



ANALYSIS OF ALASKA HOUSE BILL 45

As Prefiled on January 8, 2021

NCCI has evaluated the impact of Alaska House Bill (HB) 45 as prefiled on January 8, 2021, which would establish a rebuttable presumption that a claim for a contagious disease¹ is compensable under the Alaska Workers' Compensation Act for the occupational groups listed in the bill during the governor's² declaration of a public health disaster emergency due to an outbreak of the contagious disease. If enacted, HB 45 could result in a significant increase in workers compensation (WC) costs in Alaska for the affected occupations. HB 45 is proposed to become effective immediately and the presumption would apply retroactively to November 15, 2020 for a subset of the occupations identified in the bill³.

A precise estimate of this cost increase cannot be determined at this time. However, following the framework included in the NCCI research briefs titled *COVID-19 and Workers Compensation: Modeling Potential Impacts*⁴ (also referred to on ncci.com as the "white paper"), *COVID-19 and Workers Compensation: Permanent Disability*⁵, and *COVID-19 and Workers Compensation: Frequency Assumptions Update*⁶, three hypothetical scenarios are provided in this analysis to illustrate the potential magnitude of the expected increase in WC system costs⁷ due to HB 45. The following table provides a range of illustrative potential cost impacts based on numerous key assumptions, of which some of the more impactful are displayed:

	Hypothetical Scenarios		
	#1	#2	#3
(1) Infection Rate	5%	15%	25%
(2) Claim Report Rate	40%	40%	40%
(3) Incremental Compensability Rate	Varies by occupational classification ⁸		
(4) Fatal Rate	0.5%	0.5%	0.5%
(5) Share of WC Losses Affected by Proposal	Varies by occupational classification ⁹		

¹ "Contagious disease" is defined in AS 18.15.395 as "an infectious disease that can be transmitted from individual to individual."

² Per AS 26.23.020 (c) If the governor finds that a disaster has occurred or that a disaster is imminent or threatened, the governor shall, by proclamation, declare a condition of disaster emergency. The disaster emergency remains in effect until the governor finds that the danger has passed, or the disaster has been dealt with so that the emergency no longer exists.

³ The retroactivity date of November 15, 2020 is an apparent reference to the original repeal date of Senate Bill (SB) 241, which provided a conclusive presumption for COVID-19 for the occupations identified in HB 45: Firefighter, Emergency Medical Technician, Paramedic, Peace Officer, and Health Care Provider.

⁴ <https://www.ncci.com/Articles/Pages/Insights-COVID-19-WorkersComp-Modeling-Potential-Impacts.pdf>

⁵ <https://www.ncci.com/Articles/Documents/COVID-19-Workers-Compensation-Permanent-Disability.pdf>

⁶ <https://www.ncci.com/Articles/Pages/Insights-COVID-19-WCFrequencyAssumptionsUpdate.pdf>

⁷ The phrases "WC losses" and "WC system costs" are used interchangeably throughout the remainder of this document, and do not contemplate expenses, taxes, or other premium adjustments.

⁸ Additional COVID-19 claims becoming compensable due to the proposed bill, not the total compensability rate for all COVID-19 claims. See Appendix B, Table 2 for details.

⁹ See Appendix B, Table 3 for details.



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(6) Potential Percentage Impacts on WC Losses ¹⁰	+0.7%	+4.8%	+14.6%
(7) Prior Estimated Annual WC Losses ¹¹	\$229M	\$229M	\$229M
(8) Potential Dollar Impacts on WC Losses = (6) x (7)	+\$2M	+\$11M	+\$33M

Some important considerations related to these impacts are as follows:

