

1 IN THE SENATE

BY SENATORS BELTZ AND OWEN

2

SENATE BILL NO. 22

3

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4

TWENTY-THIRD SESSION

5

A BILL

6

For an Act entitled: "An Act establishing a new Alaska Workmen's

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Compensation program, repealing Sections

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43-3-1 through 43-3-39, ACLA 1949, as amended

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by Chapter 104, SLA 1949, Chapter 133, SLA

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1951, Chapter 24, SLA 1953, Chapter 60, SLA

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1953, and Chapter 141, SLA 1955; setting an

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effective date."

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BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

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Section 1. SHORT TITLE. This Act may be cited as "Alaska

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Workmen's Compensation Act."

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Sec. 2. DEFINITIONS. When used in this Act --

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(1) The term "person" means individual, partnership,

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corporation, or association,

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(2) The term "injury" means accidental injury or death

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arising out of and in the course of employment, and such occupa-

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tional disease or infection as arises naturally out of such em-

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ployment or as naturally or unavoidably results from such acci-

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idental injury, and includes an injury caused by the willful act

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of a third person directed against an employee because of his

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employment.

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(3) The term "carrier" means any person authorized to

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insure under this Act and includes self-insurers,

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(4) The term "Board" means the Alaska Workmen's Com-

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penation Board.

SB #22 Engraced as amended.

Re-engraced

1 (5) "Disability" means incapacity because of injury
2 to earn the wages which the employee was receiving at the time
3 of injury in the same or any other employment.

4 (6) "Death" as a basis for a right to compensation
5 means only death resulting from an injury.

6 (7) "Compensation" means the money allowance payable
7 to an employee or to his dependents as provided for in this Act,
8 and includes funeral benefits provided therein.

9 (8) "Wages" means the money rate at which the service
10 rendered is recompensed under the contract of hiring in force at
11 the time of the injury, including the reasonable value of board,
12 rent, housing, lodging, or similar advantage received from the
13 employer, and gratuities received in the course of employment
14 from others than the employer.

15 (9) "Child" shall include a posthumous child, a child
16 legally adopted prior to the injury of the employee, a child in
17 relation to whom the deceased employee stood in loco parentis for
18 at least one year prior to the time of injury, and a stepchild or
19 acknowledged illegitimate child dependent upon the deceased, but
20 does not include married children unless wholly dependent on him;
21 "Grandchild" means a child as above defined of a child as above
22 defined. "Brother" and "sister" include stepbrothers and step-
23 sisters, half brothers and half sisters, and brothers and sisters
24 by adoption, but does not include married brothers nor married
25 sisters unless wholly dependent on the employee. "Child", "grand
26 child," "brother," and "sister" include only persons who are
27 under eighteen years of age, and also persons who, though eight-
28 een years of age or over, are wholly dependent upon the deceased
29 employee and incapable of self-support by reason of mental or

1 physical disability.

2 (10) The term "parent" includes step-parents and
3 parents by adoption, parents-in-law, and any person who for more
4 than three years prior to the death of the deceased employee
5 stood in the place of a parent to him, if dependent on the in-
6 jured employee.

7 (11) The term "widow" includes only the decedent's
8 wife living with or dependent for support upon him at the time
9 of his death; or living apart for justifiable cause or by reason
10 of his desertion at such a time.

11 (12) The term "widower" includes only the decedent's
12 husband who at the time of her death lived with her and was
13 dependent for support upon her.

14 (13) The term "adoption" or "adopted" means legal
15 adoption prior to the time of the injury.

16 (14) The singular includes the plural and the masculine
17 includes the feminine and neuter.

18 (15) Wherever the term "employer" is used in this Act,
19 reference is had to the Territory or any of its political sub-
20 divisions and to any person or persons, partnership, joint stock
21 company, association or corporation employing one or more persons
22 in connection with any business or industry coming within the
23 scope hereof and carried on in this Territory, and whenever the
24 term "employee" is used herein, reference is had to an employee
25 employed by an employer as above defined.

26 (16) "Married" shall include one who is divorced but
27 is required by the decree of divorce to contribute to the support
28 of his former wife.

29 Sec. 3. COVERAGE. (a) Every employer shall be liable for

1 and shall secure the payment to his employees of the compensation
2 payable under Sections 6, 7, and 8. In the case of an employer
3 who is a subcontractor, the contractor shall be liable for and
4 shall secure the payment of such compensation to employees of the
5 subcontractor unless the subcontractor has secured such payment.

6 (b) Compensation shall be payable irrespective of
7 fault as a cause for the injury.

8 Sec. 4. EXCLUSIVENESS OF LIABILITY. The liability of an
9 employer prescribed in Section 3 shall be exclusive and in place
10 of all other liability of such employer to the employee, his
11 legal representative, husband or wife, parents, dependents, next
12 of kin, and anyone otherwise entitled to recover damages from
13 such employer at law or in admiralty on account of such injury or
14 death, except that if an employer fails to secure payment of com-
15 pensation as required by this Act, an injured employee, or his
16 legal representative in case death results from the injury, may
17 elect to claim compensation under this Act, or to maintain an
18 action at law or in admiralty for damages on account of such in-
19 jury or death. In such action the defendant may not plead as a
20 defense that the injury was caused by the negligence of a fellow
21 servant, nor that the employee assumed the risk of his employment,
22 nor that the injury was due to the contributory negligence of the
23 employee.

24 Sec. 5. TIME FOR COMMENCEMENT OF COMPENSATION: MAXIMUM AND
25 MINIMUM COMPENSATION. (a) No compensation shall be allowed for
26 the first three days of the disability, except the benefits pro-
27 vided for in Section 6; Provided, however, that in case the injury
28 results in disability of more than twenty-eight days, the com-
29 pensation shall be allowed from the date of the disability.

1 (b) Compensation for temporary disability or
2 permanent partial disability shall not exceed \$80.00 per
3 week and shall not be less than \$18.00 per week; Provided,
4 however, that, if the employee's average weekly wages, as
5 computed under Section 9, are less than \$18.00 per week, he
6 shall receive as compensation for temporary disability his
7 average weekly wages.

8 (c) In computing compensation for permanent total
9 disability the average weekly wages shall be considered to
10 have been not more than \$81.00; Provided, however, if the
11 average weekly wages as computed under Section 9 are less
12 than \$18.00 per week he shall receive as compensation for
13 permanent total disability his average weekly wages.

14 Sec. 6. MEDICAL SERVICES AND SUPPLIES. (a) The employer
15 shall furnish such medical, surgical, and other attendance or
16 treatment, nurse and hospital service, medicine, crutches, and
17 apparatus, for such period as the nature of the injury or the pro-
18 cess of recovery may require. If the employer fails to provide
19 the same, after request by the injured employee, such injured
20 employee may do so at the expense of the employer. The employee
21 shall not be entitled to recover any amount expended by him for
22 such treatment or services unless he shall have requested the
23 employer to furnish the same and the employer shall have refused
24 or neglected to do so, or unless the nature of the injury required
25 such treatment and services and the employer or his superintendent
26 or foreman having knowledge of such injury shall have neglected
27 to provide the same; nor shall any claim for medical or surgical
28 treatment be valid and enforceable, as against such employer,
29 unless within twenty days following the first treatment the physi-

1 can giving such treatment furnish to the employer and the Board
2 a report of such injury and treatment, on a form prescribed by
3 the Board. The Board may, however, excuse the failure to furnish
4 such report within twenty days when it finds it to be in the
5 interest of justice to do so, and it may, upon application by a
6 party in interest, make an award for the reasonable value of such
7 medical or surgical treatment so obtained by the employee. If at
8 any time during such period the employee unreasonably refuses to
9 submit to medical or surgical treatment, the Board may, by order,
10 suspend the payment of further compensation during such time as
11 such refusal continues, and no compensation shall be paid at any
12 time during the period of such suspension, unless the circumstances
13 justified the refusal.

14 (b) Whenever in the opinion of the Board a physi-
15 cian has not impartially estimated the degree of permanent
16 disability or the extent of temporary disability of any
17 injured employee, the Board shall have the power to cause
18 such employee to be examined by a physician selected by the
19 Board and to obtain from such physician a report containing
20 his estimate of such disabilities. If the report of such
21 physician shows that the estimate of the physician has not
22 been impartial from the standpoint of such employee, the
23 Board shall have the power in its discretion to charge the
24 cost of such examination to the employer, if he is a self-
25 insurer, or to the insurance company which is carrying the
26 risk.

