

HB

378

CS FOR HOUSE BILL NO. 378()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the establishment of, assessment of, collection of, and
 2 accounting for service fees for state administration of workers' compensation and
 3 workers' safety programs; establishing civil penalties and sanctions for late
 4 payment or nonpayment of the service fee; and providing for an effective date."

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

6 * Section 1. AS 21.09.150(a) is amended to read:

7 (a) The director may suspend or revoke an insurer's certificate of authority if,
 8 after a hearing, the director finds that the insurer has violated a lawful order of the
 9 director or a provision of this title other than those for which suspension or revocation
 10 is mandatory or has not paid any annual service fees assessed under AS 23.05.067.

11 * Sec. 2. AS 21.09.270(b) is amended to read:

12 (b) This section does not apply to

13 (1) personal income taxes, or to ad valorem taxes on real or personal
 14 property or to special purpose obligations or assessments imposed by another state in

1 connection with particular kinds of insurance other than property insurance, [;] except
2 that deductions from premium taxes or other taxes otherwise payable allowed on
3 accounts of real estate or personal property taxes paid shall be taken into consideration
4 by the director in determining the propriety and extent of retaliatory action under this
5 section; [OR]

6 (2) a health care insurer who issues health care insurance to the state,
7 a municipality, a city or borough school district, a regional educational attendance area,
8 the University of Alaska, or a community college operated by the University of
9 Alaska; in this paragraph, "health care insurer" has the meaning given in
10 AS 21.54.500; or

11 (3) the annual service fees assessed under AS 23.05.067.

12 * Sec. 3. AS 23.05 is amended by adding a new section to read:

13 **Sec. 23.05.067. Service fees for administration of workers' safety and**
14 **compensation programs.** (a) Each insurer providing workers' compensation
15 insurance and each employer who is self-insured or uninsured for purposes of
16 AS 23.30 in this state shall pay an annual service fee to the department for the
17 administrative expenses of the state for workers' safety programs under AS 18.60 and
18 the workers' compensation program under AS 23.30 as follows:

19 (1) for each employer,

20 (A) except as provided in (b) of this section, the service fee
21 shall be paid each year to the department at the time that the annual report is
22 required to be filed under AS 23.30.155(m) or (n); and

23 (B) the service fee is 2.9 percent of all payments reported to the
24 Alaska Workers' Compensation Board under AS 23.30.155(m) or (n), except
25 second injury fund payments; and

26 (2) for each insurer,

27 (A) the service fee is payable on the same payment schedule
28 that applies to the tax on premium income for workers' compensation insurance
29 under AS 21.09.210(b);

30 (B) notwithstanding (e) of this section, the director of the
31 division of insurance shall deposit into the unrestricted general fund .88 percent

1 of the total direct premium income reported under AS 21.09.210 during the
2 year ending on the preceding December 31 and paid for workers' compensation
3 insurance, subject to all the deductions specified in AS 21.09.210(b); and

4 (C) the director of the division of insurance shall deposit 1.82
5 percent of the total direct premium income reported under AS 21.09.210 during
6 the year ending on the preceding December 31 and paid for workers'
7 compensation insurance, subject to all the deductions specified in
8 AS 21.09.210(b), under (e) of this section.

9 (b) An employer who is required to pay an annual service fee under (a) of this
10 section may elect to pay in yearly increments over a five-year period the portion of the
11 service fee due under (a) of this section as a result of a settlement of over \$50,000
12 approved under AS 23.30.012. An election under this subsection must be made in the
13 first year that a service fee would be due as a result of the settlement. The employer
14 shall notify the department of an election under this subsection. If an election is made,
15 payment of each yearly increment that is due shall be made at the time the annual
16 report is required to be filed under AS 23.30.155(m) or (n).

17 (c) Payment of the annual service fee under this section shall be made in the
18 manner and by the method specified by the department.

19 (d) If an employer who is required to pay an annual service fee under this
20 section does not pay the required amount of the service fee by the time specified in
21 this section, the employer shall pay a civil penalty of \$100 for the first day the
22 payment is late and \$10 a day for each additional day the payment is late. The civil
23 penalty under this subsection is in addition to any civil penalties imposed for late
24 filings of reports under AS 23.30.155(m).

25 (e) Annual service fees and civil penalties collected under this section shall be
26 deposited in the workers' safety and compensation administration account in the state
27 treasury. Under AS 37.05.146(b), the service fees and civil penalties shall be
28 accounted for separately, and appropriations from the account are not made from the
29 unrestricted general fund. The legislature may appropriate money from the account
30 for expenditures by the department for necessary costs incurred by the department in
31 the administration of the workers' safety programs contained in AS 18.60 and of the

1 Alaska Workers' Compensation Act contained in AS 23.30. Nothing in this subsection
2 creates a dedicated fund or dedicates the money in the account for a specific purpose.
3 Money deposited in the account does not lapse at the end of a fiscal year unless
4 otherwise provided by an appropriation.

5 (f) The department may adopt regulations to implement and interpret this
6 section.

7 (g) Notwithstanding AS 21.76.020(a), a joint insurance arrangement established
8 under AS 21.76 is subject to the provisions of this section and regulations adopted
9 under this section and, if self-insured, is subject to the annual service fee on behalf of
10 its members.

11 (h) The department shall grant a credit against the service fee imposed under
12 (a)(1) of this section to an employer if (1) the employer applies to the department for
13 the credit on a form prescribed by the department; (2) the employer provides proof that
14 the employer has paid a premium tax imposed under AS 21.09.210 on an insurance
15 policy; and (3) workers' compensation claims have been paid under the insurance
16 policy described in (2) of this subsection and the claims are subject to the service fee
17 imposed under (a) of this section. The credit allowed under this subsection is equal
18 to the amount of the premium tax paid by the employer under the insurance policy,
19 may not exceed the service fee imposed under (a) of this section, and only applies to
20 premium taxes paid by the employer on or after January 1, 2000.

21 (i) In this section, "insurer" has the meaning given in AS 21.90.900.

22 * Sec. 4. AS 23.30.015(e) is amended to read:

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

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

26 (A) the expenses incurred by the employer with [IN] respect to
27 the action or compromise, including a reasonable attorney fee determined by
28 the board;

29 (B) the cost of all benefits actually furnished by the employer
30 under this chapter;

31 (C) all amounts paid as compensation and second-injury fund

1 payments, and, if the employer is self-insured or uninsured, all service fees
2 paid under AS 23.05.067;

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

11 (2) the employer shall pay any excess to the person entitled to
12 compensation or to the representative of that person.

13 * Sec. 5. AS 23.30.090 is amended to read:

14 **Sec. 23.30.090. Self-insurance certificates.** If an employer has complied with
15 the provisions of this chapter relating to self-insurance and has paid annual service
16 fees assessed under AS 23.05.067, the board shall issue the employer a certificate that
17 [WHICH] shall remain in force for a period fixed by the board. The board may, upon
18 at least 10 days' notice and a hearing, revoke a self-insurance certificate upon
19 satisfactory proof that an employer is no longer entitled to it. After revocation, the
20 board may grant a new certificate to an employer, upon the employer's petition and
21 satisfactory proof of the employer's financial ability as provided in this chapter. An
22 employer authorized as a self-insurer shall provide claims facilities through its own
23 staffed adjusting facilities located within the state, or independent, licensed, resident
24 adjusters with power to effect settlement within the state.

25 * Sec. 6. AS 37.05.146(b)(4) is amended by adding a new subparagraph to read:

26 (X) workers' safety and compensation administration account
27 (AS 23.05.067):

28 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section
29 to read:

30 **TRANSITION: PHASE-IN OF FEES FOR EMPLOYERS.** (a) Notwithstanding the
31 amount of the annual service fee set by AS 23.05.067(a), enacted by sec. 3 of this Act, the

1 annual service fee for employers equals the following percentages of all payments reported
2 to the Alaska Workers' Compensation Board under AS 23.30.155(m) and (n), except second
3 injury payments:

4 (1) for payment due in 2001, 3.6 percent;

5 (2) for payment due in 2002, 3.4 percent;

6 (3) for payment due in 2003, 3.2 percent.

7 (b) Notwithstanding the amount of the annual service fee set by AS 23.05.067(a)(1)
8 and (b), enacted by sec. 3 of this Act, the state, a political subdivision of the state, a joint
9 insurance arrangement authorized under AS 21.76, and other employers who are self-insured
10 under AS 23.30.090 shall instead pay an annual service fee of the following amounts in the
11 following years:

12 (1) for payment due in 2001, 25 percent of the amount calculated for the
13 service fee under AS 23.05.067;

14 (2) for payment due in 2002, 50 percent of the amount calculated for the
15 service fee under AS 23.05.067;

16 (3) for payment due in 2003, 75 percent of the amount calculated for the
17 service fee under AS 23.05.067; and

18 (4) for payment due in 2004 and subsequent years, 100 percent of the amount
19 calculated for the service fee under AS 23.05.067.

