

Workers' Compensation Overview

Senate Labor and Commerce Committee

February 7, 2017



ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
COMMISSIONER HEIDI DRYGAS

Workers' Compensation

MISSION

To ensure the quick, efficient, fair and predictable delivery of indemnity, medical and vocational rehabilitation benefits at a reasonable cost to employers



Workers' Compensation

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

The “Grand Compromise”

An employer provides prompt, necessary medical and wage replacement 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

Benefits Provided

- Medical Care
- Indemnity (Wage Loss) Benefits
- Death benefits
- Reemployment (Retraining) Benefits



Workers' Compensation

How It Works

Employee Notifies Employer of the Injury



Employer Reports the Injury to the Division

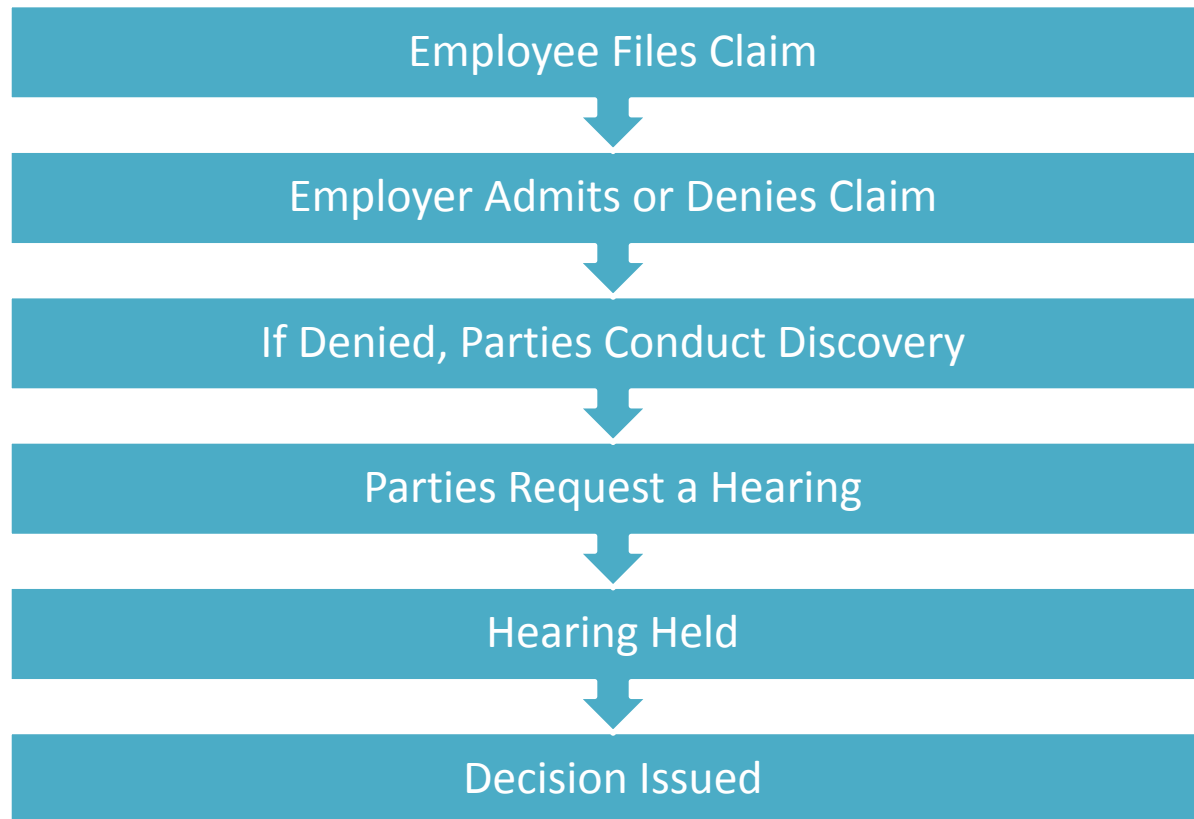


Employer Begins Paying Benefits



Workers' Compensation

Claim Process



Workers' Compensation

Workers' Compensation Requirements

Any employer with one or more full or part-time employees must purchase and maintain insurance.