27 (c) All fees and other charges for such treatment
28 or service shall be limited to such charges as prevail in the
29 same community for similar treatment of injured persons of

1 like standard of living, and shall be subject to regulation
2 by the Board:

3 (d) The liability of an employer for medical
4 treatment as herein provided, shall not be affected by the
5 fact that his employee was injured through the fault or
6 negligence of a third party, not in the same employ, unless
7 and until notice of election to sue has been given as re-
8 quired by Section 30 (a) or suit has been brought against
9 such third party without the giving of such notice. The
10 employer shall, however, have a cause of action against
11 such third party to recover any amounts paid by him for such
12 medical treatment in like manner as provided in Section 30
13 (b) of this Act.

14 (e) Nothing contained in this section shall be
15 construed to limit the right of the employee, to provide in
16 any case, at his own expense, a consulting physician, sur-
17 geon, chiropractor or osteopath or any attending physician,
18 surgeon, chiropractor or osteopath whom he may desire.

19 Sec. 7. COMPENSATION FOR DISABILITY. Compensation for
20 disability shall be paid to the employee as follows:

21 (a) Permanent total disability: In case of total
22 disability adjudged to be permanent 65 per centum of the
23 average weekly wages not to exceed \$50,000.00 shall be paid
24 to the employee during the continuance of such total
25 disability. Loss of both hands, or both arms, or both
26 feet, or both legs, or both eyes, or of any two thereof
27 shall, in the absence of conclusive proof to the contrary,
28 constitute permanent total disability. In all other cases
29 permanent total disability shall be determined in accordance

1 with the facts.

2 (b) Temporary total disability: In case of
3 disability total in character but temporary in quality
4 65 per centum of the average weekly wages shall be
5 paid to the employee during the continuance thereof.

6 (c) Permanent partial disability: In case of
7 disability partial in character but permanent in quality
8 the compensation shall be 65 per centum of the average
9 weekly wages which shall be in addition to compensation
10 for temporary total disability or temporary partial
11 disability paid in accordance with subdivision (b) or
12 subdivision (e) of this Section respectively and shall
13 be paid to the employee, as follows:

14 1. Arm lost, two hundred and eighty weeks'
15 compensation, not to exceed \$9,800.00.

16 2. Leg lost, two hundred and forty-eight
17 weeks' compensation, not to exceed \$8,700.00.

18 3. Hand lost, two hundred and twelve weeks'
19 compensation, not to exceed \$7,500.00.

20 4. Foot lost, one hundred and seventy-three
21 weeks' compensation, not to exceed \$6,100.00.

22 5. Eye lost, one hundred and forty weeks'
23 compensation, not to exceed \$4,900.00.

24 6. Thumb lost, fifty-one weeks' compensation
25 not to exceed \$1,800.00

26 7. First finger lost, twenty-eight weeks'
27 compensation, not to exceed \$1,000.00.

28 8. Great toe lost, twenty-six weeks' compen-
29 sation, not to exceed \$900.00.

1 9. Second or third finger lost, eighteen
2 weeks' compensation, not to exceed \$600.00.

3 10. Toe other than great toe lost, eight
4 weeks' compensation, not to exceed \$300.00.

5 11. Fourth finger lost, seven weeks' compensa-
6 tion, not to exceed \$300.00.

7 12. Loss of hearing: Compensation for loss
8 of hearing of one ear fifty-two weeks, not exceeding
9 \$1,800.00. Compensation for loss of hearing of both
10 ears, two hundred weeks, not exceeding \$7,000.00.

11 13. Phalanges: Compensation for loss of
12 more than one phalange of a digit shall be the same
13 as for loss of the entire digit. Compensation for
14 loss of the first phalange shall be one-half of the
15 compensation for loss of the entire digit.

16 14. Amputations. Amputation between the
17 elbow and the wrist shall be considered equivalent
18 to the loss of an arm, and amputation between the
19 knee and ankle shall be considered equivalent to
20 the loss of a leg.

21 15. Binocular vision or per centum of vision:
22 Compensation for loss of binocular vision or for
23 80 per centum or more of the vision of an eye shall
24 be the same as for loss of the eye.

25 16. Two or more digits: Compensation for
26 loss of two or more digits, or one or more phalanges
27 of two or more digits, of a hand or foot may be
28 proportioned to the loss of use of the hand or foot
29 occasioned thereby, but shall not exceed the compen-

1 action for loss of a hand or foot.

2 17. Total loss of use: Compensation for

3 permanent total loss of use of a member shall be the

4 same as for loss of the member.

5 18. Partial loss or partial loss of use:

6 Compensation for permanent partial loss or loss of

7 use of a member may be for proportionate loss or

8 loss of use of the member.

9 19. Disfigurement: The Board award

10 proper and equitable compensation for serious facial

11 or head disfigurement, not to exceed \$3,500.00

12 20. Other cases: In all other cases in

13 this class of disability the compensation shall be

14 65 per centum of the difference between his average

15 weekly wages and his wage-earning capacity there-

16 after in the same employment or otherwise, payable

17 during the continuance of such partial disability,

18 but subject to reconsideration of the degree of

19 such impairment by the Board on its own motion or

20 upon application of any party in interest.

21 21. In any case in which there shall be a

22 loss of, or loss of use of more than one member or

23 parts of more than one member set forth in

24 paragraphs 1. to 18, of this subdivision, not

25 amounting to permanent total disability, the

26 award of compensation shall be for the loss of,

27 or loss of use of, each such member or part thereof,

28 which awards shall run consecutively, except that

29 where the injury affects only two or more digits of

1 the same hand or foot, paragraph 16. of this sub-
2 division shall apply.

3 (d) Any compensation to which any claimant
4 would be entitled under subdivision (c) excepting
5 subdivision (c-20) shall, notwithstanding death arising
6 from causes other than the injury, be payable to and
7 for the benefit of the persons following:

8 1. If there be a surviving wife or
9 dependent husband and no child of the deceased
10 under the age of eighteen years; to such wife
11 or dependent husband.

12 2. If there be a surviving wife or
13 dependent husband and surviving child or children
14 of the deceased under the age of eighteen years,
15 one half shall be payable to the surviving wife
16 or dependent husband and the other half to the
17 surviving child or children.

18 3. The Board may in its discretion require
19 the appointment of a guardian for the purpose of
20 receiving the compensation of the minor child.
21 In the absence of such a requirement the appoint-
22 ment for such a purpose shall not be necessary.

23 4. If there be a surviving child or
24 children of the deceased under the age of eigh-
25 teen years, but no surviving wife or dependent
26 husband, then to such child or children.

27 5. An award for disability may be made
28 after the death of the injured employee.

29 (e) Temporary partial disability: In case

1 of temporary partial disability resulting in decrease
2 of earning capacity the compensation shall be 65 per
3 centum of the difference between the injured employee's
4 average weekly wages before the injury and his wage-
5 earning capacity after the injury in the same or
6 another employment, to be paid during the continuance
7 of such disability, but shall not be paid for a period
8 exceeding five years.

9 (r) Injury increasing disability: 1. If an
10 employee receive an injury which of itself would only
11 cause permanent partial disability but which, combined
12 with a previous disability, does in fact cause permanent
13 total disability, the employer shall provide compensation
14 only for the disability caused by the subsequent injury;
15 Provided, however, that in addition to compensation for
16 such permanent partial disability, and after the cessa-
17 tion of the payments for the prescribed period of
18 weeks, the employee shall be paid the remainder of the
19 compensation that would be due for permanent total
20 disability. Such additional compensation shall be paid
21 out of the Second Injury Fund established in Section 32,

22 2. In all other cases in which, following
23 a previous disability, an employee receives an
24 injury which is not covered by 1. of this sub-
25 division, the employer shall provide compensation
26 only for the disability caused by the subsequent
27 injury. In determining compensation for the
28 subsequent injury or for death resulting there-
29 from, the average weekly wages shall be such sums

1 as will reasonably represent the earning capacity
2 of the employee at the time of the subsequent injury

3 (g) The wage-earning capacity of an injured
4 employee in cases of partial disability under subdivision
5 (c) 20. of this Section or under subdivision (e) of this
6 Section shall be determined by his actual earnings if such
7 actual earnings fairly and reasonably represent his wage-
8 earning capacity; Provided, however, that if the employee
9 had no actual earnings or his actual earnings do not fairly
10 and reasonably represent his wage-earning capacity, the
11 Board may, in the interest of justice, fix such wage-earning
12 capacity as shall be reasonable, having due regard to the
13 nature of his injury, the degree of physical impairment,
14 his usual employment, and any other factors or circumstances
15 in the case which may affect his capacity to earn wages in
16 his disabled condition, including the effect of disability
17 as it may naturally extend into the future.

