

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672

1 1 1 3 SCOMM 33: WORKERS COMPENSATION, 1979-1982 //2

1 *Sec. 4. AS 23.30.265 is amended by adding a new paragraph to
2 read: (28) "reserve rate" means the unencumbered second injury
3 fund balance on October 31 of each year as a percentage of
4 disbursements from the second injury fund during the 12-month
5 period ending on June 30 of the same calendar year.

6 *Sec. 5. AS 23.30.155 (g) is repealed
7

8 *Sec. 6. The amount of a payment to the second injury fund
9 and the condition under which a payment is required of an
10 employer or insurance carrier must be in accordance with
11 the version of AS 23.30 040(b) in effect on the date that
12 the injury to the employee occurred.

13 *Sec. 7. Notwithstanding the provisions of AS 23.30.040(b)
14 the contribution rate shall be six percent beginning July 1,
15 1981, through calendar year 1982 ending December 31, 1982.
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17 *Sec. 8. This Act takes effect on July 1, 1981.
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Section by Section Analysis

Section 1. This section adds an additional panel to the Alaska Workers' Compensation Board which may sit in any judicial district in the event regular panel members are unable to attend scheduled hearings. Members of the board, except the Chairman or his designees, are citizens appointed pursuant to AS 23.30.005 and at times have scheduling conflicts with their own occupational duties. The amendment will insure that disputed claims are heard expeditiously by a full board panel and will provide the resources to conduct additional board hearings when the workload requires.

Section 2. The repeal and reenactment of AS 23.30.040 is necessary if the second injury fund is to continue to meet its statutory obligations to rehabilitate the injured and disabled worker and to reimburse employers/carriers on subsequent injury claims.

This section expands the base for contributions to the second injury fund and incorporates a contribution schedule which will insure the solvency of the fund. It changes the base for payments to the fund from permanent partial disability to permanent total, permanent partial, temporary total and temporary partial disabilities. Under Section 7, an initial contribution rate of 6 percent is established, which will build reserves before a sliding rate scale takes effect in 1983. It also allows a more realistic maintenance allowance of \$200 a month and total maximum expenditures for retraining to \$10,000 in order to adequately cover the inflationary rise in expenses encountered for rehabilitation or retraining. The section also transfers the administrative expenses of the state from the resources of the second injury fund to the general fund.

Section 3. The amendments in AS 23.30.155 are administrative "housekeeping" changes to enable the Division and Board to streamline the prompt processing of claims and provide current and accurate claim status information and injury statistical data to the public and private sectors. This section 1) clarifies a controverted claim and the requirements under which a notice of controversion must be filed; 2) requires notice be filed with the board whenever payment of compensation has begun, terminated or changed and provides penalties for failure to file such notice; and 3) requires periodic reporting of all payments made on claims which will be used to provide the public and private sectors with current and accurate injury statistical data.

- Section 4. This section is amended to include a definition for the term "reserve rate" as used in Section 2.
- Section 5. This section repeals provision AS 23.30.155(g) due to proposed legislation.
- Section 6. This section clarifies that the amount of payment to the second injury fund and the conditions under which payment is required, is in accordance with the version of AS 23.30.040(b) that was in effect on the date of injury to the employee.
- Section 7. This section establishes an initial contribution rate of 6 percent beginning July 1, 1981 and ending December 31, 1982, which will build reserves before a sliding rate scale takes effect in 1983.
- Section 8. This section provides for an effective date for the bill of July 1, 1981.

**THE LEGISLATURE OF THE STATE OF KANSAS
TWELFTH LEGISLATURE**

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill 94
 Title An Act Relating to Workers' Compensation and providing for an effective date.
 Requested by House Labor and Commerce Committee Date 4/27/81

II. FISCAL DETAIL

Agency Affected Workers' Compensation Division, Department of Labor
 Program Category Affected Worker Protection
 BRU, Program, or Subprogram(s) Affected Workers' Compensation
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		43.5	47.0	50.8	54.9	59.3
200 TRAVEL		0	0	0	0	0
300 CONTRACTUAL		9.8	10.6	11.5	12.4	13.4
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		1.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	55.7	58.7	63.5	68.6	74.1

FUNDING (Thousands of Dollars)

GENERAL FUND	0	55.7	58.7	63.5	68.6	74.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	2	2	2	2	2
PART TIME						
TEMPORARY						

- III. ANALYSIS** (See Fiscal Note Preparation Instructions, Section III) (see attached form 13's)
- 1.) Personal Services Cost at current salary and benefit cost (1/1/81).
 - 2.) Contractual Services - includes Indirect Cost (Administrative Services), rental space and other.
 - 3.) Equipment - one time items to set up the new employees with desk, chair, cabinets and partitions.
 - 4.) Assumes effective date July 1, 1981.
 - 5.) Inflation factor used 8%, all items.

IV. DATE 4/27/81 PREPARED BY Michael M. Rao, Finance Officer
 AGENCY LABOR
 PHONE 465-2720
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

1.	Position Title	Range/Step	Barg. Unit	Location	Approv.	Disapp.
1.	Clerk I	6 A	G	Juneau	Gov.	
2.	Type of Position	Staff Months	RP No.	PCN No.	Priority	Form 12 page/line
2.	PFT	12				Leg.

3.	Type of Expenditure	Amount
	1	2
	3	
4.	Personal Services:	
4.	Salary 1249 x 12	14,988
5.	Benefits 15.87	2,379
6.	FICA .0613	919
7.	Health Ins.	1,800
8.	Total Personal Services 01	20,086
9.	Travel 02	
10.	Contractual 03	4,161
11.	Commodities 04	500
12.	Equipment 05	700
13.	Other	
14.	Total Cost	25,447

	CODE	FUNDING SOURCE
15.		FED RECPT. 1002
16.		GF MATCH. 1003
17.		GEN. FUND 1004
18.		1-A RCPTS. 1005
19.		PGM RCPTS 1028
20.		OTHER
21.	CONTINUATION	
22.	ADDITION	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

The 4.2 contractual consists of 2.7 space rental and 1.5 indirect (Administrative Services). The .5 commodities is for office supplies; the .7 equipment is a desk and chair.

This position will provide full-time filing and general clerical assistance to the Division. The additional reports required of employers insurance carriers will be distributed and filed by this position. A full-time filing position will allow the filing to be kept current and avoid delays in searching for unfilled reports.

AGENCY Labor

PROGRAM Worker Protection

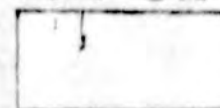
REVISED
DATE _____

BRU Workers' Compensation

PAGE 1 OF 4 82

COMPONENT Workers' Compensation

13 REQUEST FOR NEW
POSITION.



1. Position Title	Data Control Clerk I			Range/Step	Barg. Unit	Location	Gov.	Approv.	Disapp.
2. Type of Position	Staff Months	RP No.	PCN No.	9 A	G	Juneau	Leg.		
PFT	12			Priority	Form 12 page/line				

3. Type of Expenditure			Amount
1	2	3	
Personal Services:			
4. Salary	1475 x 12	17,700	
5. Benefits	15.87	2,809	
6. FICA	.0613	1,085	
7. Health Ins.		1,800	
8. Total Personal Services	01		23,394
9. Travel	02		-0-
10. Contractual	03		5,626
11. Commodities	04		500
12. Equipment	05		700
13. Other			
14. Total Cost			30,220

	CODE	FUNDING SOURCE	
15.		FED RECPT. 1002	
16.		GF MATCH. 1003	
17.		GEN. FUND 1004	30,220
18.		I-A RCPTS. 1005	
19.		PGM RCPTS 1028	
20.		OTHER	
21. CONTINUATION			
22. ADDITION			

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

The 5.6 contractual consists of 2.7 space rental, 1.7 indirect (Administrative Services) and 1.2 for computer terminal leasing. The .5 commodities is for office supplies. The .7 equipment is a desk and chair.

This position will handle part of the increased workload in the filing and coding units due to the increased reporting requirements of employers' insurance carriers. The information from the additional reports will be entered via computer terminal into our new information handling system. This data will give the Division accurate statistics on all costs of every claim as well as precise computations as to the carrier's change in any claimant payment.

AGENCY Labor

PROGRAM Worker Protection

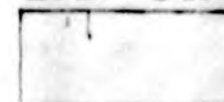
REVISED
DATE _____

BRU Workers' Compensation

PAGE 3 OF EV 82

COMPONENT Workers' Compensation

13 REQUEST FOR NEW
POSITION.



THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill No. 94

Title "An Act relating to Workers' Compensation . . ."

Requested by House Labor & Commerce Committee Date April 27, 1981

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Worker Protection

BRU, Program, or Subprogram(s) Affected Second Injury Fund

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	87.1	97.6	109.3	122.4	137.1
TOTAL	0	87.1	97.6	109.3	122.4	137.1

FUNDING (Thousands of Dollars)

	1)	2)				
GENERAL FUND	600.0	199.4	215.4	232.6	251.2	271.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Second Injury Fund	(600.0)	(199.4)	(215.4)	(232.6)	(251.2)	(271.3)
Second Injury Fund 3)		87.1	97.6	109.3	122.4	137.1

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- 1) The FY '81 General Fund request will allow the Fund to meet its outstanding obligations for the fiscal year. Because of a shortfall in revenues the Fund has accumulated approximately \$600.0 in unpaid obligations. Failure to pay these obligations as they become due is in violation of AS 23.30.205, which requires the Fund to reimburse the employer/carrier in full for compensation paid to injured workers under certain prescribed conditions.
- 2) Since enactment of the Second Injury Fund statutes in 1959, total operating costs of the program have been paid from revenues contributed by employers/carriers. During recent hearings held by the Workers' Compensation Study Commission, employers and their carriers voiced strong concern as to why administrative costs of the program are being paid from the Second Injury Fund rather than out of the State General Fund. Present Second Injury Fund statutes provide for payments to be made to the Fund and disbursements to be made from the Fund under certain prescribed conditions. There is no provision however, that addresses the payment of administrative costs.