20 * Sec. 8. The uncoded law of the State of Alaska is amended by adding a new section
21 to read:

22 TRANSITION: SERVICE FEE FOR INSURERS. Notwithstanding the allocation of
23 the annual service fee imposed under AS 23.05.067(a)(2), enacted by sec. 3 of this Act, the
24 director of the division of insurance shall allocate the annual service fee during the years
25 2000, 2001, and 2002 as follows:

26 (1) for untaxed premium income in 2000, 2.31 percent shall be deposited into
27 the workers' safety and compensation administration account in the state treasury, and .39
28 percent shall be deposited into the unrestricted general fund;

29 (2) for premium income in 2001, 2.17 percent shall be deposited into the
30 workers' safety and compensation administration account in the state treasury, and .53 percent
31 shall be deposited into the unrestricted general fund; and

1 (3) for premium income in 2002, 2.03 percent shall be deposited into the
2 workers' safety and compensation administration account in the state treasury, and .67 percent
3 shall be deposited into the unrestricted general fund.

4 * Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 TRANSITION: REGULATIONS. The director of the division of insurance in the
7 Department of Community and Economic Development, and the Department of Labor and
8 Workforce Development, may proceed to adopt regulations necessary to implement or interpret
9 this Act. Regulations to implement or interpret a provision of this Act take effect under
10 AS 44.62 (Administrative Procedure Act), but not before the effective date of secs. 1 - 6 of
11 this Act.

12 * Sec. 10. Section 9 of this Act takes effect immediately under AS 01.10.070(c).

13 * Sec. 11. Except as provided in sec 10 of this Act, this Act takes effect January 1, 2001.

Note:

A CS for HB 378 will be distributed for this meeting as soon as it is received from the drafter.

FISCAL NOTE

No: 6

Bill Version: CSHB 378 (L&C)

(H) Publish Date: 3/15/00

STATE OF ALASKA

2000 LEGISLATIVE SESSION

Revision Date (Note if correction) _____

Title Worker's Comp.

Dept. Affected _____

University of Alaska

BRU

Component _____

Sponsor _____

Requester _____

Component Serial No. _____

Expenditures/Revenues

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services					
Travel					
Contractual	8.3	15.5	21.8	26.0	26.0
Supplies					
Equipment					
Land & Structures					
Grants & Claims					
Miscellaneous					
TOTAL OPERATING	8.3	15.5	21.8	26.0	26.0

CAPITAL EXPENDITURES					
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CHANGE IN REVENUES ()					
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FUND SOURCE

1002 Federal Receipts	1.0	1.9	2.7	3.2	3.2
1003 GF Match					
1004 GF	3.8	7.1	9.9	11.9	11.9
1005 GF/Program Receipts					
1037 GF/Mental Health					
1048 University Receipts	3.5	6.5	9.2	10.9	10.9
TOTAL	8.3	15.5	21.8	26.0	26.0

Estimate of any current year (FY00) cost: _____

none

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: *(Attach a separate page if necessary)*

The service fee will be funded through a staff benefit accrual.

Prepared by Pat Pitney, Director
 Division UA Budget and Institutional Research
 Approved by Commissk Pat Pitney, Director
 Agency UA Budget and Institutional Research

Phone 474-7448
 Date 3/6/00
 Date 3/6/00

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FIB378, Fiscal Note Calculation
University of Alaska

Year	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Estimated claims	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Charge rate	3.3%	3.1%	2.9%	2.6%	2.6%
Calculated base fee	33,000	31,000	29,000	26,000	26,000
Transition rate	25.0%	50.0%	75.0%	100.0%	100.0%
Service fee	8,250	15,500	21,750	26,000	26,000

Revenue Sources:	<u>Ratio *</u>					
Federal funds	12.5%	1,028	1,931	2,710	3,240	3,240
General fund	45.6%	3,765	7,074	9,927	11,867	11,867
University receipts	41.9%	3,457	6,494	9,113	10,894	10,894
	<u>100.0%</u>	<u>8,250</u>	<u>15,500</u>	<u>21,750</u>	<u>26,000</u>	<u>26,000</u>

1999
Revenue
Sources

46.3 mil.
169.6 mil.
155.7 mil.
371.6 mil.

* Ratio of revenue sources from FY99 financial statements

02/28/2000

FISCAL NOTE

Bill Version: CSHB 378 (L&C)

(H) Publish Date: 3/15/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) March 8 '00 Dept. Affected All State Agencies
 Title "An act relating to the establishment, assessment, BRU collection, and accounting for service fees for the administration of workers' compensation and safety programs.
 Sponsor House Rules Committee Component _____
 Requester House Finance Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	75.8	142.4	199.9	238.9	238.9	238.9
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	75.8	142.4	199.9	238.9	238.9	238.9

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	7.5	14.1	19.8	23.6	23.6	23.6
1003 GF Match	1.9	3.6	5.0	6.0	6.0	6.0
1004 GF	36.6	68.8	96.5	115.4	115.4	115.4
1005 GF/Program Receipts	2.7	5.1	7.1	8.5	8.5	8.5
other (GF)	3.2	6.0	8.4	10.1	10.1	10.1
Other (Specify Type)	23.9	44.9	63.0	75.3	75.3	75.3
TOTAL	75.8	142.4	199.9	238.9	238.9	238.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Consolidation of statewide risk management costs to departments' personal services expense. See attached for detailed fund source amounts.

Prepared by: Joan Brown, Chief Budget Analyst *JK for JB*
 Division Office of Management and Budget
 Approved by Director Annalee McConnell *JK for AMC*
 Agency Governor's Office

Phone 465-4681
 Date/Time 3/7/00 3:59 PM
 Date 03/07/2000

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Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration 10,518.81	Comm. & Econ. Dev. 819.73	Corrections 8,238.75	Court System 1,341.45	Ed & Early Dev. 1,107.94	Environmental Conservation 997.11	Fish & Game 3,953.22	Health & Social Svcs. 11,842.36	Labor & Workforce Dev. 1,973.8	Law 828.05	Legislature 534.56	Military & Veterans Affairs 798.45	Natural Resources 4,018.34	Office of the Governor 368.55	Public Safety 7,867.31	Revenue 900.20	Transportation & Public Facilities 19,293.36	Total
1002	Fed Rcpts	Fed	135	11	213		120	259	1,057	2,978	1,360	9		431	263	21	173	330	93	7,454
	Fed Incentive																			
1018	Payments	Fed																31		31
	Indirect Cost																			
1133	Reimbursement	Fed																	14	14
	Fed Total		135	11	213	0	120	259	1,057	2,978	1,360	9	0	431	263	21	173	378	93	7,500
1003	GF Match	GF	41	13			20	64	21	1,431	84	3		66	33	33	57		17	1,881
1004	GF	GF	4,540	102	8,368	1,341	393	143	1,241	4,008	216	460	535	221	2,234	313	6,993	118	5,333	38,556
1005	GF/PR	GF	1,038	197			18	90	125	92	23	8			543		130	47	417	2,728
	GF/Mental																			
1037	Health	GF	1,474		352		2			702		1								2,531
1047	Tide XX	GF								370										370
	Pioneers																			
1118	Homes Rcpts	GF	240																	240
	Tobacco																			
1119	Settlement	GF	37							26		3								65
	GF Total		7,349	312	8,720	1,341	433	297	1,348	8,629	322	476	535	286	2,810	348	7,180	163	5,767	44,371
1007	IA Rcpts	Other	671	81	28		312	26	279	1,548	257	328		41	286		215	42	247	4,401
	Advance																			
	College Tuition																			
1011	Payment Fund	Other																0		0
	Donated																			
	Commodity /																			
1014	Handling Fee	Other					5													-5
	Benefit Systems																			
1017	Rcpts	Other	225																	225
	Erozn Valdez																			
1018	Oil Spill	Other						3	86						23					113
1021	Ag Loan Fund	Other													106					106
	FICA Admin																			
1023	Fund	Other	13																	13
	Fish & Game																			
1024	Fund	Other							766			2					62			650
1025	Science & Tech	Other		21																21
	Hwy Working																			
1026	Capital	Other																	1,482	1,482
	International																			
	Airports																			
1027	Revenue Fund	Other																0	3,374	3,375
1029	PERS	Other	368																	368
	Second Injury																			
1051	Fund	Other									6									6

Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration	Comm. & Econ. Dev.	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs.	Labor & Workforce Dev.	Law	Legislature	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transportation & Public Facilities	Total	
			10,518.81	619.73	9,238.75	1,341.45	1,107.84	997.11	3,953.22	11,642.36	1,873.8	828.05	534.56	788.45	4,018.34	366.55	7,687.31	900.20	19,293.36	
		Debt																		
		Fishermans																		
1032	Reserve Acct	Other									8									8
	Surplus																			
1033	Property	Other	29																	29
1034	TERS	Other	154																	154
	Vets Revolving																			
1035	Loan Fund	Other		2																2
	Comm Fish																			
	Revolving Loan																			
1036	Fund	Other		41																41
	UA Indirect Cost																			
1038	Recovery	Other																		
	Real Estate																			
1040	Surety Fund	Other		3																3
	Judicial																			
	Retirement																			
1042	System	Other	1																	1
	Nat Guard																			
	Retirement																			
1045	System	Other	7																	7
	Student																			
	Revolving Loan																			
1046	Fund	Other															0			0.
	Training &																			
1048	Building Fund	Other								15										15
	Perm Fund																			
1050	Dividend Fund	Other														24	55			79
	Rural Dev																			
1051	Initiative Fund	Other		2																2
	OS&Haz																			
1052	Response Fund	Other					245													245
1053	R.T.F.	Other																		0
1055	IA, OI & Haz	Other						3			9		20	4		7	0			43
	Small Bus Loan																			
1057	Fund	Other		0																0
1061	CIP Rcpts	Other	18	13	63		1	56	108	75			20	217			27	6,212	6,813	
	Public School																			
1066	Fund	Other															0			0
	Mining																			
	Revolving Loan																			
1067	Fund	Other		0																0

Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration	Comm. & Econ. Dev.	Corrections	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs.	Labor & Workforce Dev.	Law	Legislature	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transportation & Public Facilities	Total	
		Child Care	10,518.81	819.73	9,238.75	1,341.45	1,107.94	997.11	3,953.22	11,642.36	1,973.8	828.05	534.56	798.45	4,018.34	388.55	7,667.31	666.20	19,293.36		
		Revolving Loan																			
1068	Fund	Other			0															0	
		Historical District																			
		Revolving Loan																			
1009	Fund	Other			0															0	
		Fisheries Enhancement																			
		Revolving Loan																			
1070	Fund	Other			8															8	
		Alternative Energy																			
		Revolving Loan																			
1071	Fund	Other			3															3	
		Clean Water																			
1075	Loan Fund	Other							10											10	
		Marine Hwy																			
1078	System Fund	Other																			
		Storage Tank																		830	830
1079	Asst Fund	Other							20												
1081	ISF	Other	1,284																		20
1092	MHTAAR	Other	7			7				148											1,284
		Clean Air													59						222
1093	Protection Fund	Other							81												81
		Mental Health																			
1094	Trust Admin	Other																			
		Children's Trust																		9	9
1098	Fund Earnings	Other																		0	0
		Alaska Drinking																			
1100	Water Fund	Other							11												11
		Aerospace Dev																			
1101	Corp Rcpts	Other		0																	0
1102	AIDEA Rcpts	Other		47																	47
1103	AHFC Rcpts	Other																			164
		Municipal Bond																			164
1104	Bank Rcpts	Other																			1
		Perm Fund																			1
1105	Corp Rcpts	Other													90					59	155
		Post-Secondary																			
1108	Ed Comm Rcpts	Other	222				208	7	108	222	8	4									208
1108	SDPR	Other			207		29								155		8	3		81	1,049

Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration	Comm. & Econ. Dev.	Corrections	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs.	Labor & Workforce Dev.	Law	Legislature	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transportation & Public Facilities	Total
			10,518.81	819.73	9,238.75	1,341.45	1,107.94	997.11	3,953.22	11,642.35	1,973.8	828.05	534.58	798.45	4,018.34	366.55	7,687.31	900.20	19,293.35	
	Test Fisheries																			
1109	Rcpts	Other							141											141
	International Trade & Bus Endowment																			
1115	Income	Other		4																4
1141	RCA Rcpts	Other		74																74
	Public Bldg																			
1147	Fund	Other	18																	18
		Other Total	3,017	297	305	0	955	442	1,511	2,034	292	343	0	88	848	0	314	382	13,438	23,832
		Grand Total	10,521	820	9,238	1,341	1,108	997	3,954	11,642	1,974	828	535	798	4,018	367	7,686	900	19,285	75,602

FISCAL NOTE

No: 4

B... Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction): _____
 Title: "An Act eliminating certain taxes
under AS 21.09 on premiums from the sale"
 Sponsor: Rules
 Requistor: Governor

Department Affected: Labor
 BRU: Labor Standards and Safety
 Component: Occupational Safety and Health
 COMPONENT SERIAL NO. 970

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match		(1,131.1)	(1,131.1)	(1,131.1)	(1,131.1)	(1,131.1)
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)		1,131.1	1,131.1	1,131.1	1,131.1	1,131.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared by: Alan Dwyer, Director *Alan Dwyer* Phone: 465-2790
 Division: Labor Standards and Safety Date/Time: 1/31/00 1:07 PM

Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor *Ed Flanagan* Date: 1/31/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. _____

Title: An Act eliminating certain taxes under AS 21.09 from the sale of worker's compensation insurance; relating to the establishment, assessment, collection, and accounting for service fees for state administration of workers' compensation and worker safety programs; establishing civil penalties and sanctions for late payment or nonpayment of the service fee; and providing for an effective date.

The bill would eliminate the 2.7% tax paid on workers' compensation insurance premiums under AS 21.09.150(b), and would replace it with an annual service fee. The annual service fee is to be paid by all insurers who provide workers' compensation insurance as well as those employers who are self-insured or uninsured.

The fee shall be paid each year to the department at the time that the annual report is required. This suggests that initial payments shall be received by the department in March, 2001 with funding available for appropriation to the workers' compensation program on July 1, 2001 (state fiscal year 2002).

For those insurers who provide workers' compensation insurance, the service fee is the following percentage of all payments reported to the Alaska Workers' Compensation Board under AS 23.30.155(m) or (n):

- (1) for payment due in 2001: 3.3 percent;
- (2) for payment due in 2002: 3.1 percent;
- (3) for payment due in 2003: 2.9 percent;
- (4) for payment due in 2004 and subsequent years: 2.6 percent

Other employers who are self-insured under AS 23.30.090 shall pay instead an annual service fee as follows, calculated according to the provisions of AS 23.05.067:

- (1) for payment due in 2001, 25 percent of the amount calculated for the service fee;
- (2) for payment due in 2002, 50 percent of the amount calculated for the service fee;
- (3) for payment due in 2003, 75 percent of the amount calculated for the service fee; and
- (4) for payment due in 2004 and subsequent years, 100 percent of the amount calculated for the service fee .

This fee would be deposited into a workers' safety and compensation administration account, and would be available, through appropriation, to fund the expenses incurred by the state in administering the occupational safety and health program. During the four-year phase-in period, this appropriation would replace the unrestricted general fund match appropriation which currently funds a portion of the cost of the state's occupational safety and health program.

The bill provides penalties for late payment of the fee, and amends AS 37.05.146(b)(4) to ensure that the receipts in the new account are accounted for separately and that appropriations from the account are not made from the unrestricted general fund.

The Division of Labor Standards and Safety does not anticipate any additional need for staff to administer this fee collection program.

FISCAL NOTE

No: 3

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction): _____
 Title: "An Act eliminating certain taxes
under AS 21.09 on premiums from the sale"
 Sponsor: Rules
 Requestor: Governor

Department Affected: Labor
 BRU: Workers' Compensation
 Component: Workers' Compensation

COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

CHANGE IN REVENUE FUND SOURCE #						
------------------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		(2,367.1)	(2,367.1)	(2,367.1)	(2,367.1)	(2,367.1)
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)		2,367.1	2,367.1	2,367.1	2,367.1	2,367.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared by: Paul Grossi, Director *Paul Grossi* Phone: 465-2790
 Division: Workers' Compensation Date/Time: 1/28/00 3:45 PM

Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor *Ed Flanagan* Date: 1/28/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. _____

Title: An Act eliminating certain taxes under AS 21.09 from the sale of worker's compensation insurance; relating to the establishment, assessment, collection, and accounting for service fees for state administration of workers' compensation and worker safety programs; establishing civil penalties and sanctions for late payment or nonpayment of the service fee; and providing for an effective date.

The bill would eliminate the 2.7% tax paid on workers' compensation insurance premiums under AS 21.09.150(b), and would replace it with an annual service fee. The annual service fee is to be paid by all insurers who provide workers' compensation insurance as well as those employers who are self-insured or uninsured.

The fee shall be paid each year to the department at the time that the annual report is required. This suggests that initial payments shall be received by the department in March, 2001 with funding available for appropriation to the workers' compensation program on July 1, 2001, FY2002.

For those insurers who provide workers' compensation insurance, the service fee is the following percent of all payments reported to the Alaska Workers' Compensation Board under AS 23.30.155(m) or (n):

- (1) for payment due in 2001. 3.3 percent;
- (2) for payment due in 2002. 3.1 percent;
- (3) for payment due in 2003. 2.9 percent;
- (4) for payment due in 2004 and subsequent years. 2.6 percent

Other employers who are self-insured under AS 23.30.090 shall instead pay an annual service fee of the following amounts in the following years:

- (1) for payment due in 2001, 25 percent of the amount calculated for the service fee under AS 23.05.067;
- (2) for payment due in 2002, 50 percent of the amount calculated for the service fee under AS 23.05.067;
- (3) for payment due in 2003, 75 percent of the amount calculated for the service fee under AS 23.05.067; and
- (4) for payment due in 2004 and subsequent years, 100 percent of the amount calculated for the service fee under AS 23.05.067.

This fee would be deposited into a workers' safety and compensation administration account, and would be available, through appropriation, to fund the expenses incurred by the state in administering the workers' compensation program under AS 23.30. During the four-year phase-in period, this appropriation would replace the unrestricted general fund appropriation which currently funds a portion of the cost of the state's workers' compensation program.

The bill provides penalties for late payment of the fee, and amends AS 37.05.146(b)(4) to ensure that the receipts in the new account are accounted for separately and that appropriations from the account are not made from the unrestricted general fund.

The Division of Workers' Compensation does not anticipate any additional need for staff to administer this fee collection program.

FISCAL NOTE

Bi. Jersion: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revisor: Date/Time (Note if correction) _____ Dept. Affected Community & Economic Development
 Title An Act eliminating certain taxes under AS 21.09 on BRU Insurance
premiums from the sale of workers' compensation insurance. . . Component Insurance
 Sponsor Rule Committee
 Requester Governor Component No. 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill will result in the elimination of tax receipts from workers' compensation premiums currently collected by the Division of Insurance. Under the bill a service fee charged by the Department of Labor and Workforce Development against workers' compensation claims payments and costs will result in fee receipts that are estimated to offset the foregone tax receipts, when the amount generated from self-insured claims is included. The loss in revenue shown above equals the amount the Department of Labor and Workforce Development estimates it will receive in fee receipts.

