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Referred: Labor & Commerce and  
Finance

BY THE RULES COMMITTEE BY REQUEST  
OF THE LEGISLATIVE COUNCIL (for  
the Workers' Compensation Study  
Commission)

1 IN THE HOUSE

2 HOUSE BILL NO. 159

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to workers' compensation; and provid-  
7 ing for an effective date."

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

9 \* Section 1. The purpose of sec. 2 of this Act is to provide both protec-  
10 tion for injured employees and flexibility for employers in making the  
11 alternative of self-insurance available to those employers required under  
12 AS 23.30 to provide workers' compensation insurance coverage for their  
13 employees.

14 \* Sec. 2. AS 21 is amended by adding a new chapter to read:

15 CHAPTER 62. WORKERS' COMPENSATION SELF-INSURANCE.

16 Sec. 21.62.010. SELF-INSURANCE. An employer or two or more  
17 employers having a common management or two or more employers having a  
18 common interest may elect to pay directly the compensation required in  
19 AS 23.30 after providing satisfactory proof of financial ability to  
20 make direct payments and receiving a self-insurance certificate from  
21 the director.

22 Sec. 21.62.020. SELF-INSURANCE FUND. (a) A workers' compensa-  
23 tion self-insurance group formed by two or more employers having a  
24 common interest shall establish and keep a self-insurance fund with a  
25 minimum balance to be determined by the director, but not less than  
26 \$250,000. The director may adopt regulations to maintain the solvency  
27 of the fund.

28 (b) The fund shall be administered by a board of trustees selected  
29 by members of the common interest self-insurance group.

1 (c) A majority of the trustees of the fund must be members of the  
2 self-insurance group.

3 (d) A trustee of a fund may not be an owner, officer, or employee  
4 of the service company used by the common interest self-insurance group  
5 which established the fund.

6 (e) The common interest self-insurance group shall adopt bylaws  
7 governing the operation of the fund.

8 Sec. 21.62.030. APPLICATION. (a) An employer desiring to become  
9 an individual self-insurer or two or more employers having common  
10 management desiring to become a group self-insurer shall submit an  
11 application to the division on a form prescribed by the director.

12 (b) The trustees of the fund of a common interest group desiring  
13 to become a group self-insurer shall submit an application to the divi-  
14 sion on a form prescribed by the director.

15 (c) An applicant for self-insurance shall answer all questions on  
16 the application. The answers shall be sworn to and notarized. The  
17 application shall be submitted at least 90 days before the proposed  
18 effective date or renewal date of the self-insurance certificate.

19 Sec. 21.62.040. CONTENTS OF APPLICATION. An applicant for self-  
20 insurance shall submit the following with the application for self-  
21 insurance:

22 (1) evidence of working capital of an amount which estab-  
23 lishes the financial strength and liquidity to pay normal compensation  
24 claims promptly;

25 (2) the proposed amount of retention per loss and retention  
26 in the aggregate;

27 (3) the proposed program of excess insurance coverage;

28 (4) proof that the applicant has ample facilities and compe-  
29 tent personnel to service the self-insurance plan or a copy of a signed

1 service agreement with an approved service company to provide that  
2 service;

3 (5) the location in this state where all records of self-  
4 insured loss will be maintained;

5 (6) a description of any loss control or safety programs to  
6 be used by the applicant;

7 (7) Any further evidence which the director may require to  
8 establish the ability of the applicant to meet its obligations under  
9 AS 23.30.

10 Sec. 21.62.050. DOCUMENTS REQUIRED OF INDIVIDUAL SELF-INSURER.  
11 In addition to the information required under AS 21.62.040, an applica-  
12 tion for individual self-insurance shall be accompanied by

13 (1) a financial statement not more than three months old at  
14 the time of the application showing a net worth of not less than  
15 \$500,000;

16 (2) an agreement to fully discharge by cash payment all  
17 amounts required to be paid under AS 23.30.

18 Sec. 21.62.060. DOCUMENTS REQUIRED OF COMMON MANAGEMENT SELF-  
19 INSURANCE GROUP. In addition to the information required under AS 21.-  
20 62.040, an application for group self-insurance by a common management  
21 group shall be accompanied by

22 (1) a financial statement not more than three months old at  
23 the time of application for each member of the group showing a combined  
24 net worth of all members of the group to be not less than \$500,000;

25 (2) an indemnity agreement jointly and severally binding  
26 each member of the common management self-insurance group to fully  
27 discharge by cash payment all amounts required to be paid under  
28 AS 23.30.

29 Sec. 21.62.070. DOCUMENTS REQUIRED OF COMMON INTEREST SELF-

1 INSURANCE GROUP. In addition to the information required under AS 21.-  
2 62.040, an application for group self-insurance by the trustees of the  
3 fund of a common interest group shall be accompanied by

4 (1) a financial statement not more than three months old at  
5 the time of the application for each member applying for coverage on  
6 the inception date of the fund showing a combined net worth of all  
7 members of the common interest self-insurance group of not less than  
8 \$1,000,000;

9 (2) an indemnity agreement jointly and severally binding the  
10 fund and each member of the common interest self-insurance group to  
11 fully discharge by cash payment all amounts required to be paid under  
12 AS 23.30;

13 (3) An individual application for each member of the common  
14 interest self-insurance group applying for coverage under the fund;

15 (4) a set of bylaws or a trust agreement which shall govern  
16 the operation of the fund;

17 (5) proof of the existence of the minimum balance in the  
18 fund as required under AS 21.62.020(a);

19 (6) an estimate of all administrative expenses of the fund  
20 for the period for which the self-insurance certificate is to be issued.

21 Sec. 21.62.080. REVIEW AND DECISION OF DIRECTOR. (a) The direc-  
22 tor shall review the contents of an application for self-insurance and  
23 determine whether the applicant has the financial ability to meet its  
24 obligations under AS 23.30.

25 (b) The director shall determine the amount of excess insurance  
26 coverage necessary for the discharge of the obligations of the employer  
27 under AS 23.30 and the protection of the applicant.

28 (c) The director may require a surety bond under AS 21.62.100 as  
29 a condition to issuance of a self-insurance certificate.

1 (d) The director shall give written notice to the applicant not  
2 later than 30 days before the proposed effective date of his approval  
3 or denial of an application for self-insurance. If the application is  
4 approved, the notice shall list the conditions which must be met before  
5 the self-insurance certificate is issued. If the application is denied,  
6 the notice shall state the specific reasons for the denial.

7 (e) A decision of the director is subject to the hearing and  
8 appeal procedure under AS 21.06.180 - 21.06.230.

9 Sec. 21.62.090. SELF-INSURANCE CERTIFICATE. Upon approval of an  
10 application and receipt of proof of any conditions established under  
11 AS 21.62.080(d), the director shall issue a self-insurance certificate  
12 to the applicant. The self-insurance certificate shall be on a form  
13 prescribed by the director and shall be issued for a period of one  
14 year.

15 Sec. 21.62.100. BOND. (a) With each application for self-insur-  
16 ance or application for renewal of a self-insurance certificate the  
17 director may require a corporate surety bond to secure the payment of  
18 obligations under AS 23.30 as they are incurred. The bond shall be on  
19 a form prescribed by the director and shall be issued by a corporate  
20 surety authorized under AS 21.09 to do business in this state. The  
21 amount of the bond for each year shall be equal to or greater than the  
22 aggregate retention of the self-insurer but not less than \$25,000.

23 (b) A bond secured in compliance with this section may not be  
24 cancelled, exchanged, or replaced unless 60 days written notice is  
25 given to the director and to the self-insurer.

26 Sec. 21.62.110. EXCESS INSURANCE. (a) The director shall deter-  
27 mine the amount and kind of excess insurance required of an applicant  
28 for self-insurance based on the financial strength, past history of  
29 loss, and degree of hazard in the operations of the applicant and any

1 other factors he considers appropriate.

2 (b) Excess insurance coverage shall be written by a casualty  
3 insurer authorized under AS 21.09 to do business in this state, except  
4 that the director may approve a policy of excess insurance with coverage  
5 starting at \$1,000,000 with an insurer writing insurance in this state  
6 under AS 21.33.

7 (c) A policy of excess insurance issued under this chapter may  
8 not be cancelled unless the excess insurer gives 60 days written notice  
9 by certified mail to the director and to the self-insurer.

10 (d) The policy of excess insurance shall contain a provision that  
11 the director may order the payment of obligations due under the terms  
12 of the policy to a party other than the employer if necessary to assure  
13 the prompt payment of benefits to injured employees.

14 (e) A policy of excess insurance under this chapter shall cover  
15 each employer named in the application for self-insurance under AS 21.-  
16 62.030 and no other employers.

17 Sec. 21.62.120. SERVICING FOR SELF-INSURERS. (a) It is the sole  
18 responsibility of a self-insurer to provide competent persons to service  
19 its programs for claims adjusting, underwriting, and loss control.

20 (b) A self-insurer may contract with one or more approved service  
21 companies to provide these services on a full-time basis.

22 (c) The department shall adopt regulations for approving service  
23 companies under this section.

24 Sec. 21.62.130. RECORDS. (a) A self-insurer or a service company  
25 on behalf of a self-insurer shall maintain all claims records at a  
26 location in the state.

27 (b) The records of a self-insurer which relate to self-insurance  
28 under this chapter are subject to guidelines established by the director  
29 concerning their retention and the review of those records by the

1 director.

2 (c) All claims files of a self-insurer are subject to review by  
3 the director during normal business hours at a location in the state as  
4 stated in the application for self-insurance.

5 Sec. 21.62.140. REPORTS. The director may by regulation require  
6 reports concerning payroll, losses, reserves, financial condition, and  
7 other matters reasonably related to the ability of a self-insurer to  
8 meet its obligations under AS 23.30. Failure to comply with these  
9 regulations is cause for revocation of a self-insurance certificate.

10 Sec. 21.62.150. INDEMNITY AGREEMENT. The director may by regula-  
11 tion establish the provisions of the indemnity agreement required under  
12 AS 21.62.060(2) and 21.62.070(2). An indemnity agreement may contain  
13 other provisions that are consistent with the provisions adopted by  
14 regulation.

