

Original sponsor: Rules Committee by request
of the Governor

Offered: 5/24/77
For Today's Calendar

1 IN THE SENATE

BY THE RULES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 131 (Rules)

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."

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

8 * Section 1. AS 21.33.100 is amended by adding a new paragraph to read:

9 (5) the surplus line broker or unauthorized insurer, either
10 directly or through an independent contractor, provides claims services
11 in the state of Alaska and loss control services substantially equivalent
12 to those required of authorized insurers under AS 23.30.032.

13 * Sec. 2. AS 21.36.190 is amended by adding a new subsection to read:

14 (d) This section does not apply to workmen's compensation insur-
15 ance when issued to an association of employers formed for purposes
16 other than the purchase of insurance and which

17 (1) has a constitution and bylaws;

18 (2) incorporates a safety program;

19 (3) as a group has preferred characteristics over similar
20 risks written on an individual basis; and

21 (4) has filed and received approval from the director for the
22 rating program to be applied to the group.

23 * Sec. 3. AS 23.30.015(e)(2) is amended to read:

24 (2) the employer shall pay any excess to the person entitled
25 to compensation or to his representative [, LESS ONE-FOURTH OF THE EX-
26 CESS, NOT TO EXCEED \$10,000, TO BE RETAINED BY THE EMPLOYER].

27 * Sec. 4. AS 23.30 is amended by adding a new section to read:

28 Sec. 23.30.032. SAFETY AND HEALTH SERVICES. (a) Any insurer
29 that issues insurance contracts under this chapter shall, in accordance

1 with a program approved by the board, furnish occupational safety and
2 health consultative services to its insured employers. These consulta-
3 tive services shall be designed to promote occupational safety and reduce
4 occupational health hazards.

5 (b) An insurer may furnish any of the services required by (a) of
6 this section through an independent contractor that is approved by the
7 board.

8 (c) The program of an insurer for furnishing consultative services
9 as required by this section shall be adequate to meet the minimum stan-
10 dards prescribed by the board by regulation from time to time. An
11 application for approval of a program, or a proposed change in an
12 approved program, shall be filed with the board. Upon approval of an
13 application, the board shall notify the applicant and, upon approval of
14 the application of an insurer, send a copy of such notice to the director
15 of the division of insurance.

16 * Sec. 5. AS 23.30 is amended by adding a new section to read:

17 Sec. 23.30.091. SELF-INSURANCE RECORDS. (a) Every self-insured
18 employer shall maintain a place of business in this state where the
19 employer shall keep complete records of all claims for compensation made
20 to the employer under this chapter or a self-insured employer may, under
21 the conditions prescribed by the board, keep such records in this state
22 at a place operated by a service company. The records shall be retained
23 in, and may be removed from, this state or disposed of, in accordance
24 with regulations adopted by the board. The records shall be available
25 to the board for examination and audit at all reasonable times upon
26 notice by the board to the employer.

27 (b) With the permission of the board, a self-insured employer may
28 keep all claims records and process claims from a location outside the
29 state. The board shall by regulation prescribe the conditions and

1 procedure for obtaining its permission. The board may revoke its
2 permission for failure of the employer to comply with the regulations.
3 If the permission of an employer is revoked by the board, the employer
4 shall be allowed 60 days after the order of revocation becomes final to
5 comply with (a) of this section. The expenses of the board to examine
6 and audit the records of a self-insured employer outside this state shall
7 be paid by the employer.

8 * Sec. 6. AS 23.30.095(a) is amended to read:

9 (a) The employer shall furnish medical, surgical, and other
10 attendance or treatment, nurse and hospital service, medicine, crutches,
11 and apparatus for the period which the nature of the injury or the pro-
12 cess of recovery requires [NOT EXCEEDING TWO YEARS FROM AND AFTER THE
13 DATE OF INJURY TO THE EMPLOYEE. HOWEVER, IF THE CONDITION REQUIRING THE
14 TREATMENT, APPARATUS, OR MEDICINE IS A LATENT ONE, THE TWO-YEAR PERIOD
15 RUNS FROM THE TIME THE EMPLOYEE HAS KNOWLEDGE OF THE NATURE OF HIS
16 DISABILITY AND ITS RELATIONSHIP TO HIS EMPLOYMENT AND AFTER-DISABLEMENT.
17 IT SHALL BE ADDITIONALLY PROVIDED THAT, IF CONTINUED TREATMENT OR CARE
18 OR BOTH BEYOND THE TWO-YEAR PERIOD IS INDICATED, THE INJURED EMPLOYEE
19 HAS THE RIGHT OF REVIEW BY THE BOARD. THE BOARD MAY AUTHORIZE CONTINUED
20 TREATMENT OR CARE OR BOTH AS THE PROCESS OF RECOVERY MAY REQUIRE]. When
21 medical care is required, the injured employee may designate a licensed
22 physician inside the state to render the care except in cases where, in
23 the judgment of the board, care or treatment or both can best be admin-
24 istered by the selection of another physician. Upon procuring the
25 services of a physician, the injured employee shall give proper notifi-
26 cation of his selection to the employer within a reasonable time after
27 first being treated. If for any reason during the period when medical
28 care is required the employee wishes to change to another physician, he
29 may do so in accordance with rules prescribed by the board.