18 (h) In cases under subdivision (c) 20. and su
19 bdivisions (e) of this Section, whenever the Board determines
20 that it is for the best interests of an injured employee
21 entitled to compensation, it may approve agreed settlements
22 of the interested parties, discharging the liability of the
23 employer for such compensation, notwithstanding the provi-
24 sions of Section 14 (b) and Section 15 of this Act; Provided,
25 that the sum so agreed upon shall be payable in installments
26 as provided in Section 13 (b), which installments shall be
27 subject to commutation under Section 13 (j); and Provided
28 further, that if the employee should die from causes other
29 than the injury after the Board has approved an agreed

1 settlement as provided for herein, the sum so approved shall
2 be payable, in the manner prescribed in this subdivision,
3 to and for the benefit of the persons enumerated in sub-
4 division (d) of this Section.

5 Sec. 8. COMPENSATION FOR DEATH. If the injury causes death,
6 the compensation shall be known as a death benefit and shall be
7 payable in the amount and to or for the benefit of the persons
8 following:

9 (a) Reasonable funeral expenses not exceeding \$400.

10 (b) If there be a surviving wife or dependent
11 husband and no child of the deceased to such surviving wife
12 or dependent husband 35 per centum of the average wages of
13 the deceased, during widowhood, or dependent widowhood,
14 with two years' compensation in one sum upon remarriage; and
15 if there be a surviving child or children of the deceased,
16 the additional amount of 15 per centum of such wages for
17 each child; in the case of the death or remarriage of such
18 surviving wife or dependent husband, if there be one sur-
19 viving child of the deceased employee, such child shall have
20 his compensation increased to 35 per centum of such wages,
21 and if there be more than one surviving child of the deceas-
22 ed employee, to such children, in equal parts, 35 per centum
23 of such wages increased by 15 per centum of such wages for
24 each child in excess of one; Provided, that the total amount
25 payable shall in no case exceed 65 per centum of such wages.
26 The Board may, in its discretion, require the appointment of
27 a guardian for the purpose of receiving the compensation of
28 a minor child. In the absence of such a requirement the
29 appointment of a guardian for such purposes shall not be

1 necessary.

2 (c) If there be one surviving child of the
3 deceased, but no surviving wife or dependent husband,
4 then for the support of such child 35 per centum of the
5 wages of the deceased; and if there be more than one
6 surviving child of the deceased, but no widow or dependent
7 husband, then for the support of such children, in equal
8 parts 35 per centum of such wages increased by 15 per centum
9 of such wages for each child in excess of one; Provided,
10 that the total amount payable shall in no case exceed 65
11 per centum of such wages.

12 (d) If there be no surviving wife or dependent
13 husband or child or if the amount payable to a surviving
14 wife or dependent husband and to children shall be less in
15 the aggregate than 65 per centum of the average wages of the
16 deceased; then for the support of grandchildren or brothers
17 and sisters, if dependent upon the deceased at the time of
18 the injury, 15 per centum of such wages for the support of
19 each such person and for the support of each parent, or
20 grandparent, of the deceased if dependent upon him at the
21 time of the injury, 25 per centum of such wages during such
22 dependency, but in no case shall the aggregate amount pay-
23 able under this subdivision exceed the difference between
24 65 per centum of such wages and the amount payable as here-
25 inbefore provided to surviving wife or dependent husband
26 and for the support of surviving child or children.

27 (e) In computing death benefits the average
28 weekly wages of the deceased shall be considered to have
29 been not more than \$81 nor less than \$27.00 but the total

1 weekly compensation shall not exceed the weekly wages of
2 the deceased.

3 (f) All questions of dependency shall be deter-
4 mined as of the time of the injury.

5 (g) Aliens: Compensation under this Act to aliens,
6 not residents (or about to become nonresidents) of the United
7 States or Canada shall be the same in amount as provided for
8 residents, except that dependents in any foreign country
9 shall be limited to surviving wife and child or children, or
10 if there be no surviving wife or child or children, to sur-
11 viving father or mother whom the employee has supported,
12 either wholly or in part, for the period of one year prior
13 to the date of the injury, and except that the Board may
14 at its option, or upon the application of the insurance
15 carrier shall, commute all future installments of compensa-
16 tion to be paid to such aliens by paying or causing to be
17 paid to them one-half of the commuted amount of such future
18 installments of compensation as determined by the Board.

19 (h) Notwithstanding any language to the con-
20 trary, the total payments under this Section shall not
21 exceed \$30,000.00.

22 Sec. 9. DETERMINATION OF PAY. Except as otherwise provided
23 in this Act, the average weekly wage of the injured employee at
24 the time of the injury shall be taken as the basis upon which to
25 compute compensation and shall be determined as follows:

26 (a) If the injured employee shall have worked in
27 the employment in which he was working at the time of the
28 injury, whether for the same or another employer, during
29 substantially the whole of the year immediately preceding

1 his injury, his average annual earnings shall consist of
2 three hundred times the average daily wage or salary for a
3 six-day worker and two hundred and sixty times the average
4 daily wage or salary for a five-day worker, which he shall
5 have earned in such employment during the days when so
6 employed.

7 (b) If the injured employee shall not have worked
8 in such employment during substantially the whole of such
9 year, his average annual earnings if a six-day worker, shall
10 consist of three hundred times the average daily wage or
11 salary, and, if a five-day worker, two hundred and sixty
12 times the average daily wage or salary, which an employee
13 of the same class working substantially the whole of such
14 immediately preceding year in the same or in similar employ-
15 ment in the same or a neighboring place shall have earned in
16 such employment during the days when so employed.

17 (c) If either of the foregoing methods of arriv-
18 ing at the average annual earnings of the injured employee
19 cannot reasonable and fairly be applied, such average annual
20 earnings shall be such sum as, having regard to the previous
21 earnings of the injured employee in the employment in which
22 he was working at the time of the injury, and of other
23 employees of the same or most similar class working in the
24 same or next similar employment in the same or neighboring
25 locality, or other employment of such employee, including
26 the reasonable value of the services of the employee if
27 engaged in self-employment, shall reasonable represent the
28 annual earning capacity of the injured employee.

29 (d) The average weekly wages of an employee

1 shall be one fifty-second part of his average annual earnings.

2 (e) If it be established that the injured employee
3 was a minor when injured, and that under normal conditions
4 his wages should be expected to increase during the period
5 of disability the fact may be considered in arriving at his
6 average weekly wages.

7 Sec. 10. GUARDIAN FOR MINOR OR INCOMPETENT. The Board may
8 require the appointment by a court of competent jurisdiction,
9 for any person who is mentally incompetent or a minor, or a
10 guardian or other representative to receive compensation payable
11 to such person under this Act and to exercise the powers granted
12 to or to perform the duties required of such person under this
13 Act.

14 Sec. 11. NOTICE OF INJURY OR DEATH. (a) Notice of an in-
15 jury or death in respect of which compensation is payable under
16 this Act shall be given within thirty days after the date of such
17 injury or death (1) to the Board and (2) to the employer.

18 (b) Such notice shall be in writing, shall con-
19 tain the name and address of the employee and a statement of
20 the time, place, nature, and cause of the injury or death,
21 and shall be signed by the employee or by some person on
22 his behalf, or in case of death, by any person claiming to
23 be entitled to compensation for such death or by a person
24 on his behalf.

25 (c) Notice shall be given to the Board by deliver-
26 ing it or sending it by mail addressed to the Board's office,
27 and to the employer by delivering it to him or by sending it,
28 by mail addressed to him at his last known place of business.