IV. DATE April 27, 1981

PREPARED BY Nico Bus, Finance Officer

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

This fiscal note reflects the impact on the General Fund and the Second Injury Fund when administrative cost will be paid out of General Funds for FY 1982 through FY 1986.

Assumes an inflation factor of 8%.

- 3) Assumes an annual increase of 20% as a result of the raise in the maximum from \$5,000 to \$10,000 for vocational retraining and rehabilitation benefits.

In the department's estimation, the proposed bill will provide adequate revenue for the Second Injury Fund to meet its statutory obligations to the Alaskan worker, employer and insurance carrier and preclude the use of State General Funds in future years.

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.**

**THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE**

FISCAL NOTE

I. REQUEST

Bill/Resolution No. _____

Title Workers' Compensation

Requested by W. C. Study Commission

Date 1-29-81

II. FISCAL DETAIL

Agency Affected Department of Commerce/Division of Insurance

Program Category Affected Public Protection

BRU, Program, or Subprogram(s) Affected Division of Insurance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		116.0	127.6	140.0	154.0	169.4
200 TRAVEL		5.0	6.0	6.0	7.0	8.0
300 CONTRACTUAL		15.0	15.0	16.5	17.0	18.0
400 COMMODITIES		2.0	2.0	2.5	2.5	3.0
500 EQUIPMENT		5.0	0	0	0	0
600 LAND & STRUCTURES		0	0	0	0	0
700 GRANTS, CLAIMS, ETC.		0	0	0	0	0
TOTAL		143.0	150.6	165.0	180.5	198.4

FUNDING (Thousands of Dollars)

GENERAL FUND		143.0	150.6	165.0	180.5	198.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Range 21 Chief Workers Compensation Surveillance (self Insurer)

Range 18 Workers' Compensation Analyst

Range 10 Document Processing Clerk

Salary	90,156
Benifits	24,912
	115,068
Travel to interview self insureds, administrators etc.	5,000
Contractual Services for accounting card statistical review	15,000
Misc. Supplis	2,000
Equipment 3 each Desks, Chairs, Calculators etc.	5,000
	142,068

(see Attachments)

IV. DATE 1-29-81

PREPARED BY John George

Div. of Insurance

AGENCY Department of Commerce

PHONE 2515

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

12-0110 - 1a
Sofo ✓✓

1 * Sec. ____ AS 23.30.005(k) is repealed.

2 * Sec. ____ AS 23.30.045(d) is amended to read:

3 (d) No contract may be awarded by the state or a home rule or
4 other political subdivision of the state unless the person to whom the
5 contract is to be awarded has submitted to the contracting agency
6 proof, furnished by the insurance carrier, of current coverage by
7 workers' compensation insurance from an insurance company or associa-
8 tion authorized to transact the business of workers' compensation
9 insurance in this state or proof, furnished by the director of insurance
10 [BOARD], of a current certificate of self-insurance from the director of
11 insurance [BOARD]. The person to whom the contract is awarded shall
12 keep his workers' compensation insurance policy in effect during the
13 life of the contract with the state or political subdivision. If the
14 state or the political subdivision of the state fails to obtain proof
15 of coverage or self-insurance or to protect itself under (e) of this
16 section, and an employee of the contractor is injured during the term
17 of the contract, the state or the political subdivision is liable for
18 workers' compensation to the employee if the employee is unable to
19 recover from the employer because of the employer's lack of financial
20 assets. The state or the political subdivision is not liable, however,
21 to the employee for workers' compensation if the employee can recover
22 from the employer under (a) and (b) of this section.

23 * Sec. ____ AS 23.30.045(e) is amended to read:

24 (e) When a contracting agency of the state or a political subdi-
25 vision receives notice that the workers' compensation insurance policy
26 of an employer to whom the agency has awarded a contract has been
27 cancelled due to nonpayment of a premium, without being replaced by a
28 comparable policy, the agency may either terminate the contract with
29 the employer or continue the premium payments on his behalf in order to

12-0110 - 1a
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1 keep the policy in force during the life of the agency's contract. If
2 the agency chooses to keep the policy in force, it may deduct its
3 payments from the contract price or bring an action against the employ-
4 er to recover the amount of the payments. When the contracting agency
5 receives notice that the director of insurance [BOARD] has revoked a
6 certificate of self-insurance held by a person to whom a contract has
7 been awarded, the agency may terminate the contract. This subsection
8 does not limit the causes of action or remedies which the state or
9 political subdivision may have against the employer.

10 * Sec. _____. AS 23.30.075(a) is amended to read:

11 (a) An employer under this chapter, unless exempted, shall either
12 [,] insure and keep insured for his liability under this chapter in an
13 insurance company or association duly authorized to transact the busi-
14 ness of workers' compensation insurance in this state, or shall furnish
15 the director of insurance [BOARD] satisfactory proof of his financial
16 ability to pay directly the compensation provided for. If an employer
17 elects to pay directly, the director of insurance [BOARD] may, in his
18 [ITS] discretion, require the deposit of an acceptable security, indem-
19 nity or bond to secure the payment of compensation liabilities as they
20 are incurred.

21 * Sec. _____. AS 23.30.085(a) is amended to read:

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

12-0110 - 1a
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1 * Sec. ____ AS 23.30.075(a) is amended to read:

2 (a) An employer under this chapter, unless exempted, shall either,
3 insure and keep insured for his liability under this chapter in an
4 insurance company or association duly authorized to transact the busi-
5 ness of workmen's compensation insurance in this state, or shall furnish
6 the board satisfactory proof of his financial ability to pay directly
7 the compensation provided for. If an employer elects to pay directly,
8 the board may, in its discretion, require the deposit of an acceptable
9 security, indemnity or bond to secure the payment of compensation
10 liabilities as they are incurred and the director of insurance may, in
11 his discretion, require proof of excess insurance.

12 * Sec. ____ AS 23.30.090 is amended to read:

13 Sec. 23.30.090. SELF-INSURANCE CERTIFICATES. If an employer has
14 complied with the provisions of this chapter relating to self-
15 insurance, the director of insurance [BOARD] shall issue him a certifi-
16 cate which shall remain in force for a period fixed by the director of
17 insurance [BOARD]. The director of insurance [BOARD] may, upon at
18 least 10 days' notice and a hearing, revoke a self-insurance certificate
19 upon satisfactory proof that an employer is no longer entitled to it.
20 After revocation the director of insurance [BOARD] may grant a new
21 certificate to an employer, upon his petition and satisfactory proof of
22 his financial ability as provided in this chapter. The director of in-
23 surance shall notify the contracting agency of the state or of a politi-
24 cal subdivision of the state when it revokes the self-insurance certi-
25 ificate of an employer holding a contract with the state or a political
26 subdivision of the state. An employer authorized as a self-insurer
27 shall provide claims facilities through its own staffed adjusting
28 facilities located within the state, or independent, licensed, resident
29 adjustors with power to effect settlement within the state.

Handwritten:
Title 21
Req'ts

12-0110 - 1a
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1 * Sec. ____ AS 23.30.265(19) is amended to read:

2 (19) "self-insurer" means an employer who, instead of insur-
3 ing his liability under this chapter as it provides, elects to pay
4 directly the compensation provided for, and who has furnished to the
5 director of insurance [BOARD] satisfactory proof of his financial
6 ability to make the direct payments and has been issued a self-insur-
7 ance certificate;
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1 * Sec. ____ AS 21 is amended by adding a new chapter to read:

2 CHAPTER 50. WORKERS' COMPENSATION GROUP SELF-INSURANCE.

3 Sec. 21.50.010. GROUP SELF-INSURANCE. Two or more employers in
4 the same industry may form a group to provide the members of the group
5 with workers' compensation insurance coverage required under AS 23.30.

6 Sec. 21.50.020. SELF-INSURANCE FUND. (a) A workers' compensation
7 self-insurance group formed under this chapter shall establish a self-
8 insurance fund with an initial balance to be determined by the director.

9 (b) The self-insurance fund shall be administered by a board of
10 trustees selected by the members of the self-insurance group. The
11 trustees shall adopt bylaws for the administration of the self-insurance
12 fund consistent with this chapter.

13 (c) The annual gross premiums of the self-insurance fund shall
14 not be less than \$250,000. * The premiums shall be computed by using the
15 appropriate manual rate for each payroll code classification multiplied
16 by an experience modification factor.

17 Sec. 21.50.030. APPLICATION. The trustees of a group self-insur-
18 ance plan shall submit the following to the director:

- 19 (1) a copy of the bylaws of the self-insurance group;
20 (2) the names and addresses of the members of the board of
21 trustees of the self-insurance group;
22 (3) proof of the existence of an initial balance in the
23 self-insurance fund as required by AS 21.50.020(a);
24 (4) the name of each member of the self-insurance group;
25 (5) current financial statements of the members of the
26 self-insurance group showing:

27 (A) combined net assets of all members of at least
28 \$1,000,000; and

29 (B) working capital sufficient to establish the finan-

12-0110 - #1b
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1 cial strength and liquidity of each member;

2 (6) a list of the ^{2mt}~~estimated annual standard premium~~ for each
3 member of the group and a total for the group;

4 (7) proof of payment by each member of the group of at least
5 25 percent of the ~~estimated annual standard premium~~ into a designated
6 depository; ^{agreement}

7 (8) proof of excess insurance for the group by an authorized
8 carrier in an amount determined by the director;

9 (9) an indemnity agreement jointly and severally binding the
10 self-insurance group and each of its members to comply with the provi-
11 sions of the Alaska Workers' Compensation Act (AS 23.30); ^{short for this?} ^{filed w/director}

12 (10) a list of all projected annual administrative expenses
13 of the self-insurance fund and a calculation showing the percentage of
14 the annual standard premium expected to be used for those expenses;

15 (11) proof that the members of the self-insurance group have
16 ample facilities and competent personnel to service the group self-
17 insurance plan or a copy of a signed service agreement with an approved
18 service company to provide those services; ^{claims + safety?}

19 (12) proof of surety or fidelity bonds which the director may
20 require; and

21 (13) any further evidence which the director may require to
22 establish the ability of the self-insurance group to meet its obliga-
23 tions under the Alaska Workers' Compensation Act (AS 23.30).