- As the research briefs indicate, there is currently considerable uncertainty in many of the assumptions included in the framework presented, several of which are not explicitly shown in the table above.
- The modeled scenarios do not account for certain potential benefit costs such as mental illness or Part II (Employers Liability) coverage.
- The effect of the presumption on the claim reporting rate or percentage of filed claims deemed compensable is uncertain.
- Based on the occupations listed in HB 45, occupations were combined into the following job groupings and will be referred to as such throughout the remainder of this document:
 - **“First Responder”** refers to the occupations of emergency medical technician (EMT), firefighter, paramedic, and peace officer as defined in the bill or current Alaska statutes.
 - **“Healthcare Provider”** as defined in AS 13.52.390, includes individuals licensed, certified, or otherwise authorized or permitted by law to provide healthcare in the ordinary course of business or practice of a profession.
 - **“All Other Qualifying Workers”** includes employee of a childcare facility, employee of a grocery store, teacher, and any other employee that the Commissioner of the Alaska Department of Labor and Workforce Development (DLWD) determines performs services that place an employee at a similar risk of being exposed to or contracting the contagious disease to those occupations explicitly noted in HB 45.
- The scenarios presented in the above table assume that the proposed bill is effective retroactively as to the date of exposure to the contagious disease. HB 45 provides the presumption “immediately” upon enactment for certain occupations but retroactively to November 15, 2020 for others. Whichever date is applicable, it is unclear whether this date

¹⁰ See Appendix A for calculation details.

¹¹ Calculated using estimated payroll of \$18.8B from Bureau of Labor Statistics (BLS) data for Alaska and a pure premium factor of \$1.22 per \$100 of payroll. This figure does not contemplate expenses, taxes, or other premium adjustments. The use of BLS wages provides an estimate of the impact on all private and public employers regardless of how work-related injury costs are funded (e.g., privately insured, self-insured, policyholder retained portion of deductible policies, or employees exempted from WC requirements).



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applies to when the exposure to the contagious disease occurred, or to when the worker files or refiles the claim regardless of when they may have contracted the contagious disease.

- The modeling framework contained in NCCI's white papers contemplate infection rates for the entire duration of the current pandemic. In contrast, this document contemplates infection rates as of the effective date of the bill for the occupations listed in AS 23.30.118(b)(2)(F)-(I) and since November 15, 2020 for the occupations listed in AS 23.30.118(b)(2)(A)-(E).
- **It should not be interpreted to suggest that assumption selections outside of the above ranges (or those provided in the baseline scenario in the white papers) are not appropriate.**

The analysis is considered preliminary. NCCI may supplement this document with a complete and final analysis of a bill that arises out of this proposal at a later date. It is possible that the estimated impact of the final analysis will differ materially from what is provided in this document. Note that the absence of an update to the preliminary analysis does not signify that this is NCCI's final assessment of the proposed bill.

The proposed bill was evaluated in isolation, without taking into account any other state or federal legislation currently being considered or recently enacted. **The analysis focuses solely on the potential impact of the proposal on WC system costs. However, other factors resulting from the COVID-19 crisis, such as the increased usage of telemedicine and longer-term effects to the economy, may also have significant, potentially offsetting, impacts to the WC system.**

Background

Currently, Alaska Statute (AS) 23.30.010 establishes standards for when compensation or benefits are payable for disability or death or the need for medical treatment of an employee (coverage), along with standards to establish a presumption of coverage and how a presumption may be rebutted. In addition, specific to firefighters, AS 23.30.121 provides for a rebuttable presumption of compensability for certain diseases under certain conditions, including respiratory disease.

Under the current statutes, it is possible some portion of filed COVID-19 claims may be found to be compensable. This could occur if it is determined that the disability or death or need for medical treatment arose out of and in the course and scope of the employment, with employment being the substantial cause of the disability or death relative to contribution of other causes. An injured worker may establish a presumption of coverage via establishing a



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causal link between employment and disability or death or the need for medical treatment from contracting the virus¹².

Also, Senate Bill (SB) 241, provided a conclusive presumption for COVID-19 for the occupations of Firefighter, Emergency Medical Technician, Paramedic, Peace Officer, and Health Care Provider.