29 If the employer is a partnership, such notice may be given to

1 any partner, or if a corporation, such notice may be given
2 to any agent or officer thereof upon whom legal process may
3 be served or who is in charge of the business in the place
4 where the injury occurred.

5 (d) Failure to give such notice shall not bar any
6 claim under this Act (1) if the employer (or his agent in
7 charge of the business in the place where the injury occurred)
8 or the carrier had knowledge of the injury or death and
9 the Board determines that the employer or carrier has not
10 been prejudiced by failure to give such notice, or (2) if
11 the Board excuses such failure on the ground that for some
12 satisfactory reason such notice could not be given; nor
13 unless objection to such failure is raised before the Board
14 at the first hearing of a claim for compensation in respect
15 of such injury or death.

16 Sec. 12. TIME FOR FILING OF CLAIMS. (e) The right to com-
17 pensation for disability under this Act shall be barred unless a
18 claim therefor is filed within two years after the injury, and
19 the right to compensation for death shall be barred unless a
20 claim therefor is filed within one year after the death, except
21 that if payment of compensation has been made without an award on
22 account of such injury or death a claim may be filed within two
23 years after the date of the last payment.

24 (b) Notwithstanding the provisions of subdivision
25 (a) failure to file a claim within the period prescribed in
26 such subdivision shall not be a bar to such right unless
27 objection to such failure is made at the first hearing of
28 such claim in which all parties in interest are given
29 reasonable notice and opportunity to be heard.

1 (c) If a person who is entitled to compensation
2 under this Act is mentally incompetent or a minor, the
3 provisions of subdivision (a) shall not be applicable so
4 long as such person has no guardian or other authorized
5 representative, but shall be applicable in the case of a
6 person who is mentally incompetent or a minor from the date
7 of appointment of such guardian or other representative, or
8 in the case of a minor, if no guardian is appointed before
9 he becomes of age, from the date he becomes of age.

10 (d) Where recovery is denied to any person, in
11 a suit brought at law or in admiralty to recover damages in
12 respect of injury or death, on the ground that such person
13 was an employee and that the defendant was an employer
14 within the meaning of this Act and that such employer has
15 secured compensation to such employee under this Act, the
16 limitation of time prescribed in subdivision (a) shall begin
17 to run only from the date of termination of such suit.

18 Sec. 13. PAYMENT OF COMPENSATION. (a) Compensation under
19 this Act shall be paid periodically, promptly, and directly to
20 the person entitled thereto, without an award, except where
21 liability to pay compensation is controverted by the employer.

22 (b) The first installment of compensation shall
23 become due on the fourteenth day after the employer has
24 knowledge of the injury or death, on which date all compen-
25 sation then due shall be paid. Thereafter compensation
26 shall be paid in installments, semi-monthly, except where
27 the Board determines that payment in installments should be
28 made monthly or at some other period.

29 (c) Upon making the first payment, and upon

1 suspension of payment for any cause, the employer shall
2 immediately notify the Board, in accordance with a form
3 prescribed by the Board, that payment of compensation has
4 begun or has been suspended, as the case may be.

5 (d) If the employer controverts the right to
6 compensation he shall file with the Board on or before the
7 fourteenth day after he has knowledge of the alleged injury
8 or death, a notice, in accordance with a form prescribed by
9 the Board, stating that the right to compensation is con-
10 troverted, the name of the claimant, the name of the employer,
11 the date of the alleged injury or death, and the grounds
12 upon which the right to compensation is controverted.

13 (e) If any installment of compensation payable
14 without an award is not paid within fourteen days after it
15 becomes due, as provided in subdivision (b) of this section,
16 there shall be added to such unpaid installment an amount
17 equal to 10 per centum thereof, which shall be paid at the
18 same time as, but in addition to, such installment, unless
19 notice is filed under subdivision (d) of this section, or
20 unless such nonpayment is excused by the Board after a
21 showing by the employer that owing to conditions over which
22 he had no control such installment could not be paid within
23 the period prescribed for the payment.

24 (f) If any compensation, payable under the terms
25 of an award, is not paid within ten days after it becomes
26 due, there shall be added to such unpaid compensation an
27 amount equal to 20 per centum thereof, which shall be paid
28 at the same time as, but in addition to, such compensation,
29 unless review of the compensation order making such award

1 is had as provided in Section 20 and an interlocutory in-
2 junction staying payments is allowed by the court as provid-
3 ed therein.

4 (g) Within sixteen days after final payment of
5 compensation has been made, the employer shall send to the
6 Board a notice, in accordance with a form prescribed by the
7 Board stating that such final payment has been made, the
8 total amount of compensation paid, the name of the employee
9 and of any other person to whom compensation has been paid,
10 the date of the injury or death, and the date to which com-
11 pensation has been paid. If the employer fails to so notify
12 the Board within such time the Board shall assess against
13 such employer a civil penalty in the amount of \$100.

14 (h) The Board (1) may upon its own initiative at
15 any time in a case in which payments are being made without
16 an award, and (2) shall in any case where right to compensa-
17 tion is controverted, or where payments of compensation have
18 been stopped or suspended, upon receipt of notice from any
19 person entitled to compensation, or from the employer, that
20 the right to compensation is controverted, or that payments
21 of compensation have been stopped or suspended, make such
22 investigations, cause such medical examinations to be made,
23 or hold such hearings, and take such further action as it
24 considers will properly protect the rights of all parties.

25 (1) Whenever the Board deems it advisable it may
26 require any employer to make a deposit with the Treasurer of
27 the Territory to secure the prompt and convenient payment of
28 such compensation, and payments therefrom upon any awards
29 shall be made upon order of the Board.

1 (j) If the employer has made advance payments
2 of compensation, he shall be entitled to be reimbursed out
3 of any unpaid installment or installments of compensation
4 due.

5 (k) An injured employee or in case of death his
6 dependents or personal representative, shall give receipts
7 for payment of compensation to the employer paying the same
8 and such employer shall produce the same for inspection by
9 the Board, whenever required.

10 (l) The total compensation payable under
11 this Act for injuries shall in no event exceed the sum
12 of \$20,000.00; Provided, that this subdivision shall not
13 apply to cases of permanent total disability or death;
14 and Provided further, that in cases of disability com-
15 pensable under paragraph 20 of subdivision (c) of Section
16 7 the total compensation for such disability, and for any
17 temporary total disability or temporary partial disability
18 sustained in addition thereto, shall not exceed in the
19 aggregate the sum of \$17,500.00.

20 Sec. 14. INVALID AGREEMENTS. (a) No agreement by an
21 employee to pay any portion of premium paid by his employer
22 to a carrier or to contribute to a benefit fund or department
23 maintained by such employer for the purpose of providing com-
24 pensation or medical services and supplies as required by
25 this Act shall be valid, and any employer who makes deduc-
26 tion for such purpose from the pay of any employee entitled
27 to the benefits of this Act shall be guilty of a misdemeanor
28 and upon conviction thereof shall be punished by a fine of not
29 more than \$1,000.00

1 (b) No agreement by an employee to waive his
2 right to compensation under this Act shall be valid.
3 Sec. 15. ASSIGNMENT AND EXEMPTION FROM CLAIMS OF CREDI-
4 TORS. No assignment, release, or commutation of compensation
5 or benefits due or payable under this Act, except as pro-
6 vided by this Act, shall be valid, and such compensation
7 and benefits shall be exempt from all claims of creditors
8 and from levy, execution, and attachment or other remedy
9 for recovery or collection of a debt, which exemption may not
10 be waived.

11 Sec. 16. COMPENSATION A LIEN AGAINST ASSETS. Every em-
12 ployee and every beneficiary entitled to compensation under
13 the provisions of this Act shall have a lien for the full
14 amount of such compensation, including costs and disburse-
15 ments of suit and attorneys' fees therein allowed or fixed,
16 upon all of the property in connection with the construction,
17 preservation, maintenance or operation of which the work of
18 such injured or deceased employee was being performed at the
19 time of the injury or death of such employee. For example:
20 In the case of an employee injured or killed while engaged
21 in mining or in any work connected with mining, the lien shall
22 extend to the entire mine and all property used in connection
23 therewith; and in the case of an employee injured or killed
24 while engaged in fishing or in the packing, canning, or salt-
25 ing of fish, or other branch of the fish industry, the lien
26 shall extend to the entire packing, fishing, salting or can-
27 ning plant or establishment and all property used in connec-
28 tion therewith; and the same shall be the case with all other
29 businesses, industries, works, occupations and employments.