24 Sec. 21.50.040. SELF-INSURANCE CERTIFICATE. (a) The director
25 shall issue a self-insurance certificate under AS 23.30.090(b) to each
26 member of a self-insurance group which has submitted an application
27 under AS 21.50.040 which has been approved by the director. The self-
28 insurance certificate shall expire one year from the date it was issued.

29 (b) An application for renewal of a self-insurance certificate

12-0110 - #1b
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1 shall be submitted to the director by the self-insurance group at least
2 30 days before the expiration of a self-insurance certificate.

3 * Sec. ____ AS 23.30.090 is amended by adding a new subsection to read:

4 (b) The director of insurance shall issue a self-insurance certi-
5 ficate to a member of an approved self-insurance group under AS 21.50.
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1 * Sec. ____ AS 21.36.190(d) is amended to read:

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

6 (1) has a constitution and bylaws;

7 (2) incorporates a safety program;

8 [(3) AS A GROUP HAS PREFERRED CHARACTERISTICS OVER SIMILAR
9 RISKS WRITTEN ON AN INDIVIDUAL BASIS;] and

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

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1 * Sec. ____ AS 21.39.070 is amended by adding a new subsection to read:

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

5 * Sec. ____ AS 23.30.025(b) is amended to read:

6 (b) All policies of insurance companies insuring the payment of
7 compensation under this chapter are conclusively presumed to cover all
8 the employees and the entire compensation liability of the insured
9 employer employed at or in connection with the business of the employer
10 carried on, maintained, or operated at the location or locations set
11 out [FORTH] in that [SUCH] policy or agreement. A provision in a
12 policy attempting to limit or modify the liability of the company
13 issuing it is wholly void except as provided in (c) of this section.

14 * Sec. ____ AS 23.30.025 is amended by adding a new subsection to read:

15 (c) An insurer may issue a policy of insurance insuring the
16 payment of compensation under this chapter which provides for a deduct-
17 ible amount to be paid by the employer. A policy with a deductible
18 provision must be approved by the director of insurance and must pro-
19 vide that the deductible amount be paid by the insurer to the employee
20 on behalf of the employer. After payment of the deductible by the
21 insurer, the insurer may recover the deductible amount from the em-
22 ployer. The failure of an employer to reimburse an insurer for the
23 deductible amount does not relieve the insurer from any other obliga-
24 tion it may have under the policy of insurance. An insurer is not
25 required to apply for a deviation under AS 21.39.070 in order to issue
26 a policy under this subsection. This subsection does not apply to a
27 policy of excess insurance purchased by a self-insurer.
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12-0110 - #4
Sofo

* Sec. ____ AS 21.39.040(d) is amended to read:

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

* Sec. ____ AS 21.39 is amended by adding a new section to read:

Sec. 21.39.045. WORKERS' COMPENSATION RATE FILINGS. (a) A filing of workers' compensation rates by a rating organization shall be limited to provisions for claim payment and may not include allowances for expenses, taxes, or profit, except as necessary for full rate development for an assigned risk pool under AS 21.39.155. ~~The rating organization shall also file with the director the workers' compensation policy forms to be used by its members.~~

(b) If each rate in a schedule of workers' compensation rates for a specific classification of risks filed by an insurer is not lower than the rate for each respective classification filed by a rating organization in accordance with (a) of this section and approved by the director, the schedule of rates filed by the insurer is effective immediately and the waiting period in AS 21.39.040(d) is not required.

(c) Notwithstanding (b) of this section, the director may require an insurer to comply with the waiting period in AS 21.39.040(d) for

1 a rate filing or part of a rate filing if he determines that the rate
2 filing or part of the rate filing is excessive, inadequate, or unfairly
3 discriminatory.

4 * Sec. ____ AS 21.39.070 is amended by adding a new subsection to read:

5 (c) Notwithstanding (a) of this section, a filing of workers'
6 compensation rates under AS 21.39.045(b) is not a deviation under this
7 section.

12-0110

Sofo^{#5}✓

1 * Sec. ____ AS 21.09.200 is amended by adding a new subsection to read:

2 (e) Each foreign and domestic insurance carrier writing workers'
3 compensation insurance coverage in the state shall include with its
4 annual statement a report of income derived from the investment or
5 deposit of insurance premiums and all forms of assets invested and held
6 to cover reserves for workers' compensation liabilities resulting from
7 its workers' compensation business in the state.

* Sec. ____ AS 23.30.045(d) is amended to read:

(d) No contract may be awarded by the state or a home rule or other political subdivision of the state to an employer under this chapter unless the employer [PERSON] to whom the contract is to be awarded has submitted to the contracting agency proof, furnished by the insurance carrier, of current coverage by workers' compensation insurance from an insurance company or association authorized to transact the business of workers' compensation insurance in this state or proof, furnished by the board, of a current certificate of self-insurance from the board. The employer [PERSON] to whom the contract is awarded shall keep his workers' compensation insurance policy in effect during the life of the contract with the state or political subdivision. If the state or the political subdivision of the state fails to obtain proof of coverage or self-insurance or to protect itself under (e) of this section, and an employee of the contractor is injured during the term of the contract, the state or the political subdivision is liable for workers' compensation to the employee if the employee is unable to recover from the employer because of the employer's lack of financial assets. The state or the political subdivision is not liable, however, to the employee for workers' compensation if the employee can recover from the employer under (a) and (b) of this section.

X group
(self-ins)

12-0110
#8
Sofo ✓

1 * Sec. ____ AS 23.30.080 is amended by adding a new subsection to read:

2 (d) If an employer fails to insure or provide security as required
3 by AS 23.30.075, the board may issue a stop order prohibiting the use
4 of employee labor by the employer until the employer insures or provides
5 security as required by AS 23.30.075. If an employer fails to comply
6 with a stop order issued under this section, the board shall assess a
7 civil penalty of at least but not more than.

8 \$1000 per day.

9 No contracts
10 for a year.
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12-0110
Amend #9
Sofo

1 * Sec. ____ AS 23.30.105(a) is amended to read:

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

12-0110

#10

Sofa

*Hold
2 wks*

1 * Sec. ____ AS 23.30.155 is amended to read:

2 Sec. 23.30.155. PAYMENT OF COMPENSATION. (a) Compensation
3 under this chapter shall be paid periodically, promptly, and directly
4 to the person entitled to it, without an award, except where liability
5 to pay compensation is controverted by the employer. ^{for purposes} An employer con-
6 troverts a claim if the liability to pay benefits is denied or con-
7 tested and notice is filed, on a form prescribed by the board, stating

8 (1) that the right of the employee to benefits is contro-
9 verted;

10 (2) the name of the employee;

11 (3) the name of the employer;

12 (4) the date of the alleged injury or death; and

13 (5) ^{the type of benefits and all} the grounds upon which the right to benefits is contro-
14 verted.

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

21 (c) Upon making the first payment, and upon an increase, reduc-
22 tion, termination, suspension, resumption or a change in rate or type
23 of compensation paid [OF PAYMENT FOR ANY CAUSE], the employer shall
24 [IMMEDIATELY] notify the board within 14 days, on [IN ACCORDANCE WITH]
25 a form prescribed by the board, that payment of compensation has begun
26 or has been increased, reduced, terminated, resumed, changed, or sus-
27 pending, as the case may be. If the employer fails to notify the board
28 within 14 days, the board shall assess against the employer a civil
29 penalty of \$100 plus \$25 for each day in excess of 14 days that the

1 employer fails to give notice. Total penalties under this section may
2 not exceed \$2,500 for each failure to file a required report.

3 (d) If the employer controverts the right to benefits, [COMPEN-
4 SATION] he shall file with the board on or before the 14th day after he
5 has knowledge of the alleged injury or death ^{on or before the 14th day after} or a claim for benefits, a
6 notice of controversion on [, IN ACCORDANCE WITH] a form prescribed by
7 the board [, STATING THAT THE RIGHT TO COMPENSATION IS CONTROVERTED,
8 THE NAME OF THE CLAIMANT, THE NAME OF THE EMPLOYER, THE DATE OF THE
9 ALLEGED INJURY OR DEATH, AND THE GROUNDS UPON WHICH THE RIGHT TO COM-
10 PENSATION IS CONTROVERTED].

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

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

27 [(g) WITHIN 16 DAYS AFTER FINAL PAYMENT OF COMPENSATION HAS BEEN
28 MADE, THE EMPLOYER SHALL SEND TO THE BOARD A NOTICE IN ACCORDANCE WITH
29 A FORM PRESCRIBED BY THE BOARD STATING THE FACT THAT FINAL PAYMENT HAS

1 BEEN MADE, THE TOTAL AMOUNT OF COMPENSATION PAID, THE NAME OF THE
2 EMPLOYEE AND OF ANY OTHER PERSON TO WHOM COMPENSATION HAS BEEN PAID,
3 THE DATE OF THE INJURY OR DEATH, AND THE DATE TO WHICH WHICH COMPENSA-
4 TION HAS BEEN PAID. IF THE EMPLOYER FAILS TO SO NOTIFY THE BOARD WITHIN
5 THIS TIME, THE BOARD SHALL ASSESS AGAINST THE EMPLOYER A CIVIL PENALTY
6 IN THE AMOUNT OF \$100.]

7 (h) The board may upon its own initiative at any time in a case
8 in which payments are being made with or without an award, [AND SHALL
9 IN A CASE] where right to benefits [COMPENSATION] is controverted, or
10 where payments of compensation have been increased, reduced, termin-
11 ated, changed, [STOPPED] or suspended, upon receipt of notice from a
12 person entitled to benefits [COMPENSATION], or from the employer, that
13 the right to benefits [COMPENSATION] is controverted, or that payments
14 of compensation have been increased, reduced, terminated, changed,
15 [STOPPED] or suspended, make the investigations, cause the medical
16 examinations to be made, or hold the hearings, and take the further
17 action which it considers will properly protect the rights of all
18 parties.