On March 11, 2020 the Governor of Alaska declared a condition of disaster emergency due to the outbreak of the COVID-19 pandemic. The disaster emergency was effective immediately and was to remain in effect until the Governor determines that the danger has passed or no longer exists.

Description of HB 45 and Actuarial Comments

On January 8, 2021, AK HB 45 was prefiled, and its retroactive date of November 15, 2020 for certain occupations matches the original expiration date of SB 241. HB 45 proposes to add a section to the Alaska statutes that would provide a rebuttable presumption that an employee's claim for compensation as a result of a contagious disease, which at this specific time is COVID-19, is within the provisions of the Alaska Workers' Compensation Act if, during a condition of disaster emergency declared by governor under AS 26.23.020(c) the employee:

- is employed as a first responder, healthcare provider, or other qualifying worker as outlined in HB 45;
- receives diagnosis by a physician of, or positive lab tests for the contagious disease; and
- worked outside the home in the occupation and had work-related in-person contact with a member of the public within 14 days before the employee receives a diagnosis or positive laboratory test.

The presumption of compensability may be rebutted only by clear and convincing evidence that the employee contracted the disease through exposure that was not work related. If enacted, HB 45 would eliminate the requirement for designated employees in certain occupations to establish that contraction of COVID-19 is an occupational disease or infection that arises naturally out of the employment or that naturally or unavoidably results from an accidental injury.

If enacted, the bill would be expected to increase WC system costs in Alaska for the affected job classifications, as some claims which may not currently be deemed compensable may be found to

¹² The employer may rebut the presumption by a demonstration of substantial evidence that the disability, death or medical treatment did not arise out of and in the course of employment.



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be compensable under the proposed presumption. However, there are substantial uncertainties which render a precise estimate of the impact on system costs difficult.

These uncertainties include, but are not limited to:

- The incidence rate of COVID-19 among the portion of the Alaska population covered by WC,
- The timing, distribution, and efficacy of COVID-19 vaccinations,
- The effects of virus containment measures and the resulting decrease in economic activity on the composition of payroll and exposure to COVID-19 at the workplace,
- The rate at which employees infected with COVID-19 will be diagnosed or test positive for it and file a WC claim,
- The share of claims which would have ultimately been compensable under the statutes and/or rules in effect prior to the proposal¹³,
- The share of claims which would be deemed compensable under the proposal,
- The breadth of occupations not explicitly specified but determined by the Alaska DLWD to qualify for the presumptions contained in HB 45,
- The claim severity of compensable COVID-19 related WC claims, and
- The extent to which the above unknowns will vary among individual job classifications.

Illustrative Scenarios

Although NCCI is unable to precisely quantify the potential impact of the proposal on Alaska's WC system costs, this section of the document will describe potential WC system cost impacts under three **hypothetical** scenarios for illustrative purposes. Scenarios 1 and 3 are not intended to display a minimum and maximum possible impact. Rather, they are hypothetical scenarios reflecting the low and high ends of a range of reasonable assumptions based on publicly available research, WC loss data collected by NCCI, and actuarial judgment. Likewise, Scenario 2 is not intended to indicate NCCI's best estimate of the potential WC system cost impact; it is merely one possible hypothetical scenario among many, using values from the middle of a range of potential assumptions.

The impacts for the three hypothetical scenarios contained in this document follow the framework described in NCCI's research briefs, which were created using publicly available research on the epidemiological characteristics of the COVID-19 virus, WC loss data collected by

¹³ For example, as previously noted, AS 23.30.121 already provides for a rebuttable presumption of respiratory disease for firefighters, so COVID-19 might already be more likely to be compensable for firefighters in certain cases. Also, SB 241 established a conclusive presumption for the occupations of Firefighter, Emergency Medical Technician (EMT), Paramedic, Peace Officer, and Health Care Provider if the employee is exposed to COVID-19 in the course of employment and receives a COVID-19 diagnosis by a physician, a presumptive positive COVID-19 test result, or a laboratory-confirmed COVID-19 diagnosis.