1 The lien herein provided for shall be prior and paramount
2 and superior to any other lien of the property affected
3 thereby, except liens for wages or materials as is now or
4 may hereafter be provided by law, and shall be of equal
5 rank with all such liens for wages or materials. The lien
6 hereby provided for shall extend to and cover all right,
7 title, interest and claim of the employer of, in, and to the
8 property affected by such lien. Any person claiming a lien
9 under this Act shall, within one year after the date of the
10 injury from which the claim of compensation arises, file for
11 record in the office of the recorder of the precinct in which
12 the property affected by such lien is situated a notice of
13 lien signed and verified by the claimant or someone on his
14 or her behalf, and stating in substance, the name of the
15 person injured or killed out of which injury or death the
16 claim of compensation arises, the name of the employer of such
17 injured or deceased person at the time of such injury or
18 death, a description of the property affected or covered by
19 the lien so claimed and the name of the owner or reputed
20 owner of such property.

21 The lien for compensation herein provided may be enforced
22 by a suit in equity as in the case of the enforcement of other
23 liens upon real or personal property, at any time within ten
24 months after the cause of action shall arise. Nothing in
25 this Section contained shall be deemed to prevent an attach-
26 ment of property as security for the payment of any compensa-
27 tion as in this Act provided.

28 Sec. 17. COLLECTION OF DEFAULTED PAYMENTS. In case
29 of default by the employer in the payment of compensation due

1 under any award of compensation for a period of thirty days
2 after the compensation is due and payable, the person to
3 whom such compensation is payable may, within one year after
4 such default, make application to the Board making the com-
5 pensation order or a supplementary order declaring the amount
6 of the default. After investigation, notice, and hearing,
7 as provided in Section 18, the Board shall make a supplemen-
8 tary order, declaring the amount of the default, which shall
9 be filed in the same manner as the compensation order. In
10 case the payment in default is an installment of the award,
11 the Board may, in its discretion, declare the whole of the
12 award as the amount in default. The applicant may file a
13 certified copy of such supplementary order with the clerk of
14 the District Court of Alaska. Such supplementary order of
15 the Board shall be final, and the court shall upon the filing
16 of the copy enter judgment for the amount declared in default
17 by the supplementary order if such supplementary order is in
18 accordance with law. Review of the judgment so entered may
19 be had as in civil suits for damages at common law. Final
20 proceedings to execute the judgment may be had by writ of
21 execution in the form used by the court in suits at common
22 law in actions of assumpsit. The court shall modify such
23 judgment to conform to any later compensation order upon
24 presentation of a certified copy thereof to the court.

25 Sec. 18. PROCEDURE IN RESPECT OF CLAIMS. (a) Subject
26 to the provisions of Section 12 a claim for compensation may
27 be filed with the Board in accordance with its regulations
28 at any time after the first seven days of disability following
29 any injury, or at any time after death, and the Board shall

1 have full power and authority to hear and determine all
2 questions in respect to such claim.

3 (b) Within ten days after such claim is filed
4 the Board, in accordance with its regulations, shall
5 notify the employer and any other person (other than
6 the claimant), whom the Board considers an interested
7 party, that a claim has been filed. Such notice may
8 be served personally upon the employer or other person,
9 or sent to such employer or person by registered mail.

10 (c) The Board shall make or cause to be made
11 such investigations as it considers necessary in respect
12 of the claim, and upon application of any interested
13 party shall order a hearing thereon. If a hearing on
14 such claim is ordered the Board shall give the claimant
15 and other interested parties at least ten days' notice
16 of such hearing, served personally upon the claimant
17 and other interested parties or sent to such claimant
18 and other interested parties by registered mail, and
19 shall within twenty days after such hearing is had, by
20 order, reject the claim or make an award in respect of
21 the claim. If no hearing is ordered within twenty days
22 after notice is given as provided in subdivision (b),
23 the Board shall, by order reject the claim or make an
24 award in respect of the claim.

25 (d) At such hearing the claimant and the
26 employer may each present evidence in respect of such
27 claim and may be represented by any person authorized
28 in writing for such purpose

29 (e) The order rejecting the claim or making

1 the award (referred to in this Act as a compensation
2 order) shall be filed in the office of the Board, and
3 a copy thereof shall be sent by registered mail to
4 the claimant and to the employer at the last known
5 address of each.

6 (f) An award of compensation for disability
7 may be made after the death of an injured employee.

8 (g) An injured employee claiming or entitled
9 to compensation shall submit to such physical examination
10 by a duly qualified physician as the Board may require.
11 The place or places shall be reasonably convenient for
12 the employee. Such physician or physicians as the
13 employee, employer, or carrier may select and pay for
14 may participate in an examination if the employee, em-
15 ployer, or carrier so requests. Proceedings shall be
16 suspended and no compensation be payable for any period
17 during which the employee may refuse to submit to exami-
18 nation.

19 Sec. 19. PRESUMPTIONS. In any proceeding for the
20 enforcement of a claim for compensation under this Act it
21 shall be presumed, in the absence of substantial evidence to
22 the contrary:

23 (a) That the claim comes within the provisions
24 of this Act.

25 (b) That sufficient notice of such claim has
26 been given.

27 (c) That the injury was not occasioned solely
28 by the intoxication of the injured employee.

29 (d) That the injury was not occasioned by

1 the willful intention of the injured employee to injure
2 or kill himself or another.

3 Sec. 20. REVIEW OF COMPENSATION ORDER. (a) A com-
4 pensation order shall become effective when filed in the
5 office of the Board as provided in Section 18, and, unless
6 proceedings for the suspension or setting aside of such
7 order are instituted as provided in subdivision (c) of this
8 Section, shall become final at the expiration of the thir-
9 tieth day thereafter.

10 (b) If an application for review is made
11 to the Board within ten days from the date of an award,
12 made by less than all the members, the full Board, if
13 the first hearing was not held before the full Board,
14 shall review the evidence, or, if deemed advisable,
15 hear the parties at issue and their representatives
16 and witnesses as soon as practicable, and shall make
17 an award and file the same with the findings of fact
18 on which it is based, and shall send a copy thereof to
19 each of the parties forthwith.

20 (c) If not in accordance with law, a compensa-
21 tion order may be suspended or set aside, in whole or
22 in part, through injunction proceedings mandatory or
23 otherwise, brought by any party in interest against the
24 Board, instituted in the District Court. The payment
25 of the amounts required by an award shall not be stayed
26 pending final decision in any such proceeding unless upon
27 application for an interlocutory injunction the court,
28 on hearing, after not less than three days' notice to the
29 parties in interest and the Board, allows the stay of

1 such payments, in whole or in part, where irreparable
2 damage would otherwise ensue to the employer. The
3 order of the court allowing any such stay shall contain
4 a specific finding, based upon evidence submitted to
5 the court and identified by reference thereto, that such
6 irreparable damage would result to the employer, and
7 specifying the nature of the damage.

8 (d) If any employer or his officers or agents
9 fails to comply with a compensation order making an award,
10 that has become final, any beneficiary of such award or
11 the Board making the order, may apply for the enforcement
12 of the order of the District Court. If the court deter-
13 mines that the order was made and served in accordance
14 with law, and that such employer or his officers or
15 agents have failed to comply therewith, the court shall
16 enforce obedience to the order by writ of injunction or
17 by other proper process, mandatory or otherwise, to en-
18 join upon such person and his officers and agents com-
19 pliance with the order.

20 (e) Proceedings for suspending, setting
21 aside, or enforcing a compensation order, whether
22 rejecting a claim or making an award, shall not be
23 instituted otherwise than as provided in this Section
24 and Section 17.

