Corp.—</i>										
Copper mining.....	1	528	\$871,473.84							
Milling and smelting.....	1	822	1,344,316.11							
Total Class 3.....	2	1,350	\$2,215,789.95	113	3	14	83	13	83.70	5.10
Total mining industry.....	467	4,353	\$7,435,028.29	1,034	16	84	771	163	237.54	13.91
<i>Class 4—Railroads—</i>										
All operations.....	8	181	\$264,490.07	13	0	2	9	2	71.82	4.92
<i>Class 5—Public Utilities—</i>										
Electric light, power and gas.....	15	347	\$590,719.86							
Telephone and telegraph.....	5	117	135,436.36							
Waterworks.....	10	55	83,946.41							
Total Class 5.....	30	519	\$810,102.63	43	1	1	36	5	83.82	5.31
<i>Class 6—State and Municipal, Compulsory—</i>										
State departments and institutions.....	9	950	\$2,083,489.71							
State highway contracts.....	21	935	1,398,265.96							
Counties.....	17	719	1,114,305.87							
Cities and towns.....	16	438	722,231.29							
Schools.....	30	389	1,535,510.56							
Total class 6.....	93	3,331	\$6,858,803.39	379	2	34	292	51	96.41	5.53

<i>Class 7—Miscellaneous—</i>										
Garages and service stations.....	74	397	\$628,108.56							
Brewing, bottling and ice manufacturing.....	8	86	145,578.49							
Coal, wood and lumber yards.....	29	113	192,785.89							
Construction and building.....	161	507	845,021.88							
Creameries and dairies.....	23	118	150,111.55							
Foundries and machine shops.....	12	20	41,050.39							
Hotels and restaurants.....	74	536	706,031.61							
Laundries and cleaners.....	17	184	240,818.12							
Logging, lumbering and planing mills.....	9	82	127,890.27							
Packing houses, products.....	6	104	157,838.24							
Printing and publishing.....	13	169	292,207.11							
Stores, mercantile, and meat markets.....	148	1,002	1,518,328.67							
Teaming, transfer, auto trucking.....	40	101	175,230.91							
Banking.....	6	97	152,465.00							
Ranching.....	561	1,158	1,180,087.78							
Oil distributors.....	23	232	414,719.44							
All others.....	150	610	841,842.66							
Stage lines.....	7	56	95,841.59							
Pipe fabrication plants.....	2	398	610,028.75							
Total Class 7.....	1,363	5,970	\$8,513,037.04	1,111	5	84	797	225	186.10	13.05
<i>Class 7-A—Boulder Dam Construction—</i>										
Six Companies, Inc.....	1	1,243	\$1,230,247.28	200	2	30	122	46	160.90	16.28
Grand total all classes.....	1,962	16,197	\$25,106,708.70	2,780	26	235	2,027	492	171.64	11.07

**TABLE NO. 6**  
Annual Number Full-Time Workers

	Class	Average twenty-one years ending June 30, 1934	1935	1936	Average twenty-three years
Mining.....	1	3,118	1,811	2,491	2,958
Ore reduction.....	2	609	409	512	596
Nevada Consolidated Copper Corp.....	3	1,940	880	1,350	1,868
Total mining.....		5,667	3,100	4,353	5,498
Railroads.....	4	302	179	181	291
Public utilities.....	5	445	601	519	455
State and subdivisions, com- pulsory.....	6	2,194	3,621	3,931	2,332
Miscellaneous.....	7	3,452	9,019	7,213	3,858
Totals.....		12,060	16,520	16,197	12,434

**TABLE NO. 7**  
Annual Pay Roll Exposure

	Class	Average twenty-one years ending June 30, 1934	1935	1936	Average twenty-three years
Mining.....	1	\$5,483,325.23	\$3,095,049.61	\$4,316,539.39	\$5,328,757.34
Ore reduction.....	2	1,086,614.85	711,556.80	902,698.95	1,062,289.81
Nevada Consolidat- ed Copper Corp.....	3	3,193,218.56	1,612,507.77	2,215,789.95	3,081,995.11
Total mining.....		\$9,763,158.64	\$5,419,114.18	\$7,435,028.29	\$8,914,188.32
Railroads.....	4	\$429,275.78	\$247,172.91	\$264,490.07	\$414,193.66
Public utilities.....	5	602,444.32	947,332.84	810,102.63	626,468.01
State, etc., compul- sory.....	6	3,201,192.05	6,218,570.05	6,853,803.39	3,495,539.41
Miscellaneous.....	7	4,966,288.90	11,051,097.64	9,743,284.32	5,438,541.25
Totals.....		\$18,962,359.69	\$23,883,287.62	\$25,106,708.70	\$19,443,431.29