Prepared by: Robert A. Lohr
 Division Insurance
 Approved by Commissioner Deborah B. Sedwick
 Agency Community & Economic Development

Phone 269-7900
 Date/Time 2/2/00 12:24 PM
 Date 2/2/00

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FISCAL NOTE

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date	<u>1/27/00</u>	Dept. Affected	<u>Administration</u>
Title	<u>"An act relating to the establishment, assessment, collection and accounting for service fees for the administration of workers' compensation and workers' safety programs....."</u>	BRU	<u>Risk Management</u>
Sponsor	<u>Rules Committee</u>	Component	<u>Risk Management</u>
Requester	<u>Governor</u>	Component No.	<u>71</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	75.8	142.4	199.9	238.9	238.9	238.9
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	75.8	142.4	199.9	238.9	238.9	238.9

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1007 I/A Receipts	75.8	142.4	199.9	238.9	238.9	238.9
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	75.8	142.4	199.9	238.9	238.9	238.9

Estimate of any current year (FY2000) cost: 0

POSITIONS

POSITIONS	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This legislation creates an increased expense to Risk Management operating costs for a new administrative assessment fee beginning in 2001.

Applying the proposed rate schedule to the average of the five most recent fiscal years workers' compensation experience (\$9,191,125) estimated costs are projected, although future loss experience will determine actual costs incurred.

As Risk Management is funded solely through inter-agency receipts, this additional expense will require increased cost of risk allocations (premium assessments) to all state agency operating budgets.

Prepared by:	<u>Brad Thompson, Director</u>	Phone	<u>465-5723</u>
Division	<u>Risk Management</u>	Date/Time	<u>1/27/00</u>
Approved by Commissioner	<u>Robert Poe</u>	Date	<u>1/27/00</u>
Agency	<u>Administration</u>		

Bill History/Action Display



BILL: HB 378 SHORT TITLE: WORKERS COMP AND WORKER SAFETY
 BILL VERSION:
 SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

CURRENT STATUS: (H) RLS STATUS DATE: 3/15/00

HEARING: (H) RLS Apr 10 4:00 PM CAPITOL 120

TITLE: "An Act eliminating certain taxes under AS 21.09 on premiums from the sale of workers' compensation insurance; relating to the establishment, assessment, collection, and accounting for service fees for state administration of workers' compensation and worker safety programs; establishing civil penalties and sanctions for late payment or nonpayment of the service fee; and providing for an effective date."

Detailed 2000 fiscal note information currently not available on-line.

Committee Action With Bill History

Jrn-Date	Jrn-Page	Action
2/16/00	2211	(H) READ THE FIRST TIME - REFERRALS
2/16/00	2212	(H) L&C, JUD, FIN
2/16/00	2212	(H) 4 FISCAL NOTES (ADM, DCED, 2-LABOR)
2/16/00	2212	(H) GOVERNOR'S TRANSMITTAL LETTER
3/06/00	2426	(H) L&C RPT CS(L&C) NT 5DP 1NR
3/06/00	2426	(H) DP: HARRIS, CISSNA, BRICE, HALCRO,
3/06/00	2426	(H) ROKEBERG; NR: MUPKOWSKI
3/06/00	2427	(H) 4 FNS (ADM, DCED, 2-LABOR) 2/16/00
3/08/00	2451	(H) JUD RPT CS(L&C) NT 5DP
3/08/00	2452	(H) DP: CROFT, GREEN, ROKEBERG, KERTTULA,
3/08/00	2452	(H) KOTT
3/08/00	2452	(H) 4 FNS (ADM, DCED, 2-LABOR) 2/16/00
3/15/00	2491	(H) FIN RPT CS(L&C) NT 3DP 5NR
3/15/00	2491	(H) DP: MULDER, DAVIES, PHILLIPS;
3/15/00	2491	(H) NR: THERRIAULT, BUNDE, FOSTER,
3/15/00	2491	(H) WILLIAMS, DAVIS
3/15/00	2491	(H) 2 FISCAL NOTES (GOV/ALL DEPTS, UA)
3/15/00	2491	(H) 3 FNS (DCED, 2-LABOR) 2/16/00
3/15/00	2491	(H) REFERRED TO RULES

Similar Subject Match or Exact Subject Match

- BUSINESS
- EMPLOYMENT
- INSURANCE
- LABOR
- SAFETY
- TAXATION
- WORKERS COMPENSATION

TONY KNOWLES
GOVERNOR
governor of the state of alaska

PO BOX
Juneau, Alaska
99801-4652
Tel: (907) 441-5100
www.governor.ak.gov

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 11, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

The state's workers' compensation and worker safety programs in the Department of Labor and Workforce Development provide important benefits and services to employees and employers throughout Alaska. Successive budget cuts to the department have threatened the viability of these programs to the point that a takeover of the safety program by the federal government is a distinct possibility.

Federal management of our occupational health and safety program is unacceptable to me and to most employers and employees in Alaska. The bill I am introducing changes the way in which these programs are funded to ensure these services to Alaskans are put back on firm footing.

These programs are currently paid for with general funds. The costs roughly equate to the amount of money the state collects from the tax on workers' compensation insurance premiums.

The programs clearly benefit all employers, but only those employers who purchase workers' compensation insurance are taxed. Larger self-insured employers pay no tax. This bill more equitably spreads the cost/benefit structure of worker safety programs by eliminating the premium tax and replacing it with a fee for all employers based on a percentage of their individual workers' compensation claims.

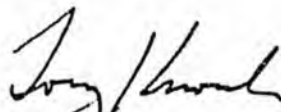
The fees would be accounted for separately and deposited into a worker safety and compensation account. The money in the account would be treated as designated program receipts available for appropriation to the workers' compensation and safety programs. The bill provides for a four-year phase-in of the fees to minimize the impact on those self-insured employers who currently pay no tax. The new fee system is designed to raise the same

The Honorable Brian Porter
February 11, 2000
Page 2

amount of money as the current tax. Because the new system would spread costs among more employers, those employers currently paying the premium tax would realize a decrease in their payments.

This bill offers a fair, effective way of ensuring continued funding for vital worker protection programs. I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Knowles". The signature is fluid and cursive, with the first name "Tony" and last name "Knowles" clearly distinguishable.

Tony Knowles
Governor



March 8, 2000

The Honorable Eldon Mulder
The Honorable Gene Therriault
Co-Chairmen House Finance Committee
Alaska State House of Representatives
Alaska State Capitol
Juneau, Alaska 99801

Dear Representative Mulder and Therriault,

The Association of Alaska School Boards (AASB) and Alaska Public Entity Insurance (APEI) oppose HB 378.

Many of the smaller school districts are insured through our insurance pool, APEI. The larger school districts have a self-insurance program. The bill has the effect of transferring costs from premium taxes paid by commercial insurance companies to Alaska school districts by changing from a premium tax to a tax on actual claims benefits paid for workers' compensation.

There does not appear to be any measurable benefit to the State Department of Labor, since the same amount of money will be generated under both the current premium tax and proposed claims tax under HB 378.

The pooling bill (AS21.76) was passed in 1986 to protect school districts and municipalities from the prohibitive cost of commercial insurance when these insurers virtually abandoned Alaska public agencies. The public agencies that pool their premiums and losses are exempt from some of the costs of a private for-profit insurer, so that these public agencies can obtain insurance at a reasonable cost. HB 378 will increase the insurance costs of most of the State's schools and municipalities who are in a pool (joint insurance arrangement) or self-insured. The only beneficiaries seem to be the large private insurers.

The AASB represents 50 school districts which will all receive unfavorable financial impact from this legislation.

Sincerely,

Carl FN Rose
President of APEI and Executive Director of AASB



Alaska Municipal League Joint Insurance Association, Inc.

217 Second Street, Suite 200 • Juneau, Alaska 99801 • Phone (907) 586-3222 • Fax (907) 463-5480

MEMORANDUM

Date: March 1, 2000

From: Kevin Smith, Risk Manager *Kevin*

To: Rep. Norm Rokeberg, Chair, House Labor & Commerce Committee

REGARDING: HB378

Thank you for the opportunity to testify before the House Labor & Commerce Committee February 28. It is still the position of the Alaska Municipal League (AML) and the Alaska Municipal League Joint Insurance Association (AML/JIA) that public entities, especially municipalities, school districts, and joint insurance arrangements organized under AS21.76 be excluded from the bill. In the interests of maintaining the most cost-effective, efficient risk financing for Alaska's citizens, it seems reasonable to consider excluding their public agencies from the taxes proposed in HB378.

While it is true that public entities also use the Alaska Workers' Compensation Board (AWCB) and AK-OSH, it may not be at a rate comparable to the private sector. For example, the AML/JIA's 1999 Annual Report to the Division of Workers' Compensation shows a controversion rate of only 0.05 percent of all workers' compensation claims we handle. With respect to AK-OSH services, the AML/JIA provides loss control services to its 141 public entities comparable to AK-OSH's voluntary compliance program. Unless there is an increase in services, the AML/JIA sees no reason to cost-shift from the private insurance industry to the public sector at a time when local government entities are struggling for their survival.