Workers' Compensation

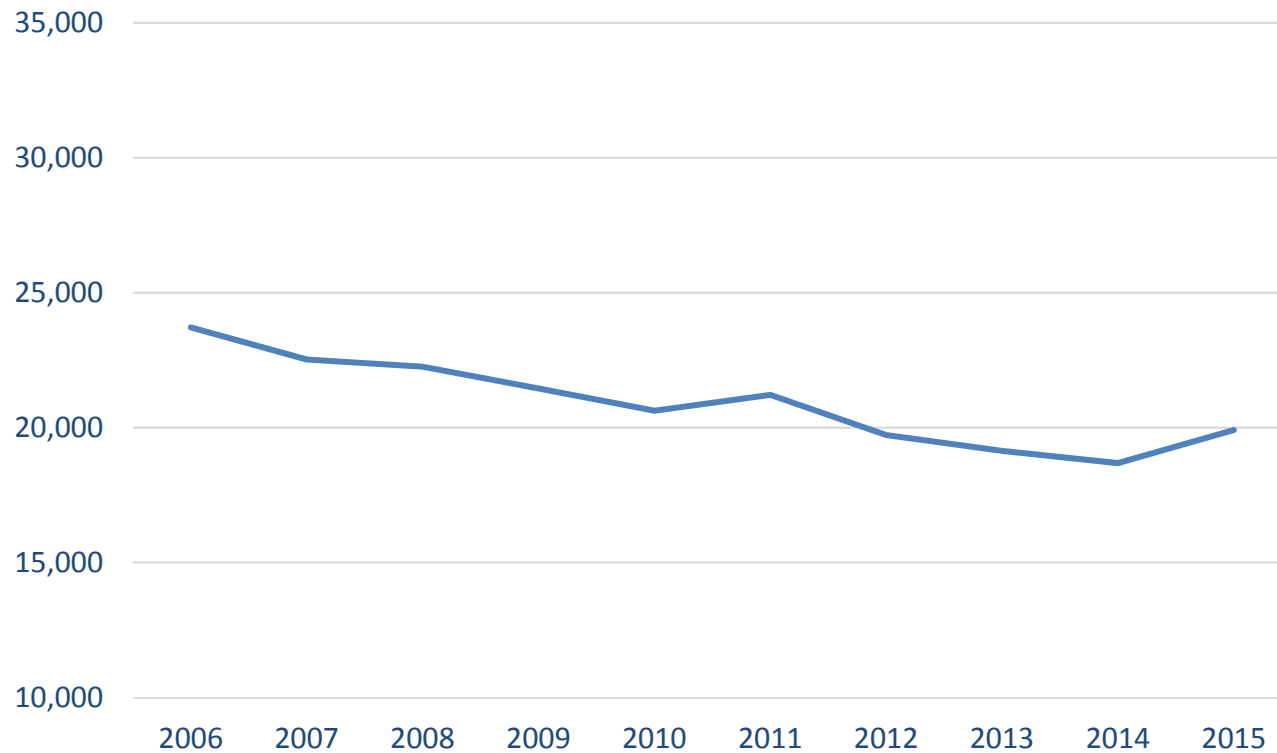
Failure to Insure

If an employer fails to insure as required by law, the employer may be subject to civil penalties.