TABLE NO. 8  
Fatalities

	Deaths	With dependents	Actual and estimated costs
<i>1935</i>			
Class 1.....	10	7	\$38,775.86
Class 2.....	2	2	13,450.05
Class 3.....	1	1	5,781.02
Class 4.....	.....	.....	.....
Class 5.....	.....	.....	.....
Class 6.....	5	4	21,102.90
Class 7.....	8	7	52,814.62
Class 7-A.....	4	2	9,102.65
Totals.....	30	23	\$141,027.10
<i>1936</i>			
Class 1.....	12	6	\$48,528.61
Class 2.....	1	.....	150.00
Class 3.....	3	1	1,450.00
Class 4.....	.....	.....	.....
Class 5.....	1	1	7,115.14
Class 6.....	2	1	8,044.15
Class 7.....	5	4	21,504.48
Class 7-A.....	2	2	1,550.00
Totals.....	26	15	\$88,342.38

TABLE NO. 9  
Mining Industry—Premium Rates Per \$100 of Pay Roll

	Segregation allowed	April 1, 1933- July 1, 1935	July 1, 1935- July 1, 1936
<i>Mining and Quarrying—</i>			
Underground, surface and construction.....		\$3.75	\$4.00
Clerical .....		.25	.25
Commissary .....		.75	.75
<i>Ore Reduction—</i>			
Construction .....		3.75	4.00
Mill and smelter operations.....		2.00	2.00
Clerical .....		.25	.25
<i>Medical Benefits—</i>			
The medical benefit rates are in addition to the compensation rates shown above, and during the period ending July 1, 1935, were 60% of the compensation rates. For the year ending July 1, 1936, they were 80% of the compensation rates, requiring the following general hazard premiums:			
Mining and quarrying.....		2.25	3.20
Mill and smelter operations.....		1.20	1.60

TABLE NO. 10  
Experience of Accident Benefit Fund, Years Ending June 30, 1935 and 1936

	1935		No. con- tributors	Full-time workers	Pay roll exposure	Earned premium	Total benefits	Number cases	MEDICAL BENEFIT COST		
	Class	and 2							Per case	Per \$100 pay roll	Full-time workers
Mining and ore reduction.....	1	2	412	1,392	\$2,369,559.32	\$43,810.34	\$1,515.15	885	\$46.91	\$1.75	\$29.82
Railroads.....	4	4	4	34	68,682.61	620.47	133.50	11	12.14	.19	3.93
Public utilities.....	5	5	22	315	516,993.88	5,055.78	1,297.65	60	21.63	.25	4.12
State and municipal, compulsory..	6	6	96	3,621	6,218,570.05	43,978.06	29,247.55	671	43.59	.47	8.08
Miscellaneous.....	7	7	1,121	4,336	5,928,204.88	45,042.51	68,120.60	1,361	50.05	1.15	15.71
Totals.....			1,655	9,698	\$15,101,960.74	\$138,507.16	\$140,314.45	2,988	\$46.96	\$0.93	\$14.47
<i>1936</i>											
Mining and ore reduction.....	1	2	403	1,932	\$4,339,341.99	\$85,478.97	\$55,476.50	1,261	\$43.99	\$1.28	\$28.71
Railroads.....	4	4	4	46	70,766.52	811.39	403.70	12	33.64	.57	8.73
Public utilities.....	5	5	24	350	596,209.98	8,720.71	2,118.55	111	28.09	.52	8.91
State and municipal, compulsory..	6	6	93	3,931	6,853,803.39	75,416.45	41,628.50	873	47.68	.61	10.59
Miscellaneous.....	7	7	1,340	5,449	7,685,252.62	95,722.08	32,857.40	2,029	40.84	1.08	13.21
Totals.....			1,864	11,708	\$19,545,524.50	\$266,149.63	\$183,484.65	4,286	\$42.81	\$0.94	\$15.67

# REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

EDLER & SEMENZA  
 CERTIFIED PUBLIC ACCOUNTANTS  
 TITLE INSURANCE BUILDING  
 RENO, NEVADA

August 13, 1936.

HON. RICHARD KIRMAN, SR., HON. GRAY MASHBURN, HON. MATT MURPHY, *Industrial Commission Board, State of Nevada, Carson City, Nevada.*

SIRS: We have audited the accounts and records of the Nevada Industrial Commission for the year ending June 30, 1936. To reflect the operations of the funds during the period under review, as well as for the period the Commission has been operating, and the financial condition as of June 30, 1936, we submit the following exhibits with supporting schedules:

Exhibit A—Assets and Liabilities, June 30, 1936.

Exhibit B—Receipts and Disbursements, State Insurance Fund, July 1, 1913, to June 30, 1936.

Exhibit C—Receipts and Disbursements, State Accident Benefit Fund, July 1, 1917, to June 30, 1936.

Exhibit D—State Insurance Fund, Summary of Operations, July 1, 1913, to June 30, 1936.

Exhibit E—Experience by Classes for Year Ending June 30, 1936.

Exhibit F—State Insurance Fund, Experience by Classes, July 1, 1913, to June 30, 1936.

Exhibit G—State Accident Benefit Fund, Experience by Classes, July 1, 1917, to June 30, 1936.