25 Sec. 21. MODIFICATION OF AWARDS. Upon its own initia-
26 tive, or upon the application of any party in interest, on
27 the ground of a change in conditions or because of a mistake
28 in a determination of fact by the Board, it may, at any time
29 prior to one year after the date of the last payment of com-

1 pension, whether or not a compensation order has been
2 issued, or at any time prior to one year after the rejec-
3 tion of a claim, review a compensation case in accordance
4 with the procedure prescribed in respect of claims in Section
5 18, and in accordance with such Section issue a new compen-
6 sation order which may terminate, continue, reinstate,
7 increase, or decrease such compensation, or award compensa-
8 tion. Such new order shall not affect any compensation pre-
9 viously paid, except that an award increasing the compensa-
10 tion rate may be made effective from the date of the injury,
11 and if any part of the compensation due or to become due is
12 unpaid, an award decreasing the compensation rate may be
13 made effective from the date of the injury, and any payment
14 made prior thereto in excess of such decreased rate shall be
15 deducted from any unpaid compensation, in such manner and by
16 such method as may be determined by the Board.

17 Sec. 22. PROCEDURE BEFORE THE BOARD. (a) In making an
18 investigation or inquiry or conducting a hearing the Board
19 shall not be bound by common law or statutory rules of evidence
20 or by technical or formal rules of procedure, except as pro-
21 vided by this Act; but may make such investigation or inquiry
22 or conduct such hearing in such manner as to best ascertain the
23 rights of the parties. Declarations of a deceased employee
24 concerning the injury in respect of which the investigation or
25 inquiry is being made or the hearing conducted shall be received
26 in evidence and shall, if corroborated by other evidence, be
27 sufficient to establish the injury.

28 (b) Hearings before the Board shall be open to
29 the public and shall be stenographically reported, if re-

1 requested.

2 Sec. 23. WITNESSES. No person shall be required to attend
3 as a witness in any proceeding before the Board at a place more
4 than one-hundred miles from his place of residence, unless his
5 lawful mileage and fee for one day's attendance shall be first
6 paid or tendered to him; but the testimony of any witness may be
7 taken by deposition or interrogatories according to the rules
8 of practice of the District Court.

9 Sec. 24. WITNESS FEES. Witnesses summoned in a proceeding
10 before the Board or whose depositions are taken shall receive
11 the same fees and mileage as witnesses in the District Court.

12 Sec. 25. ALASKA WORKMEN'S COMPENSATION BOARD. (a) A Board
13 is hereby created which shall be known as the "Alaska Workmen's
14 Compensation Board," to be composed of the following three members:
15 The Territorial Insurance Commissioner, the Attorney General and
16 the Territorial Commissioner of Labor. The Commissioner of Labor
17 shall be Chairman of the Board, and shall be the executive officer
18 of the Board, and shall be empowered to perform all acts necessary
19 to carry into effect all provisions of this Act.

20 (b) Any member of the Board may appoint a deputy
21 to act for him and such deputy shall thereby exercise the
22 authority of the member for the purposes of this Act.

23 (c) Two members shall constitute a quorum and the
24 action taken by any two members or their deputies shall be
25 considered the action of the full Board.

26 (d) The Board may make rules not inconsistent with
27 this Act for carrying out the provisions hereof. Process
28 and procedure under this Act shall be as summary and simple
29 as reasonably may be. The Board or any member thereof shall

1 have the power for the purposes of this Act to subpoena
2 witnesses, administer or cause to be administered oaths, and
3 to examine or cause to have examined such parts of the books
4 and records of the parties to a proceeding as relate to
5 questions in dispute. The District Court, on application of
6 the Board, or any member thereof, shall enforce, by proper
7 proceedings, the attendance and testimony of witnesses and
8 the production and examination of books, papers and records.
9 Sec. 26. FEES FOR SERVICES. (a) No claim for legal services
10 or for any other services rendered in respect of a claim or award
11 for compensation, to or on account of any person, shall be valid
12 unless approved by the Board, or if proceedings for review of the
13 order of the Board in respect of such claim or award are had before
14 any court, unless approved by such court. Any claim so approved
15 shall, in the manner and to the extent fixed by the Board or such
16 court, be a lien upon such compensation.

17 (b) Any person (1) who receives any fee, other
18 consideration, or any gratuity on account of services so
19 rendered, unless such consideration or gratuity is approved
20 by the Board or such court, or (2) who makes it a business
21 to solicit employment for a lawyer or for himself in respect
22 of any claim or award for compensation, shall be guilty of
23 a misdemeanor, and upon conviction thereof, shall, for each
24 offense, be punished by fine of not more than \$1,000 or by
25 imprisonment not to exceed one year, or by both such fine
26 and imprisonment.

27 (c) If an employer shall fail to file timely
28 notice of controversy or shall fail to pay compensation
29 within 15 days after such become due or shall otherwise re-

1 sist the payment of compensation, and if claimant shall have
2 employed an attorney in the successful prosecution of his
3 claim, the Board shall make an award to reimburse the
4 claimant for his costs of such proceedings, including a
5 reasonable attorney's fee, which award shall be in addition
6 to compensation ordered.

7 (d) If any proceedings are had for review of any
8 compensation order before any court, the court may allow or
9 increase an attorney's fees, which fees shall be in addition
10 to compensation ordered and shall be paid as the court may
11 direct.

12 Sec. 27. RECORD OF INJURY OR DEATH. Every employer shall
13 keep a record in respect of any injury to an employee. Such re-
14 cord shall contain such information of disease, other disability,
15 or death in respect of such injury as the Board may require, and
16 shall be available to inspection by the Board or by any Terri-
17 torial authority at such times and under such conditions as the
18 Board may by regulation prescribe.

19 Sec. 28. REPORTS. (a) Within ten days from the date of
20 any injury or death or from the date that the employer has know-
21 ledge of a disease or infection in respect of such injury, the
22 employer shall send to the Board a report setting forth (1) the
23 name, address, and business of the employer; (2) the name,
24 address, and occupation of the employee; (3) the cause and nature
25 of the injury or death; (4) the year, month, day, and hour when
26 and the particular locality where the injury or death occurred;
27 and (5) such other information as the Board may require.

28 (b) Additional reports in respect of such injury
29 and of the condition of such employee shall be sent by the

1 employer to the Board at such times and in such manner as
2 the Board may prescribe.

3 (c) Any report provided for in subdivision (a)
4 or (b) shall not be evidence of any fact stated in such
5 report in any proceedings in respect of any such injury or
6 death on account of which the report is made.

7 (d) The mailing of any such report and copy in a
8 stamped envelope, within the time prescribed in subdivisions
9 (a) or (b), to the Board, shall be a compliance with this
10 section.

11 (e) Any employer who fails or refuses to send
12 any report required of him by this section shall be subject
13 to a civil penalty not to exceed \$500 for each such failure
14 or refusal.

15 (f) Where the employer or the carrier has been
16 given notice, or the employer (or his agent in charge of
17 the business in the place where the injury occurred) or the
18 carrier has knowledge, of any injury or death of an employee
19 and fails, neglects, or refuses to file a report thereof as
20 required by the provisions of subdivision (a) of this
21 section, the limitations in subdivision (a) of Section 12
22 of this Act shall not begin to run against the claim of the
23 injured employee or his dependents entitled to compensation,
24 or in favor of either the employer or the carrier, until
25 such report shall have been furnished as required by the
26 provisions of subdivision (a) of this Section.

27 Sec. 29. PENALTY FOR MISREPRESENTATION. Any person who
28 wilfully makes any false or misleading statement or representa-
29 tion for the purpose of obtaining any benefit or payment under

1 this Act shall be guilty of a misdemeanor and on conviction there-
2 of shall be punished by a fine of not to exceed \$1,000 or by
3 imprisonment of not to exceed one year, or by both such fine and
4 imprisonment.

5 Sec. 30. COMPENSATION FOR INJURIES WHERE THIRD PERSONS ARE
6 LIABLE. (a) If on account of a disability or death for which
7 compensation is payable under this Act the person entitled to
8 such compensation determines that some person other than the
9 employer is liable in damages, he may elect, by giving notice to
10 the Board in such manner as the Board may provide, to receive
11 such compensation or to recover damages against such third person.

12 (b) Acceptance of such compensation under an
13 award in a compensation order filed by the Board shall
14 operate as an assignment to the employer of all right of
15 the person entitled to compensation to recover damages
16 against such third person.

17 (c) The payment of such compensation into the
18 fund established in Section 32 shall operate as an assign-
19 ment to the employer of all right of the legal representative
20 of the deceased (hereinafter referred to as "representative")
21 to recover damages against such third person, whether or not
22 the representative has notified the Board of his election.

23 (d) Such employer on account of such assignment
24 may either institute proceedings for the recovery of such
25 damages or may compromise with such third person either with-
26 out or after instituting such proceeding.