19 (i) When the board considers it advisable it ~~may~~ require an
20 employer to make a deposit with the Department of Revenue to secure the
21 prompt and convenient payment of the benefits [COMPENSATION], and pay-
22 ments from the deposit upon an award shall be ~~made~~ upon order of the
23 board.

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

28 (k) An injured employee or in case of death his dependents or
29 personal representative, shall give receipts for payment of benefits

1 [COMPENSATION] to the employer paying it and the employer shall produce
2 them for inspection by the board, whenever required.

3 (l) repealed

4 (m) Compensation owed to an injured employee who is in the state
5 shall be paid by cashier's check or by a check drawn on a bank autho-
6 rized to do business and located in the state. *Any thing of injured worker
Can cash it one wk delay*

7 (n) Whenever the board determines that it is in the interest of
8 justice, the liability of the employer for all compensation, or any
9 part of it as determined by the board, may be discharged by the pay-
10 ment of a lump sum.

11 (o) An employer shall file a quarterly report on a form pre-
12 scribed by the board, showing the total amount of all benefits, legal
13 fees, and penalties paid during the quarter including the name of each
14 claimant, the date of injury, and the claim number. *Craft amend*

12-0110
Amend #11
Sofo

1 * Sec. ____ 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
14 conform to the provisions of this chapter and, if it involves or is
15 likely to involve permanent disability, the board may require an
16 impartial medical examination and a hearing in order to determine
17 whether or not to approve the agreement. The board may approve lump-
18 sum settlements when it appears to be to the best interest of the
19 employee or beneficiary or beneficiaries.
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12-0110
Amend #12(a)
Sofo

1 * Sec. ____ AS 23.30.215(a)(1) is amended to read:

2 (1) reasonable and necessary funeral expenses not exceeding
3 \$2,500 [\$1,000]; *comm Accidents*

4 * Sec. ____ AS 23.30.265 is amended by adding a new paragraph to read:

5 (28) "funeral expenses" include the cost of transportation of
6 the body of the deceased employee.
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12-0110
Amend #12(b)
Sofo

1 * Sec. ____ AS 23.30.215(a)(1) is amended to read:

2 (1) reasonable and necessary funeral expenses determined by
3 the board [NOT EXCEEDING \$1,000];

4 * Sec. ____ AS 23.30.265 is amended by adding a new paragraph to read:

5 (28) "funeral expenses" include the cost of transportation of
6 the body of the deceased employee.

12-0110
#13
Sofo



1 * Sec. ____ AS 23.30.095(a) is amended to read:

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

24 * Sec. ____ AS 23.30.095(c) is amended to read:

25 (c) No claim for medical or surgical treatment is valid and
26 enforceable as against the employer unless, within 20 [TWENTY] days
27 following each visit for [THE FIRST] treatment, the physician giving
28 the treatment or the employee receiving it furnishes to the employer
29 and the board notice of the injury and treatment, preferably on a form

1 prescribed by the board. The board shall [MAY], however, excuse the
2 failure to furnish notice within 20 days when it finds it to be in the
3 interest of justice to do so, and it may, upon application by a party
4 in interest, make an award for the reasonable value of the medical or
5 surgical treatment so obtained by the employee.

6 * Sec. ____ AS 23.30.095(e) is amended to read:

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

1 the widow or widower or next of kin to have a representative present to
2 witness the autopsy. If no adequate notice is given, the findings from
3 the autopsy may be suppressed on motion made to the board or to the
4 superior court, as the case may be.

5 * Sec. _____. AS 23.30.110(c) is amended to read:

6 (c) The board shall make the investigation which it considers
7 necessary in respect of the claim, and upon application of an inter-
8 ested party shall order a hearing on it. If a hearing on a claim is
9 ordered, the board shall give the claimant and other interested parties
10 at least 20 [10] days' notice of the hearing, served personally upon
11 the claimant and other interested parties or sent by registered mail,
12 and shall, within 30 [20] days after the hearing is held [HAD], by
13 order, reject the claim or make an award in respect to it. [IF NO
14 HEARING IS ORDERED WITHIN 20 DAYS AFTER NOTICE IS GIVEN AS PROVIDED IN
15 (b) OF THIS SECTION, THE BOARD SHALL BY ORDER REJECT THE CLAIM OR MAKE
16 AN AWARD IN RESPECT TO IT.] *Does not apply to continued hearing*

17 * Sec. _____. AS 23.30.191 is repealed and reenacted to read:

18 Sec. 23.30.191. EXPENSES FOR REHABILITATING INJURED EMPLOYEES.
19 An employee, who, as a result of injury, is or may be expected to be
20 totally or partially incapacitated for his normal occupation and who,
21 under the direction of the Department of Labor, is being rehabilitated
22 to engage in a remunerative occupation, may receive compensation neces-
23 sary for his rehabilitation of ~~[not less than 50 percent and not more~~
24 ~~than] 66-2/3 percent of his average weekly wage~~ *subject to maximum in 175*

25 * Sec. _____. AS 23.30.095(g), 23.30.125(b), 23.30.155(g), 23.30.175(d),
26 (e), and (f) are repealed.
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WO 12-0110
Amend. #14
Sofo

* Sec. ____ AS 23.30.250 is amended to read:

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

12-0110
#15
Sofo -

1 *Sec. ____ AS 18.80.220(a)(4) is amended to read:

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

5 (A) opposed any practices forbidden under AS 18.80.-
6 200 - 18.80.280; [OR BECAUSE HE HAS]

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

9 (C) filed a claim for workers' compensation benefits
10 under AS 23.30;

11 * Sec. ____ AS 23.30 is amended by adding a new section to read:

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

12-0110

#16

Sofo ✓

1 * Sec. ____ AS 23.30.005(a) is amended to read:

2 (a) The Alaska Workers' Compensation Board shall consist of nine
3 [SEVEN] members, including a southern panel of three members sitting
4 for the first judicial district, a northern panel of three members
5 sitting for the second and fourth judicial districts, [AND] a south-
6 central panel of three members sitting for the third judicial district,
7 and one panel of three members which may sit in any judicial district.
8 Each panel shall include the commissioner of labor or his designated
9 representative, a representative of industry and a representative of
10 labor. The latter two members of each panel shall be appointed by the
11 governor. All panel members are subject to confirmation by a majority
12 of the members of the legislature in joint session.

13 * Sec. ____ AS 23.30.040 is repealed and reenacted to read:

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

21 (b) If an employee suffers a compensable injury which results in
22 temporary total disability, temporary partial disability, permanent
23 partial disability, or permanent total disability, the employer or
24 insurance carrier shall pay quarterly into the second injury fund a sum
25 equal to six percent of the compensation to which the employee is
26 entitled for temporary total disability, temporary partial disability,
27 permanent partial disability, permanent total disability, or for re-
28 habilitation under AS 23.30.191.

29 (c) If an employee suffers a compensable injury which results in

1 death and the employee is not survived by a widow, widower, child, or
2 dependent relative eligible to receive death benefits under AS 23.-
3 30.215, the employer or insurance carrier shall pay \$10,000 to the
4 second injury fund.

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

10 (e) The board ~~may~~ ^{shall} direct and provide the vocational retraining
11 and vocational rehabilitation of a permanently disabled person whose
12 condition is a result of an injury compensable under this chapter by
13 making cooperative arrangements with insurance carriers, private organi-
14 zations and institutions, or state or federal agencies. The person
15 being retrained or rehabilitated is entitled to receive compensation
16 from the second injury fund for maintenance during the period of re-
17 training and rehabilitation in the sum which the board considers neces-
18 sary, not to exceed \$200 a month. The total expenditures for mainte-
19 nance, retraining, rehabilitation, and necessary transportation may not
20 exceed \$10,000 for one person.

21 (f) All amounts collected as civil penalties under this chapter
22 must be paid into the second injury fund.

23 (g) The attorney general may investigate claims and hire expert
24 witnesses necessary to prevent fraudulent or excessive claims for money
25 in the second injury fund and, subject to an appropriation for this
26 purpose, may be reimbursed from the second injury fund for the cost of
27 investigating claims and defending against those claims.

28 (h) Administration expenses of the state under this section and
29 AS 23.30.205 must be paid from an appropriation from the second injury

1 fund.

2 (i) The provisions of (b) and (c) of this section are waived in a
3 calendar quarter when the unencumbered balance in the second injury
4 fund the first day of that quarter is \$600,000 or more.

5 * Sec. _____. AS 23.30.045(c) is amended to read:

6 (c) For a person eligible for vocational rehabilitation service
7 under AS 23.15.080 [AND] who is placed with an employer for service
8 [WITHOUT WAGES] at the request of the office of vocational rehabilita-
9 tion to give him on the job training, work readiness, [OR] work therapy
10 experience [,] or work sampling, the liability set out in (a) of this
11 section applies to the state rather than to the employer.

12 * Sec. _____. The amount of a payment to the second injury fund and the
13 conditions under which a payment is required of an employer or insurance
14 carrier must be in accordance with the version of AS 23.30.040(b) in effect
15 on the date that the injury to the employee occurred.

16 * Sec. _____. Section 1 of this Act takes effect immediately in accordance
17 with AS 01.10.070(c).

18 * Sec. _____. Sections 2 - 4 of this Act take effect July 1, 1981.
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12-0110
Amend #17
Sofo ✓

1 * Sec. . AS 23.30.175(b) is repealed and reenacted to read:

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

15 * Sec. . AS 23.30.175(c) is repealed and reenacted to read:

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

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

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

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

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

3 (3) Application of this subsection may not result in a
4 reduction of the weekly compensation rate to less than \$65 a week
5 except as provided in AS 23.30.175(a).