We wish to call particular attention to Exhibits E, F, and G that show the experience by classes for both funds from their dates of inception to the close of the fiscal year ending June 30, 1936, as well as the operations for the year ending June 30, 1936. The fund balances by classes as at June 30, 1935, the surplus or deficit for the year ending June 30, 1936, and the balance in the various classes as at June 30, 1936, are presented in the following recapitulation:

## STATE INSURANCE FUND

Class	Surplus or deficit June 30, 1935	Surplus or deficit for year ending June 30, 1936	Surplus or deficit June 30, 1936	
Mining .....	1	\$154,930.58	\$8,607.12	\$146,323.46
Ore reduction .....	2	46,539.65	6,446.11	52,985.76
Nevada Consolidated Copper Co.....	3	139,314.34	9,767.76	149,082.10
Railroads .....	4	38,778.31	3,270.00	42,048.31
Public utilities .....	5	66,730.46	8,074.21	74,804.67
State, counties, etc.....	6	81,004.01	34,723.05	115,727.06
Miscellaneous .....	7	87,790.25	142,205.72	229,995.97
Totals .....		\$143,268.42	\$213,093.97	\$356,362.39

*Italic figures denote deficit.*

## ACCIDENT BENEFIT FUND

	Class	Surplus	Surplus or deficit	Surplus
		or deficit	for year ending	or deficit
		June 30, 1935	June 30, 1936	June 30, 1936
Mining .....	1	\$16,135.50	\$21,963.57	\$5,828.07
Ore reduction .....	2	28,247.01	4,862.39	33,109.40
Nevada Consolidated Copper Co. ....	3			
Railroads .....	4	1,880.99	364.37	2,245.36
Public utilities .....	5	4,987.83	5,046.00	58.17
State, counties, etc. ....	6	48,463.00	25,449.20	73,912.20
Miscellaneous .....	7	68,565.12	7,425.61	61,139.51
Totals .....		\$11,097.45	\$65,111.14	\$54,013.69

*Italic figures denote deficit.*

You will note that fund balances in each class show a decided improvement over those of the previous year. The deficits in Classes 1 and 6 of the State Insurance Fund were reduced \$8,607.12 and \$81,004.01, respectively, during the past year. The surplus in all other classes continued to increase during the year. The deficit in the Accident Benefit Fund was eliminated as a result of the year's operations and a surplus of \$54,013.69 exists as at June 30, 1936. Only one class in this fund now shows a deficit, *i. e.*, Class 7. The deficit of this particular class was reduced \$7,425.61 during the year. The improvements in surplus, have no doubt been brought about by the increased rates put in effect July 1, 1935. Administration costs for the year ending June 30, 1936, are somewhat greater than for the year ending June 30, 1935, yet the volume of premiums handled and compensation paid were less in the current year under review.

The problem of eliminating the deficit in Classes 1 and 6 of the State Insurance Fund and Class 7 of the Accident Benefit Fund is still present, even though improvement in these classes was made in the past year. As of the close of the fiscal year more funds were in the hands of the Treasurer uninvested than at the end of the previous fiscal year. We realize that it is difficult to find the desired bonds in which to invest these funds, nevertheless the amount of uninvested funds should not be allowed to increase if it is at all possible to prevent it. The retention of uninvested funds creates a problem for the State Treasurer as it is difficult for him to get ample security from banks to cover his deposits.

The absorption of losses on deposits in closed banks has yet to be met as no definite information is yet available as to the eventual realization by depositors of the Carson Valley Bank and United Nevada Bank. It is quite evident that a loss will be suffered by the depositors of these two institutions and the respective classes of each fund will have to bear some of this loss. In view of this impending loss it will be well to have substantial surplus in all classes of each fund so that deficits can be avoided when the loss is determined and a charge-off made.

## CASH, \$639,337.02

The items comprising this sum are listed on Schedule No. 1, attached hereto. We have divided the various deposits into funds available for disbursement and funds in closed banks. The deposits in closed banks totaled \$120,124.96. There has been paid on the deposits in closed banks to date 35 percent of the balance on deposit at the date such depositories were taken over by the State Bank Examiner.

We verified the funds in control of the State Treasurer by correspondence and found the balance to be in agreement with the records of the Commission. As mentioned previously in our report there does not appear to be any need to carry such a large amount of uninvested funds.

We reconciled the amounts on deposit in the First National Bank in Reno, Carson City Branch, and found them to be in agreement with the records. These balances were also verified by correspondence direct with the bank. The funds on deposit in this bank are secured by bonds on deposit in a safe deposit box in the main office of this bank in Reno, Nevada. Access to the box can only be had by the State Treasurer and an officer of the bank when both parties are present at the same time. We were advised by the bank that the following bonds were deposited to secure this deposit, however, we did not count these bonds:

Reno General Improvement No. 4 Bonds, 5%, par value.....	\$5,000
Reno Special 1930 Sewer Bonds, 5%, par value.....	25,000
Reno School District No. 10 Bonds, 5%, par value.....	31,000
Reno 1930 Sewage Disposal Bonds, 5%, par value.....	7,000
<b>Total .....</b>	<b>\$68,000</b>

We noted that for the greater part of the year the amount on deposit in this bank was in excess of the par value of the bonds held to secure the deposit. This was especially true, due to the fact that outstanding checks payable to the State Treasurer were not deposited immediately as the Treasurer's deposits were also greater than the securities held to secure them.