15 Sec. 21.62.160. REVOCATION OF A SELF-INSURANCE CERTIFICATE. (a)  
16 Failure to comply with the provisions of this chapter or AS 23.30 is  
17 grounds for revocation of a self-insurance certificate.

18 (b) The director shall give a self-insurer 30 days written notice  
19 of a proposed revocation of a self-insurance certificate. The notice  
20 of proposed revocation shall contain a statement of the reasons for  
21 revocation. Revocation is effective 30 days after a self-insurer re-  
22 ceives a notice of proposed revocation unless the self-insurer requests  
23 a hearing within 15 days after receiving notice of proposed revocation.  
24 Revocation shall be stayed until the hearing process is completed.

25 (c) A self-insurer may appeal an order under this section as  
26 provided in AS 21.06.230.

27 Sec. 21.62.170. INDEXING. The director may adopt regulations to  
28 provide for a revision of the dollar amounts in AS 21.62.020(a), 21.62.-  
29 050(1), 21.62.060(1), 21.62.070(1), 21.62.100(a), and 21.62.110(f) to

1 reflect devaluation of those amounts due to inflation.

2 Sec. 21.62.200. DEFINITIONS. In this chapter

3 (1) "common interest self-insurance group" means a group of  
4 employers that are in the same or similar type of business and includes  
5 unrelated businesses which are owned or controlled by the same person  
6 or persons if one of the unrelated businesses is the same or similar  
7 type of business as the other businesses in the group;

8 (2) "common management self-insurance group" means a group  
9 of employers which have businesses that are owned or controlled by the  
10 same persons;

11 (3) "fund" means a self-insurance fund;

12 (4) "trustee" means a person elected by a common interest  
13 self-insurance group for a stated term to direct the administration of  
14 a fund.

15 \* Sec. 3. AS 18.80.220(a)(4) is amended to read:

16 (4) an employer, labor organization or employment agency to  
17 discharge, expel or otherwise discriminate against a person because he  
18 has

19 (A) opposed any practices forbidden under AS 18.80.-  
20 200 - 18.80.280; [OR BECAUSE HE HAS]

21 (B) filed a complaint, testified or assisted in a  
22 proceeding under this chapter; or

23 (C) filed a claim for workers' compensation benefits  
24 under AS 23.30;

25 \* Sec. 4. AS 21.36.190(d) is amended to read:

26 (d) This section does not apply to workers' compensation insur-  
27 ance when issued to an association of employers in the same rating  
28 classification [FORMED FOR PURPOSES OTHER THAN THE PURCHASE OF INSUR-  
29 ANCE] and which as a group

- 1 (1) has a constitution and bylaws;  
2 (2) incorporates a safety program;  
3 [(3) AS A GROUP HAS PREFERRED CHARACTERISTICS OVER SIMILAR  
4 RISKS WRITTEN ON AN INDIVIDUAL BASIS;] and  
5 (4) has filed and received approval from the director for  
6 the rating program to be applied to the group.

7 \* Sec. 5. AS 21.39.040(d) is amended to read:

8 (d) Subject to the exceptions [EXCEPTION] specified in (e) of  
9 this section and AS 21.39.045, each filing shall be on file for a  
10 waiting period of 15 days before it becomes effective, which period may  
11 be extended by the director for an additional period not to exceed 15  
12 days if he gives written notice within the waiting period to the insurer  
13 or rating organization which made the filing stating that he needs  
14 additional time for the consideration of the filing. Upon written  
15 application by the insurer or rating organization, the director may  
16 authorize a filing which he has reviewed to become effective before the  
17 expiration of the waiting period. A filing shall be considered to meet  
18 the requirements of this chapter unless disapproved by the director  
19 within the waiting period.

20 \* Sec. 6. AS 21.39 is amended by adding a new section to read:

21 Sec. 21.39.045. WORKERS' COMPENSATION RATE FILINGS. (a) A  
22 filing of workers' compensation rates by a rating organization shall be  
23 limited to provisions for claim payment and may not include allowances  
24 for expenses, taxes, or profit, except as necessary for full rate  
25 development for an assigned risk pool under AS 21.39.155.

26 (b) If each rate in a schedule of workers' compensation rates for  
27 a specific classification of risks filed by an insurer is not lower  
28 than the rate for each respective classification filed by a rating  
29 organization in accordance with (a) of this section and approved by the

1 director, the schedule of rates filed by the insurer is effective  
2 immediately and the waiting period in AS 21.39.040(d) is not required.

3 (c) Notwithstanding (b) of this section, the director may require  
4 an insurer to comply with the waiting period in AS 21.39.040(d) for a  
5 rate filing or part of a rate filing if he determines that the rate  
6 filing or part of the rate filing is excessive, inadequate, or unfairly  
7 discriminatory.

8 \* Sec. 7. AS 21.39.070 is amended by adding new subsections to read:

9 (c) Notwithstanding (a) of this section, a filing by an insurer  
10 of an independent deductible or loss reimbursement plan is not consid-  
11 ered a deviation under this section.

12 (d) Notwithstanding (a) of this section, a filing of workers'  
13 compensation rates under AS 21.39.045(b) is not a deviation under this  
14 section.

15 \* Sec. 8. AS 23.30.005(a) is amended to read:

16 (a) The Alaska Workers' Compensation Board shall consist of nine  
17 [SEVEN] members, including a southern panel of three members sitting  
18 for the first judicial district, a northern panel of three members  
19 sitting for the second and fourth judicial districts, [AND] a south-  
20 central panel of three members sitting for the third judicial district,  
21 and one panel of three members which may sit in any judicial district.

22 Each panel shall include the commissioner of labor or his designated  
23 representative, a representative of industry and a representative of  
24 labor. The latter two members of each panel shall be appointed by the  
25 governor. All panel members are subject to confirmation by a majority  
26 of the members of the legislature in joint session.

27 \* Sec. 9. AS 23.30.010 is amended to read:

28 Sec. 23.30.010. COVERAGE. Benefits are [COMPENSATION IS] payable  
29 under this chapter in respect of disability or death of an employee.

1 \* Sec. 10. AS 23.30.015 is amended to read:

2 Sec. 23.30.015. BENEFITS [COMPENSATION] WHERE THIRD PERSONS ARE  
3 LIABLE. (a) If on account of disability or death for which benefits  
4 [COMPENSATION IS] payable under this chapter the person entitled to the  
5 benefits [COMPENSATION] believes that a third person other than the  
6 employer or a fellow employee is liable for damages, he need not elect  
7 whether to receive benefits [COMPENSATION] or to recover damages from  
8 the third person.

9 (b) Acceptance of benefits [COMPENSATION] under an award in a  
10 compensation order filed by the board operates as an assignment to the  
11 employer of all rights of the person entitled to benefits [COMPENSATION]  
12 and the personal representative of a deceased employee to recover  
13 damages from the third person unless the person or representative  
14 entitled to benefits [COMPENSATION] commences an action against the  
15 third person within one year after an award.

16 (c) Payment of compensation into the second-injury fund as a  
17 result of death operates as an assignment to the employer of all rights  
18 of the representative of the deceased to recover damages from the third  
19 person.

20 (d) An employer under an assignment may either institute proceed-  
21 ings for the recovery of damages or may compromise with a third person,  
22 either without or after instituting an action.

23 (e) An amount recovered by the employer under an assignment,  
24 whether by action or compromise, shall be distributed as follows:

25 (1) The employer shall retain an amount equal to

26 (A) the expenses incurred by him in respect to the  
27 action or compromise, including a reasonable attorney fee deter-  
28 mined by the board;

29 (B) the cost of all benefits actually furnished by him

1 under this chapter;

2 (C) all amounts paid as compensation and second-injury  
3 fund payments;

4 (D) the present value of all amounts payable later as  
5 compensation (present value to be computed from a schedule prepared  
6 by the board), and the present value of the cost of all benefits  
7 to be furnished later under AS 23.30.095 (as estimated by the  
8 board), the amounts so computed and estimated to be retained by  
9 the employer as a trust fund to pay compensation and cost of  
10 benefits as they become due and to pay any finally remaining  
11 excess sum to the person entitled to benefits [COMPENSATION] or to  
12 the representative; and

13 (2) the employer shall pay any excess to the person entitled  
14 to benefits [COMPENSATION] or to his representative.

15 (f) Even if an employee, his representative, or his employer  
16 brings an action or settles a claim against the third person, the  
17 employer shall pay the benefits [AND COMPENSATION] required by this  
18 chapter.

19 (g) If the employee or his representative recovers damages from  
20 the third person, the employee or representative shall promptly pay to  
21 the employer the total amounts paid by the employer under (e)(1)(A),  
22 (B), and (C) of this section, insofar as the recovery is sufficient  
23 after deducting all litigation costs and expenses. Any excess recovery  
24 by the employee or representative shall be credited against any amount  
25 payable by the employer thereafter.

26 (h) If compromise with a third person is made by the person  
27 entitled to benefits [COMPENSATION] or his representative of an amount  
28 less than the benefits [COMPENSATION] to which the person or repre-  
29 sentative would be entitled, the employer is liable for benefits

1 [COMPENSATION] stated in (f) of this section only if the compromise is  
2 made with his written approval.

3 (i) If the employer is insured and the carrier has assumed the  
4 payment of benefits [COMPENSATION] the carrier shall be subrogated to  
5 all the rights of the employer.

6 (j) Notice of the commencement of an action against a third party  
7 shall be given to the board and to all interested parties within 30  
8 days.

9 \* Sec. 11. AS 23.30.020 is amended to read:

10 Sec. 23.30.020. CHAPTER PART OF CONTRACT OF HIRE. This chapter  
11 constitutes part of every contract of hire, express or implied, and  
12 every contract of hire shall be construed as an agreement on the part  
13 of the employer to pay and on the part of the employee to accept  
14 benefits [COMPENSATION] in the manner provided in this chapter for all  
15 personal injuries sustained.