6 * Sec. . AS 23.30.175(d), (e) and (f) are repealed.
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12-110-#18
Sofo

1 * Sec. ____ AS 23.30.190(20) is amended to read:

2 (20) in all other cases in this class of disability the
3 compensation is 66-2/3 percent of the difference between his average
4 weekly wages and his wage-earning capacity after the injury in the same
5 employment or otherwise, payable during the continuance of the partial
6 disability, but subject to reconsideration of the degree of the impair-
7 ment by the board on its own motion or upon application of a party in
8 interest; [WHENEVER THE BOARD DETERMINES THAT IT IS IN THE INTEREST OF
9 JUSTICE, THE LIABILITY OF THE EMPLOYER FOR COMPENSATION, OR ANY PART OF
10 IT AS DETERMINED BY THE BOARD, MAY BE DISCHARGED BY THE PAYMENT OF A
11 LUMP SUM;]
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1 * Sec. ____ AS 23.30.265(20) is amended to read:

2 (20) "wages" means the money rate at which the service ren-
3 dered is recompensed ^{STAR} UNDER THE CONTRACT OF HIRING ~~(IN FORCE AT THE TIME~~
4 ~~OF THE INJURY,]~~ and includes the reasonable value to the employee of
5 board, rent, housing, lodging, or similar advantage received from the
6 employer, and gratuities received in the course of employment from
7 others than the employer;

8 * Sec. ____ AS 23.30.265 is amended by adding a new paragraph to read:

9 (28) "benefits" means compensation and medical and other
10 related benefits.
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COMPARISON OF MODEL REHABILITATION APPROACHES

Alliance	← - Substantially same - → IRSG	Control Problem IAIABC
<u>Description of Purpose</u>	<u>Description of Purpose</u>	<u>Description of Purpose</u>
Restoration of disabled employees to gainful employment, preferably that for which there has been previous training or experience, promptly and directly by insurers and/or employers	To restore the injured worker to gainful employment or where this goal is impractical, provide for the injured worker to live as independently as possible	To coordinate and assure the most efficient and timely delivery of the multiple services often necessary to restore the optimum physical and vocational well-being.

Comment: The statement of purpose of the Alliance and IRSG are directed to the purpose of workers' compensation rehabilitation, while the IAIABC statement is directed to the purpose of the state agency. The Alliance Statement specifically limited to the objective of restoration to gainful employment. The two other models are not as carefully limited. The IRSG model gives as an alternative purpose of rehabilitation in those case in which return to gainful employment is not practical, providing that the worker can live as independently as possible. The IAIABC model is even less restrictive, and the term "well-being" is too vague and open ended.

<u>Definitions</u>	<u>Definitions</u>	<u>Definitions</u>
1. Rehabilitation Services - Those services designed to restore the individual to an optimum level of physical and emotional recovery 2. Vocational Rehabilitation Services - Those services designed to return the individual to (1) a job related to his former employment or (2) a job in a non-related field which produces a similar economic status or (3) a job producing higher economic	1. Medical Rehabilitation - Medical treatment required to relieve the effects of injury including prosthetic and physical rehabilitation services. 2. Vocational Rehabilitation - training to enable an injured worker to perform in a gainful occupation as nearly compatible to his previous one as possible unless there is no physical/medical alternative, but training for non-related work.	1. Rehabilitation - Restoration of an occupationally injured or diseased employee to his optimum physical, mental, vocational, and economic usefulness. 2. Rehabilitation Services - Medical, vocational and/or re-employment services necessary to restore an occupationally disabled employee, as nearly as possible, to his pre-injury status.

2 - Comparison of Model Rehabilitation Approaches

Alliance	IRSG	IAIABC
Definitions - (Continued)	Definitions - (Continued)	Definitions - (Continued)
status when, because of physical limitations, it is the only vocation for which the individual can be trained.	3. Eligible Vocation Rehabilitation Candidate - An injured worker who because of effects of injury or disease is permanently precluded or is likely to be precluded from engaging in his usual and customary occupation or the position in which he was engaged at the time of injury and who can be reasonably expected to benefit from a vocational rehabilitation program.	3. Medical Restorative Services - Medical treatment and related services needed to restore the occupationally disabled employee to a state of health as near as possible to that which he enjoyed prior to the occupational injury or disease. 4. Vocational Restorative Services - Vocational services needed to restore the occupationally disabled employee to his preinjury employment, or if that is not possible, to a state of employability as near as possible to that which he enjoyed prior to injury. 5. Re-employment Services - Services used to re-employ the occupationally disabled employee in a suitable, gainful occupation as adjudged by his physical and vocational ability at that time.

Comment: The Alliance definition of vocational rehabilitation is more precise than that proposed by the IAIABC. What does the IAIABC mean by "a state of employability"? The IAIABC definition of medical restorative services seems to be broader than restoration from the effects of injury since it refers to restoration to a state of health. If a condition which is not work-related develops during disability, is the employer responsible for curing it? The IAIABC definition of re-employment services does not look to the disabled employee's pre-injury status in determining what is a suitable, gainful occupation. The IAIABC definitions appear to reflect differences of philosophy within the Rehabilitation Committee leading to ambiguity and potential conflict between definitions.

3 - Comparison of Model Rehabilitation Approaches

Alliance	IRSG	IAIABC
<u>Structure</u>	<u>Structure</u>	<u>Structure</u>
A rehabilitation section is created to be headed by a qualified administrator selected by the Industrial Commission and responsible to the director of workers' compensation. He is responsible for the supervision of the delivery of all rehabilitation services.	A rehabilitation unit is established within the workers' compensation agency. The unit is responsible to the agency director. The rehabilitation unit, directed by a rehabilitation director, is to: (1) adopt rules and regulations to expedite and facilitate the identification, notification, and referral of industrially injured workers to rehabilitation services; (2) review and approve rehabilitation plans; (3) monitor the progress of vocational plans; and (4) resolve disputes about vocational training plans.	A Medical Care and Rehabilitation Division is created to supervise the quality and to co-ordinate the provision of medical care and rehabilitation.
In addition, a rehabilitation panel is established to assist the administrator in assuring that those who need them receive services in timely fashion. All matters pertaining to rehabilitation are the responsibility of the rehabilitation panel. The panel is to be appointed by the director of workers' compensation in consultation with the advisory committee. The panel is to consist of the Administrator of Rehabilitation, the Medical Director, physicians and representatives of other medical specialties. The panel is to study rehabilitation and to investigate and maintain a directory of all public and private rehabilitation facilities. In addition, the panel is to develop and recommend rehabilitation regulations and activities to the Administrator of Rehabilitation.	The rehabilitation director is to identify and approve qualified facilities, institutions, and physicians as well as have general administrative responsibility for the unit.	There is to an administrator of this division who is to be responsible for the accomplishment of the division's responsibilities, for hiring, training, and directing the staff, and for the development of administrative rules that govern the provision of rehabilitation and the responsibilities of the parties involved.
		The draft permits, but does not require the creation of an advisory committee consisting of at least six members representative of labor, management, rehabilitation, law, medicine and insurance. The members are to be appointed by the Director of Workers' Compensation for staggered terms and for not more than two terms. The members are to be qualified.
		The advisory committee is to be chaired by the administrator, and its function is to advise the Director of Workers' Compensation on rules and regulations governing the furnishing of rehabilitation services.

4 - Comparison of Model Rehabilitation Approaches

Alliance	IRSG	IAIABC
Structure - (Continued)	Structure - (Continued)	Structure - (Continued)
The Advisory Committee is to be appointed by the Governor, and is to be composed of equal representation from labor employers, insurers, vocational rehabilitation, and the medical community.		

Comment: All three models create rehabilitation sections within the state workers' compensation agency. Only the Alliance model specifies who is to select the head of the section. The IAIABC model also fails to show the chain of command to whom the section head reports.

The IAIABC model appears to contemplate a more active role for the agency than that proposed in the Alliance and IRSG models. Those models view government's role as that of a monitor and facilitator while the IAIABC model suggests an additional role, that of the coordinator of services, which is part of the employer-insurer role under the Alliance and IRSG model.

Structurally, the Alliance model differs from the others by providing for an expert rehabilitation panel to continuously review rehabilitation, to approve rehabilitation facilities, and to recommend rehabilitation regulation and activities. This provides an additional source of expertise particularly in the area of rehabilitation policy.

The IAIABC model permits, but does not require, the creation of an advisory committee to advise the Director of Workers' Compensation on rules and regulations governing the furnishing of rehabilitation services. This seems inconsistent with the authority of the administrator to develop rules governing the provision of rehabilitation and the responsibilities of the parties.

5 - Comparison of Model Rehabilitation Approaches

Alliance

Reporting Requirements

The treating physician is to report to the section and to the employer-insurance carrier within 90 days post accident on all cases where it appears likely that the employee will not return to his regular employment within 30 days thereafter.

The employer-insurance carrier is to file a rehabilitation questionnaire with the section within 120 days post-accident or when the employer-carrier has medical information that an employee will be unable to return to his pre-injury occupation or employment for which he has previous training and experience.

Since the employer-insurers bear the cost of rehabilitation they are entitled to copies of reports on the type of rehab. services being rendered and the progress achieved.

If a voluntary rehabilitation plan is developed by the employer-insurer and the disabled worker, the employer-insurer is to submit appropriate information to the section, including periodic progress reports.

IRSG

Reporting Requirements

The employer is to file a written report to the rehabilitation unit on learning that the injured worker is unable to return to his occupation at the time of injury or to his usual and customary occupation.

A report is to be filed following 120 days of temporary total disability for injuries not previously reported, unless a rehabilitation plan had previously been submitted to the rehabilitation unit.

A report is also to be submitted on the termination of a rehabilitation program.

IAIABC

Reporting Requirements

The employer-carrier is to file a completed rehabilitation form as soon as it appears that a disabled employee will not be able to return to his pre-injury employment or to work for which he has previous training or experience, but no later than after 120 days of total disability. The form is to include information on the employee's medical condition, rehabilitation needs, and employment situation.

The director of the workers' compensation agency is authorized to promulgate rules in consultation with the medical society governing the delivery of such care including requiring physicians to submit adequate and timely medical reports.

The employer-carrier is to submit quarterly progress reports while a disabled worker is undergoing rehabilitation pursuant to a rehabilitation plan.