The special time deposits shown in Schedule No. 1 are secured by bonds held by the State Treasurer. We counted these securities and verified them by correspondence as well. The time deposits listed under closed banks are not secured. The following bonds were deposited by the respective banks:

BANK OF PIOCHE, PIOCHE, NEVADA

Home Owners Loan Corporation Bonds, 3%, par value.....	\$2,000.00
City of Ely Street Improvement Bonds, 5½%, par value.....	3,000.00
Ely School District No. 1 Improvement Bonds, 6%, par value.....	5,000.00
White Pine County Land Purchase Bonds, 5%, par value.....	1,000.00
White Pine County High School Bonds, Lund School District, 5%, par value.....	1,000.00
White Pine County High School Bonds, 6%, par value.....	2,500.00
White Pine County Highway Bonds, 6%, par value.....	2,000.00
Town of Caliente Bonds, 4%, par value.....	3,500.00
<b>Total par value.....</b>	<b>\$20,000.00</b>

ELY NATIONAL BANK, ELY, NEVADA

City of Ely Street Improvement Bonds, 5½%, par value.....	\$6,000.00
City of Carlin Waterworks and Sewer Bonds, 4%, par value.....	13,000.00
City of Fallon Consolidated School District B Bonds, 6%, par value..	1,100.00
City of Lovelock Waterworks Improvement Bonds, 4%, par value.....	6,000.00
Ely School District No. 1 Bonds, 5¼%, par value.....	5,250.00
White Pine County Highway Bonds, 6%, par value.....	1,000.00
<b>Total par value.....</b>	<b>\$32,350.00</b>

FARMERS BANK OF CARSON VALLEY, MINDEN, NEVADA

Douglas County High School Bonds, 5%, par value.....	\$3,500.00
United States Treasury Bonds, 1940, 1½%, par value.....	20,000.00
<b>Total par value.....</b>	<b>\$23,500.00</b>

## FIRST NATIONAL BANK, ELY, NEVADA

City of Ely Street Improvement Bonds, 5 $\frac{1}{2}$ % , par value.....	\$6,000.00
Home Owners Loan Corporation Bonds, 2 $\frac{3}{4}$ % , par value.....	11,000.00
Geo. C. Whitmore Co. Bonds, 5% , par value.....	5,000.00
Total par value.....	\$22,000.00

## MCGILL BRANCH, ELY NATIONAL BANK, MCGILL, NEVADA

Caliente School District Building Bonds, 6% , par value.....	\$1,000.00
City of Elko Refunding Bonds, 6% , par value.....	3,000.00
City of Ely City Hall Bonds, 5 $\frac{1}{4}$ % , par value.....	9,000.00
Clark County Highway Bonds, 6% , par value.....	1,000.00
Town of Caliente Sewer Bonds, 4% , par value.....	7,000.00
United States Treasury Bonds 1946-1956, 3 $\frac{3}{4}$ % , par value.....	10,000.00
Total par value.....	\$31,000.00

## RUTH BANK, RUTH, NEVADA

City of Ely Street Improvement Bonds, par value.....	\$5,000.00
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We did not attempt to obtain the market value of the bonds held as security for deposits. None of the issues were in default at the time of our examination, and interest has been paid at all times it was due.

## PREMIUMS DUE, \$25,000

In computing the surplus available in each class of the State Insurance Fund we have arbitrarily included in premiums earned the sum of \$25,000, as an estimated amount to cover June 1936 premiums not payable until July 1936. This is a very conservative amount, as the monthly premiums are in excess of this sum. In view of the fact that all employers are required to place a deposit with the Commission to cover an estimated two months' pay roll the estimate which we have used in our computations is not unreasonable as collection can always be made by confiscating the deposit held.

## ACCRUED INTEREST, \$23,584.45

Interest on time deposits and bonds owned has been accrued to June 30, 1936. Included in the above amount is the sum of \$328.88 which represents interest purchased in the acquisition of bonds. This particular sum had not yet been recovered as the interest payments on these particular bonds was not due until after July 1, 1936. Pending the return of this sum it is carried as an asset.

Interest on the time deposits in the United Nevada Bank and Carson Valley Bank was accrued to December 12, 1932, the date the Bank Examiner took over these banks. The amount accrued on the Carson Valley Bank deposit has been reduced by 35 percent, the amount of the dividend paid to depositors by the receiver of that bank. In verifying the balance on deposit in the United Nevada Bank, we found that the receiver of this bank had not accrued interest on the deposit to December 12, 1932, and had paid dividends only on the deposit shown as due and not on the interest accrued. If this interest is to be claimed, and we think it should be, demand should be made of the receiver for the dividend of 35 percent on the \$180 of interest which should have been credited to the account.

Interest payments on the Pahranaagat Consolidated School District Bonds were not paid on either January 1, 1936, or July 1, 1936. We

were informed that the tax levy covering the interest and redemption of these bonds was not included in the 1935 tax rate, and that a levy sufficient to pick up this arrearage would be included in the 1936 tax rate. All other interest on bonds and time deposits has been paid when due.

#### **ACCOUNTS RECEIVABLE, \$375.20**

Included in this amount is the sum of \$365 covering rentals due by tenants of the Commission's building. All of this sum was received in July 1936, and for that reason we have shown it as an asset and considered it as income for the year ending June 30, 1936.