The zero fiscal note accompanying this bill provides no reason to anticipate any improvements in the current backlog of hearing dates and claims handling. If the bill is revenue neutral, as the fiscal note indicates, then additional services may not be possible and the AML/JIA can see no reason to change the existing formula.

If you do not find this reasoning compelling, however, there are some points the AML/JIA would propose the committee consider before you send this bill on to the next committee of referral.

The bill proposes to tax all payments made on behalf of injured workers, including vocational specialist fees (to include monitoring the worker during the vocational rehabilitation plan and tuition costs), medical benefits, defense costs, injured worker attorney fees, any interest paid on a claim as well as any payments reported in category #21 of the Annual Report to the AWCB which is marked as

1

Or E-mail at: kevins@jnu.smljia.org

Visit our Web Site at: <http://www.smljia.org>

HB378

"other." The "other" category would include adjusting fees paid to an independent adjusting agency for investigation of subrogation, recorded interviews of witnesses, or any potential claims handling. This category would also include photocopying expenses and court reporters or any other payments made that do not specifically fit within the other 20 categories listed on the Annual Report.

Payment of a "User Fee" on Medical Only claims would not be reasonable since these particular claims do not burden or bog-down the system. Medical Only claims significantly contribute to our safety programs in that they serve as a warning system of where potential problems lie. "Frequency breeds Severity." Medical Only claims make up just over 2/3 of our total claims, as is the case for most employers/carriers. If HB378 is approved, then perhaps a separate, lower "User Fee" should be imposed on these type of claims.

It seemed that a large majority of the testimony heard on February 28, focused on the idea that this bill would ensure an Alaska based Occupational Safety & Health Administration. However, this bill cannot exclusively dedicate the "User Fee" to the AWCBS and OSHA. Again, there is no reason to believe there would be an increase of services or retention of OSHA. Essentially, we would be paying additional funds to simply maintain the current level of service we have.

There would be less incentive, from an already largely claimant oriented Workers' Compensation Board, to give favorable decisions to employers since this would guarantee the division additional revenue. This would indicate a "conflict of interest".

The AML/JIA is successful, in part, due to good planning. Our rates are set well in advance, have already been negotiated and quotes sent to some members for the FY2001 fiscal year. It will be impossible to recoup the tax increase through premiums until July 1, 2002. The AML/JIA requests that the effective date be changed to July 1, 2002, or January 1, 2003, in order to provide joint insurance arrangements with adequate time to properly budget for the increased taxes proposed in this bill. Since commercial insurance companies would be seeing a decrease in taxes under this proposal, the effective date may not be an issue for them. However, we feel that the "User Fee" should only be assessed on claims generated within a calendar year and that fees should not be assessed on claims occurring in prior years. For commercial insurance companies, those premiums have already been taxed and this would make it impossible for prior premiums to be adjusted if a fee is continuing to be paid on claims that occurred in prior years and especially in the case where a particular employer is no longer insured with the same commercial carrier or joint insurance arrangement. The answer to this problem would be to assess a "User Fee" on claims generated in each calendar year only.

In summary, the AML and the AML/JIA would encourage you to exclude public entities from the provisions of this bill. The cost-shifting from the private insurance industry to the public sector could not come at a worse time. That failing, please consider revising the measure as suggested above.

Prior to and since the hearing held on February 28, the above issues have been discussed with the Municipality of Anchorage Risk Manager, Glen Smith and he concurs with these views and statements as were represented in his earlier testimony on February 28 before the committee.

Unfortunately, I will be out of town for the remainder of the week. Should you have questions, I would invite you to call Leandra Estep, our workers' compensation manager at 800-337-3682. She

2

Or E-mail at: kevins@jnu.amljia.org

Visit our Web Site at: <http://www.amljia.org>

HB378

intends to monitor this afternoon's hearing via teleconference as well, and should be available at the Anchorage site to answer any questions.

Thank you for your consideration of these issues.

FISCAL NOTE

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date 1/27/00 Dept. Affected Administration
 Title "An act relating to the establishment, assessment, BRU Risk Management
collection and accounting for service fees for the administration Component Risk Management
administration of workers' compensation and workers' safety programs....."
 Sponsor Rules Committee
 Requester Governor Component No. 71

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	75.8	142.4	199.9	238.9	238.9	238.9
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	75.8	142.4	199.9	238.9	238.9	238.9

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1007 I/A Receipts	75.8	142.4	199.9	238.9	238.9	238.9
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	75.8	142.4	199.9	238.9	238.9	238.9

Estimate of any current year (FY2000) cost: 0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This legislation creates an increased expense to Risk Management operating costs for a new administrative assessment fee beginning in 2001.

Applying the proposed rate schedule to the average of the five most recent fiscal years workers' compensation experience (\$9,191,125) estimated costs are projected, although future loss experience will determine actual costs incurred.

As Risk Management is funded solely through inter-agency receipts, this additional expense will require increased cost of risk allocations (premium assessments) to all state agency operating budgets.

Prepared by: Brad Thompson, Director Phone 465-5723
 Division Risk Management Date/Time 1/27/00
 Approved by Commissioner Robert Poe Date 1/27/00
 Agency Administration

FISCAL NOTE

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Economic Development
 Title An act eliminating certain taxes under AS 21.09 on BRU Insurance
premiums from the sale of workers' compensation insurance. . . Component Insurance
 Sponsor Rule Committee
 Requester Governor Component No. 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)
-------------------------------	------------------	------------------	------------------	------------------	------------------	------------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill will result in the elimination of tax receipts from workers' compensation premiums currently collected by the Division of Insurance. Under the bill a service fee charged by the Department of Labor and Workforce Development against workers' compensation claims payments and costs will result in fee receipts that are estimated to offset the foregone tax receipts, when the amount generated from self-insured claims is included. The loss in revenue shown above equals the amount the Department of Labor and Workforce Development estimates it will receive in fee receipts.

Prepared by: Robert A. Lohr Phone 269-7900
 Division Insurance Date/Time 2/2/00 12:24 PM
 Approved by Commissioner Deborah B. Sedwick Date 2/2/00
 Agency Community & Economic Development

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FISCAL NOTE

No: 3

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction): _____
 Title: "An Act eliminating certain taxes
under AS 21.09 on premiums from the sale"
 Sponsor: Rules
 Requestor: Governor

Department Affected: Labor
 BRU: Workers' Compensation
 Component: Workers' Compensation

COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
----------------	--	--	--	--	--	--

CHANGE IN REVENUE FUND SOURCE #						
--	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		(2,367.1)	(2,367.1)	(2,367.1)	(2,367.1)	(2,367.1)
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)		2,367.1	2,367.1	2,367.1	2,367.1	2,367.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared by: Paul Grossi, Director *Paul Grossi* Phone: 465-2790
 Division: Workers' Compensation Date/Time: 1/28/00 3:45 PM

Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor *Ed Flanagan* Date: 1/28/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. _____

Title: An Act eliminating certain taxes under AS 21.09 from the sale of worker's compensation insurance; relating to the establishment, assessment, collection, and accounting for service fees for state administration of workers' compensation and worker safety programs; establishing civil penalties and sanctions for late payment or nonpayment of the service fee; and providing for an effective date.

The bill would eliminate the 2.7% tax paid on workers' compensation insurance premiums under AS 21.09.150(b), and would replace it with an annual service fee. The annual service fee is to be paid by all insurers who provide workers' compensation insurance as well as those employers who are self-insured or uninsured.

The fee shall be paid each year to the department at the time that the annual report is required. This suggests that initial payments shall be received by the department in March, 2001 with funding available for appropriation to the workers' compensation program on July 1, 2001, FY2002.

For those insurers who provide workers' compensation insurance, the service fee is the following percent of all payments reported to the Alaska Workers' Compensation Board under AS 23.30.155(m) or (n):

- (1) for payment due in 2001. 3.3 percent:
- (2) for payment due in 2002. 3.1 percent:
- (3) for payment due in 2003. 2.9 percent
- (4) for payment due in 2004 and subsequent years. 2.6 percent

Other employers who are self-insured under AS 23.30.090 shall instead pay an annual service fee of the following amounts in the following years:

- (1) for payment due in 2001, 25 percent of the amount calculated for the service fee under AS 23.05.067;
- (2) for payment due in 2002, 50 percent of the amount calculated for the service fee under AS 23.05.067;
- (3) for payment due in 2003, 75 percent of the amount calculated for the service fee under AS 23.05.067; and
- (4) for payment due in 2004 and subsequent years, 100 percent of the amount calculated for the service fee under AS 23.05.067.

This fee would be deposited into a workers' safety and compensation administration account, and would be available, through appropriation, to fund the expenses incurred by the state in administering the workers' compensation program under AS 23.30. During the four-year phase-in period, this appropriation would replace the unrestricted general fund appropriation which currently funds a portion of the cost of the state's workers' compensation program.

The bill provides penalties for late payment of the fee, and amends AS 37.05.146(b)(4) to ensure that the receipts in the new account are accounted for separately and that appropriations from the account are not made from the unrestricted general fund.

The Division of Workers' Compensation does not anticipate any additional need for staff to administer this fee collection program.