16 \* Sec. 12. AS 23.30.025(b) is amended to read:

17 (b) All policies of insurance companies insuring the payment of  
18 benefits [COMPENSATION] under this chapter are conclusively presumed to  
19 cover all the employees and the entire benefits [COMPENSATION] liability  
20 of the insured employer employed at or in connection with the business  
21 of the employer carried on, maintained, or operated at the location or  
22 locations set out [FORTH] in that [SUCH] policy or agreement. A  
23 provision in a policy attempting to limit or modify the liability of  
24 the company issuing it is wholly void except as provided in (c) of this  
25 section.

26 \* Sec. 13. AS 23.30.025 is amended by adding a new subsection to read:

27 (c) An insurer may issue a policy of insurance insuring the  
28 payment of benefits under this chapter which provides for a deductible  
29 amount to be paid by the employer. A policy with a deductible provision

1 must be approved by the director of insurance and must provide that the  
2 deductible amount be paid by the insurer to the employee on behalf of  
3 the employer. After payment of the deductible by the insurer, the  
4 insurer may recover the deductible amount from the employer. The  
5 failure of an employer to reimburse an insurer for the deductible  
6 amount does not relieve the insurer from any other obligation it may  
7 have under the policy of insurance. An insurer is not required to  
8 apply for a deviation under AS 21.39.070 in order to issue a policy  
9 under this subsection. This subsection does not apply to a policy of  
10 excess insurance purchased by a self-insurer.

11 \* Sec. 14. AS 23.30.030 is amended to read:

12 Sec. 23.30.030. REQUIRED POLICY PROVISIONS. A policy of a  
13 company insuring the payment of benefits [COMPENSATION] under this  
14 chapter is considered to contain the provisions set out in (1) - (7) of  
15 this section.

16 (1) The insurer assumes in full all the obligations to pay  
17 physician's fees, nurse's charges, hospital services, hospital supplies,  
18 medicine, prosthetic devices, transportation charges to the nearest  
19 point where adequate medical facilities are available, burial expenses,  
20 and compensation or death benefits imposed upon the insured under the  
21 provisions of this chapter.

22 (2) The policy is made subject to the provisions of this  
23 chapter and its provisions relative to the liability of the insured  
24 employer to pay physician's fees, nurse's charges, hospital services,  
25 hospital supplies, medicines, prosthetic devices, transportation charges  
26 to the nearest point where adequate medical facilities are available,  
27 burial expenses, compensation or death benefits to and for [SAID]  
28 employees or beneficiaries, the acceptance of the liability by the  
29 insured employer, the adjustment, trial and adjudication of claims for

1 the physician's fees, nurse's charges, hospital services, hospital  
2 supplies, medicines, prosthetic devices, transportation charges to the  
3 nearest point where adequate medical facilities are available, burial  
4 expenses, compensation or death benefits and the liability of the  
5 insurer to pay the same are considered a part of this policy contract.

6 (3) As between the insurer and the employee or his benefici-  
7 aries, notice to or knowledge of the occurrence of the injury on the  
8 part of the insured employer is notice or knowledge on the part of the  
9 insurer; jurisdiction of the insured employer for the purpose of this  
10 chapter is jurisdiction of the insurer; and the insurer, in all things,  
11 is bound by and subject to the orders, awards, judgments and decrees  
12 made against the insured employer under this chapter.

13 (4) The insurer will promptly pay to the person entitled to  
14 them the benefits conferred by this chapter, including physician's  
15 fees, nurse's charges, hospital services, hospital supplies, medicines,  
16 prosthetic devices, transportation charges to the nearest point where  
17 adequate medical facilities are available, burial expenses, and all  
18 installments of compensation or death benefits awarded or agreed upon  
19 under this chapter. The obligation of the insurer is not affected by a  
20 default of the insured employer after the injury, or by default in  
21 giving a notice required by this policy. The policy is a direct  
22 promise by the insurer to the person entitled to physician's fees,  
23 nurse's charges, fees for hospital services, charges for medicines,  
24 prosthetic devices, transportation charges to the nearest point where  
25 adequate medical facilities are available, and hospital supplies,  
26 charges for burial, compensation or death benefits, and is enforceable  
27 in the name of that person. The insurer shall provide claims facili-  
28 ties through its own staffed adjusting facilities located within the  
29 state, or by independent, licensed, resident adjusters with power to

1 effect settlement within the state.

2 (5) A termination of the policy by cancellation is not  
3 effective as to the employees of the insured employer covered by it  
4 until 20 days after written notice of the termination has been received  
5 by the board. If the employer has a contract with the state or a home  
6 rule or other political subdivision of the state, and his policy is  
7 cancelled due to nonpayment of a premium, the termination of the policy  
8 is not effective as to the employees of the insured employer covered by  
9 it until 20 days after written notice of the termination has been  
10 received by the contracting agency, and the agency has the option of  
11 continuing the payments on behalf of the employer in order to keep the  
12 policy in force. If, however, the employer has secured insurance with  
13 another insurance carrier, cancellation is effective as of the date of  
14 the new coverage.

15 (6) All claims for compensation, death benefits, physician's  
16 fees, nurse's charges, hospital services, hospital supplies, medicines,  
17 prosthetic devices, transportation charges to the nearest point where  
18 adequate medical facilities are available, and burial expenses, may be  
19 made directly against either the employer or the insurer, or both, and  
20 the order or award of the board may be made against either the employer  
21 or the insurer or both.

22 (7) If the insurer fails or refuses to pay a final award or  
23 judgment (except during the pendency of an appeal) made against it, or  
24 its insured, or if it fails or refuses to comply with a provision of  
25 this chapter, the director of insurance [COMMISSIONER] shall revoke the  
26 approval of the policy form, and may not accept further proofs of  
27 insurance from it until it has paid the award or judgment or has  
28 complied with the violated provision of this chapter, and has resub-  
29 mitted its policy form and received the approval of the form by the

insurance commissioner.

\* Sec. 15. AS 23.30.040 is repealed and reenacted to read:

Sec. 23.30.040. SECOND INJURY FUND. (a) There is created a second injury fund, administered by the commissioner of labor. Money in the second injury fund may only be paid for the benefit of those persons entitled to payment of benefits from the second injury fund under this chapter. Payments from the second injury fund must be made by the commissioner of labor in accordance with the orders and awards of the board.

(b) If an employee suffers a compensable injury which results in temporary total disability, temporary partial disability, permanent partial disability, or permanent total disability, the employer or insurance carrier shall contribute to the second injury fund. The contribution must be made by one year from the date of the injury or on termination of the employee's claim, whichever is sooner. The amount of the contribution is the product of the compensation to which the employee is entitled for temporary total disability, temporary partial disability, permanent partial disability, permanent total disability, or for rehabilitation under AS 23.30.191 and the applicable contribution rate set out in column A of this subsection. By December 15 of each year the commissioner shall determine and make available to the public the applicable contribution rate for the following calendar year according to the reserve rate of the second injury fund in Column B of this subsection:

Column A	Column B	
Second Injury Fund Contribution Rate (Percent)	At Least (Percent)	But Less Than (Percent)
6	0	50



1	5	50	75
2	4	75	100
3	3	100	125
4	2	125	150
5	1	150	175
6	0	175	-

7 (c) If an employee suffers a compensable injury which results in  
 8 death and the employee is not survived by a widow, widower, child, or  
 9 dependent relative eligible to receive death benefits under AS 23.-  
 10 30.215, the employer or insurance carrier shall pay \$10,000 to the  
 11 second injury fund.

12 (d) The board may refund a payment made into the second injury  
 13 fund if the employer or insurance carrier shows that it made the pay-  
 14 ment by mistake or inadvertence, or if it shows there existed at the  
 15 time of the death of the employee a beneficiary entitled to benefits  
 16 under AS 23.30.215.

17 (e) The board may direct and provide the vocational retraining  
 18 and vocational rehabilitation of a permanently disabled person whose  
 19 condition is a result of an injury compensable under this chapter by  
 20 making cooperative arrangements with insurance carriers, private organi-  
 21 zations and institutions, or state or federal agencies. The person  
 22 being retrained or rehabilitated is entitled to receive additional  
 23 compensation from the second injury fund for maintenance during the  
 24 period of retraining and rehabilitation in the sum which the board  
 25 considers necessary, not to exceed \$200 a month. The total expenditures  
 26 for maintenance, retraining, rehabilitation, and necessary transporta-  
 27 tion may not exceed \$10,000 for one person.

28 (f) All amounts collected as civil penalties under AS 23.30.-  
 29 155(c) shall be paid into the second injury fund.



1 (g) The attorney general may investigate claims and hire expert  
2 witnesses necessary to prevent fraudulent or excessive claims for money  
3 in the second injury fund.

4 (h) Administration expenses of the state under this section and  
5 AS 23.30.205 shall be paid from the general fund.

6 \* Sec. 16. AS 23.30.045(a) is amended to read:

7 Sec. 23.30.045. EMPLOYER'S LIABILITY FOR BENEFITS [COMPENSATION].

8 (a) An employer is liable for and shall secure the payment to his  
9 employees of the benefits [COMPENSATION] payable under AS 23.30.050,  
10 23.30.095, 23.30.145, and 23.30.185 - 23.30.215. If the employer is a  
11 subcontractor, the contractor is liable for and shall secure the payment  
12 of the benefits [COMPENSATION] to employees of the subcontractor unless  
13 the subcontractor secures the payment.

14 \* Sec. 17. AS 23.30.045(b) is amended to read:

15 (b) Benefits are [COMPENSATION IS] payable irrespective of fault  
16 as a cause for the injury.

17 \* Sec. 18. AS 23.30.045(c) is amended to read:

18 (c) For a person eligible for vocational rehabilitation service  
19 under AS 23.15.080 [AND] who is placed with an employer for service  
20 [WITHOUT WAGES] at the request of the office of vocational rehabilita-  
21 tion or the Department of Labor to give him on the job training, work  
22 readiness, [OR] work therapy experience [,] or work sampling, the  
23 liability set out in (a) of this section applies to the state rather  
24 than to the employer.