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NCCI, and other publicly available information. The model is described in detail in the research briefs which may be found on ncci.com.

The research briefs' appendices contain most of the relevant inputs which were used to parameterize the three scenarios described in this document. Most of these inputs from the three research briefs were used in this document without alteration. However, to reflect the specific circumstances in Alaska surrounding the implementation of this proposal, the scenarios in this document require unique selections of four key parameters:

- The assumed infection rate,
- The share of worker infections reported to their employer,
- The share of claims deemed compensable, and
- The share of system costs assumed to be subject to the proposal.

In this document, incremental infection rates of 5%, 15%, and 25% are used for Scenarios 1, 2, and 3, respectively. These percentages include a portion of infections that have already occurred, as well as infections that may occur after the passage of the proposal. The scenario impacts would be affected to the extent that these infection rates vary by occupation. In all three scenarios, it is assumed that 40% of COVID-19 infections would result in the infected worker filing a WC claim.

The illustrative scenarios in the research briefs reflect a compensability rate of up to 100% for COVID-19 related claims. However, the papers indicate that this parameter is expected to be modified by the user based on their expectations of compensability for the state and occupations being analyzed. The scenarios in this document contemplate compensability rates less than 100% for two reasons:

- Even in the absence of the proposal, some portion of COVID-19 claims would likely be deemed compensable. The scenarios in this document are concerned with the incremental increase in WC system costs due to the implementation of the proposal, rather than the overall change in system costs due to all aspects of the current pandemic.
- The proposed bill would establish a rebuttable presumption of compensability. Even in the presence of HB 45, it is possible that some share of COVID-19 claims would be deemed non-compensable due to the rebuttable nature of the presumption.

The hypothetical cost impacts from the framework described in the NCCI white paper must then be converted to impacts on overall WC losses. Therefore, the impact on covered workers must be multiplied by the proportion of overall WC losses associated with those job classifications. NCCI



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estimates that 3.4% of losses in the Alaska WC system¹⁴ are attributable to first responders, 6.4% are attributable to healthcare workers, and between 5.9% and 15.0% are attributable to all other qualifying workers¹⁵.

The estimated impact of the proposal in each scenario is shown in the table below, both for the specific occupational groups and for total WC system costs. A detailed example calculation of the impacts under Scenario 2 is included in the Appendix.

Impact of the Proposed Presumption on WC Losses

Hypothetical Scenarios	#1	#2	#3
First Responders	+1.1%	+6.6%	+16.6%
Healthcare Workers	+4.2%	+25.1%	+62.7%
All Other Qualifying Workers	+6.7%	+30.0%	+66.6%
Overall System Costs	+0.7%	+4.8%	+14.6%

¹⁴ Based on estimated Alaska payroll from BLS data multiplied by NCCI's latest approved pure premium factor for each group, divided by total expected WC losses in Alaska.

¹⁵ It is unknown which, if any, other employees will be determined by the Commissioner of the Alaska Department of Labor and Workforce Development to perform services that place them at a similar risk as the other occupations explicitly noted. Hence, NCCI has selected a range for the proportion of "All Other Qualifying Workers."



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Appendix A

Hypothetical Scenario #2 – Alaska – Impact to Expected Losses – First Responders

Frequency Inputs		Scenario Assumption
(1)	Infection Rate	15%
(2)	Report Rate	40%
(3)	Hospitalization Rate	10%
(4)	Critical Care Rate	15%
(a)	Permanent Partial Rate	40.0%
(b)	Permanent Total Rate	3.0%
(5)	Fatal Rate	0.5%
(6)	Compensability Rate	20%

