

Introduced: 5/2/77
Referred: Labor & Management
and Commerce

1 IN THE HOUSE

BY BROWN

2 HOUSE BILL NO. 514

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to workmen's compensation; and pro-
7 viding for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. RISK MANAGEMENT, SAFETY AND SUPPORT PROGRAM FOR WORKMEN'S
10 COMPENSATION. (a) The director may authorize support payments for an em-
11 ployer group participating in the risk management, safety and support program
12 established by this section following his determination that

13 (1) the public interest requires continued availability of the
14 product or service supplied by that employer group;

15 (2) the level of workmen's compensation premium established for
16 the employer group's payroll classifications is seriously and adversely
17 affecting day-to-day business decisions to such an extent that there is a
18 likelihood that the availability of the products or services provided by the
19 industry will be curtailed or impaired in a manner contrary to the public
20 interest.

21 (b) If the director determines that an employer group is eligible to
22 participate in the program established under this section, he shall within 30
23 days develop and make available a risk management and safety program designed
24 to improve the loss experience of that group. The program shall be developed
25 in consultation with prospective insurers. An employer receiving support
26 under this section must comply with the provisions of the program established
27 by the director.

28 (c) The amount of support may not be less than the difference between
29 the cost of the most economical insurance coverage available to the

1 employer group and 150 per cent of the cost of coverage at the rate which was
2 in effect on May 31, 1975 unless insufficient funds are available. Support
3 may exceed that amount only as is required to protect the public interest.
4 If insufficient funds are available, support payments made on behalf of each
5 eligible employer shall be computed by multiplying the full support payment
6 by the ratio obtained by dividing the total available funds by the sum of all
7 authorized support payments. Payment shall be made directly to the partici-
8 pating insurance carrier. The director shall review the economic conditions
9 affecting the employers receiving support under this section to determine
10 whether the support shall be continued and, if so, in what amounts. The
11 director shall terminate support to any employer or employer group if the
12 conditions established under (a) of this section cease to exist.

13 (d) In this section

14 (1) "director" means the director of the division of insurance;

15 (2) "employer group" means a trade association, safety group,
16 organization or other group composed of employers engaged in a hazardous type
17 of economic activity in which a substantial portion of payroll falls in one
18 or more related classifications for the purpose of computing workmen's com-
19 pensation premiums.

20 * Sec. 2. The director of the division of insurance shall report fully
21 the activities, progress and results of the risk management, safety and
22 support program for workmen's compensation established under sec. 1 of this
23 Act to the legislature within the first 10 days of each session.

24 * Sec. 3. The provisions of this Act expire December 31, 1979.

25 * Sec. 4. This Act takes effect July 1, 1977.

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