25 \* Sec. 19. AS 23.30.045(d) is amended to read:

26 (d) No contract may be awarded by the state or a home rule or  
27 other political subdivision of the state to an employer unless the  
28 employer [PERSON] to whom the contract is to be awarded has submitted  
29 to the contracting agency proof, furnished by the insurance carrier, of

1 current coverage by workers' compensation insurance from an insurance  
2 company or association authorized to transact the business of workers'  
3 compensation insurance in this state or proof, furnished by the  
4 director of insurance [BOARD], of a current certificate of self-  
5 insurance from the director of insurance [BOARD]. The employer [PERSON]  
6 to whom the contract is awarded shall keep his workers' compensation  
7 insurance policy in effect during the life of the contract with the  
8 state or political subdivision. If the state or the political sub-  
9 division of the state fails to obtain proof of coverage or self-  
10 insurance or to protect itself under (e) of this section, and an  
11 employee of the contractor is injured during the term of the contract,  
12 the state or the political subdivision is liable for workers' compensa-  
13 tion to the employee if the employee is unable to recover from the  
14 employer because of the employer's lack of financial assets. The state  
15 or the political subdivision is not liable, however, to the employee  
16 for workers' compensation if the employee can recover from the employer  
17 under (a) and (b) of this section.

18 \* Sec. 20. AS 23.30.045(e) is amended to read:

19 (e) When a contracting agency of the state or a political subdivi-  
20 sion receives notice that the workers' compensation insurance policy  
21 of an employer to whom the agency has awarded a contract has been  
22 cancelled due to nonpayment of a premium, without being replaced by a  
23 comparable policy, the agency may either terminate the contract with  
24 the employer or continue the premium payments on his behalf in order to  
25 keep the policy in force during the life of the agency's contract. If  
26 the agency chooses to keep the policy in force, it may deduct its  
27 payments from the contract price or bring an action against the employ-  
28 er to recover the amount of the payments. When the contracting agency  
29 receives notice that the director of insurance [BOARD] has revoked a

1 certificate of self-insurance held by a person to whom a contract has  
2 been awarded, the agency may terminate the contract. This subsection  
3 does not limit the causes of action or remedies which the state or  
4 political subdivision may have against the employer.

5 \* Sec. 21. AS 23.30.055 is amended to read:

6 Sec. 23.30.055. EXCLUSIVENESS OF LIABILITY. The liability of an  
7 employer prescribed in AS 23.30.045 is exclusive and in place of all  
8 other liability of the employer and any fellow employee to the employee,  
9 his legal representative, husband or wife, parents, dependents, next of  
10 kin, and anyone otherwise entitled to recover damages from the employer  
11 or fellow employee at law or in admiralty on account of the injury or  
12 death. However, if an employer fails to secure payment of benefits  
13 [COMPENSATION] as required by this chapter, an injured employee or his  
14 legal representative in case death results from the injury may elect to  
15 claim benefits [COMPENSATION] under this chapter, or to maintain an  
16 action against the employer at law or in admiralty for damages on  
17 account of the injury or death. In that action the defendant may not  
18 plead as a defense that the injury was caused by the negligence of a  
19 fellow servant, or that the employee assumed the risk of his employ-  
20 ment, or that the injury was due to the contributory negligence of the  
21 employee.

22 \* Sec. 22. AS 23.30.060 is amended to read:

23 Sec. 23.30.060. ELECTION OF DIRECT PAYMENT PRESUMED. (a) An  
24 employer is conclusively presumed to have elected to pay benefits  
25 [COMPENSATION] directly to employees for injuries sustained arising out  
26 of and in the course of the employment according to the provisions of  
27 this chapter, until notice in writing of insurance, stating the name  
28 and address of the insurance company and the period of insurance, is  
29 given to the employee.

1 (b) The notice shall be posted and kept on the premises of the  
2 employer or on the premises where the employer's operations are being  
3 carried on in three conspicuous places, at the office of the employer,  
4 at the mess house or boarding house if there is one, and in some con-  
5 spicuous place on the premises or works. The notice shall be sub-  
6 stantially in the following form, and the signature shall be witnessed  
7 by two witnesses:

8 EMPLOYER'S NOTICE OF INSURANCE

9 To the employees of the undersigned:

10 You and each of you are hereby notified that the undersigned  
11 is insured in the.....Insurance Company, whose  
12 address is.....and that the period covered  
13 by the insurance.....in accordance with the  
14 terms, conditions and provisions to pay benefits [COMPENSATION]  
15 to employees of the undersigned for injuries received as  
16 provided in the Act of the State of Alaska, known as the  
17 "Alaska Workers' Compensation Act"

18 Signed.....

19 .....

20 Witness:

21 .....

22 \* Sec. 23. AS 23.30.070(e) is amended to read:

23 (e) If the employer or the carrier has been given notice, or the  
24 employer (or his agent in charge of the business in the place where the  
25 injury occurred) or the carrier has knowledge of an injury or death of  
26 an employee and fails, neglects, or refuses to file a report of it as  
27 required by the provisions of (a) of this section, the limitations in  
28 AS 23.30.105(a) do not begin to run against the claim of the injured  
29 employee or his dependents entitled to benefits [COMPENSATION,] or in

1 favor of either the employer or the carrier, until the report has been  
2 furnished as required by the provisions of (a) of this section.

3 \* Sec. 24. AS 23.30.070(f) is amended to read:

4 (f) An employer who fails or refuses to send a report required of  
5 him by this section or who fails or refuses to send the report required  
6 by (a) of this section within the time required shall, if so required  
7 by the board, pay the employee or his legal representative or other  
8 person entitled to benefits [COMPENSATION] by reason of the employee's  
9 injury or death an additional award equal to 20 percent of the compen-  
10 sation [AMOUNTS] which was [WERE] unpaid when due. The award shall be  
11 against either the employer or his insurance carrier, or both.

12 \* Sec. 25. AS 23.30.075(a) is amended to read:

13 (a) An employer under this chapter, unless exempted, shall either  
14 [,] insure and keep insured for his liability under this chapter in an  
15 insurance company or association duly authorized to transact the busi-  
16 ness of workers' compensation insurance in this state, or shall furnish  
17 the director of insurance [BOARD] satisfactory proof of his financial  
18 ability to pay directly the benefits [COMPENSATION] provided for. If  
19 an employer elects to pay directly, the director of insurance [BOARD]  
20 may, in his [ITS] discretion, require

21 (1) the deposit of an acceptable security, indemnity or bond  
22 to secure the payment of benefit [COMPENSATION] liabilities as they are  
23 incurred; and

24 (2) proof of excess insurance.

25 \* Sec. 26. AS 23.30.075(b) is amended to read:

26 (b) An employer who fails to insure and keep insured employees  
27 subject to this chapter or fails to obtain a certificate of self-  
28 insurance from the board, upon conviction, is punishable by a fine of  
29 not more than \$1,000, or by imprisonment for not more than one year, or

1 by both. If an employer is a corporation, all persons who, at the time  
2 of the injury or death, had authority to insure the [SAID] corporation  
3 or apply for a certificate of self-insurance, and the person actively  
4 in charge of the business of the [SUCH] corporation shall be subject to  
5 the penalties prescribed herein and shall be personally, jointly, and  
6 severally liable together with the corporation for the payment of all  
7 [COMPENSATION OR OTHER] benefits for which the corporation is liable  
8 under this chapter if the [SAID] corporation at such time is not  
9 insured or qualified as a self-insurer.

10 \* Sec. 27. AS 23.30.080 is amended by adding a new subsection to read:

11 (d) If an employer fails to insure or provide security as re-  
12 quired by AS 23.30.075, the board may issue a stop order prohibiting  
13 the use of employee labor by the employer until the employer insures or  
14 provides security as required by AS 23.30.075. If an employer fails to  
15 comply with a stop order issued under this section, the board shall  
16 assess a civil penalty of at least \$1,000 per day. The employer may  
17 not obtain a public contract with the state or any of its political  
18 subdivisions for one year following the violation of the stop order.

19 \* Sec. 28. AS 23.30.085(a) is amended to read:

20 (a) An employer subject to this chapter, unless exempted, shall  
21 initially file evidence of his compliance with the insurance provisions  
22 of this chapter with the board, in the form prescribed by it. The  
23 employer shall also give evidence of compliance within 10 days after  
24 the termination of his insurance by expiration or cancellation. These  
25 requirements do not apply to an employer who has certification from the  
26 director of insurance [BOARD] of his financial ability to pay benefits  
27 [COMPENSATION] directly without insurance.

28 \* Sec. 29. AS 23.30.090 is amended to read:

29 Sec. 23.30.090. SELF-INSURANCE CERTIFICATES. If an employer has

1 complied with the provisions of this chapter relating to self-insurance,  
2 the director of insurance [BOARD] shall issue him a certificate which  
3 shall remain in force for a period fixed by the director of insurance  
4 [BOARD]. The director of insurance [BOARD] may, upon at least 10 days'  
5 notice and a hearing, revoke a self-insurance certificate upon satis-  
6 factory proof that an employer is no longer entitled to it. After  
7 revocation the director of insurance [BOARD] may grant a new certifi-  
8 cate to an employer, upon his petition and satisfactory proof of his  
9 financial ability as provided in this chapter. The director of in-  
10 surance shall notify the contracting agency of the state or of a  
11 political subdivision of the state when it revokes the self-insurance  
12 certificate of an employer holding a contract with the state or a  
13 political subdivision of the state. An employer authorized as a self-  
14 insurer shall provide claims facilities through its own staffed adjust-  
15 ing facilities located within the state, or independent, licensed,  
16 resident adjustors with power to effect settlement within the state.