Severity and Benefit Inputs			Relativity	Scenario Assumption	
(7)	Wage Replacement ¹	\$1,252	x	1.00	= \$1,252
(8)	Fatal ²	\$539,750	x	0.65 ⁵	= \$350,838
(9)	Permanent Partial ²		x		
(a)	Moderate	\$35,645	x	0.90	= \$32,081
(b)	Severe	\$35,645	x	1.50	= \$53,468
(10)	Permanent Total ²	\$588,013	x	0.95	= \$558,612
(11)	Medical ¹				
(a)	Mild	\$1,720	x	1.00	= \$1,720
(b)	Moderate	\$30,774	x	1.00	= \$30,7774
(c)	Severe	\$92,460	x	1.00	= \$92,460

Scenario Assumptions		(i) Frequency	(ii) Wage Replacement	(iii) Permanent Disability	(iv) Medical	(v) Nonfatal
(12)	Mild	5.400%	\$1,142	\$0	\$1,720	\$2,862
(13)	Moderate	0.510%	\$1,869	\$6,416	\$30,774	\$39,059
(14)	Severe	0.090%	\$4,361	\$38,145	\$92,460	\$134,966
(15)	Overall	6.000%	\$1,252	\$1,118	\$5,551	\$7,920



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Scenario Impacts	Estimate	
(16) Average Salary ³	\$75,346	
(17) Pure Premium Factor ⁴	2.32	
(18) Workforce	4,420	
(19) Expected Payroll	\$333M	= (16) x (18)
(20) COVID-19 Total Severity	\$9,675	= (15v) + (5) x (8)
(21) COVID-19 Expected Losses	\$0.5M	= (20) x (18) x (15i) x (6)
(22) Expected Losses Without COVID-19	\$7.7M	= (19)/100 x (17)
(23) Scenario Expected Losses With COVID-19	\$8.2M	= (21) + (22)
(24) Scenario Impact on First Responders	+7%	= (23) / (22) - 1.0
(25) Scenario Impact on Statewide WC Losses	+0.2%	= (24) x (22) / (22) for total workforce in jurisdiction

NOTE: The model scenario may not include consideration for all potential benefit costs such as mental illness or employers liability. Displayed values not shown to full precision. For this reason, the sum of the two sets of calculations in Appendix A may not exactly match the summary table at the beginning of this document.

Amounts shown in Rows (16), (18), (19), (21), (22), (23) reflect all private and public employers regardless of how work-related injury costs are funded (e.g., privately insured, self-insured, and employers exempted from WC requirements)

- ¹ Base severity values taken from COVID-19 and Workers Compensation: Modeling Potential Impacts; to distinguish Moderate and Severe medical severities for changes to the critical care rate, estimates from Table 8—adjusted for the CARES Act—are used.
- ² Base severity values taken from COVID-19 and Workers Compensation: Permanent Disability.
- ³ Annual mean wage through May 2019 from the US Bureau of Labor Statistics for "Protective Service Occupations" and "Emergency Medical Technicians and Paramedics".
- ⁴ Weighted average of the underlying pure premium factor in each relevant approved loss cost in Alaska as of 4/10/2020.
- ⁵ Fatal relativity reflects actuarial judgment of the impact of higher average claimant age when the surviving spouse does not get lifetime benefits, as is the case in Alaska.



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Hypothetical Scenario #2 – Alaska – Impact to Expected Losses – Healthcare Worker

Frequency Inputs		Scenario Assumption
(1)	Infection Rate	15%
(2)	Report Rate	40%
(3)	Hospitalization Rate	10%
(4)	Critical Care Rate	15%
(a)	Permanent Partial Rate	40.0%
(b)	Permanent Total Rate	3.0%
(5)	Fatal Rate	0.5%
(6)	Compensability Rate	20%

Severity and Benefit Inputs			Relativity	Scenario Assumption	
(7)	Wage Replacement ¹	\$1,242	x	1.00	= \$1,242
(8)	Fatal ²	\$535,500	x	0.65 ⁵	= \$348,075
(9)	Permanent Partial ²		x		
(a)	Moderate	\$35,364	x	0.90	= \$31,828
(b)	Severe	\$35,364	x	1.50	= \$53,046
(10)	Permanent Total ²	\$583,383	x	0.95	= \$554,214
(11)	Medical ¹				
(a)	Mild	\$1,720	x	1.00	= \$1,720
(b)	Moderate	\$30,774	x	1.00	= \$30,774
(c)	Severe	\$92,460	x	1.00	= \$92,460