27 (e) Any amount recovered by such employer on
28 account of such assignment, whether or not as the result of
29 a compromise, shall be distributed as follows:

1 1. The employer shall retain an amount
2 equal to:

3 (A) the expenses incurred by him in
4 respect to such proceedings or compromise (includ-
5 ing a reasonable attorney's fee as determined by
6 the Board);

7 (B) the cost of all benefits actually
8 furnished by him to the employee under Section 6;

9 (C) all amounts paid as compensation;

10 (D) the present value of all amounts
11 thereafter payable as compensation, such present
12 value to be computed in accordance with a schedule
13 prepared by the Board, and the present value of
14 the cost of all benefits thereafter to be furn-
15 ished under Section 6, to be estimated by the
16 Board, and the amounts so computed and estimated
17 to be retained by the employer as a trust fund
18 to pay such compensation and the cost of such
19 benefits as they become due, and to pay any sum
20 finally remaining in excess thereof to the person
21 entitled to compensation or to the representative;
22 and

23 2. The employer shall pay any excess to the
24 person entitled to compensation or to the representative,

25 (f) If the person entitled to compensation or the
26 representative elects to recover damages against such third
27 person and notifies the Board of his election and institutes
28 proceedings within the period prescribed in Section 12, the
29 employer shall be required to pay as compensation under this

1 Act a sum equal to the excess of the amount which the Board
2 determines is payable on account of such injury or death
3 over the amount recovered against such third person.

4 (g) If a compromise with such third person is
5 made by the person entitled to compensation or such
6 representative of an amount less than the compensation to
7 which such person or representative would be entitled to
8 under this Act, the employer shall be liable for compensa-
9 tion as determined in subdivision (e) only if such compromise
10 is made with his written approval.

11 (h) The Board may, if the person entitled to
12 compensation under this Act is a minor, make any election
13 required under subdivision (a) of this Section, or may
14 authorize the parent or guardian of the minor to make such
15 election.

16 (i) Where the employer is insured and the insur-
17 ance carrier has assumed the payment of the compensation,
18 the insurance carrier shall be subrogated to all the rights
19 of the employer under this Section.

20 Sec. 31. PENALTY FOR FAILURE TO SECURE PAYMENT OF COMPENSA-
21 TION. (a) Any employer required to secure the payment of com-
22 pensation under this Act who fails to secure such compensation
23 shall be guilty of a misdemeanor and, upon conviction thereof,
24 shall be punished by a fine of not more than \$1,000, or by im-
25 prisonment for not more than one year, or by both such fine and
26 imprisonment; and in any case where such employer is a corpora-
27 tion, the president, secretary, and treasurer thereof shall be
28 also severally liable to such fine or imprisonment as herein pro-
29 vided for the failure of such corporation to secure the payment

1 of compensation; and such president, secretary, and treasurer
2 shall be severally personally liable, jointly with such corpora-
3 tion, for any compensation or other benefit which may accrue under
4 the said Act in respect to any injury which may occur to any
5 employee of such corporation while it shall so fail to secure the
6 payment of compensation as required by Section 43-3-18 ACLA 1949.

7 (b) Any employer who knowingly transfers, sells,
8 encumbers, assigns, or in any manner disposes of, conceals,
9 secretes, or destroys any property belonging to such employer,
10 after one of his employees has been injured within the pur-
11 view of this Act, and with intent to avoid the payment of
12 compensation under this Act to such employee or his
13 dependents, shall be guilty of a misdemeanor and, upon con-
14 viction thereof, shall be punished by a fine of not more
15 than \$1,000, or by imprisonment for not more than one year,
16 or by both such fine and imprisonment; and in any case where
17 such employer is a corporation, the president, secretary,
18 and treasurer thereof shall be also severally liable to such
19 penalty of imprisonment as well as jointly liable with such
20 corporation for such fine.

21 (c) This Section shall not affect any other
22 liability of the employer under this Act.

23 Sec. 32. SECOND INJURY FUND. (a) There is hereby created
24 a Second Injury Fund, to be administered by the Commissioner of
25 Labor in accordance with the orders and awards of the Board.

26 (b) Whenever an employee shall suffer a compen-
27 sable injury which results in permanent partial disability
28 the employer, or his insurance carrier, shall, in addition
29 to the compensation provided for, pay into the second injury

1 fund a lump sum, equal to two per centum (2%) of the total
2 compensation to which the employee is entitled for the said
3 permanent partial disability, the said sum to be paid into
4 such second injury fund as soon as the total amount of the
5 permanent partial disability payable for the particular in-
6 jury is determined by the Board.

7 (c) The sums required to be paid into the
8 second injury fund shall be paid for the sole benefit of
9 those entitled to participate therein under the provisions
10 of this Act, the same to be paid by the Commissioner of Labor
11 in accordance with the orders and awards of the Board.

12 (d) In case a deposit or payment has been made
13 into such second injury fund, and it is later shown that
14 there are other beneficiaries or that the beneficiaries
15 designated are entitled to further or greater benefits, or,
16 if deposit or payment has been made by mistake or inadver-
17 tence or under such circumstances that justice requires a
18 refund thereof, the Board is hereby authorized to refund
19 such deposit or payment.

20 (e) The Board is authorized to direct and provide
21 the vocational retraining and rehabilitation of permanently
22 disabled persons, whose condition is the result of an injury
23 compensable under this Act, by making cooperative arrange-
24 ments with insurance carriers, private organizations and
25 institutions or Territorial, State or Federal agencies. The
26 expense of such retraining or rehabilitation shall be paid
27 out of that portion of the second injury fund as shall ex-
28 ceed the sum of Ten Thousand (\$10,000.00) Dollars. Such
29 persons shall be entitled to receive compensation from the

1 second injury fund for maintenance, in such sum as the Board
2 deems necessary, during the period of retraining and rehab-
3 ilitation, not exceeding \$50 per month; Provided, however,
4 that the total expenditure for maintenance, training, re-
5 habilitation and necessary transportation shall not exceed
6 \$3,000 for any one person.

7 (f) All amounts collected as civil penalties
8 provided in this Act shall be paid into the second injury
9 fund.

10 Sec. 33. COVERAGE. (a) Compensation shall be payable
11 under this Act in respect of disability or death of an employee.

12 (b) No compensation shall be payable if the injury
13 was occasioned solely by the intoxication of the employee
14 or by the wilful intention of the employee to injure or
15 kill himself or another.

16 Sec: 34. PRESUMPTION OF DIRECT PAYMENT: NOTICE; POSTING;
17 PLACES OF POSTING: FORM OF NOTICE. Every such employer shall be
18 conclusively presumed to have elected to pay compensation directly
19 to employees for injuries sustained arising out of and in the
20 course of the employment according to the provisions hereof,
21 unless and until notice in writing of insurance, stating the name
22 and address of the insurance company and the period of insurance,
23 shall have been given to the employee. Such notice shall be
24 posted and kept on the premises of the employer or on the premises
25 where the employer's operations are being carried on in three
26 conspicuous places; one of which shall be at the office of the
27 employer; one at the mess house or boarding house, if there be
28 one, and the third in some conspicuous place on the premises or
29 works. Such recorded and posted notice shall be substantially in

1 the following form, and the signature shall be witnessed by two
2 witnesses:

3 EMPLOYER'S NOTICE OF INSURANCE

4 To the employees of the undersigned:

5 You and each of you are hereby notified that the
6 undersigned is insured in theInsurance Com-
7 pany, whose address isand that the period
8 covered by such insurance isin accordance
9 with the terms, conditions and provisions to pay com-
10 pensation to employees of the undersigned for injuries
11 received as provided in the Act of the Territory of
12 Alaska, known as the "Alaska Workmen's Compensation
13 Act".

14 (Signed)

15 Witnesses:

16

17 Sec. 35. ARTICLE TO BE PART OF EVERY CONTRACT OF HIRE:
18 CONSTRUCTION. This article shall constitute part of every
19 contract of hire, express or implied, and the same shall be
20 construed as an agreement on the part of the employer to pay and
21 on the part of the employee to accept compensation in the manner
22 hereby provided for all personal injuries sustained.