The balance of \$10.20 is a compensation payment for the month of July 1936 that was paid in advance. As it does not apply to the operations for the year ending June 30, 1936, we have carried it as an asset and it will be included in the operations for the year ending June 30, 1937.

#### **INVESTMENTS, \$1,361,560.15**

We have listed in detail in Schedule No. 2, attached hereto, the bonds owned by the State Insurance Fund of the Nevada Industrial Commission. We counted these bonds on August 6, 1936, in the office of the State Treasurer where they are held for safe-keeping. All changes in the bonds and interest coupons between June 30, 1936, and the date of our count were checked in detail. All funds received from redemption and interest have been properly accounted for. Proper allowance has been made for amortization of bond premium or discount. In our schedule of bonds we have shown them at par value as well as carrying value.

We did not attempt to obtain the market value of these bonds, however, we did note that all redemptions have been met when due and none of the bonds except the issue mentioned previously are in default in the payment of interest.

#### **FIXED ASSETS**

Included in this caption are the office building, office furniture and fixtures, and automobiles. All additions to these accounts have been verified to the invoices covering such additions, and all reductions have been checked. We are of the opinion that ample rates of depreciation are being used.

#### **RESERVE FOR PENSIONS ALLOWED, \$1,171,209.31**

We test-checked the liability for pensions and found no discrepancies in the items checked. The same actuarial tables were used in setting up the pension liability at June 30, 1936, as has been used in previous years. The "Survivorship Annuitant's Table of Mortality, Remarriage Table of the Dutch Royal Insurance Institution with interest at 3½% per annum" is used.

#### **LIABILITY ACCOUNT PENDING CLAIMS, \$255,010.90**

In order to determine the surplus in each class in the preparation of our statements, it was necessary for us to make allowance for unsettled claims and estimate the liability. The Commissioners, with the assistance of the Commission's physician, analyzed pending claims and gave us this estimate of the liability.

**ADVANCE PREMIUMS**

We balanced the advance premium ledgers and found them to be in agreement with the general ledger balances. We did not attempt to verify the balance of the individual accounts by circularizing the depositors. Such verification was not contemplated in the scope of our audit.

**RESERVES**

The Catastrophe Reserve of \$100,000 was set up at the inception of the Commission, and has been carried in this manner since that time. In addition to this particular reserve an excess of assets over liabilities existed as at June 30, 1936, in the sum of \$410,376.08. This surplus consisted of \$54,013.69 surplus in the Accident Benefit Fund and \$356,362.39 in the State Insurance Fund. A substantial increase in net surplus was evidenced in the year ending June 30, 1936, as the excess of assets over liabilities increased \$278,205.11. The deficit in the Accident Benefit Fund was eliminated during the year and a surplus now exists.

Subject to the foregoing comment, it is our opinion that the attached statements correctly set forth the operations of the two funds for the year ending June 30, 1936, and the financial condition of both funds as at June 30, 1936.

Respectfully submitted,

**EDLER & SEMENZA,**

*Certified Public Accountants.*

**(EXHIBIT A)**  
**ASSETS AND LIABILITIES, JUNE 30, 1936**

ASSETS

Cash on deposit (see Schedule No. 1).....	\$639,337.02	
Premiums due—estimated .....	25,000.00	
Accrued interest .....	23,884.45	
Accounts receivable .....	375.20	
Investments (see Schedule No. 2).....	1,361,560.15	
Office building .....	\$12,971.56	
Less reserve for depreciation.....	3,749.45	
		9,222.11
Furniture and fixtures.....	\$16,613.36	
Less reserve for depreciation.....	13,617.88	
		2,995.48
Automobiles .....	\$1,778.50	
Less reserve for depreciation.....	592.25	
		1,186.25
<b>Total assets .....</b>		<b>\$2,063,260.66</b>

LIABILITIES AND RESERVES

Reserve for pensions allowed.....	\$1,171,209.31	
Liability account pending claims—estimated.....	255,010.90	
Advance premiums—compensation .....	81,254.20	
Advance premiums—accident benefit.....	45,410.17	
Catastrophe reserve .....	100,000.00	
<b>Total liabilities and reserves.....</b>		<b>1,652,884.58</b>
<b>Excess of assets over liabilities and reserves.....</b>		<b>\$410,376.08</b>

REPRESENTED BY

State Insurance Fund surplus.....	\$356,362.39	
Accident Benefit Fund surplus.....	54,013.69	
<b>Total surplus .....</b>		<b>\$410,376.08</b>