1 * Sec. 7. AS 23.30.172 is amended to read:

2 Sec. 23.30.172. BENEFIT ADJUSTMENTS. Benefits for temporary total
3 disability cases which have existed for more than two years and permanent
4 total disability shall be calculated under this chapter according to
5 currently existing benefit rates regardless of the benefit rates in
6 existence at the time of the injury, unless this calculation would cause
7 a decrease in the actual benefits receivable. This section does not
8 apply to death or survivors' benefits.

9 * Sec. 8. AS 23.30.175(a) is amended to read:

10 (a) The weekly rate of compensation for disability or death for a
11 recipient residing in Alaska [WHOSE AVERAGE WEEKLY WAGES, AS COMPUTED
12 UNDER SEC. 220 OF THIS CHAPTER, ARE AT LEAST \$65 A WEEK,] may not exceed
13 the percentage of the Alaska average weekly wage in effect on the date
14 of injury as determined by the table contained in this subsection and
15 initially may not be less than \$65 a week. However, if the board
16 determines that the employee's average weekly wages are less than \$65 a
17 week as computed under sec. 220 of this chapter, it shall issue an order
18 decreasing the compensation to a rate equal to the employee's average
19 weekly wages, and payments made earlier in excess of the decreased rate
20 shall be deducted from the unpaid compensation in the manner the board
21 determines. In any case, the employer shall pay timely compensation.
22 [IF THE EMPLOYEE'S AVERAGE WEEKLY WAGES, AS COMPUTED UNDER SEC. 220 OF
23 THIS CHAPTER, ARE LESS THAN \$65 A WEEK, HE SHALL RECEIVE AS COMPENSATION
24 FOR HIS DISABILITY HIS AVERAGE WEEKLY WAGES.]

On	The Rate Shall Be
July 1, 1975	80 per cent of the Alaska average weekly wage
January 1, 1976	100 per cent of the Alaska average weekly wage

1 * Sec. 13. AS 23.30.215(e) is repealed and re-enacted to read:

2 (e) Total compensation under this section may not exceed \$400,000.

3 * Sec. 14. AS 23.30.215 is amended by adding new subsections to read:

4 (f) In the event a deceased employee is survived by a child of a
5 former marriage not living with the surviving widow or widower, the
6 board may, in the interest of equity, change the portion of the chil-
7 dren's benefit to which that child is entitled under this section.

8 (g) In the event the total amount of all benefits computed under
9 (a)(2) of this section exceeds the maximum benefit provided in sec. 175
10 of this chapter, the maximum benefit under sec. 175 of this chapter
11 shall be prorated among entitled survivors.

12 (h) For the purpose of determining whether the monetary limits in
13 (e) of this section have been reached, "compensation" includes the
14 amount by which workmen's compensation payments are reduced under
15 AS 23.30.225 as a result of payments under the social security system.

16 * Sec. 15. AS 23.30 is amended by adding a new section in art. 5 to read:

17 Sec. 23.30.225. SOCIAL SECURITY OFFSET. (a) Where periodic
18 retirement or survivors' benefits are payable under Title II of the
19 Social Security Act (42 U.S.C. 301 et seq.), the weekly compensation
20 provided for in this chapter shall be reduced by an amount equal as
21 nearly as practicable to one-half of the federal periodic benefits for a
22 given week.

23 (b) In cases where it is determined that, in accordance with 42
24 U.S.C. 401 et seq., periodic disability benefits are payable to an em-
25 ployee or his dependents for an injury for which a claim has been filed
26 under this chapter, weekly disability benefits payable under this chap-
27 ter shall be offset by an amount by which the sum of (1) weekly benefits
28 to which the employee is entitled under 42 U.S.C. 401 et seq., and (2)
29 weekly disability benefits to which the employee would otherwise be en-

1 titled under this chapter, exceeds 80 per cent of the employee's average
2 weekly wages at the time of injury.

3 * Sec. 16. AS 23.30 is amended by adding new sections to read:

4 Sec. 23.30.252. OBTAINING BENEFITS BY FALSE PRETENSES. A person
5 who obtains a payment or benefit under this chapter by wilfully making a
6 false or misleading statement is guilty of obtaining money by false
7 pretenses and upon conviction is punishable under AS 11.20.360.

8 Sec. 23.30.266. DUTY TO REPORT VIOLATIONS. A person who knows
9 that there has been a violation of secs. 245 - 260 of this chapter shall
10 report the violation to the board within 10 days of learning of the
11 violation. A person who fails to report a violation under this section
12 is guilty of a misdemeanor and is punishable under AS 11.05.010.

13 * Sec. 17. This Act does not apply to cases arising out of injuries or
14 deaths which occurred before the effective date of this Act.

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