Scenario Assumptions		(i) Frequency	(ii) Wage Replacement	(iii) Permanent Disability	(iv) Medical	(v) Nonfatal
(12)	Mild	5.400%	\$1,133	\$0	\$1,720	\$2,853
(13)	Moderate	0.510%	\$1,855	\$6,366	\$30,774	\$38,995
(14)	Severe	0.090%	\$4,327	\$37,845	\$92,460	\$134,632
(15)	Overall	6.000%	\$1,242	\$1,109	\$5,551	\$7,902



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Scenario Impacts	Estimate	
(16) Average Salary ³	\$74,428	
(17) Pure Premium Factor ⁴	0.62	
(18) Workforce	31,960	
(19) Expected Payroll	\$2,379M	= (16) x (18)
(20) COVID-19 Total Severity	\$9,642	= (15v) + (5) x (8)
(21) COVID-19 Expected Losses	\$3.7M	= (20) x (18) x (15i) x (6)
(22) Expected Losses Without COVID-19	\$14.7M	= (19)/100 x (17)
(23) Scenario Expected Losses With COVID-19	\$18.4M	= (21) + (22)
(24) Scenario Impact on Healthcare Workers	+25%	= (23) / (22) - 1.0
(25) Scenario Impact on Statewide WC Losses	+1.6%	= (24) x (22) / (22) for total workforce in jurisdiction

NOTE: The model scenario may not include consideration for all potential benefit costs such as mental illness or employers liability. Displayed values not shown to full precision. For this reason, the sum of the two sets of calculations in Appendix A may not exactly match the summary table at the beginning of this document.

Amounts shown in Rows (16), (18), (19), (21), (22), (23) reflect all private and public employers regardless of how work-related injury costs are funded (e.g., privately insured, self-insured, and employers exempted from WC requirements)

- ¹ Base severity values taken from COVID-19 and Workers Compensation: Modeling Potential Impacts; to distinguish Moderate and Severe medical severities for changes to the critical care rate, estimates from Table 8—adjusted for the CARES Act—are used.
- ² Base severity values taken from COVID-19 and Workers Compensation: Permanent Disability.
- ³ Annual mean wage through May 2019 from the US Bureau of Labor Statistics for "Healthcare Practitioners and Technical Occupations" and "Healthcare Support Occupations".
- ⁴ Weighted average of the underlying pure premium factor in each relevant approved loss cost in Alaska as of 4/10/2020.
- ⁵ Fatal relativity reflects actuarial judgment of the impact of higher average claimant age when the surviving spouse does not get lifetime benefits, as is the case in Alaska.



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Hypothetical Scenario #2 – Alaska – Impact to Expected Losses – All Other Qualifying Workers

Frequency Inputs		Scenario Assumption
(1)	Infection Rate	15%
(2)	Report Rate	40%
(3)	Hospitalization Rate	10%
(4)	Critical Care Rate	15%
(a)	Permanent Partial Rate	40.0%
(b)	Permanent Total Rate	3.0%
(5)	Fatal Rate	0.5%
(6)	Compensability Rate	30%

Severity and Benefit Inputs			Relativity	Scenario Assumption	
(7)	Wage Replacement ¹	\$934	x	1.00	= \$934
(8)	Fatal ²	\$368,434	x	0.65 ⁶	= \$239,482
(9)	Permanent Partial ²		x		
(a)	Moderate	\$26,664	x	0.90	= \$23,998
(b)	Severe	\$26,664	x	1.50	= \$39,996
(10)	Permanent Total ²	\$439,852	x	0.95	= \$417,859
(11)	Medical ¹				
(a)	Mild	\$1,720	x	1.00	= \$1,720
(b)	Moderate	\$30,774	x	1.00	= \$30,774
(c)	Severe	\$92,460	x	1.00	= \$92,460