23 Sec. 36. INSURANCE OR PROOF OF FINANCIAL ABILITY: DEPOSIT
24 OF SECURITY. Every employer under this Act, except those
25 exempted, shall either insure and keep insured his liability
26 hereunder in some insurance company or association duly author-
27 ized to transact the business of Workmen's Compensation Insurance
28 in this Territory, or shall furnish the Board satisfactory proof
29 of his financial ability to pay direct the compensation provided

1 in this Act. In the latter case the Board may, in its discretion,
2 require the deposit of an acceptable security, indemnity or bond
3 to secure the payment of compensation liabilities as they are
4 incurred.

5 Sec. 37. FILING EVIDENCE OF COMPLIANCE; EXCEPTION: FAILURE
6 TO COMPLY. Every employer under this Act, except those exempted,
7 shall, within ten days after this Act takes effect, file with the
8 Board, in the form prescribed by it, and thereafter within ten
9 days after the termination of his insurance by expiration or
10 cancellation, evidence of his compliance with the insurance pro-
11 visions of this Act; Provided, that this requirement shall not
12 apply to employers who have procured from the Board certificates
13 of their financial ability to pay compensation directly without
14 insurance.

15 Any employer hereafter coming under the compensation pro-
16 visions of this Act shall, in like manner, file like evidence of
17 such compliance.

18 If such employer fails, refuses, or neglects to comply with
19 the provisions of this Section, he shall be subject to the penal-
20 ties provided in Section 28 for failure to report accidents; but
21 nothing herein contained shall be construed as affecting the
22 rights conferred upon injured employees or their beneficiaries
23 under the Act.

24 Sec. 38. SELF-INSURANCE CERTIFICATES; REVOCATION; NEW:
25 CERTIFICATE. Whenever an employer has complied with the pro-
26 visions of this Act relating to self-insurance, the Board shall
27 issue to such employer a certificate which shall remain in force
28 for a period fixed by the Board, but the Board may, upon at least
29 ten days' notice and a hearing, revoke the certificate of such

1 employer upon satisfactory proof that such employer is no longer
2 entitled thereto.

3 At any time after such revocation the Board may grant a new
4 certificate to the employer, upon his petition and satisfactory
5 proof of his financial ability as provided in this Act.

6 Sec. 39. INSURANCE POLICIES: APPROVAL BY INSURANCE COMMIS-
7 SIONER: PRESUMPTION OF COVERAGE: LIMITATION OF LIABILITY; POLICY
8 PROVISIONS. (a) APPROVAL BY INSURANCE COMMISSIONER. No insurer
9 shall enter into or issue any policy of insurance under this Act
10 until its policy form shall have been submitted to and approved
11 by the Insurance Commissioner. The Insurance Commissioner shall
12 not approve the policy form of any insurance company until such
13 company shall file with it the certificate of the Commissioner of
14 Insurance showing that such company is authorized to transact the
15 business of Workman's Compensation Insurance in the Territory.
16 The filing of a policy form by any insurance company with the
17 Board for approval shall constitute, on the part of such company,
18 a conclusive and unqualified acceptance of each and all of the
19 provisions of this Act, and an agreement by it to be bound thereby.

20 (b) PRESUMPTION OF COVERAGE. All policies of
21 insurance companies insuring the payment of compensation
22 under this Act shall be conclusively presumed to cover all
23 the employees and the entire compensation liability of the
24 insured employer employed at or in connection with the busi-
25 ness of the employer carried on, maintained, or operated at
26 the location or locations set forth in such policy or agree-
27 ment.

28 (c) LIMITATION OF LIABILITY VOID. Any provision
29 in any such policy attempting to limit or modify the liability

1 ity of the company issuing the same shall be wholly void ex-
2 cept as provided in the preceding paragraph.

3 (d) REQUIRED POLICY PROVISIONS. Every policy of
4 any such company must contain the following provisions:

5 1. EXTENT OF COVERAGE. The insurer hereby
6 assumes in full all the obligations to pay physician's
7 fees, nurse's charges, hospital services, hospital
8 supplies, medicine, prosthetic devices, transportation
9 charges to the nearest point where adequate medical
10 facilities are available, burial expenses, compensation
11 or death benefits imposed upon the insured under the
12 provisions of this Act.

13 2. SUBJECTION TO ACT. That the policy is
14 made subject to the provisions of this Act and the
15 provisions of said Act relative to the liability of the
16 insured employer to pay physician's fees, nurse's charges
17 hospital services, hospital supplies, medicines, pros-
18 thotic devices, transportation charges to the nearest
19 point where adequate medical facilities are available,
20 burial expenses, compensation or death benefits to and
21 for said employees or beneficiaries, the acceptance of
22 such liability by the insured employer, the adjustment,
23 trial and adjudication of claims for such physician's
24 fees, nurse's charges, hospital services, hospital
25 supplies, medicines, prosthetic devices, transportation
26 charges to the nearest point where adequate medical
27 facilities are available, burial expenses, compensation
28 or death benefits and the liability of the insurer to
29 pay the same are and shall be a part of this policy con-

1 tract as fully and completely as if written herein.

2 3. NOTICE TO EMPLOYER. That, as between the
3 insurer and the employee or his or her beneficiaries,
4 notice to or knowledge of the occurrence of the injury
5 on the part of the insured employer shall be notice or
6 knowledge thereof, as the case may be, on the part of
7 the insurer; that the jurisdiction of the insured em-
8 ployer for the purpose of this Act shall be the jurisd-
9 iction of the insurer, and the insurer shall, in all
10 things, be bound by and shall be subject to the orders,
11 awards, judgments and decrees rendered against the in-
12 sured employer under said Act.

13 4. CONDITIONS OF PAYMENT. That the insurer
14 will promptly pay to the person or persons entitled to
15 the same, all benefits conferred by this Act, including
16 physician's fees, nurse's charges, hospital services,
17 hospital supplies, medicines, prosthetic devices, trans-
18 portation charges to the nearest point where adequate
19 medical facilities are available, burial expenses, and
20 all installments of compensation or death benefits that
21 may be awarded or agreed upon under said Act; that the
22 obligation of the insurer shall not be affected by any
23 default of the insured employer after the injury, or by
24 any default in giving of any notice required by this
25 policy; that the policy is and shall be construed to be
26 a direct promise by the insurer to the person entitled
27 by the insurer to the person entitled to physician's fees,
28 nurse's charges, fees for hospital services, charges for
29 medicines, prosthetic devices, transportation charges to

1 the nearest point where adequate medical facilities are
2 available, and hospital supplies, charges for burial,
3 compensation or death benefits, and shall be enforceable
4 in the name of such person or persons.

5 5. NOTICE OF TERMINATION. That any termina-
6 tion of the policy by cancellation shall not be effective
7 as to the employees of the insured employer covered there-
8 by until ten days after written notice of such termina-
9 tion has been received by the Board. Provided, however,
10 that if the employer has secured insurance with another
11 insurance carrier, cancellation shall be effective as of
12 the date of such other coverage.

13 6. JOINT LIABILITY. That all claims for com-
14 pensation, death benefits, physician's fees, nurse's
15 charges, hospital services, hospital supplies, medicines,
16 prosthetic devices, transportation charges to the nearest
17 point where adequate medical facilities are available,
18 burial expenses, may be made directly against either the
19 employer or the insurer, or both, and the order or award
20 of the Board may be made against either the employer or
21 the insurer or both.

22 7. REVOCATION BY COMMISSIONER. That if any
23 insurer shall fail or refuse to pay any final award or
24 judgment (except during the pendency of an appeal) render-
25 ed against it, or its insured, or, if it shall fail or
26 refuse to comply with any provision of this Act, the
27 Insurance Commissioner shall revoke the approval of the
28 policy form, and shall not accept any further proofs of
29 insurance from it until it shall have paid said award or

1 judgment or complied with the violated provision of this
2 Act, and shall have resubmitted its policy form and re-
3 ceived the approval thereof by the Insurance Commission.

4 Sec. 40. INSURANCE RATES. If the provisions of this Act re-
5 quire any insurance rates adjustments, said adjustments must be
6 conditioned upon strict compliance with the rate regulation provi-
7 sions of Territorial law, Sections 42-4-1 through 42-4-21 ACLA
8 1949.

9 Sec. 41. EFFECTIVE DATE. This Act shall take effect July 1,
10 1957.

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