6 - Comparison of Model Rehabilitation Approaches

Alliance

IRSG

IAIABC

Comments: It is difficult to evaluate whether the differences in wording will result in differing interpretations of the reporting requirements. It should be noted that the Alliance model is the only model that forces the treating physician to report the potential need for rehabilitation. This should help to prevent the treating physician from letting the case drift.

<u>Rehabilitation Plan</u>	<u>Rehabilitation Plan</u>	<u>Rehabilitation Plan</u>
The employer-carrier must develop and file with the panel a rehabilitation plan for the disabled employee when it appears that the disability makes it unlikely that the employee will return to his regular employment or work for which he has previous training and experience. Consideration is to be given to the employee's age, education, previous work history and skills. If either party to an agreed rehabilitation program applies for a hearing, the panel can suspend, terminate, or change the program for good cause.	The employer-insurer is responsible for initiating a rehabilitation plan utilizing professional resources in those situations requiring testing, evaluation, or other professional vocational skills. The plan including medical reports is to be submitted to the rehabilitation unit for approval. This does not preclude the development of a rehabilitation plan by a qualified professional person designated by the injured worker if the employer-insurer and rehabilitation unit are notified. When the injured worker accepts the rehabilitation plan, the employer-insurer is required to prepare a written description of the plan for submission to the rehabilitation unit including copies of all medical, psychological, and vocational evaluation reports. If the plan indicates areas of disagreement between the employee and the employer the unit is to attempt to resolve the difference and approve the plan if the differences are resolved.	The employer-carrier is to develop a rehabilitation plan with the occupationally disabled employee in all cases when, because of the disability, it appears he will not return to his pre-injury employment or work for which he has previous training and/or experience consideration is to be given to the employee's age, educational level, vocational history, and skills. If the employee disagrees with the plan and the differences cannot be reconciled, the employee may submit his objections along with the plan for consideration by the rehabilitation unit. The employer-carrier submits the plan to the administrator for approval. The plan is to discuss the practicability of, need for, and type of services, treatment, and/or training necessary. Any significant modifications are to be submitted to the unit prior to implementation.

7 - Comparison of Model Rehabilitation Approaches

Alliance	IRSG	IALABC
Rehab. Plan (Continued)	Rehab. Plan (Continued) The rehabilitation unit can approve, disapprove, or modify the plan. If modified or disapproved, the unit is to furnish a written report to the parties and give the parties an opportunity to request further proceedings or to present additional information. Implementation of the plan is to begin as soon as the worker is capable but not later than the termination of temporary total disability. Modifications are to be reviewed by the rehabilitation unit upon its own motion or at the request of the parties. Both the employee and the employer-insurer are given an opportunity to object to the proposed modification.	Rehab. Plan (Continued)

Comments: The IRSG and IALABC make provisions for disputes over portions of plans and for the submission of plans despite the dispute. This would seem to be an unrealistic approach since without the full agreement of the employee and the employer-carrier it is doubtful whether rehabilitation can succeed. The IRSG recognizes this since it provides for plan approval only if the dispute is resolved. However, it would seem that the involvement of a governmental agency in a dispute might not lead to resolution of the dispute but, instead might result in a hardening of position.

8 - Comparison of Model Rehabilitation Approaches

Alliance	IRSG	IAIABC
<u>The No Agreed Plan Situation</u> If rehabilitation services are not voluntarily offered or are offered but not accepted by the employee, the administrator, on his own motion, or upon application of one of the parties, and affording the parties an opportunity to be heard, may refer the employee to a qualified physician or facility for evaluation. Upon request of the evaluation report and after affording the parties an opportunity to be heard by the commission, the director, in consultation with the panel may order services and treatment to be provided at the employer's expense.	<u>The No Agreed Plan Situation</u> When a rehabilitation plan is not offered or when a plan is not accepted by the employee, the rehabilitation unit on its own motion or upon the request of one of the parties shall make a determination of the practicability, need for, and kinds of services necessary. The parties are to be given an opportunity to submit supporting information.	<u>The No Agreed Plan Situation</u> If a plan has not been developed within a reasonable period of time if the plan was disapproved, the division's staff is to recommend an alternative plan. If a party disagrees with the alternative plan, they may appeal to the administrator. The administrator of his own motion or upon application of one of the parties, after affording the parties, an opportunity to be heard, may refer the employee to any individual qualified to provide rehabilitation services for plan development if: (a) a plan is not developed or provided by the employer-carrier (b) the employer-carrier offers a plan the employee refuses; (c) the plan developed by the employer-carrier is not approved. Upon the receipt of the plan developed at the administrator's request, the administrator may order the rehabilitation services provided at the employer-carrier's expense.
Comment: The Alliance and IRSG provision are geared for the no plan situation. The IAIABC model also permits the agency to be actively involved in plan-making when a plan is rejected. The IAIABC language is somewhat ambiguous in that one provision has the staff developing an alternative plan with appeal by the parties to the administrator while another permits the administrator to order the development of a plan on his own motion. Are both the staff and administrator allowed to initiate development of competing plans? It should also be noted that the IAIABC model permits a hearing before the administrator asks for a plan to be developed but that a hearing is not provided for on the plan which is developed.		
<u>Responsibility of the Employer</u> The employer is responsible for medical care and physical restoration consistent with the disability without regard to	<u>Responsibility of the Employer</u> The employer-carrier is responsible for recognizing the need for vocational assistance and initiating the necessary action.	<u>Responsibility of the Employer</u> The employer-carrier is responsible for all costs of rehabilitation services and supplies necessary for the implementation of the plan. If rehabilitation requires

9 - Comparison of Model Rehabilitation Approaches

Alliance	IRSG	IAIABC
Responsibility of Employer - (Continued)	Responsibility of the Employer - (Continued)	Responsibility of the Employer - (Continued)
duration of time or total expenditure. Vocational rehabilitative training for a period not to exceed 26 weeks subject to extension by the director on a showing of satisfactory progress, is provided for including vocational evaluation, counseling, training, and job placement. The employer is responsible for paying the cost of rehabilitation furnished by the state DVR only if the employer-insurer initiates them or the agency orders them. The employer is responsible for all costs of rehabilitation services and supplies. When rehabilitation requires residence away from the employee's customary residence, the employer is to pay the reasonable board, lodging, and travel costs. All charges are not to be higher than those which prevail in similar communities for similar services. The administrative cost to the state are to be part of the workers' compensation agency budget and are to be funded in a like manner.	Vocational rehabilitation services are to be provided for no more than six months unless otherwise agreed by the parties or unless attended by the director of rehabilitation. When vocational rehabilitation requires residence at or near a facility or institution, the employer is to pay the reasonable cost of board, lodging, and travel. The employer is also responsible for any books, supplies, tools, or uniforms needed for vocational rehabilitation the employer is to provide continuing disability benefits during rehabilitation.	employee's customary residence, the employer is to pay the reasonable costs of board, lodging and travel. The employer-carrier is also responsible for the cost of job placement services at the end of the rehabilitation period. Vocation training is the responsibility of the employer-carrier for 26 weeks subject to extension by the administrator. Medical treatment and physical restoration services are to be provided without limits as to duration or amount. The cost of services furnished by the state DVR are the employer-carrier's responsibility only if the employer-carrier requested them, the agency ordered them, or they, at the unit's request, were furnished to an employee whose case was litigated and held compensable. Fees and charges are not be higher than those prevailing in similar communities for similar services.

10 - Comparison of Model Rehabilitation Approaches

Alliance

IRSG

IAIABC

Comments: The IAIABC model provides an additional circumstance under which the employer-carrier is responsible for the cost of services provided by the state DVR.

<u>Employee Responsibility</u>	<u>Employee Responsibility</u>	<u>Employee Responsibility</u>
The employee is to submit to all reasonable requests for examinations and evaluations necessary to determine the need for and to develop a plan for rehabilitation. He is to cooperate with a reasonable timetable for implementing the plan.	The employee is to cooperate in the development of a suitable plan. When medical opinion indicates recovery will not be impeded by participation, prompt and responsive participation in the agreed plan will be the responsibility of the injured worker.	Although rehabilitation is a right or benefit, when an employee agrees to a rehabilitation program dedication to completion is expected. If the employee refuses rehabilitation pursuant to an order or doesn't follow through, appropriate penalties are to be imposed including the creation of weekly benefits for the duration of the refusal. The employee has an obligation to seek re-employment.

Comment: The IAIABC model does not deal with the employee's responsibilities in as forthright a manner as the other two models.

Dispute Mechanisms and Penalty Provisions

The dispute mechanisms in the Alliance draft are limited to those discussed under situations when a plan is not offered.

Dispute Mechanisms and Penalty Provisions

All questions regarding rehabilitation plans are to first be submitted to the unit except those arising before a W.C. judge in

Dispute Mechanisms and Penalty Provisions

The director of the W.C. agency is to establish a procedure for appeals.

Appeals are to be made if: (a) the

11 - Comparison of Model Rehabilitation Approaches

Alliance	IRSG	IAIABC
Dispute Mechanisms and Penalty Provisions - (Continued)	Dispute Mechanisms and Penalty Provisions - (Continued)	Dispute Mechanisms and Penalty Provisions - (Continued)
The refusal to accept rehabilitation pursuant to an agency order shall result in the loss of disability compensation benefits for each week of the period of such refusal. If the employee refuses to accept the position for which he has received training and for which he is physically able to perform, his right to further weekly compensation will be suspended.	cases in litigation where injury is in issue or where the question of the need for rehabilitation first arises during the course of a proceeding on other issues. In such cases, the rehabilitation issue is to be referred to the rehabilitation unit for its recommendations. The unit is to utilize conciliation and mediation, insofar as possible, and the unit may order medical examinations and a vocational evaluation at the employer-carrier's expenses. If the parties cannot agree on a plan they are directed to fully utilize conciliation and mediation prior to litigating the matter. A party who objects to a final determination of the unit may initiate proceedings before a W.C. judge on the rehabilitation questions. When the unit is unable to get the parties to agree on a plan, the unit may initiate proceedings. Matters regarding modification, suspension or termination of a plan are to be reviewed by the unit at the request of the party or upon its own motion.	employer/carrier fails to provide a reasonable plan, (b) the employee refuses to accept a reasonable rehabilitation plan, and (c) a plan has been disapproved. If the employee refuses rehabilitation, appropriate penalties are to be imposed.