Scenario Assumptions		(i) Frequency	(ii) Wage Replacement	(iii) Permanent Disability	(iv) Medical	(v) Nonfatal
(12)	Mild	5.400%	\$852	\$0	\$1,720	\$2,572
(13)	Moderate	0.510%	\$1,395	\$4,800	\$30,774	\$36,969
(14)	Severe	0.090%	\$3,254	\$28,534	\$92,460	\$124,248
(15)	Overall	6.000%	\$934	\$836	\$5,551	\$7,321



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Scenario Impacts	Estimate	
(16) Average Salary ³	\$56,188	
(17) Pure Premium Factor ⁴	0.91	
(18) Workforce ⁵	44,695	
(19) Expected Payroll	\$2,511M	= (16) x (18)
(20) COVID-19 Total Severity	\$8,518	= (15v) + (5) x (8)
(21) COVID-19 Expected Losses	\$6.85M	= (20) x (18) x (15i) x (6)
(22) Expected Losses Without COVID-19	\$22.85M	= (19)/100 x (17)
(23) Scenario Expected Losses With COVID-19	\$29.7M	= (21) + (22)
(24) Scenario Impact on Other Qualifying Workers	+30%	= (23) / (22) - 1.0
(25) Scenario Impact on Statewide WC Losses	+3.0%	= (24) x (22) / (22) for total workforce in jurisdiction

NOTE: The model scenario may not include consideration for all potential benefit costs such as mental illness or employers liability. Displayed values not shown to full precision. For this reason, the sum of the two sets of calculations in Appendix A may not exactly match the summary table at the beginning of this document.

Amounts shown in Rows (16), (18), (19), (21), (22), (23) reflect all private and public employers regardless of how work-related injury costs are funded (e.g., privately insured, self-insured, and employers exempted from WC requirements)

- ¹ Base severity values taken from COVID-19 and Workers Compensation: Modeling Potential Impacts; to distinguish Moderate and Severe medical severities for changes to the critical care rate, estimates from Table 8—adjusted for the CARES Act—are used.
- ² Base severity values taken from COVID-19 and Workers Compensation: Permanent Disability.
- ³ Annual mean wage through May 2019 from the US Bureau of Labor Statistics for occupations defined as other qualifying workers (aside from first responders and healthcare workers) as defined in the proposed bill.
- ⁴ Weighted average of the underlying pure premium factor in each relevant approved loss cost in Alaska as of 4/10/2020.
- ⁵ Scenario 1 reflects estimated Alaska payroll from BLS data for teachers and employees of child care facilities and grocery stores, while Scenarios 2 and 3 assume additional payroll from other employees who may be determined by the Commissioner of the Alaska Department of Labor and Workforce Development to perform services that place them at a similar risk as the other occupations explicitly noted. See Appendix B, Table 3.
- ⁶ Fatal relativity reflects actuarial judgment of the impact of higher average claimant age when the surviving spouse does not get lifetime benefits, as is the case in Alaska.



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Appendix B – Alaska-Specific Parameters for All Hypothetical Scenarios

Table 1 – Share of Insured Workers Ultimately Infected

Hypothetical Scenarios	#1	#2	#3
Covered Workers	5%	15%	25%

Table 2 – Additional Share of COVID-19 Claims Deemed Compensable

Hypothetical Scenarios	#1	#2	#3
First Responders	10%	20%	30%
Healthcare Workers	10%	20%	30%
All Other Qualifying Workers	20%	30%	40%

Table 3 – Estimated Share of Overall WC System Costs

Hypothetical Scenarios	#1	#2	#3
First Responders	3.4%	3.4%	3.4%
Healthcare Workers	6.4%	6.4%	6.4%
All Other Qualifying Workers	5.9%	10.0%	15.0%

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