**(EXHIBIT B)**  
**STATE INSURANCE FUND**

Receipts and Disbursements, July 1, 1913, to June 30, 1936

RECEIPTS	To June 30, 1935	Year ending June 30, 1936	Total	Total
Premiums collected .....	\$7,771,523.29	\$608,772.34	\$8,380,295.63	
Interest .....	815,444.66	54,197.13	869,641.79	
Miscellaneous receipts .....	785.50		785.50	
<b>Total receipts .....</b>	<b>\$8,587,753.45</b>	<b>\$662,969.47</b>		<b>\$9,250,722.92</b>
<b>DISBURSEMENTS</b>				
Compensation fund .....	\$5,871,024.26	\$472,131.09	\$6,343,155.35	
Administration expense .....	714,662.25	36,940.58	751,602.83	
Furniture and equipment.....	15,864.83	748.53	16,613.36	
Office building .....	12,971.56		12,971.56	
Automobiles .....	2,465.27	540.50	3,005.77	
Premiums refunded .....	221,864.24		221,864.24	
<b>Total disbursements .....</b>	<b>\$6,838,852.41</b>	<b>\$510,360.70</b>		<b>7,349,213.11</b>
<b>Balance in fund June 30, 1936.....</b>				<b>\$1,901,509.81</b>
<b>DISTRIBUTED AS FOLLOWS :</b>				
Cash (see Schedule No. 1).....			\$539,949.66	
Investments (see Schedule No. 2).....			1,361,560.15	
<b>Total .....</b>				<b>\$1,901,509.81</b>

**(EXHIBIT C)****STATE ACCIDENT BENEFIT FUND**

Receipts and Disbursements, July 1, 1917, to June 30, 1936

RECEIPTS	To June 30, 1935	Year ending June 30, 1936	Total	Total
Premiums collected .....	\$1,510,660.45	\$272,822.41	\$1,783,482.86	
Total receipts .....	\$1,510,660.45	\$272,822.41		\$1,783,482.86
<b>DISBURSEMENTS</b>				
Benefits paid .....	\$1,435,583.69	\$180,042.65	\$1,615,626.34	
Administration expense .....	64,183.80	4,285.36	68,469.16	
Total disbursements .....	\$1,499,767.49	\$184,328.01		1,684,095.50
Balance in fund June 30, 1936.....				\$99,387.36

**(EXHIBIT D)****STATE INSURANCE FUND**

Summary of Operations, July 1, 1913, to June 30, 1936

	Class	July 1, 1913, to June 30, 1935	Year ending June 30, 1936	Twenty-three years ended June 30, 1936
<b>Earned Premiums—</b>				
Mining .....	1	\$2,961,639.16	\$153,987.01	\$3,115,626.17
Ore reduction .....	2	471,427.53	22,430.38	493,857.91
Nevada Consolidated Copper Co. ....	3	1,093,434.11	35,606.09	1,129,040.20
Railroads .....	4	143,511.15	3,983.24	147,494.39
Public utilities .....	5	193,405.13	18,871.41	212,276.54
State, counties, etc.....	6	604,620.96	86,776.66	691,397.62
Miscellaneous .....	7	2,023,132.08	289,352.28	2,312,484.36
Total .....		\$7,491,170.12	\$611,007.07	\$8,102,177.19
<b>Compensation—</b>				
Mining .....	1	\$3,098,039.07	\$150,758.65	\$3,248,797.72
Ore reduction .....	2	425,793.24	16,757.73	442,550.97
Nevada Consolidated Copper Co. ....	3	946,042.77	27,500.00	973,542.77
Railroads .....	4	103,732.00	912.36	104,644.36
Public utilities .....	5	125,670.88	11,340.55	137,011.43
State, counties, etc.....	6	691,248.49	54,172.79	745,421.28
Miscellaneous .....	7	1,963,248.64	154,148.19	2,117,396.83
Total .....		\$7,353,775.09	\$415,590.27	\$7,769,365.36
Premiums in excess of compensa- tion.....		\$137,395.03	\$195,416.80	\$332,811.83
Interest and miscellaneous earnings..		\$838,094.86	\$55,916.88	\$894,011.74
Administration expense .....		732,221.44	38,239.74	770,461.18
Net administration earnings.....		\$105,873.42	\$17,677.14	\$123,550.56
Total surplus and statutory reserve...		\$243,268.45	\$213,093.94	\$456,362.39
Surplus accumulated during period..		\$143,268.45	\$213,093.94	\$356,362.39
Statutory reserve .....		100,000.00		100,000.00
Total surplus and statutory reserve...		\$243,268.45	\$213,093.94	\$456,362.39

(EXHIBIT E)

EXPERIENCE BY CLASSES  
Year Ending June 30, 1936

Class number	Earned premiums	Compensation	Administration	Total administration and compensation	Surplus or deficit	Interest and miscellaneous earnings	Net surplus or deficit
<i>State Insurance Fund—</i>							
1	\$153,987.01	\$150,758.65	\$6,972.98	\$157,731.63	\$3,744.62	\$12,351.74	\$8,607.12
2	32,430.33	16,757.73	255.72	17,714.48	4,115.90	1,730.21	6,446.11
3	35,606.09	27,500.00	521.66	28,021.66	7,584.43	2,183.33	9,767.76
4	3,983.24	3,323.36	1,210.63	4,533.99	3,060.35	209.75	3,270.00
5	13,871.41	11,340.55	1,246.25	12,586.80	6,284.61	1,789.60	8,074.21
6	36,776.66	54,172.79	6,372.58	60,745.37	26,031.29	8,691.76	34,723.05
7	289,352.28	154,143.19	21,958.89	176,107.08	113,245.20	28,960.52	142,205.72
Totals.....	\$611,007.07	\$415,590.27	\$38,239.74	\$453,830.01	\$157,177.06	\$55,916.91	\$213,093.97
<i>Accident Benefit Fund—</i>							
1	\$88,850.96	\$45,704.45	\$1,182.94	\$46,887.39	\$21,963.57	.....	\$21,963.57
2	12,729.70	7,616.70	250.61	7,867.31	4,862.39	.....	4,862.39
3	.....	.....	.....	.....	.....	.....	.....
4	771.06	404.95	1.74	406.69	364.37	.....	364.37
5	8,365.28	3,143.80	175.48	3,319.28	5,046.00	.....	5,046.00
6	66,630.44	39,907.75	1,273.49	41,181.24	25,449.20	.....	25,449.20
7	92,055.21	83,265.00	1,364.60	84,629.60	7,425.61	.....	7,425.61
Totals.....	\$249,402.65	\$180,042.65	\$4,248.86	\$184,291.51	\$65,111.14	.....	\$65,111.14