17 \* Sec. 30. AS 23.30.092 is amended to read:

18       Sec. 23.30.092. VOLUNTEER AMBULANCE ATTENDANTS, POLICEMEN AND  
19 FIREMEN INSURANCE. A political subdivision may elect to provide bene-  
20 fits [AND COMPENSATION] to its volunteer ambulance attendants, police-  
21 men or firemen by obtaining insurance which would provide its volunteer  
22 ambulance attendants, policemen or firemen with benefits [AND COMPENSA-  
23 TION] at least equivalent to those conferred upon volunteer ambulance  
24 attendants, policemen or firemen by this chapter, and the election  
25 shall be considered compliance with the coverage and insurance pro-  
26 visions of this chapter. The election shall be made by filing copies  
27 of the insurance policy or policies with the commissioner.

28 \* Sec. 31. AS 23.30.095(a) is amended to read:

29       (a) The employer shall furnish medical, surgical, and other

1 attendance or treatment, nurse and hospital service, medicine, crutches,  
2 and apparatus for the period which the nature of the injury or the  
3 process of recovery requires [, NOT EXCEEDING TWO YEARS FROM AND AFTER  
4 THE DATE OF INJURY TO THE EMPLOYEE. HOWEVER, IF THE CONDITION REQUIRING  
5 THE TREATMENT, APPARATUS, OR MEDICINE IS A LATENT ONE, THE TWO-YEAR  
6 PERIOD RUNS FROM THE TIME THE EMPLOYEE HAS KNOWLEDGE OF THE NATURE OF  
7 HIS DISABILITY AND ITS RELATIONSHIP TO HIS EMPLOYMENT AND AFTER-  
8 DISABLEMENT. IT SHALL BE ADDITIONALLY PROVIDED THAT, IF CONTINUED  
9 TREATMENT OR CARE OR BOTH BEYOND THE TWO-YEAR PERIOD IS INDICATED, THE  
10 INJURED EMPLOYEE HAS THE RIGHT OF REVIEW BY THE BOARD. THE BOARD MAY  
11 AUTHORIZE CONTINUED TREATMENT OR CARE OR BOTH AS THE PROCESS OF RECOVERY  
12 MAY REQUIRE]. When medical care is required, the injured employee may  
13 designate a licensed physician inside the state to render the care  
14 except in cases where, in the judgment of the board, care or treatment  
15 or both can best be administered by the selection of another licensed  
16 physician. Upon procuring the services of a licensed physician, the  
17 injured employee shall give proper notification of his selection to the  
18 employer within a reasonable time after first being treated. [IF FOR  
19 ANY REASON DURING THE PERIOD WHEN MEDICAL CARE IS REQUIRED THE EMPLOYEE  
20 WISHES TO CHANGE TO ANOTHER PHYSICIAN, HE MAY DO SO IN ACCORDANCE WITH  
21 RULES PRESCRIBED BY THE BOARD.]

22 \* Sec. 32. AS 23.30.095(c) is amended to read:

23 (c) No claim for medical or surgical treatment is valid and  
24 enforceable as against the employer unless, within 20 [TWENTY] days  
25 following each visit for [THE FIRST] treatment, the physician giving  
26 the treatment or the employee receiving it furnishes to the employer  
27 and the board notice of the injury and treatment, preferably on a form  
28 prescribed by the board. The board shall [MAY], however, excuse the  
29 failure to furnish notice within 20 days when it finds it to be in the

1 interest of justice to do so, and it may, upon application by a party  
2 in interest, make an award for the reasonable value of the medical or  
3 surgical treatment so obtained by the employee.

4 \* Sec. 33. AS 23.30.095(e) is amended to read:

5 (e) The employee shall, after an injury, at reasonable times  
6 during the continuance of his disability if requested by his employer  
7 or, when ordered by the board, submit himself to an examination by a  
8 physician or surgeon authorized to practice medicine under the laws of  
9 the state in which the employee may be found, furnished and paid for by  
10 the employer. [THE EMPLOYEE HAS THE RIGHT TO HAVE A PHYSICIAN, PAID  
11 FOR BY THE EMPLOYER, PRESENT AT THE EXAMINATION OR EXAMINATIONS.] No  
12 fact relative to the injury or claim communicated to or otherwise  
13 learned by a physician or surgeon who may have attended or examined the  
14 employee, or who may have been present at an examination is privileged,  
15 either in the hearings provided for in this chapter or an action to  
16 recover damages against an employer who is subject to the benefits  
17 [COMPENSATION] provisions of this chapter. If an employee refuses to  
18 submit himself to any examination provided for in this section [HEREIN],  
19 his rights to compensation shall be suspended until the obstruction or  
20 refusal ceases, and his compensation during the period of suspension  
21 may, in the discretion of the board or the court determining an action  
22 brought for the recovery of damages under this chapter [HEREUNDER], be  
23 forfeited. The board in any case of death may require an autopsy at  
24 the expense of the party requesting the autopsy. No autopsy may be  
25 held without notice first being given to the widow or widower or next  
26 of kin if they reside in the state or their whereabouts can be reason-  
27 ably ascertained, of the time and place of the autopsy and reasonable  
28 time and opportunity given the widow or widower or next of kin to have  
29 a representative present to witness the autopsy. If no adequate notice

1 is given, the findings from the autopsy may be suppressed on motion  
2 made to the board or to the superior court, as the case may be.

3 \* Sec. 34. AS 23.30.100(a) is amended to read:

4 Sec. 23.30.100. NOTICE OF INJURY OR DEATH. (a) Notice of an  
5 injury or death in respect to which benefits are [COMPENSATION IS]  
6 payable under this chapter shall be given within 30 days after the date  
7 of the [SUCH] injury or death to the board and to the employer.

8 \* Sec. 35. AS 23.30.100(b) is amended to read:

9 (b) The notice shall be in writing, contain the name and address  
10 of the employee and a statement of the time, place, nature, and cause  
11 of the injury or death, and be signed by the employee or by a person on  
12 his behalf, or in case of death, by a person claiming to be entitled to  
13 benefits [COMPENSATION] for the death or by a person on his behalf.

14 \* Sec. 36. AS 23.30.100(d) is amended to read:

15 (d) Failure to give notice does not bar a claim under this  
16 chapter

17 (1) if the employer (or his agent in charge of the business  
18 in the place where the injury occurred) or the carrier had knowledge of  
19 the injury or death and the board determines that the employer or  
20 carrier has not been prejudiced by failure to give notice;

21 (2) if the board excuses the failure on the ground that for  
22 some satisfactory reason notice could not be given;

23 (3) unless objection to the failure is raised before the  
24 board at the first hearing of a claim for benefits [COMPENSATION] in  
25 respect to the injury or death.

26 \* Sec. 37. AS 23.30.105 is amended to read:

27 Sec. 23.30.105. TIME FOR FILING OF CLAIMS. (a) The right to  
28 benefits [COMPENSATION FOR DISABILITY] under this chapter is barred  
29 unless a claim for them [IT] is filed within two years after the

1 employee has knowledge of the nature of his disability and its relation  
2 to his employment and after disablement. The [HOWEVER, THE MAXIMUM  
3 TIME FOR FILING THE CLAIM IN ANY EVENT OTHER THAN ARISING OUT OF AN  
4 OCCUPATIONAL DISEASE SHALL BE FOUR YEARS FROM THE DATE OF INJURY, AND  
5 THE] right to benefits [COMPENSATION] for death is barred unless a  
6 claim for benefits [THEREFORE] is filed within one year after the  
7 death. If [, EXCEPT THAT IF] payment of benefits [COMPENSATION] has  
8 been made without an award on account of the injury or death, a claim  
9 may be filed within two years after the date of the last payment. It  
10 is additionally provided that, in the case of a latent injury [DEFECTS  
11 PERTINENT TO AND CAUSING COMPENSABLE DISABILITY], the injured employee  
12 has full right to claim as shall be determined by the board, time  
13 limitations notwithstanding.

14 (b) Failure to file a claim within the period prescribed in (a)  
15 of this section is not a bar to benefits [COMPENSATION] unless ob-  
16 jection to the failure is made at the first hearing of the claim in  
17 which all parties in interest are given reasonable notice and opportu-  
18 nity to be heard.

19 (c) If a person who is entitled to benefits [COMPENSATION] under  
20 this chapter is mentally incompetent or a minor, the provisions of (a)  
21 of this section are not applicable so long as he has no guardian or  
22 other authorized representative, but are applicable in the case of a  
23 person who is mentally incompetent or a minor from the date of appoint-  
24 ment of a guardian or other representative, or in the case of a minor,  
25 if no guardian is appointed before he becomes of age, from the date he  
26 becomes of age.

27 (d) If recovery is denied to a person, in a suit brought at law  
28 or in admiralty to recover damages in respect to injury or death, on  
29 the ground that he was an employee and that the defendant is an employer

1 within the meaning of this chapter and that the employer has secured  
2 benefits [COMPENSATION] to the employee under this chapter, the limita-  
3 tion of time prescribed in (a) of this section begins to run only from  
4 the date of termination of the suit.

5 \* Sec. 38. AS 23.30.106(b) is amended to read:

6 (b) The payment or award of benefits under the workers' compensa-  
7 tion law of another state, territory, province, or foreign nation to an  
8 employee or his dependents otherwise entitled on account of the injury  
9 or death to the benefits under this chapter is not a bar to a claim for  
10 benefits under this chapter; however, a claim under this chapter must  
11 be filed within the time limits set out in this chapter. If benefits  
12 are [COMPENSATION IS] paid or awarded under this section:

13 (1) the medical and related benefits furnished or paid for  
14 by the employer under another workers' compensation law on account of  
15 the injury or death shall be credited against the medical and related  
16 benefits to which the employee would have been entitled under this  
17 chapter had claim been made solely under this chapter;

18 (2) the amount of all income benefits paid or awarded the  
19 employee under another workers' compensation law shall be credited  
20 against the total amount of income benefits which would have been due  
21 the employee under this chapter had claim been made solely under this  
22 chapter;

23 (3) the total amount of death benefits paid or awarded under  
24 another workers' compensation law shall be credited against the total  
25 amount of death benefits due under this chapter.

