

# Workers' Compensation Recommendations

## Workers' Compensation Working Group

November 9, 2018



ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT  
COMMISSIONER HEIDI DRYGAS

# Workers' Compensation

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## What is Workers' Compensation?

A system of insurance that protects workers and employers from some of the losses caused by on-the-job accidents and job-related illnesses



# Workers' Compensation

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## The “Grand Bargain”

An employer provides prompt, necessary medical and wage loss benefits to an injured worker for a work-related injury.

In exchange, the injured worker receives limited benefits and gives up the right to sue the employer.



# Workers' Compensation

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Quick

Efficient

Fair

Predictable

Reasonable  
cost



# Workers' Compensation

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## Workers' Compensation Areas of Concern

- Dispute resolution
- Misclassification
- PPI and Death Benefits
- Reemployment Benefits
- Medical Costs



# Workers' Compensation

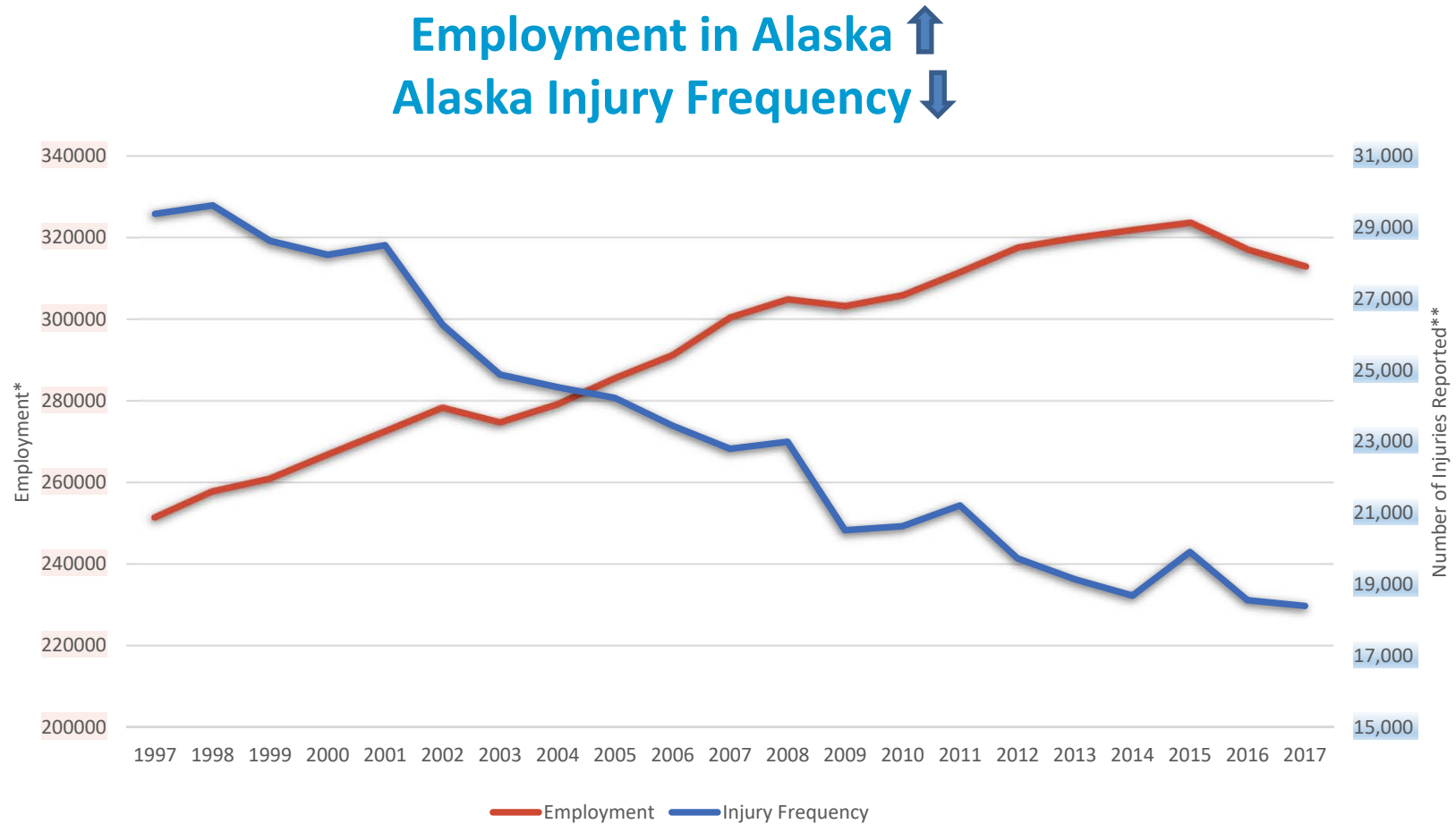
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# Workers' Compensation