*Italic figures denote deficit.*

(EXHIBIT F)

STATE INSURANCE FUND

Experience by Classes, July 1, 1913, to June 30, 1936

Class number	Earned premiums	Reserve	Premiums refunded	Net premiums	Total compensation and administration	Surplus or deficit	Interest and miscellaneous earnings	Net surplus or deficit
1	\$3,219,889.98	\$56,852.97	\$104,263.81	\$3,058,773.20	\$3,546,826.05	\$,788,052.85	\$341,739.39	\$146,323.46
2	493,857.91	7,002.42	.....	486,855.49	488,251.74	1,406.25	54,329.01	52,985.76
3	1,203,872.28	19,001.38	74,832.08	1,110,038.32	1,084,971.44	25,066.88	124,014.72	149,082.10
4	154,777.71	2,657.10	7,283.32	144,837.39	118,970.36	25,866.98	16,181.38	42,048.31
5	229,641.44	2,582.41	17,384.90	209,694.13	158,266.71	51,427.42	23,427.25	74,854.67
6	701,832.49	4,121.56	9,934.87	687,276.06	810,340.23	123,064.17	76,783.21	46,280.96
7	2,320,619.62	7,732.16	8,135.26	2,304,702.20	2,332,190.01	27,487.81	257,483.78	239,993.97
Totals	\$5,324,041.43	\$100,000.00	\$221,864.24	\$8,002,177.19	\$8,539,826.54	\$537,649.35	\$894,011.74	\$356,362.39

Details of Compensation and Administration as Shown Above

Class number	Compensation paid	Unpaid pension awards	Liability		Total compensation	Administration expense	Total compensation and administration
			account of pending claims	compensation			
1	\$2,748,556.97	\$422,142.84	\$78,097.91	\$3,248,797.72	\$298,028.33	\$3,546,826.05	
2	376,010.09	56,535.08	10,005.80	442,550.97	45,710.77	488,261.74	
3	841,735.21	116,493.91	19,313.65	973,527.77	111,438.67	1,084,971.44	
4	89,534.35	15,050.91	39.10	104,614.36	11,226.00	115,840.36	
5	119,662.65	15,883.96	1,464.82	137,011.43	21,253.28	158,266.71	
6	557,290.03	152,263.33	35,868.92	745,421.28	64,913.95	810,340.23	
7	1,610,335.85	392,840.28	114,220.70	2,117,396.33	214,793.18	2,332,190.01	
Totals	\$6,343,145.15	\$1,171,209.31	\$255,010.90	\$7,769,365.36	\$770,461.18	\$8,539,826.54	

*Italic figures denote deficit.*

STATE ACCIDENT BENEFIT FUND

Experience by Classes, July 1, 1917, to June 30, 1936

Class number	Premiums earned	Benefits paid	Administration	Surplus or deficit
1	\$477,230.17	\$452,612.25	\$18,789.85	\$5,828.07
2	79,639.45	43,442.46	3,137.59	33,109.40
3	8,420.45	5,843.55	3,315.4	2,245.36
4	49,485.07	47,979.40	49,427.80	58.17
5	427,343.05	336,605.19	353,430.85	73,912.50
6	695,903.60	729,643.49	757,643.11	61,739.51
7	.....	.....	.....	.....
Totals	\$1,738,072.69	\$1,615,626.34	\$58,432.66	\$54,013.69

*Italic figures denote deficit.*

(EXHIBIT G)

**(SCHEDULE NO. 1)**  
**CASH ON DEPOSIT, JUNE 30, 1936**

**Available Funds**

State Treasurer .....	\$333,601.08
First National Bank in Reno, Carson City Branch.....	55,110.98
Revolving Fund—First National Bank in Reno, Carson City Branch.....	3,000.00
<i>Special Time Deposits—</i>	
Bank of Pioche, Pioche, Nevada.....	\$20,000.00
Ely National Bank, Ely, Nevada.....	30,000.00
Farmers Bank of Carson Valley, Minden, Nevada.....	22,500.00
First National Bank, Ely, Nevada.....	20,000.00
McGill Branch, Ely National Bank, McGill, Nevada.....	30,000.00
Ruth Bank, Ruth, Nevada.....	5,000.00
Total special time deposits.....	127,500.00
Total cash on deposit.....	\$519,212.06