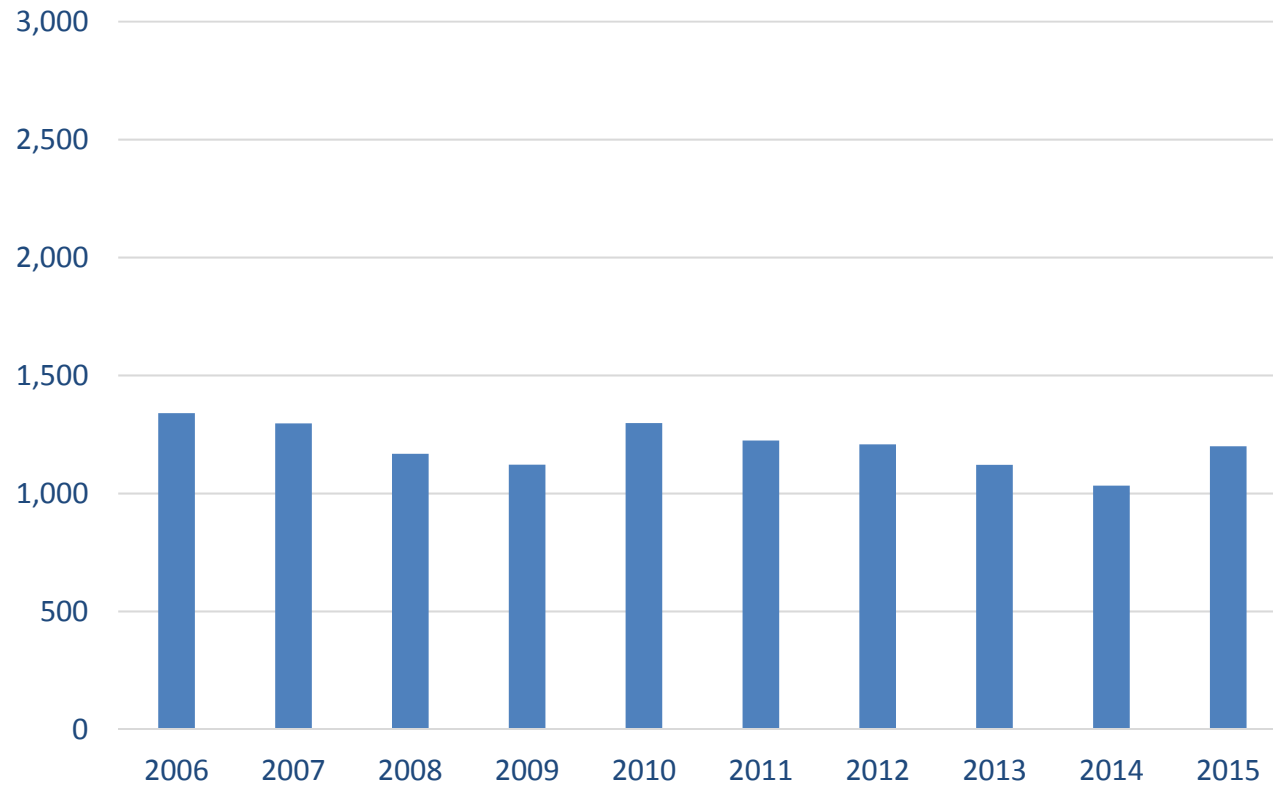
Workers' Compensation

Alaska Injury Frequency



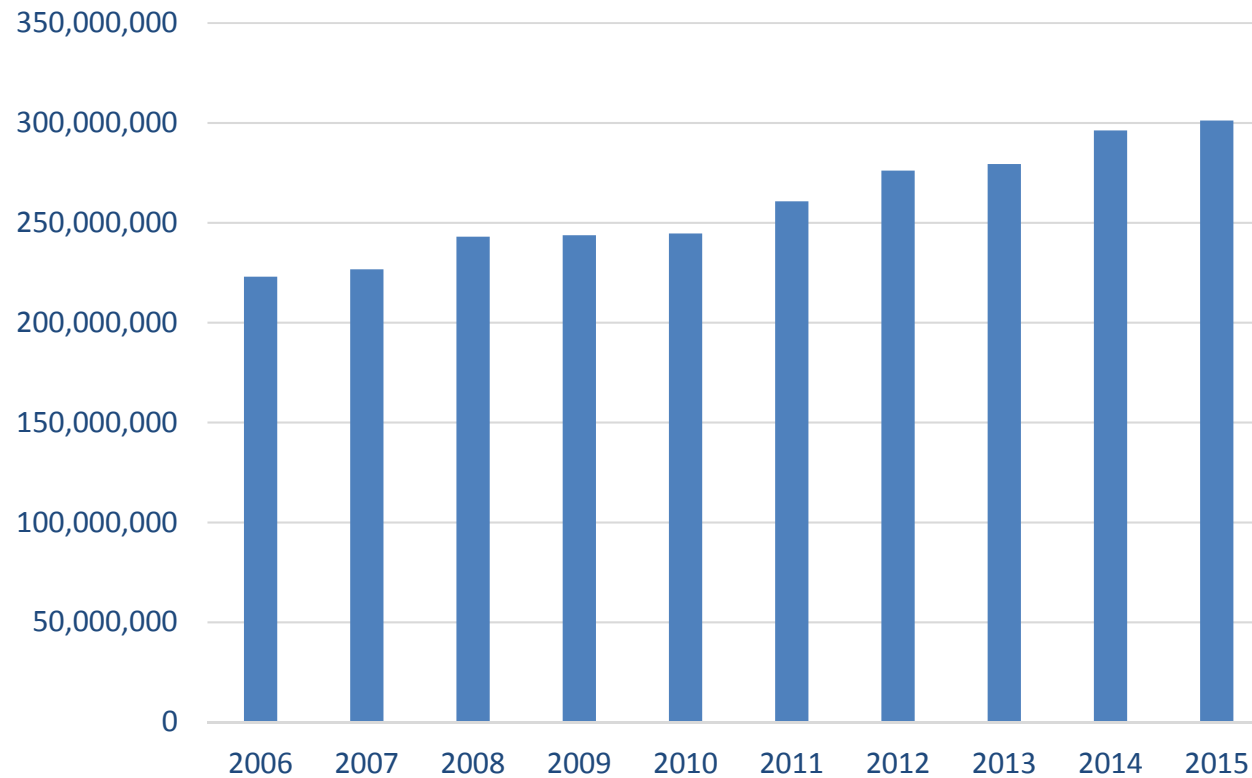
Workers' Compensation

Alaska Claims Filed



Workers' Compensation

Total Compensation Payments



Workers' Compensation

Program Challenges

- Rising medical costs and their impact on Workers' Compensation premiums
- Providing timely dispute resolution
- Declining Workers' Safety and Compensation Administration Account balance
- Prosecuting civil/criminal worker misclassification and failure to insure cases



Workers' Compensation

Quick

Efficient

Fair

Predictable

Reasonable
cost



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

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