26 \* Sec. 39. AS 23.30.106(c) is amended to read:

27 (c) If an employee is entitled to the benefits of this chapter by  
28 reason of an injury sustained in this state in employment by an employer  
29 who is domiciled in another state and who has not secured the payment

1 of benefits [COMPENSATION] as required by this chapter, the employer or  
2 his carrier may file with the board a certificate, issued by the com-  
3 mission or agency of the other state having jurisdiction over workers'  
4 compensation claims, certifying that the employer has secured the  
5 payment of benefits [COMPENSATION] under the workers' compensation law  
6 of the other state and that with respect to that injury the employee is  
7 entitled to the benefits provided under that law. In that event

8 (1) the filing of the certificate shall constitute an ap-  
9 pointment by the employer or his carrier of the board as his agent for  
10 acceptance of the service of process in a proceeding brought by the  
11 employee or his dependents to enforce his or their rights under this  
12 chapter on account of the injury;

13 (2) the board shall send to the employer or carrier, by  
14 registered or certified mail to the address shown on the certificate, a  
15 true copy of any notice of claim or other process served on the director  
16 by the employee or his dependents in any proceeding brought to enforce  
17 his or their rights under this chapter;

18 (3) if the employer is a qualified self-insurer under the  
19 workers' compensation law of the other state, the employer, upon sub-  
20 mission of evidence satisfactory to the board of his ability to meet  
21 his liability to the employee under this chapter, shall be considered  
22 to be a qualified self-insurer under this chapter;

23 (4) if the employer's liability under the workers' compensa-  
24 tion law of another state is insured, the employer's carrier, as to the  
25 employee or his dependents only, shall be considered to be an insurer  
26 authorized to write insurance under and be subject to this chapter;  
27 however, unless its contract with the employer requires it to pay an  
28 amount equivalent to the [COMPENSATION] benefits provided by this  
29 chapter, its liability for income benefits or medical and related

1 benefits may not exceed the amounts of the benefits for which the  
2 insurer would have been liable under the workers' compensation law of  
3 the other state;

4 (5) if the amount for which the employer's insurance is  
5 liable under (3) and (4) of this subsection is less than the total [OF  
6 THE COMPENSATION] benefits to which the employee is entitled under this  
7 chapter, the board may, if it considers it necessary, require the  
8 employer to file security satisfactory to the board to secure the  
9 payment of benefits due the employee or his dependents under this  
10 chapter; and

11 (6) upon compliance with the preceding requirements of (c)  
12 of this section, the employer, as to the employee only, shall be  
13 considered to have secured the payment of benefits [COMPENSATION] under  
14 this chapter.

15 \* Sec. 40. AS 23.30.110(a) is amended to read:

16 (a) Subject to the provisions of AS 23.30.105, a claim for  
17 benefits [COMPENSATION] may be filed with the board in accordance with  
18 its regulations at any time after the first seven days of disability  
19 following an injury, or at any time after death, and the board may hear  
20 and determine all questions in respect to the claim.

21 \* Sec. 41. AS 23.30.110(c) is amended to read:

22 (c) The board shall make the investigation which it considers  
23 necessary in respect of the claim, and upon application of an inter-  
24 ested party shall order a hearing on it. If a hearing on a claim is  
25 ordered, the board shall give the claimant and other interested parties  
26 at least 20 [10] days' notice of the hearing, served personally upon  
27 the claimant and other interested parties or sent by registered mail,  
28 and shall, within 30 [20] days after the hearing is held [HAD], by  
29 order, reject the claim or make an award in respect to it. If a hearing

1 is continued by the board, additional notice is not required under this  
2 subsection. [IF NO HEARING IS ORDERED WITHIN 20 DAYS AFTER NOTICE  
3 IS GIVEN AS PROVIDED IN (b) OF THIS SECTION, THE BOARD SHALL BY ORDER  
4 REJECT THE CLAIM OR MAKE AN AWARD IN RESPECT TO IT.]

5 \* Sec. 42. AS 23.30.120 is amended to read:

6 Sec. 23.30.120. PRESUMPTIONS. In a proceeding for the enforce-  
7 ment of a claim for benefits [COMPENSATION] under this chapter it is  
8 presumed, in the absence of substantial evidence to the contrary, that

9 (1) the claim comes within the provisions of this chapter;

10 (2) sufficient notice of the claim has been given;

11 (3) the injury was not occasioned solely by the intoxication  
12 of the injured employee;

13 (4) the injury was not occasioned by the wilful intention of  
14 the injured employee to injure or kill himself or another.

15 \* Sec. 43. AS 23.30.130 is amended to read:

16 Sec. 23.30.130. MODIFICATION OF AWARDS. (a) Upon its own  
17 initiative, or upon the application of any party in interest on the  
18 ground of a change in conditions, including, for the purposes of  
19 AS 23.30.175, a change in residence, or because of a mistake in its  
20 determination of a fact, the board may, before one year after the date  
21 of the last payment of benefits [COMPENSATION,] whether or not a  
22 compensation order has been issued, or before one year after the  
23 rejection of a claim, review a compensation case in accordance with the  
24 procedure prescribed in respect of claims in AS 23.30.110. In accord-  
25 ance with AS 23.30.110 the board may issue a new compensation order  
26 which terminates, continues, reinstates, increases, or decreases the  
27 compensation, or award benefits [COMPENSATION].

28 (b) A new order does not affect benefits [COMPENSATION] previously  
29 paid, except that an award increasing the compensation rate may be made

1 effective from the date of the injury, and if part of the compensation  
2 due or to become due is unpaid, an award decreasing the compensation  
3 rate may be made effective from the date of the injury, and payment  
4 made earlier in excess of the decreased rate shall be deducted from the  
5 unpaid compensation, in the manner the board determines.

6 \* Sec. 44. AS 23.30.140 is amended to read:

7 Sec. 23.30.140. APPOINTMENT OF GUARDIAN BY COURT. The board may  
8 require the appointment of a guardian or other representative by a  
9 competent court for any person who is mentally incompetent or a minor  
10 to receive benefits [COMPENSATION] payable to the person under this  
11 chapter and to exercise the powers granted to or to perform the duties  
12 required of the person under this chapter. If the board does not  
13 require the appointment of a guardian to receive the compensation of a  
14 minor, appointment for this purpose is not necessary.

15 \* Sec. 45. AS 23.30.145 is amended to read:

16 Sec. 23.30.145. ATTORNEY FEES. (a) Fees for legal services  
17 rendered in respect to a claim are not valid unless approved by the  
18 board, and the fees may not be less than 25 percent on the first \$1,000  
19 of benefits [COMPENSATION] or part of the first \$1,000 of benefits  
20 [COMPENSATION] and 10 percent of all sums in excess of \$1,000 of  
21 benefits [COMPENSATION]. When the board advises that a claim has been  
22 controverted, in whole or in part, the board may direct that the fees  
23 for legal services be paid by the employer or carrier in addition to  
24 benefits [COMPENSATION] awarded; the fees may be allowed only on the  
25 amount of benefits [COMPENSATION] controverted and awarded. When the  
26 board advises that a claim has not been controverted, but further  
27 advises that bona fide legal services have been rendered in respect to  
28 the claim, then the board shall direct the payment of the fees out of  
29 the benefits [COMPENSATION] awarded. In determining the amount of fees

1 the board shall take into consideration the nature, length and complex-  
2 ity of the services performed, transportation charges, and the benefits  
3 resulting from the services to the compensation beneficiaries.

4 (b) If an employer fails to file timely notice of controversy or  
5 fails to pay [COMPENSATION OR MEDICAL AND RELATED] benefits within 15  
6 days after it becomes due or otherwise resists the payment of [COMPENSA-  
7 TION OR MEDICAL AND RELATED] benefits and if the claimant has employed  
8 an attorney in the successful prosecution of his claim, the board shall  
9 make an award to reimburse the claimant for his costs in the proceed-  
10 ings, including a reasonable attorney fee. The award is in addition to  
11 the [COMPENSATION OR MEDICAL AND RELATED] benefits ordered.

12 (c) If proceedings are had for review of an [A COMPENSATION OR  
13 MEDICAL AND RELATED BENEFITS] order before a court, the court may allow  
14 or increase an attorney's fees. The fees are in addition to [COMPENSA-  
15 TION OR MEDICAL AND RELATED] benefits ordered and shall be paid as the  
16 court may direct.

17 \* Sec. 46. AS 23.30.155 is amended to read:

18 Sec. 23.30.155. PAYMENT OF COMPENSATION. (a) Compensation  
19 under this chapter shall be paid periodically, promptly, and directly  
20 to the person entitled to it, without an award, except where liability  
21 to pay compensation is controverted by the employer. The employer must  
22 file a notice, on a form prescribed by the board, stating (1) that the  
23 right of the employee to benefits is controverted; (2) the name of the  
24 employee; (3) the name of the employer; (4) the date of the alleged  
25 injury or death; and (5) the type of benefits and all grounds upon  
26 which the right to benefits is controverted. For purposes of deter-  
27 mining a penalty under (e) and (f) of this section, an employer con-  
28 troverts a claim if the liability to pay benefits is denied or con-  
29 tested.

1 (b) The first installment of compensation becomes due on the 14th  
2 day after the employer has knowledge of the injury or death. On this  
3 date all compensation then due shall be paid. Subsequent compensation  
4 shall be paid in installments, every 14 days [SEMIMONTHLY], except  
5 where the board determines that payment in installments should be made  
6 monthly or at some other period.

7 (c) Upon making the first payment, and upon an increase, reduc-  
8 tion, termination, suspension, resumption or a change in rate or type  
9 of compensation paid [OF PAYMENT FOR ANY CAUSE], the employer shall  
10 [IMMEDIATELY] notify the board within 14 days, on [IN ACCORDANCE WITH]  
11 a form prescribed by the board, that payment of compensation has begun  
12 or has been increased, reduced, terminated, resumed, changed, or sus-  
13 suspended, as the case may be. If the employer fails to notify the board  
14 within 14 days, the board shall assess against the employer a civil  
15 penalty of \$100 plus \$25 for each day in excess of 14 days that the  
16 employer fails to give notice. Total penalties under this section may  
17 not exceed \$2,500 for each failure to file a required report.