12 - Comparison of Model Rehabilitation Approaches

Alliance	IRSG	IAIABC
Dispute Mechanisms and Penalty Provisions - (Continued)	Dispute Mechanisms and Penalty Provisions - (Continued)	Dispute Mechanisms and Penalty Provisions - (Continued)
	If a modification, suspension, or termination of an agreed upon plan is ordered, the worker has ten days in which to indicate his acceptance or initiate proceedings. If the employee accepts, the employer-carrier has ten days from the receipt of written notice thereof to notify the unit of its acceptance or rejection. If the employer-carrier rejects the change, the unit may initiate proceedings. If the unit recommends modification, suspension, or termination of a plan ordered by a W.C. judge, it shall submit the recommendation to the judge or the appropriate substitute. The unreasonable refusal to accept or complete vocational rehabilitation pursuant to an order is to result in the loss of temporary disability benefits, for each week of such refusal.	
Comment:		
<u>Miscellaneous</u>	<u>Miscellaneous</u>	<u>Miscellaneous</u>
The monetary value of a rehabilitation plan offered by the employer-insurer or recommended	An injured worker's rights to vocational rehabilitation are not to be converted into cash or other benefits.	Matters to be considered in providing rules governing the delivery of medical restorative services include

13 - Comparison of Model Rehabilitation Approaches

Alliance

Miscellaneous - (Continued)

by the employee is not to be subject to consideration as part of any lump sum settlement.

IRSG

Miscellaneous - (Continued)

The determination of the extent of permanent disability is to be deferred until the vocational rehabilitation program is terminated.

IAIABC

Miscellaneous - (Continued)

Allowing free choice of physician, requiring physicians to bill at regular intervals, requiring physicians to get permission from the employer-carrier prior to elective surgery; requiring physicians to get permission feasible for the employer-carrier for emergency surgery requiring consultation from a panel of three physicians selected by the employer-carrier on all non-emergency laminectomies and fusions, and allowing the agency to order a change in treating physicians.

Upon completion of a rehabilitation program, evaluation of permanent partial or permanent disability, other than for scheduled injuries, shall be based upon occupational ability.

Adequate financing and publicizing of broad second injury funds is suggested.

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1 IN THE SENATE

2 SENATE BILL NO.

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."

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

8 * Section 1. AS 18.80.220(a)(4) is amended to read:

9 (4) an employer, labor organization or employment agency to
10 discharge, expel or otherwise discriminate against a person because he
11 has12 (A) opposed any practices forbidden under AS 18.80.-
13 200 - 18.80.280; [OR BECAUSE HE HAS]14 (B) filed a complaint, testified or assisted in a
15 proceeding under this chapter; or16 (C) filed a claim for workers' compensation benefits
17 under AS 23.30;

18 * Sec. 2. AS 21.36.190(d) is amended to read:

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

23 (1) has a constitution and bylaws;

24 (2) incorporates a safety program;

25 [(3) AS A GROUP HAS PREFERRED CHARACTERISTICS OVER SIMILAR
26 RISKS WRITTEN ON AN INDIVIDUAL BASIS;] and27 (4) has filed and received approval from the director for
28 the rating program to be applied to the group.

29 * Sec. 3. AS 21.39.040(d) is amended to read:

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

13 * Sec. 4. AS 21.39 is amended by adding a new section to read:

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

19 (b) If each rate in a schedule of workers' compensation rates for
20 a specific classification of risks filed by an insurer is not lower
21 than the rate for each respective classification filed by a rating
22 organization in accordance with (a) of this section and approved by the
23 director, the schedule of rates filed by the insurer is effective
24 immediately and the waiting period in AS 21.39.040(d) is not required.

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

1 * Sec. 5. AS 21.39.070 is amended by adding new subsections to read:

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

5 (d) Notwithstanding (a) of this section, a filing of workers'
6 compensation rates under AS 21.39.045(b) is not a deviation under this
7 section.

8 * Sec. 6. AS 23.30.005(a) is amended to read:

9 (a) The Alaska Workers' Compensation Board shall consist of nine
10 [SEVEN] members, including a southern panel of three members sitting
11 for the first judicial district, a northern panel of three members
12 sitting for the second and fourth judicial districts, [AND] a south-
13 central panel of three members sitting for the third judicial district,
14 and one panel of three members which may sit in any judicial district.
15 Each panel shall include the commissioner of labor or his designated
16 representative, a representative of industry and a representative of
17 labor. The latter two members of each panel shall be appointed by the
18 governor. All panel members are subject to confirmation by a majority
19 of the members of the legislature in joint session.

20 * Sec. 7. AS 23.30.010 is amended to read:

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

23 * Sec. 8. AS 23.30.015 is amended to read:

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

1 the third person.

2 (b) Acceptance of benefits [COMPENSATION] under an award in a
3 compensation order filed by the board operates as an assignment to the
4 employer of all rights of the person entitled to benefits [COMPENSATION]
5 and the personal representative of a deceased employee to recover
6 damages from the third person unless the person or representative
7 entitled to benefits [COMPENSATION] commences an action against the
8 third person within one year after an award.

9 (c) Payment of compensation into the second-injury fund as a
10 result of death operates as an assignment to the employer of all rights
11 of the representative of the deceased to recover damages from the third
12 person.

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

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

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

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

22 (B) the cost of all benefits actually furnished by him
23 under this chapter;

24 (C) all amounts paid as compensation and second-injury
25 fund payments;

26 (D) the present value of all amounts payable later as
27 compensation (present value to be computed from a schedule prepared
28 by the board), and the present value of the cost of all benefits
29 to be furnished later under AS 23.20.095 (as estimated by the

1 board), the amounts so computed and estimated to be retained by
2 the employer as a trust fund to pay compensation and cost of
3 benefits as they become due and to pay any finally remaining
4 excess sum to the person entitled to benefits [COMPENSATION] or to
5 the representative; and

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

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

12 (g) If the employee or his representative recovers damages from
13 the third person, the employee or representative shall promptly pay to
14 the employer the total amounts paid by the employer under (e)(1)(A),
15 (B), and (C) of this section, insofar as the recovery is sufficient
16 after deducting all litigation costs and expenses. Any excess recovery
17 by the employee or representative shall be credited against any amount
18 payable by the employer thereafter.

19 (h) If compromise with a third person is made by the person
20 entitled to benefits [COMPENSATION] or his representative of an amount
21 less than the benefits [COMPENSATION] to which the person or representa-
22 tive would be entitled, the employer is liable for benefits [COMPENSA-
23 TION] stated in (f) of this section only if the compromise is made with
24 his written approval.

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

28 (j) Notice of the commencement of an action against a third party
29 shall be given to the board and to all interested parties within 30

1 days.

2 * Sec. 9. AS 23.30.020 is amended to read:

3 Sec. 23.30.020. CHAPTER PART OF CONTRACT OF HIRE. This chapter
4 constitutes part of every contract of hire, express or implied, and
5 every contract of hire shall be construed as an agreement on the part
6 of the employer to pay and on the part of the employee to accept
7 benefits [COMPENSATION] in the manner provided in this chapter for all
8 personal injuries sustained.

9 * Sec. 10. AS 23.30.025(b) is amended to read:

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

19 * Sec. 11. AS 23.30.025 is amended by adding a new subsection to read:

20 (c) An insurer may issue a policy of insurance insuring the
21 payment of benefits ~~[COMPENSATION]~~ under this chapter which provides
22 for a deductible amount to be paid by the employer. A policy with a
23 deductible provision must be approved by the director of insurance and
24 must provide that the deductible amount be paid by the insurer to the
25 employee on behalf of the employer. After payment of the deductible by
26 the insurer, the insurer may recover the deductible amount from the em-
27 ployer. The failure of an employer to reimburse an insurer for the
28 deductible amount does not relieve the insurer from any other obliga-
29 tion it may have under the policy of insurance. An insurer is not

1 required to apply for a deviation under AS 21.39.070 in order to issue
2 a policy under this subsection. This subsection does not apply to a
3 policy of excess insurance purchased by a self-insurer.

4 * Sec. 12. AS 23.30.030 is amended to read:

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

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

15 (2) The policy is made subject to the provisions of this
16 chapter and its provisions relative to the liability of the insured
17 employer to pay physician's fees, nurse's charges, hospital services,
18 hospital supplies, medicines, prosthetic devices, transportation charges
19 to the nearest point where adequate medical facilities are available,
20 burial expenses, compensation or death benefits to and for [said] employ-
21 ees or beneficiaries, the acceptance of the liability by the insured
22 employer, the adjustment, trial and adjudication of claims for the
23 physician's fees, nurse's charges, hospital services, hospital supplies,
24 medicines, prosthetic devices, transportation charges to the nearest
25 point where adequate medical facilities are available, burial expenses,
26 compensation or death benefits and the liability of the insurer to pay
27 the same are considered a part of this policy contract.

28 (3) As between the insurer and the employee or his benefici-
29 aries, notice to or knowledge of the occurrence of the injury on the

1 part of the insured employer is notice or knowledge on the part of the
2 insurer; jurisdiction of the insured employer for the purpose of this
3 chapter is jurisdiction of the insurer; and the insurer, in all things,
4 is bound by and subject to the orders, awards, judgments and decrees
5 made against the insured employer under this chapter.

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

24 (5) A termination of the policy by cancellation is not
25 effective as to the employees of the insured employer covered by it
26 until 20 days after written notice of the termination has been received
27 by the board. If the employer has a contract with the state or a home
28 rule or other political subdivision of the state, and his policy is
29 cancelled due to nonpayment of a premium, the termination of the policy

1 is not effective as to the employees of the insured employer covered by
2 it until 20 days after written notice of the termination has been
3 received by the contracting agency, and the agency has the option of
4 continuing the payments on behalf of the employer in order to keep the
5 policy in force. If, however, the employer has secured insurance with
6 another insurance carrier, cancellation is effective as of the date of
7 the new coverage.