**Deposits in Closed Banks**

Carson Valley Bank, special account.....	\$39.00
Carson Valley Bank, open account.....	76,012.10
Carson Valley Bank, auditor's petty cash.....	1,823.86
<i>Special Time Deposits—</i>	
Carson Valley Bank, Carson City, Nevada.....	\$35,750.00
United Nevada Bank, Reno, Nevada.....	6,500.00
Total special time deposits.....	42,250.00
Total in closed banks.....	\$120,124.96
Total, all banks.....	\$639,337.02

**APPLICABLE AS FOLLOWS :**

State Insurance Fund.....	\$539,949.66
State Accident Benefit Fund.....	99,387.36
Total .....	\$639,337.02

(SCHEDULE NO. 2)  
**BONDS OWNED—STATE INSURANCE FUND**  
 June 30, 1936

Description	Interest rate	Par value	Book value
Arkansas State Highway Refunding Bonds, Series A.....	4½ %	\$25,000.00	\$25,764.53
Arkansas State Highway Refunding Bonds, Series B.....	3½ %	1,781.25	1,781.25
Carson City Street Paving Bonds.....	5 %	11,500.00	11,500.00
Churchill County High School Bonds.....	5 %	6,000.00	6,000.00
City of Fallon, City Hall Bonds.....	5 %	37,000.00	37,000.00
City of Fallon, Street Improvement Bonds.....	5½ %	10,000.00	10,207.88
City of Las Vegas Highway Bonds, 1926-1927.....	6 %	8,000.00	8,711.00
City of Las Vegas Sewer Bonds.....	6 %	128,000.00	128,081.12
City of Las Vegas 1930 Special Curb and Gutter Bonds.....	6 %	3,000.00	3,065.86
City of Las Vegas 1930 Special Pavement Improvement Bonds.....	6 %	11,000.00	11,624.54
City of Wells Waterworks Bonds.....	5½ %	8,000.00	8,431.50
City of Wells Waterworks and Sewer Bonds.....	5½ %	26,000.00	27,777.81
Clark County Educational District No. 1 Bonds.....	6 %	2,000.00	2,000.00
Clark County Educational District No. 1 Bonds.....	5½ %	14,000.00	14,636.72
Denver Joint Stock Land Bank Bonds.....	5 %	100,000.00	100,097.20
Douglas County State Highway Bonds.....	5 %	4,000.00	4,029.64
Elko County School District No. 1 Bonds.....	6 %	5,000.00	5,010.64
Fernley High School District No. 4 Bonds.....	5½ %	10,000.00	10,041.11
Fernley High School District Bonds.....	5½ %	16,000.00	16,054.20
Home Owners Loan Corporation Bonds.....	3 %	100,000.00	100,970.59
Las Vegas School District No. 12 Bonds.....	5 %	11,000.00	11,133.23
Lyon County Courthouse Improvement Bonds.....	4 %	25,000.00	25,360.75
Lyon County Highway Bonds.....	6 %	12,000.00	12,530.75
Maricopa County, Arizona, Highway Bonds.....	6 %	21,000.00	22,360.08
Metropolis School District.....	6 %	3,500.00	3,668.16
Mineral County Light and Power Line Refunding Bonds.....	5½ %	30,000.00	30,000.00
Mississippi State Refunding Bonds.....	4½ %	25,000.00	25,000.00
Montello High School District Bonds.....	6 %	12,000.00	12,645.31
Ormsby County Courthouse Bonds.....	5½ %	28,000.00	28,000.00
Ormsby County School District No. 1 Bonds.....	3½ %	45,000.00	45,342.58
Pahrnagat Consolidated School District Bonds.....	6 %	24,000.00	24,000.00
Paradise School District No. 8 Bonds.....	4 %	14,000.00	14,000.00
Reno General Improvement No. 4 Bonds.....	5 %	26,500.00	26,698.75
Smith Valley High School Bonds.....	4 %	6,500.00	6,500.00
Storey County High School Bonds.....	4 %	20,000.00	20,100.00
United States Treasury Bonds, 1945-1947.....	2½ %	5,500.00	5,500.00
United States Treasury Bonds, 1941.....	3½ %	70,000.00	70,315.76
United States Treasury Bonds, 1944-1954.....	4 %	125,000.00	130,785.21
United States Treasury Bonds, 1944-1946.....	3½ %	10,000.00	10,000.00
United States Treasury Bonds, 1946-1956.....	3½ %	50,000.00	52,345.05
United States Treasury Bonds, 1947-1952.....	4½ %	75,000.00	82,785.94
United States Treasury Bonds, 1950-1960.....	2½ %	82,500.00	82,500.00
United States Treasury Bonds, 1951-1954.....	2½ %	14,000.00	14,017.50
Wells Consolidated School District No. 1 Bonds.....	6 %	44,000.00	47,153.18
White Pine County High School Bonds.....	6 %	10,000.00	10,468.92
Yerington Grammar School Bonds.....	4 %	15,500.00	15,563.39
Total bonds owned.....		\$1,331,281.25	\$1,361,560.15