Employment Based on Department of Labor & Workforce Development, Research and Analysis Section Data  
Injury Frequency Based on 2017 Workers' Compensation Annual Report Data



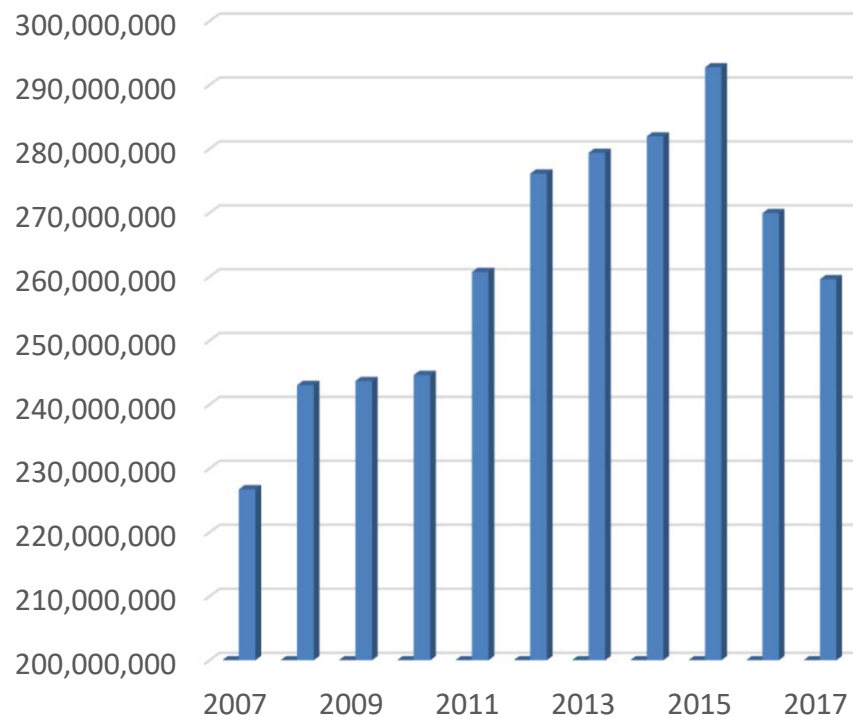
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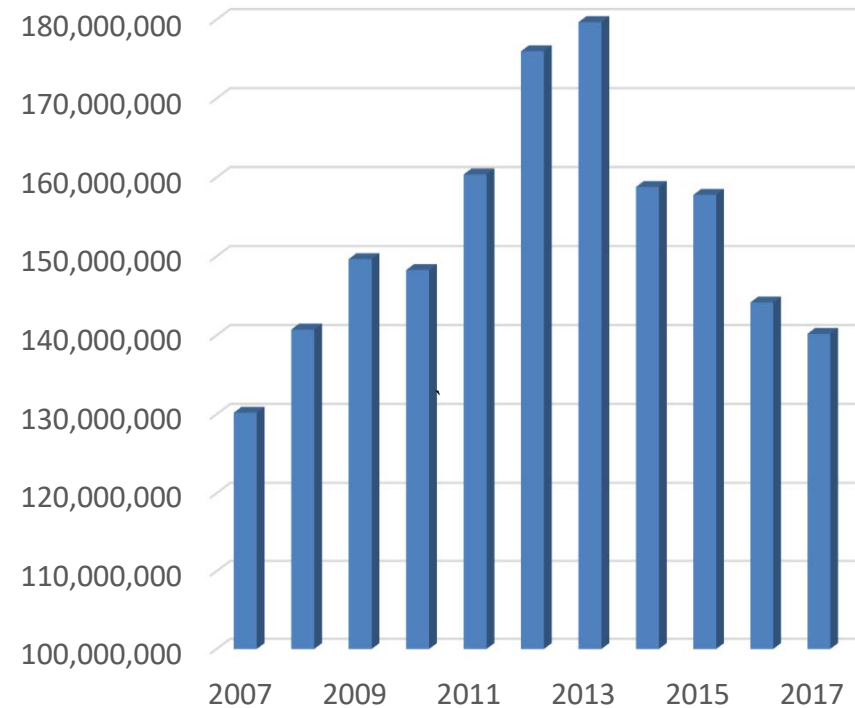
# Workers' Compensation