18 (d) If the employer controverts the right to benefits, [COMPEN-  
19 SATION] he shall file with the board on or before the 14th day after he  
20 has knowledge of the alleged injury or death on or before an install-  
21 ment of compensation payable without an award is due, a notice of con-  
22 troversion on [, IN ACCORDANCE WITH] a form prescribed by the board  
23 [, STATING THAT THE RIGHT TO COMPENSATION IS CONTROVERTED, THE NAME OF  
24 THE CLAIMANT, THE NAME OF THE EMPLOYER, THE DATE OF THE ALLEGED INJURY  
25 OR DEATH, AND THE GROUNDS UPON WHICH THE RIGHT TO COMPENSATION IS  
26 CONTROVERTED].

27 (e) If any installment of compensation payable without an award  
28 is not paid within 14 days after it becomes due, as provided in (b) of  
29 this section, there shall be added to the unpaid installment an amount

1 equal to 20 percent of it, which shall be paid at the same time as, and  
2 in addition to, the installment, unless notice is filed under (d) of  
3 this section or unless the nonpayment is excused by the board after a  
4 showing by the employer that owing to conditions over which he had no  
5 control the installment could not be paid within the period prescribed  
6 for the payment.

7 (f) If compensation payable under the terms of an award is not  
8 paid within 14 days after it becomes due, there shall be added to that  
9 [SUCH] unpaid compensation an amount equal to 20 percent of it, which  
10 shall be paid at the same time as, but in addition to, the compen-  
11 sation, unless review of the compensation order making the award is had  
12 as provided in AS 23.30.125 and an interlocutory injunction staying  
13 payments is allowed by the court.

14 [(g) WITHIN 16 DAYS AFTER FINAL PAYMENT OF COMPENSATION HAS BEEN  
15 MADE, THE EMPLOYER SHALL SEND TO THE BOARD A NOTICE IN ACCORDANCE WITH  
16 A FORM PRESCRIBED BY THE BOARD STATING THE FACT THAT FINAL PAYMENT HAS  
17 BEEN MADE, THE TOTAL AMOUNT OF COMPENSATION PAID, THE NAME OF THE  
18 EMPLOYEE AND OF ANY OTHER PERSON TO WHOM COMPENSATION HAS BEEN PAID,  
19 THE DATE OF THE INJURY OR DEATH, AND THE DATE TO WHICH WHICH COMPENSA-  
20 TION HAS BEEN PAID. IF THE EMPLOYER FAILS TO SO NOTIFY THE BOARD WITHIN  
21 THIS TIME, THE BOARD SHALL ASSESS AGAINST THE EMPLOYER A CIVIL PENALTY  
22 IN THE AMOUNT OF \$100.]

23 (h) The board may upon its own initiative at any time in a case  
24 in which payments are being made with or without an award, [AND SHALL  
25 IN A CASE] where right to benefits [COMPENSATION] is controverted, or  
26 where payments of compensation have been increased, reduced, termin-  
27 ated, changed, [STOPPED] or suspended, upon receipt of notice from a  
28 person entitled to benefits [COMPENSATION], or from the employer, that  
29 the right to benefits [COMPENSATION] is controverted, or that payments

1 of compensation have been increased, reduced, terminated, changed,  
2 [STOPPED] or suspended, make the investigations, cause the medical  
3 examinations to be made, or hold the hearings, and take the further  
4 action which it considers will properly protect the rights of all  
5 parties.

6 (i) When the board considers it advisable it may require an  
7 employer to make a deposit with the Department of Revenue to secure the  
8 prompt and convenient payment of the benefits [COMPENSATION], and pay-  
9 ments from the deposit upon an award shall be made upon order of the  
10 board.

11 (j) If an employer has made advance payments or overpayments of  
12 compensation, he is entitled to be reimbursed, after approval by the  
13 board, out of any unpaid installment or installments of compensation  
14 due.

15 (k) An injured employee or in case of death his dependents or  
16 personal representative, shall give receipts for payment of benefits  
17 [COMPENSATION] to the employer paying it and the employer shall produce  
18 them for inspection by the board, whenever required.

19 (l) repealed

20 (m) Compensation owed to an injured employee in the state shall  
21 be paid by a check or draft which may be cashed on the first banking  
22 day after it is received by the employee and on any succeeding banking  
23 day.

24 (n) Whenever the board determines that it is in the interest of  
25 an injured employee and that a substantial hardship will not be imposed  
26 on the employer, the liability of the employer for all or part of  
27 compensation payable under AS 23.30.190 may be discharged by the pay-  
28 ment of a lump sum.

29 (o) An employer shall file on or before the date one year from

1 the date of injury or upon termination of the claim, whichever is  
2 sooner, a report on a form prescribed by the board, showing the total  
3 amount of all benefits, legal fees, and penalties paid during the  
4 quarter including the name of the claimant, the date of injury, and  
5 the claim number.

6 \* Sec. 47. AS 23.30.160 is amended to read:

7 Sec. 23.30.160. ASSIGNMENT AND EXEMPTION FROM CLAIMS OF CREDITORS.

8 No assignment, release, or commutation of [COMPENSATION OR] benefits  
9 due or payable under this chapter, except as provided by this chapter,  
10 is valid, and the [COMPENSATION AND] benefits are exempt from all  
11 claims of creditors and from levy, execution, and attachment or other  
12 remedy for recovery or collection of a debt. This exemption may not be  
13 waived.

14 \* Sec. 48. AS 23.30.165 is amended to read:

15 Sec. 23.30.165. LIEN. (a) Each employee and beneficiary entitled  
16 to benefits [COMPENSATION] under the provisions of this chapter has a  
17 lien for the full amount of his benefits [COMPENSATION], including  
18 costs and disbursements of suit and attorney fees allowed, upon all of  
19 the property in connection with the construction, preservation, mainte-  
20 nance or operation of which the work of the employee was being per-  
21 formed at the time of his injury or death. For example: in the case  
22 of an employee injured or killed while engaged in mining or in work  
23 connected with mining, the lien extends to the entire mine and all  
24 property used in connection with it; and in the case of an employee  
25 injured or killed while engaged in fishing or in the packing, canning,  
26 or salting of fish, or other branch of the fish industry, the lien  
27 extends to the entire packing, fishing, salting or canning plant or  
28 establishment and all property used in connection with it; and this is  
29 the case with other businesses, industries, works, occupations and

1 employments.

2 (b) The lien is prior and paramount to any other lien on the  
3 property, except a lien for wages or materials as provided by law, and  
4 is of equal rank with a lien for wages or materials.

5 (c) The lien extends to all right, title, interest and claim of  
6 the employer in the property affected by the lien.

7 (d) A person claiming a lien under this chapter shall, within one  
8 year after the date of the injury from which the claim of benefits  
9 [COMPENSATION] arises, file for record in the office of the recorder of  
10 the recording district in which the property affected by the lien is  
11 located a notice of lien signed and verified by the claimant or someone  
12 on his behalf, and stating in substance, the name of the person injured  
13 or killed out of which injury or death the claim of benefits [COMPENSA-  
14 TION] arises, the name of the employer of the injured or deceased  
15 person at the time of the injury or death, a description of the property  
16 affected or covered by the lien and the name of the owner or reputed  
17 owner of the property.

18 (e) The lien for benefits [COMPENSATION] provided for in this  
19 section may be enforced by equitable proceedings as in the enforcement  
20 of other liens upon real or personal property, within 10 months after  
21 the cause of action arises. Nothing in this section prevents an  
22 attachment of property as security for the payment of benefits [COMPEN-  
23 SATION].

24 \* Sec. 49. AS 23.30.170(a) is amended to read:

25 (a) In case of default by the employer in the payment of benefits  
26 [COMPENSATION] due under an award of benefits [COMPENSATION] for a  
27 period of 30 days after the benefits are [COMPENSATION IS] due, the  
28 person to whom the benefits are [COMPENSATION IS] payable may, within  
29 one year after the default, apply to the board making the compensation

1 order for a supplementary order declaring the amount of the default.  
2 After investigation, notice, and hearing, as provided in AS 23.30.110,  
3 the board shall make a supplementary order declaring the amount of the  
4 default. The order shall be filed in the same manner as the compensa-  
5 tion order.

6 \* Sec. 50. AS 23.30.175(b) is repealed and reenacted to read:

7 (b) After June 30 and before December 1 of each year, the commis-  
8 sioner shall adopt and publish the average weekly wage for the preced-  
9 ing calendar year as computed by the United States Secretary of Labor  
10 for the purposes of unemployment insurance. In determining the rate of  
11 compensation the commissioner shall use the average weekly wage figure  
12 for each jurisdiction, including Alaska, for which the Secretary of  
13 Labor computes an average weekly wage. These figures are the applica-  
14 ble average weekly wages for those jurisdictions for the following  
15 calendar year. The average weekly wage for Alaska is the amount  
16 determined by dividing (1) the total wages paid by all employers  
17 covered by the Alaska Employment Security Act by (2) the average  
18 monthly employment reported by those employers for the same period and  
19 dividing the result by 52.

20 \* Sec. 51. AS 23.30.175(c) is repealed and reenacted to read:

21 (c) The following rules apply to recipients who do not reside in  
22 Alaska:

23 (1) The weekly rate of compensation shall be calculated  
24 using the recipient's average weekly wage times the ratio of the aver-  
25 age weekly wage of the jurisdiction in which the recipient resides to  
26 the average weekly wage of Alaska. The rate is based on the average  
27 weekly wages in effect when the recipient leaves Alaska and shall be  
28 adjusted annually upon publication of the average weekly wages for all  
29 jurisdictions.

1           (2) The calculation required by this subsection does not  
2 apply if

3           (A) the average weekly wage of the recipient and the  
4 resulting compensation rate is determined under AS 23.30.220(2) by  
5 use of wages earned in jurisdictions other than Alaska; or

6           (B) the absence of the recipient is for medical or  
7 rehabilitation services not reasonably available in Alaska.

8           (3) Application of this subsection may not result in a  
9 reduction of the weekly compensation rate to less than \$65 a week  
10 except as provided in (a) of this section.