FISCAL NOTE

No: 4

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction): _____
 Title: "An Act eliminating certain taxes
under AS 21.09 on premiums from the sale"
 Sponsor: Rules
 Requestor: Governor

Department Affected: Labor
 BRU: Labor Standards and Safety
 Component: Occupational Safety and Health
 COMPONENT SERIAL NO. 970

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match		(1,131.1)	(1,131.1)	(1,131.1)	(1,131.1)	(1,131.1)
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)		1,131.1	1,131.1	1,131.1	1,131.1	1,131.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared by: Alan Dwyer, Director *Alan Dwyer* Phone: 465-2790
 Division: Labor Standards and Safety Date/Time: 1/31/00 1:07 PM

Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor *Ed Flanagan* Date: 1/31/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. _____

Title: An Act eliminating certain taxes under AS 21.09 from the sale of worker's compensation insurance; relating to the establishment, assessment, collection, and accounting for service fees for state administration of workers' compensation and worker safety programs; establishing civil penalties and sanctions for late payment or nonpayment of the service fee; and providing for an effective date.

The bill would eliminate the 2.7% tax paid on workers' compensation insurance premiums under AS 21.09.150(b), and would replace it with an annual service fee. The annual service fee is to be paid by all insurers who provide workers' compensation insurance as well as those employers who are self-insured or uninsured.

The fee shall be paid each year to the department at the time that the annual report is required. This suggests that initial payments shall be received by the department in March, 2001 with funding available for appropriation to the workers' compensation program on July 1, 2001 (state fiscal year 2002).

For those insurers who provide workers' compensation insurance, the service fee is the following percentage of all payments reported to the Alaska Workers' Compensation Board under AS 23.30.155(m) or (n):

- (1) for payment due in 2001: 3.3 percent;
- (2) for payment due in 2002: 3.1 percent;
- (3) for payment due in 2003: 2.9 percent;
- (4) for payment due in 2004 and subsequent years: 2.6 percent

Other employers who are self-insured under AS 23.30.090 shall pay instead an annual service fee as follows, calculated according to the provisions of AS 23.05.067:

- (1) for payment due in 2001, 25 percent of the amount calculated for the service fee;
- (2) for payment due in 2002, 50 percent of the amount calculated for the service fee;
- (3) for payment due in 2003, 75 percent of the amount calculated for the service fee; and
- (4) for payment due in 2004 and subsequent years, 100 percent of the amount calculated for the service fee .

This fee would be deposited into a workers' safety and compensation administration account, and would be available, through appropriation, to fund the expenses incurred by the state in administering the occupational safety and health program. During the four-year phase-in period, this appropriation would replace the unrestricted general fund match appropriation which currently funds a portion of the cost of the state's occupational safety and health program.

The bill provides penalties for late payment of the fee, and amends AS 37.05.146(b)(4) to ensure that the receipts in the new account are accounted for separately and that appropriations from the account are not made from the unrestricted general fund.

The Division of Labor Standards and Safety does not anticipate any additional need for staff to administer this fee collection program.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 378

Revision Date/Time (Note if correction) March 8 '00 Dept. Affected All State Agencies
 Title "An act relating to the establishment, assessment, BRU
collection, and accounting for service fees for the administration
of workers' compensation and safety programs. Component _____
 Sponsor House Rules Committee
 Requester House Finance Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	75.8	142.4	199.9	238.9	238.9	238.9
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	75.8	142.4	199.9	238.9	238.9	238.9

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	7.5	14.1	19.8	23.6	23.6	23.6
1003 GF Match	1.9	3.6	5.0	6.0	6.0	6.0
1004 GF	36.6	68.8	96.5	115.4	115.4	115.4
1005 GF/Program Receipts	2.7	5.1	7.1	8.5	8.5	8.5
other (GF)	3.2	6.0	8.4	10.1	10.1	10.1
Other (Specify Type)	23.9	44.9	63.0	75.3	75.3	75.3
TOTAL	75.8	142.4	199.9	238.9	238.9	238.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Consolidation of statewide risk management costs to departments' personal services expense. See attached for detailed fund source amounts.

Prepared by: Joan Brown, Chief Budget Analyst *JK for JB* Phone 465-4681
 Division Office of Management and Budget Date/Time 3/7/00 3:59 PM
 Approved by Director Annalee McConnell *JK for AMC* Date 03/07/2000
 Agency Governor's Office

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Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration 10,518.81	Comm. & Econ. Dev. 619.73	Corrections 9,238.75	Court System 1,341.45	Ed & Early Dev. 1,107.94	Environmental Conservation 997.11	Fish & Game 2,953.22	Health & Social Svcs. 11,642.36	Labor & Workforce Dev. 1,973.8	Law 828.05	Legislature 534.56	Military & Veterans Affairs 798.45	Natural Resources 4,018.34	Office of the Governor 366.55	Public Safety 7,667.31	Revenue 900.20	Transportation & Public Facilities 19,293.36	Total
1002	Fed Rcpts	Fed	135	11	213		120	259	1,057	2,979	1,360	9		431	263	21	173	330	93	7,454
	Fed Incentive																			
1016	Payments	Fed																	31	31
	Indirect Cost																			
1133	Reimbursement	Fed																	14	14
	Fed Total		135	11	213	0	120	259	1,057	2,979	1,360	9	0	431	263	21	173	376	93	7,500
1003	GF Match	GF	41	13			20	64	21	1,431	84	3		66	33	33	57		17	1,881
1004	GF	GF	4,540	102	8,368	1,341	393	143	1,241	4,008	216	460	535	221	2,234	313	6,993	116	5,333	36,556
1005	GF/PR	GF	1,038	197			18	90	125	92	23	8			543		130	47	417	2,728
	GF/Mental																			
1037	Health	GF	1,474		352		2			702		1								2,531
1047	Title XX	GF								370										370
	Pioneers																			
1118	Homes Rcpts	GF	240																	240
	Tobacco																			
1119	Settlement	GF	37							26		3								65
	GF Total		7,369	312	8,720	1,341	433	297	1,386	6,629	322	476	535	286	2,810	346	7,180	163	5,767	44,371
1007	IA Rcpts	Other	671	81	28		312	26	279	1,589	257	328		41	286		215	42	247	4,401
	Advance																			
	College Tuition																			
1011	Payment Fund	Other																0		0
	Donated																			
	Commodity /																			
1014	Handling Fee	Other					5													5
	Benefit Systems																			
1017	Rcpts	Other	225																	225
	Exxon Valdez																			
1018	Oil Spill	Other						3	88						23					113
1021	Ag Loan Fund	Other													106					106
	FICA Admin																			
1023	Fund	Other	13																	13
	Fish & Game																			
1024	Fund	Other							786			2					62			850
1025	Science & Tech	Other		21																21
	Hwy Working																			
1026	Capital	Other																	1,482	1,482
	International																			
	Airports																			
1027	Revenue Fund	Other																0	3,374	3,375
1029	PERS	Other	366																	366
	Second Injury																			
1031	Fund	Other									6									6

Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Adminstration	Comm. & Econ. Dev.	Corrections	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs.	Labor & Workforce Dev.	Law	Legislature	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transportation & Public Facilities	Total
		Disabled	10,518.81	619.73	9,238.75	1,341.45	1,107.94	997.11	3,953.22	11,642.36	1,973.8	828.05	534.56	798.45	4,018.34	366.55	7,667.31	900.20	19,293.36	
		Fishermans																		
1032	Reserve Acct	Other									6									6
	Surplus																			
1033	Property	Other	29																	29
1034	TERS	Other	154																	154
	Vets Revolving																			
1035	Loan Fund	Other		2																2
	Comm Fish																			
	Revolving Loan																			
1036	Fund	Other		41																41
	UA Indirect Cost																			
1039	Recovery	Other																	1,210	1,210
	Real Estate																			
1040	Surety Fund	Other		3																3
	Judicial																			
	Retirement																			
1042	System	Other	1																	1
	Natl Guard																			
	Retirement																			
1045	System	Other	7																	7
	Student																			
	Revolving Loan																			
1046	Fund	Other																0		0
	Training &																			
1049	Building Fund	Other									15									15
	Perm Fund																			
1050	Dividend Fund	Other															24	55		79
	Rural Dev																			
1051	Initiative Fund	Other		2																2
	Oil/Haz																			
1052	Response Fund	Other						245												245
1053	ILTF	Other																0		0
1055	IA Oil & Haz	Other							3			9		20	4		7			43
	Small Bus Loan																			
1057	Fund	Other		0																0
1061	CIP Rcpts	Other	18	13	63		1	58	108	75				20	217			27	6,212	6,813
	Public School																			
1066	Fund	Other																0		0
	Mining																			
	Revolving Loan																			
1067	Fund	Other		0																0

Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration	Comm. & Econ. Dev.	Corrections	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs.	Labor & Workforce Dev.	Law	Legislature	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transportation & Public Facilities	Total	
		Child Care	10,518.81	619.73	9,238.75	1,341.45	1,107.94	997.11	3,953.22	11,642.36	1,973.8	828.05	534.56	798.45	4,018.34	366.55	7,667.31	900.20	19,293.36		
		Revolving Loan																			
1068	Fund	Other			0															0	
		Historical District																			
		Revolving Loan																			
1069	Fund	Other			0															0	
		Fisheries Enhancement																			
		Revolving Loan																			
1070	Fund	Other			6															6	
		Alternative Energy																			
		Revolving Loan																			
1071	Fund	Other			3															3	
		Clean Water																			
1075	Loan Fund	Other							10											10	
		Marine Hwy																			
1076	System Fund	Other																	830	830	
		Storage Tank																			
1079	Asst Fund	Other							20											20	
1081	ISF	Other	1,284																	1,284	
1092	MHTAAR	Other	7		7					148					59					222	
		Clean Air																			
1093	Protection Fund	Other							61											61	
		Mental Health																			
1094	Trust Admin	Other																9		9	
		Children's Trust																			
1098	Fund Earnings	Other																0		0	
		Alaska Drinking																			
1100	Water Fund	Other							11											11	
		Aerospace Dev																			
1101	Corp Rcpts	Other			0															0	
1102	AIDEA Rcpts	Other			47															47	
1103	AHFC Rcpts	Other																164		164	
		Municipal Bond																			
1104	Bank Rcpts	Other																1		1	
		Perm Fund																			
1105	Corp Rcpts	Other													96			59		155	
		Post-Secondary																			
1106	Ed Comm Rcpts	Other					208													208	
1108	SDPR	Other	222		207		29	7	106	222	8	4			155		6	3	81	1,049	

Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Adminstration	Comm. & Econ. Dev.	Corrections	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs.	Labor & Workforce Dev.	Law	Legislature	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transportation & Public Facilities	Total
			10,518.81	619.73	9,238.75	1,341.45	1,107.94	997.11	3,953.22	11,642.36	1,973.8	828.05	534.56	798.45	4,018.34	366.55	7,667.31	900.20	19,293.36	
	Test Fisheries																			
1109	Rcpts	Other							141											141
	International Trade & Bus Endowment																			
1115	Income	Other		4																4
1141	RCA Rcpts	Other		74																74
	Public Bldg																			
1147	Fund	Other	19																	19
	Other Total		3,017	297	305	0	555	442	1,511	2,034	292	343	0	80	946	0	314	362	13,436	23,932
	Grand Total		10,521	620	9,238	1,341	1,108	997	3,954	11,642	1,974	828	535	798	4,018	367	7,666	900	19,295	75,802

Assessment With Self Insureds Phased In

Insurer	1998 Total	Self Insured's	Self Insured's	Self Insured's	Self Insured's	Comments
	Compensation	at 25%	at 50%	at 75%	at 100%	
Other Insureds Assessment Rate		3.3%	3.1%	2.9%	2.6%	
* NOT INSURED EMPLOYER *	183,511	6,056	5,689	5,322	4,771	
AETNA CASUALTY & SURETY	2,181,973	72,005	67,641	63,277	56,731	Changed to Travelers In 1997
AGRICULTURAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
ALASKA AIRLINES, INC.	1,690,798	13,999	26,300	36,905	44,117	Self Insured Employer
ALASKA INS GUARANTY ASSN	427,108	14,095	13,240	12,300	11,105	Guaranty Association
ALASKA INSURANCE COMPANY	4,142	137	128	120	108	Listed as AIU Insurance Companies
ALASKA MUNICIPAL LEAGUE	2,166,857	17,877	33,586	47,129	58,338	Joint Insurance Association
ALASKA NATIONAL INS. CO.	23,530,320	776,501	729,440	682,379	611,788	
ALASKA PULP CORPORATION	1,599	13	25	35	42	Self Insured Employer
ALASKA RAILROAD CORPORATION	458,207	3,781	7,103	9,967	11,915	Public Self Insured Employer
ALASKA, STATE OF	9,030,579	74,502	139,974	198,415	234,795	Public Self Insured Employer
ALASKA TIMBER INSURANCE	4,996,295	104,078	154,805	144,893	129,904	
ALASKA, UNIVERSITY OF	1,100,454	9,120	17,150	24,065	28,768	Self Insured Employer
ALLSTATE INSURANCE CO.	98,624	3,255	3,057	2,860	2,564	No Premiums Written In 1998
ALYESKA PIPELINE SERVICE	683,657	5,475	10,287	14,435	17,255	Self Insured Employer
AMERICAN ALLIANCE INS CO	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN AUTOMOBILE INS.	70,106	2,313	2,173	2,033	1,823	
AMERICAN CASUALTY CO OF PA	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN ECONOMY INS CO	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN GUARANTEE & LIABILITY	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN HOME ASSURANCE	1,698,571	58,053	52,850	49,259	44,163	
AMERICAN INSURANCE CO.	318,132	10,498	9,862	9,226	8,271	
AMERICAN INTL SOUTH INS CO	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN INTERSTATE INS CO	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN MFGS MUTUAL INS	182,318	6,018	5,652	5,287	4,740	
AMERICAN MOTORISTS INS.	362,144	11,951	11,226	10,502	9,416	
AMERICAN NATIONAL FIRE	291,933	9,634	9,050	8,468	7,590	
AMERICAN PROTECTION INS	6,874	227	213	199	179	
AMERICAN STATES INS CO	-	-	-	-	-	No Compensation Reported In 1998
AMOCO PRODUCTION COMPANY	31,351	259	488	682	815	Self Insured Employer
ANCHORAGE DAILY NEWS	1,709,502	14,107	28,504	37,192	44,459	Self Insured Employer
ANCHORAGE, MUNICIPALITY OF	3,268,210	26,940	50,828	71,040	84,922	Public Self Insured Employer
ANCHORAGE, SCHOOL DISTRICT	1,973,212	16,279	30,585	42,917	51,304	Public Self Insured Employer
ARECA INSURANCE EXCHANGE	739,840	24,415	22,935	21,456	19,236	
ARGONAUT INSURANCE CO.	43,682	1,441	1,354	1,266	1,135	
ASSOCIATED INDEMNITY CO	100,551	3,318	3,117	2,918	2,614	
ASSURANCE CO OF AMERICA	-	-	-	-	-	No Compensation Reported In 1998
AT&T / ALASCOM	208,359	1,702	3,199	4,488	5,305	Self Insured Employer
ATLANTIC MUTUAL INS. CO	81,370	2,688	2,523	2,360	2,118	

BANKERS STANDARD INS CO	-	-	-	-	-	No Compensation Reported In 1998
BIRMINGHAM FIRE INS CO OF PA	-	-	-	-	-	No Compensation Reported In 1998
CARR-GOTTSTEIN FOODS CO.	2,076,074	17,120	32,170	45,155	53,978	Self Insured Employer
CARRIER NAME NOT ON FILE	975,117	32,170	30,229	28,278	25,353	Unidentified
CENTENNIAL INSURANCE CO.	1,057	55	51	48	43	
CENTRE INS CO	-	-	-	-	-	No Compensation Reported In 1998
CHEVRON CORPORATION	39,390	325	011	057	1,024	Self Insured Employer
CHARTER OAK FIRE INS CO	-	-	-	-	-	No Compensation Reported In 1998
CHRYSLER INSURANCE CO	17,131	565	531	497	445	
CHUBB GROUP OF INS CO	99,207	3,274	3,075	2,877	2,579	Changed to Jefferson Pilot In 1998
CIGNA PROPERTY & CASUALTY	10,084,032	359,193	337,424	315,054	283,000	
CINCINNATI INSURANCE CO.	317	10	10	9	8	
CLARENDON NATIONAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
COLUMBIA HEALTHCARE CORP	3,012,917	24,857	46,700	65,531	78,330	Self Insured Employer
COMMERCIAL UNION INS. CO	2,451	81	78	71	64	
CONTINENTAL BAKING CO.	4,195	35	65	91	109	Self Insured Employer
CONTINENTAL INSURANCE CO	1,182,495	39,022	36,657	34,292	30,745	
COREGIS INSURANCE CO	27,024	892	038	784	703	No Premiums Written In 1998
CREDIT GENERAL INS CO	37,203	1,230	1,155	1,081	909	
CRUM & FOSTER	10,109	334	313	293	203	No Premiums Written in 1998
CUMIS INSURANCE SOCIETY	12,294	400	381	357	320	
EAGLE PACIFIC INSURANCE	4,154,141	146,987	130,078	129,170	115,808	
ELECTRIC MUTUAL LIABILITY	183,772	6,064	5,697	5,329	4,778	
EMPLOYEE BENEFITS INS	41,602	1,373	1,200	1,206	1,082	No Premiums Written in 1998
EMPLOYERS CASUALTY CO	18,993	027	589	551	494	
EMPLOYERS INS. OF WAUSAU	12,319,540	408,545	381,906	357,267	320,308	
FAIRBANKS, CITY OF	314,503	2,595	4,870	6,842	8,179	Public Self Insured Employer
FAIRBANKS, NORTH STAR BOROUGH	1,023,330	8,442	15,062	22,257	26,607	Public Self Insured Employer
FAIRMONT INS CO	-	-	-	-	-	No Compensation Reported In 1998
FEDERAL EXPRESS CORP.	956,340	7,890	14,023	20,801	24,865	Self Insured Employer
FEDERAL INS COMPANY	33,135	1,093	1,027	961	802	
FIDELITY & GUARANTY INS	-	-	-	-	-	No Compensation Reported in 1998
FIREMAN'S FUND INS CO	1,521,582	50,212	47,169	44,120	39,561	
FLORISTS MUTUAL INS. CO.	3,500	118	111	104	93	
FRED MEYER, INC.	780,744	6,441	12,102	18,901	20,299	Self Insured Employer
FREMONT INDEMNITY CO	13,077,503	431,560	405,404	379,249	340,017	
GENERAL ACCIDENT INS CO	-	-	-	-	-	No Compensation Reported In 1998
GENERAL CASUALTY CO OF WI	-	-	-	-	-	No Compensation Reported In 1998
GENERAL INS CO OF AMERICA	-	-	-	-	-	No Compensation Reported In 1998
GLOBE INDEMNITY COMPANY	-	-	-	-	-	No Compensation Reported In 1998
GRANITE STATE INS CO	-	-	-	-	-	No Compensation Reported in 1998
GREAT AMERICAN INSURANCE	376,484	12,424	11,671	10,018	9,789	
GROCERS INSURANCE CO	30,557	1,200	1,133	1,000	950	
GUIDEONE MUTUAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
GULF INSURANCE COMPANY	1,441	48	45	42	37	No Premiums Written In 1998
HARCO NATIONAL INS CO	886	29	27	26	23	
HARTFORD INSURANCE CO	298,789	9,000	9,202	8,665	7,769	
HIGHLANDS INSURANCE CO.	172,795	5,702	5,357	5,011	4,493	
HOLLAND AMERICA LINE /	244,351	2,010	3,787	5,315	6,353	Self Insured Employer
HOME INSURANCE COMPANY	180,330	5,951	5,590	5,230	4,689	