## Compensation Payments

### Total Compensation Payments



### Medical Payments



Based on 2017 Workers' Compensation Annual Report Data



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# Workers' Compensation

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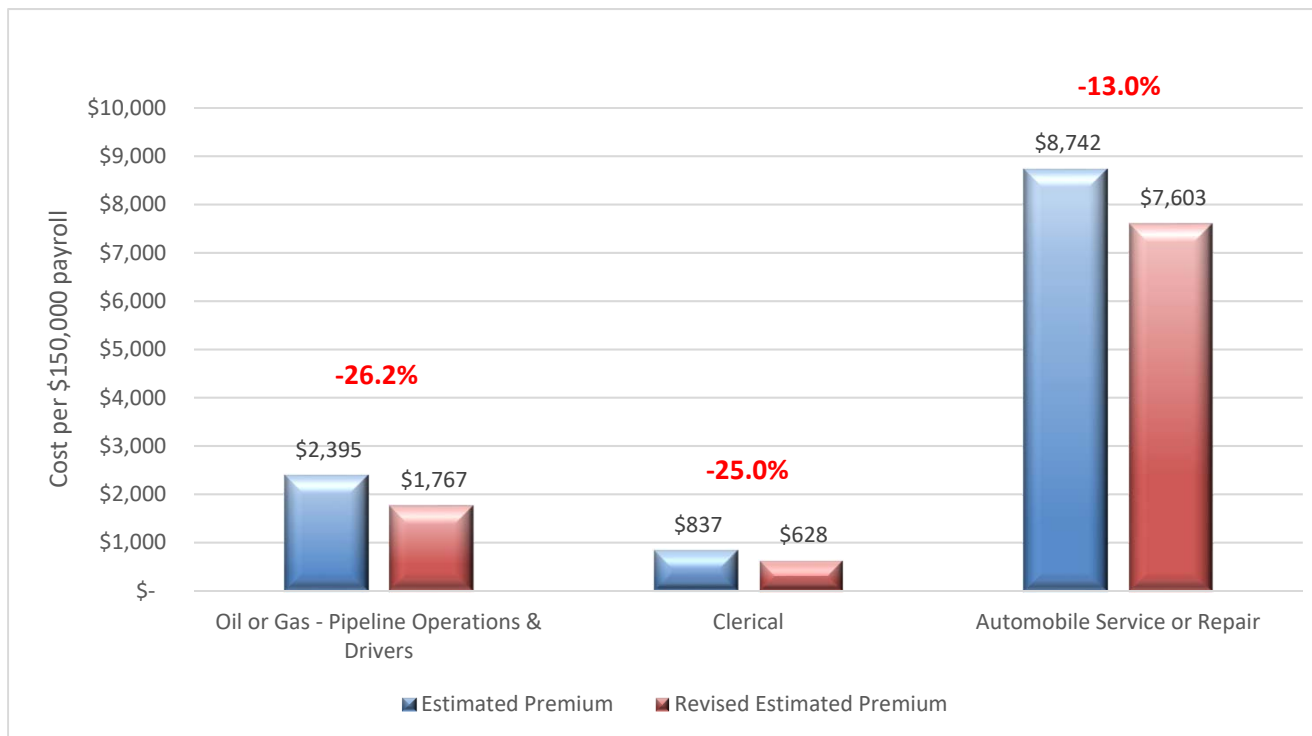
## 2019 NCCI Proposed Workers' Compensation Rate Reduction

- 17.5% decrease assigned risk rates, 14.8% decrease voluntary loss costs
- Signifies a positive downward trend in reduced workers' compensation losses
- If approved, would be biggest year-to-year decrease in workers' compensation rates in 40 years



# Workers' Compensation

## 2019 Proposed Reduction Estimated Rate Impact



Source: Department of Commerce, Community and Economic Development, Division of Insurance



# Workers' Compensation

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## Workers' Compensation Recommendations

- Speed up dispute resolution
- Strengthen provisions to prevent workers' compensation fraud by employers and employees
- Increase PPI and Death Benefits
- Reform reemployment benefits program



**WE'RE PREPARING ALASKANS  
FOR THE JOBS OF TODAY—AND  
TOMORROW.**

**Alaska Department of Labor and  
Workforce Development  
COMMISSIONER HEIDI DRYGAS**

Email: [Commissioner.Labor@alaska.gov](mailto:Commissioner.Labor@alaska.gov)  
Phone: (907) 465-2700



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