11 \* Sec. 52. AS 23.30.190(20) is amended to read:

12           (20) in all other cases in this class of disability the  
13 compensation is 66-2/3 percent of the difference between his average  
14 weekly wages and his wage-earning capacity after the injury in the same  
15 employment or otherwise, payable during the continuance of the partial  
16 disability, but subject to reconsideration of the degree of the impair-  
17 ment by the board on its own motion or upon application of a party in  
18 interest; [WHENEVER THE BOARD DETERMINES THAT IT IS IN THE INTEREST OF  
19 JUSTICE, THE LIABILITY OF THE EMPLOYER FOR COMPENSATION, OR ANY PART OF  
20 IT AS DETERMINED BY THE BOARD, MAY BE DISCHARGED BY THE PAYMENT OF A  
21 LUMP SUM;]

22 \* Sec. 53. AS 23.30.191 is repealed and reenacted to read:

23           Sec. 23.30.191. EXPENSES FOR REHABILITATING INJURED EMPLOYEES.  
24 An employee, who, as a result of injury, is or may be expected to be  
25 totally or partially incapacitated for his normal occupation and who,  
26 under the direction of the Department of Labor, is being rehabilitated  
27 to engage in a remunerative occupation, may receive compensation neces-  
28 sary for his rehabilitation of 66-2/3 percent of his average weekly  
29 wage subject to the maximum payable under AS 23.30.175.

1 \* Sec. 54. AS 23.30.210(b) is amended to read:

2 (b) At any time after death, or after 30 days subsequent to the  
3 date of injury, the employer and the employee or the beneficiary or  
4 beneficiaries, as the case may be, have the right to reach an agreement  
5 in regard to a claim for injury or death under this chapter [HEREUNDER]  
6 in accordance with the applicable schedule [HEREOF], but a memorandum  
7 of the agreement in a form prescribed by the board shall be filed with  
8 the board. Otherwise, the agreement is void for any purpose. If  
9 approved by the board, the agreement is enforceable the same as an  
10 order or award of the board and discharges the liability of the employer  
11 for the benefits [COMPENSATION] notwithstanding the provisions of  
12 [AS 23.30.130,] AS 23.30.160 [,] and AS 23.30.245(b) [AS 23.30.245].  
13 The agreement shall be approved by the board only when the terms conform  
14 to the provisions of this chapter and, if it involves or is likely to  
15 involve permanent disability, the board may require an impartial medical  
16 examination and a hearing in order to determine whether or not to  
17 approve the agreement. The board may approve lump-sum settlements when  
18 it appears to be to the best interest of the employee or beneficiary or  
19 beneficiaries.

20 \* Sec. 55. AS 23.30.215(a)(1) is amended to read:

21 (1) reasonable and necessary funeral expenses not exceeding  
22 \$2,500; the commissioner by regulation shall annually adjust this limit  
23 to reflect increased expenses resulting from inflation [\$1,000];

24 \* Sec. 56. AS 23.30.235 is amended to read:

25 Sec. 23.30.235. CASES IN WHICH NO BENEFITS ARE [COMPENSATION IS]  
26 PAYABLE. No benefits [COMPENSATION] may be paid if the injury was  
27 occasioned solely by the intoxication of the employee or by the wilful  
28 intention of the employee to injure or kill himself or another.

29 \* Sec. 57. AS 23.30.245 is amended to read:

1           Sec. 23.30.245. INVALID AGREEMENTS. (a) An agreement by an  
2 employee to pay a portion of the premium paid by his employer to a  
3 carrier or to contribute to a benefit fund or department maintained by  
4 the employer for the purpose of providing benefits [COMPENSATION OR  
5 MEDICAL SERVICES AND SUPPLIES] as required by this chapter is not  
6 valid. An employer who makes a deduction for this purpose from the pay  
7 of an employee entitled to the benefits of this chapter is guilty of a  
8 misdemeanor and upon conviction is punishable by a fine of not more  
9 than \$1,000.

10           (b) An agreement by an employee to waive his right to benefits  
11 [COMPENSATION] under this chapter is not valid.

12 \* Sec. 58. AS 23.30.250 is amended to read:

13           Sec. 23.30.250. PENALTY FOR MISREPRESENTATION. A person who wil-  
14 fully makes a false or misleading statement or representation for the  
15 purpose of obtaining a benefit or payment under this chapter is guilty  
16 of theft as defined in AS 11.46.100(3) and is punishable as provided in  
17 AS 11.46.120 - 11.46.150 [A MISDEMEANOR, AND UPON CONVICTION IS PUNISH-  
18 ABLE BY A FINE OF NOT MORE THAN \$1,000, OR BY IMPRISONMENT FOR NOT MORE  
19 THAN ONE YEAR, OR BY BOTH].

20 \* Sec. 59. AS 23.30.255 is amended to read:

21           Sec. 23.30.255. PENALTY FOR FAILURE TO PAY BENEFITS [COMPENSA-  
22 TION]. (a) An employer required to secure the payment of benefits  
23 [COMPENSATION] under this chapter who fails to do so is guilty of a  
24 misdemeanor and upon conviction is punishable by a fine of not more  
25 than \$1,000, or by imprisonment for not more than one year, or by both.  
26 If the employer is a corporation, its president, secretary, and trea-  
27 surer are also severally liable to the fine or imprisonment provided in  
28 this section for the failure of the corporation to secure the payment  
29 of benefits [COMPENSATION]. The president, secretary, and treasurer

1 are severally personally liable, jointly with the corporation, for the  
2 benefits [COMPENSATION] or other benefit which accrues under this  
3 chapter in respect to an injury which happens to an employee of the  
4 corporation while it has failed to secure the payment of benefits  
5 [COMPENSATION] as required by AS 23.30.075.

6 (b) An employer who knowingly transfers, sells, encumbers,  
7 assigns, or in any manner disposes of, conceals, secretes, or destroys  
8 any of his property after one of his employees has been injured within  
9 the scope of this chapter, with intent to avoid the payment of benefits  
10 [COMPENSATION] under this chapter to the employee or his dependents, is  
11 guilty of a misdemeanor, and upon conviction is punishable by a fine of  
12 not more than \$1,000, or by imprisonment for not more than one year, or  
13 by both. If the employer is a corporation, its president, secretary,  
14 and treasurer are also severally liable to the penalty of imprisonment  
15 as well as jointly liable with the corporation for the fine.

16 (c) This section does not affect any other liability of the  
17 employer under this chapter.

18 \* Sec. 60. AS 23.30.260 is amended to read:

19 Sec. 23.30.260. PENALTY FOR RECEIVING UNAPPROVED FEES AND SOLICIT-  
20 ING. A person is guilty of a misdemeanor, and upon conviction is  
21 punishable for each offense by a fine of not more than \$1,000, or by  
22 imprisonment for not more than one year, or by both, if he

23 (1) receives a fee, other consideration, or a gratuity on  
24 account of services rendered in respect to a claim, unless the con-  
25 sideration or gratuity is approved by the board or the court; or

26 (2) makes it a business to solicit employment for a lawyer  
27 or for himself in respect to a claim or award for benefits [COMPENSA-  
28 TION].

29 \* Sec. 61. AS 23.30 is amended by adding a new section to read:

1           Sec. 23.30.263. UNLAWFUL EMPLOYMENT PRACTICE. It is unlawful for  
2 an employer to discharge or otherwise discriminate against an employee  
3 because he has filed a claim for workers' compensation benefits under  
4 this chapter.

5 \* Sec. 62. AS 23.30.265(9) is amended to read:

6           (9) "death" as a basis for a right to benefits [COMPENSATION]  
7 means only death resulting from an injury;

8 \* Sec. 63. AS 23.30.265(16) is amended to read:

9           (16) "medical and related benefits" includes but is not  
10 limited to physicians' fees, nurses' charges, pain clinic services,  
11 hospital services, hospital supplies, medicine and prosthetic devices,  
12 physical rehabilitation, and treatment for the fitting and training for  
13 use of such devices as may reasonably be required which arises out of  
14 or is necessitated by an injury, and transportation charges to the  
15 nearest point where adequate medical facilities are available;

16 \* Sec. 64. AS 23.30.265(19) is amended to read:

17           (19) "self-insurer" means an employer who, instead of insur-  
18 ing his liability under this chapter as it provides, elects to pay  
19 directly the benefits [COMPENSATION] provided for, and who has furnished  
20 to the director of insurance [BOARD] satisfactory proof of his financial  
21 ability to make the direct payments and has been issued a self-insur-  
22 ance certificate;

23 \* Sec. 65. AS 23.30.265(20) is amended to read:

24           (20) "wages" means the money rate at which the service ren-  
25 dered is recompensed under the contract of hiring [IN FORCE AT THE TIME  
26 OF THE INJURY,] and includes the reasonable value to the employee of  
27 board, rent, housing, lodging, or similar advantage received from the  
28 employer, and gratuities received in the course of employment from  
29 others than the employer;

1 \* Sec. 66. AS 23.30.265 is amended by adding new paragraphs to read:  
2 (28) "benefits" means compensation and medical and related  
3 benefits.  
4 (29) "reserve rate" means the unencumbered second injury fund  
5 balance on October 31 of each year as a percentage of disbursements  
6 from the second injury fund during the 12-month period ending on June 30  
7 of the same calendar year.  
8 \* Sec. 67. AS 23.30.005(k), 23.30.095(g), 23.30.125(b), 23.30.155(g),  
9 23.30.175(d), (e), and (f) are repealed.  
10 \* Sec. 68. The amount of a payment to the second injury fund and the  
11 conditions under which a payment is required of an employer or insurance  
12 carrier must be in accordance with the version of AS 23.30.040(b) in effect  
13 on the date that the injury to the employee occurred.  
14 \* Sec. 69. Notwithstanding the provisions of AS 23.30.040(b) the con-  
15 tribution rate shall be six percent beginning July 1, 1981, through calendar  
16 year 1982 ending December 31, 1982.  
17 \* Sec. 70. This Act takes effect on July 1, 1981.  
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