HOUSTON GENERAL INS CO	38,642	1,275	1,198	1,121	1,005	
ICICLE SEAFOODS, INC.	839,847	5,270	9,918	13,917	10,630	Self Insured Employer
INDEMNITY INS CO OF N AMERICA	-	-	-	-	-	No Compensation Reported In 1998
INSURANCE CO OF N AMERICA	-	-	-	-	-	No Compensation Reported In 1998
INSURANCE CO OF STATE PA	3,993,422	131,783	123,700	115,009	103,029	
INSURANCE CO OF THE WEST	144,944	4,703	4,493	4,203	3,769	
INTERCARGO INS CO	-	-	-	-	-	No Compensation Reported In 1998
JOHN DEERE INSURANCE CO	143,737	4,743	4,450	4,168	3,737	
JUNEAU, CITY OF	716,490	5,911	11,100	15,584	18,029	Public Self Insured Employer
LEGION INSURANCE COMPANY	178,359	5,888	5,529	5,172	4,637	
LIBERTY MUTUAL INS. CO.	1,970,070	65,329	61,370	57,411	51,472	
LLOYDS OF LONDON	54,510	1,709	1,690	1,581	1,417	No Premiums Written In 1998
LOUISIANA - PACIFIC CORP	580,320	4,788	8,995	12,022	15,088	Self Insured Employer
LM INSURANCE CORP	-	-	-	-	-	
LUMBERMENS MUTUAL	531,194	17,529	16,467	15,405	13,811	
MAJESTIC INSURANCE CO.	144,425	4,760	4,477	4,188	3,755	
MARYLAND CASUALTY CO.	103,802	3,425	3,218	3,010	2,699	
MATANUSKA SUSITNA BOROUGH	281,713	2,159	4,057	5,682	6,805	Public Self Insured Employer
MICHIGAN MUTUAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
NABORS PETROLEUM SERVICE	745,215	6,148	11,551	18,208	19,376	Self Insured Employer
NANA REGIONAL CORP.	45,160	373	700	982	1,174	Self Insured Employer
NATIONAL FARMERS UNION -	60,688	2,003	1,881	1,760	1,578	
NATIONAL FIRE INS OF HARTFORD	-	-	-	-	-	No Compensation Reported In 1998
NATIONAL SURETY CORP.	289,584	9,550	8,977	8,398	7,529	
NATIONAL UNION FIRE INS.	1,259,069	41,550	39,032	38,514	32,738	
NATIONWIDE MUTUAL INS CO	42,708	1,409	1,324	1,238	1,110	
NEW HAMPSHIRE INSURANCE	35,922	1,185	1,114	1,042	934	
NIAGARA FIRE INS CO	-	-	-	-	-	No Compensation Reported In 1998
NORTH RIVER INSURANCE CO	-	-	-	-	-	No Compensation Reported In 1998
NORTH SLOPE BOROUGH	804,551	8,038	12,471	17,499	20,918	Public Self Insured Employer
NORTH STAR UNDERWRITING	712,434	23,510	22,085	20,661	18,523	No Premiums Written In 1998
NORTHBROOK PROPERTY & CASUALTY	-	-	-	-	-	No Compensation Reported In 1998
NORTHERN INSURANCE CO OF NY	-	-	-	-	-	No Compensation Reported In 1998
OLD REPUBLIC INSURANCE	242,498	8,002	7,517	7,032	6,305	
PACIFIC EMPLOYERS INS	84,155	2,777	2,609	2,440	2,188	
PACIFIC INDEMNITY COMPANY	-	-	-	-	-	No Compensation Reported In 1998
PACIFIC MARINE INSURANCE	18,503	611	574	537	481	No Premiums Written In 1998
PAULA INSURANCE COMPANY	191,497	6,310	5,930	5,553	4,979	
PAY N' SAVE CORPORATION	5,570	46	80	121	145	Self Insured Employer
PETROLEUM CASUALTY CO	-	-	-	-	-	No Compensation Reported In 1998
PLANET INSURANCE COMPANY	125,940	4,150	3,904	3,652	3,275	No Premiums Written In 1998
PREFERRED RISK MUTUAL	8,030	295	277	259	232	No Premiums Written In 1998
PROVIDENCE WASHINGTON-AK	775,778	25,601	24,049	22,498	20,170	No Premiums Written In 1998
RANGER INSURANCE COMPANY	23,747	784	730	689	617	No Premiums Written In 1998
REGENT INSURANCE CO	-	-	-	-	-	No Compensation Reported In 1998
RELIANCE INSURANCE CO	220,477	7,474	7,021	6,568	5,888	
RELIANCE NATIONAL INDE	998,438	32,948	30,952	28,955	25,959	
RELIANCE NATIONAL INS CO	-	-	-	-	-	
REPUBLIC INDEMNITY CO	1,279,620	42,227	39,668	37,109	33,270	
REPUBLIC INDEMNITY OF CA	-	-	-	-	-	No Compensation Reported In 1998

REPUBLIC WESTERN INS CO	18,757	010	581	544	488	No Premiums Written In 1998
ROYAL INDEMNITY COMPANY	134,016	4,423	4,154	3,080	3,404	
ROYAL INSURANCE COMPANY	906,393	29,911	28,098	20,285	23,566	
SAFECO INSURANCE	34,732	1,140	1,077	1,007	903	
SAFEGUARD INS COMPANY	-	-	-	-	-	No Compensation Reported In 1998
SAFEWAY STORES INC.	310,700	2,620	4,940	0,932	8,200	Self Insured Employer
SEA - LAND INDUSTRIES	459,749	3,793	7,120	10,000	11,953	Self Insured Employer
SENTRY INSURANCE CO.	5,405	178	168	157	141	
SISTERS OF PROVIDENCE	1,878,045	15,499	29,119	40,861	48,845	Self Insured Employer
ST. PAUL FIRE & MARINE	883,383	28,402	28,765	25,030	22,448	
ST PAUL GUARDIAN INS CO	-	-	-	-	-	No Compensation Reported In 1998
ST PAUL MERCURY INS CO	-	-	-	-	-	No Compensation Reported In 1998
STAR INSURANCE CO	-	-	-	-	-	No Compensation Reported In 1998
STATE FARM FIRE & CASUALTY	2,747,202	90,661	85,160	79,871	71,430	
STEWART WRIGHTSON	6,097	201	189	177	159	No Premiums Written In 1998
SUMITOMO MARINE & FIRE INS CO	-	-	-	-	-	No Compensation Reported In 1998
TIG INSURANCE COMPANY	335,653	11,077	10,405	9,734	8,727	
TOKIO MARINE & FIRE INS CO	-	-	-	-	-	No Compensation Reported In 1998
TRANS PACIFIC INS CO	961,145	31,710	29,785	27,073	24,990	
TRANSCONTINENTAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
TRANSPORTATION INS CO	-	-	-	-	-	No Compensation Reported In 1998
TRAVELERS INSURANCE CO	53,751	1,774	1,660	1,559	1,398	
TWIN CITY FIRE INSURANCE	34,640	1,143	1,074	1,005	901	
UMIALIK INSURANCE CO.	661,300	21,823	20,500	19,178	17,194	
UNION OIL CA / UNOCAL	698,852	5,760	10,832	15,200	18,170	Self Insured Employer
UNITED PACIFIC INS CO.	14,083	485	437	408	360	
UNITED STATES FIDELITY &	40,083	1,541	1,447	1,354	1,214	
UNITED STATES FIRE INS.	1,592	53	49	40	41	
UTICA MUTUAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
VALLEY FORGE INS CO	-	-	-	-	-	No Compensation Reported In 1998
VIGILANT INSURANCE CO	-	-	-	-	-	No Compensation Reported In 1998
VIRGINIA SURETY COMPANY	115,540	3,813	3,582	3,351	3,004	
WESTPORT INSURANCE CORP	208,442	6,079	6,462	6,045	5,419	
YARDARM KNOT, INC	87,031	718	1,349	1,893	2,203	Self Insured Employer
YASUDA FIRE & MARINE INS CO	-	-	-	-	-	No Compensation Reported In 1998
ZURICH AMERICAN INS CO	321,937	10,624	9,080	9,336	8,370	
TOTAL	140,453,040	3,694,325	3,764,968	3,797,602	3,051,779	