8 (6) All claims for compensation, death benefits, physician's
9 fees, nurse's charges, hospital services, hospital supplies, medicines,
10 prosthetic devices, transportation charges to the nearest point where
11 adequate medical facilities are available, and burial expenses, may be
12 made directly against either the employer or the insurer, or both, and
13 the order or award of the board may be made against either the employer
14 or the insurer or both.

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

24 * Sec. 13. AS 23.30.045(a) is amended to read:

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

26 (a) An employer is liable for and shall secure the payment to his
27 employees of the benefits [COMPENSATION] payable under AS 23.30.050,
28 23.30.095, 23.30.145, and 23.30.180^{5 23.30.} - 215. If the employer is a sub-
29 contractor, the contractor is liable for and shall secure the payment

1 of the benefits [COMPENSATION] to employees of the subcontractor unless
2 the subcontractor secures the payment.

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

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

6 * Sec. 15. AS 23.30.045(d) is amended to read:

7 (d) No contract may be awarded by the state or a home rule or
8 other political subdivision of the state to an employer unless the
9 employer [PERSON] to whom the contract is to be awarded has submitted
10 to the contracting agency proof, furnished by the insurance carrier, of
11 current coverage by workers' compensation insurance from an insurance
12 company or association authorized to transact the business of workers'
13 compensation insurance in this state or proof, furnished by the
14 director of insurance [BOARD], of a current certificate of self-
15 insurance from the director of insurance [BOARD]. The employer [PERSON]
16 to whom the contract is awarded shall keep his workers' compensation
17 insurance policy in effect during the life of the contract with the
18 state or political subdivision. If the state or the political sub-
19 division of the state fails to obtain proof of coverage or self-
20 insurance or to protect itself under (e) of this section, and an
21 employee of the contractor is injured during the term of the contract,
22 the state or the political subdivision is liable for workers' compensa-
23 tion to the employee if the employee is unable to recover from the
24 employer because of the employer's lack of financial assets. The state
25 or the political subdivision is not liable, however, to the employee
26 for workers' compensation if the employee can recover from the employer
27 under (a) and (b) of this section.

28 * Sec. 16. AS 23.30.045(e) is amended to read:

29 (e) When a contracting agency of the state or a political subdi-

1 vision receives notice that the workers' compensation insurance policy
2 of an employer to whom the agency has awarded a contract has been
3 cancelled due to nonpayment of a premium, without being replaced by a
4 comparable policy, the agency may either terminate the contract with
5 the employer or continue the premium payments on his behalf in order to
6 keep the policy in force during the life of the agency's contract. If
7 the agency chooses to keep the policy in force, it may deduct its
8 payments from the contract price or bring an action against the employ-
9 er to recover the amount of the payments. When the contracting agency
10 receives notice that the director of insurance [BOARD] has revoked a
11 certificate of self-insurance held by a person to whom a contract has
12 been awarded, the agency may terminate the contract. This subsection
13 does not limit the causes of action or remedies which the state or
14 political subdivision may have against the employer.

15 * Sec. 17. AS 23.30.055 is amended to read:

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

ment, or that the injury was due to the contributory negligence of the employee.

* Sec. 18. AS 23.30.060 is amended to read:

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

(b) The notice shall be posted and kept on the premises of the employer or on the premises where the employer's operations are being carried on in three conspicuous places, at the office of the employer, at the mess house or boarding house if there is one, and in some conspicuous place on the premises or works. The notice shall be substantially in the following form, and the signature shall be witnessed by two witnesses:

EMPLOYER'S NOTICE OF INSURANCE

To the employees of the undersigned:

You and each of you are hereby notified that the undersigned is insured in the.....Insurance Company, whose address is.....and that the period covered by the insurance.....in accordance with the terms, conditions and provisions to pay benefits [COMPENSATION] to employees of the undersigned for injuries received as provided in the Act of the State of Alaska, known as the "Alaska Work^{ers}~~men's~~ Compensation Act"

Signed.....

.....

1 Witness:

2

3 * Sec. 19. AS 23.30.070(e) is amended to read:

4 (e) If the employer or the carrier has been given notice, or the
5 employer (or his agent in charge of the business in the place where the
6 injury occurred) or the carrier has knowledge of an injury or death of
7 an employee and fails, neglects, or refuses to file a report of it as
8 required by the provisions of (a) of this section, the limitations in
9 AS 23.30.105(a) do not begin to run against the claim of the injured
10 employee or his dependents entitled to benefits [COMPENSATION] or in
11 favor of either the employer or the carrier, until the report has been
12 furnished as required by the provisions of (a) of this section.

13 * Sec. 20. AS 23.30.070(f) is amended to read:

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

22 * Sec. 21. AS 23.30.075(a) is amended to read:

23 (a) An employer under this chapter, unless exempted, shall either
24 [,] insure and keep insured for his liability under this chapter in an
25 insurance company or association duly authorized to transact the busi-
26 ness of workers' compensation insurance in this state, or shall furnish
27 the director of insurance [BOARD] satisfactory proof of his financial
28 ability to pay directly the benefits [COMPENSATION] provided for. If
29 an employer elects to pay directly, the director of insurance [BOARD]

1 may, in his [ITS] discretion, require

2 (1) the deposit of an acceptable security, indemnity or bond
3 to secure the payment of benefits [COMPENSATION] liabilities as they
4 are incurred ~~and;~~ and

5 (2) proof of excess insurance.

6 * Sec. 22. AS 23.30.075(b) is amended to read:

7 (b) An employer who fails to insure and keep insured employees
8 subject to this chapter or fails to obtain a certificate of self-
9 insurance from the board, upon conviction, is punishable by a fine of
10 not more than \$1,000, or by imprisonment for not more than one year, or
11 by both. If an employer is a corporation, all persons who, at the time
12 of the injury or death, had authority to insure the [SAID] corporation
13 or apply for a certificate of self-insurance, and the person actively
14 in charge of the business of the [SUCH] corporation shall be subject to
15 the penalties prescribed herein and shall be personally, jointly, and
16 severally liable together with the corporation for the payment of all
17 [COMPENSATION OR OTHER] benefits for which the corporation is liable
18 under this chapter if the [SAID] corporation at such time is not
19 insured or qualified as a self-insurer.

20 * Sec. 23. AS 23.30.080 is amended by adding a new subsection to read:

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

29 * Sec. 24. AS 23.30.085(a) is amended to read:

1 (a) An employer subject to this chapter, unless exempted, shall
2 initially file evidence of his compliance with the insurance provisions
3 of this chapter with the board, in the form prescribed by it. The
4 employer shall also give evidence of compliance within 10 days after
5 the termination of his insurance by expiration or cancellation. These
6 requirements do not apply to an employer who has certification from the
7 director of insurance [BOARD] of his financial ability to pay benefits
8 [COMPENSATION] directly without insurance.

9 * Sec. 25. AS 23.30.090 is amended to read:

10 Sec. 23.30.090. SELF-INSURANCE CERTIFICATES. If an employer has
11 complied with the provisions of this chapter relating to self-insurance,
12 the director of insurance [BOARD] shall issue him a certificate which
13 shall remain in force for a period fixed by the director of insurance
14 [BOARD]. The director of insurance [BOARD] may, upon at least 10 days'
15 notice and a hearing, revoke a self-insurance certificate upon satis-
16 factory proof that an employer is no longer entitled to it. After
17 revocation the director of insurance [BOARD] may grant a new certifi-
18 cate to an employer, upon his petition and satisfactory proof of his
19 financial ability as provided in this chapter. The director of in-
20 surance shall notify the contracting agency of the state or of a
21 political subdivision of the state when it revokes the self-insurance
22 certificate of an employer holding a contract with the state or a
23 political subdivision of the state. An employer authorized as a
24 self-insurer shall provide claims facilities through its own staffed
25 adjusting facilities located within the state, or independent, licensed,
26 resident adjusters with power to effect settlement within the state.

27 * Sec. 26. AS 23.30.092 is amended to read:

28 Sec. 23.30.092. VOLUNTEER AMBULANCE ATTENDANTS, POLICEMEN AND
29 FIREMEN INSURANCE. A political subdivision may elect to provide

benefits [AND COMPENSATION] to its volunteer ambulance attendants, policemen or firemen by obtaining insurance which would provide its volunteer ambulance attendants, policemen or firemen with benefits [AND COMPENSATION] at least equivalent to those conferred upon volunteer ambulance attendants, policemen or firemen by this chapter, and the election shall be considered compliance with the coverage and insurance provisions of this chapter. The election shall be made by filing copies of the insurance policy or policies with the commissioner.

* Sec. 27. AS 23.30.095(a) is amended to read:

(a) The employer shall furnish medical, surgical, and other attendance or treatment, nurse and hospital service, medicine, crutches, and apparatus for the period which the nature of the injury or the process of recovery requires [, NOT EXCEEDING TWO YEARS FROM AND AFTER THE DATE OF INJURY TO THE EMPLOYEE. HOWEVER, IF THE CONDITION REQUIRING THE TREATMENT, APPARATUS, OR MEDICINE IS A LATENT ONE, THE TWO-YEAR PERIOD RUNS FROM THE TIME THE EMPLOYEE HAS KNOWLEDGE OF THE NATURE OF HIS DISABILITY AND ITS RELATIONSHIP TO HIS EMPLOYMENT AND AFTER-DISABLEMENT. IT SHALL BE ADDITIONALLY PROVIDED THAT, IF CONTINUED TREATMENT OR CARE OR BOTH BEYOND THE TWO-YEAR PERIOD IS INDICATED, THE INJURED EMPLOYEE HAS THE RIGHT OF REVIEW BY THE BOARD. THE BOARD MAY AUTHORIZE CONTINUED TREATMENT OR CARE OR BOTH AS THE PROCESS OF RECOVERY MAY REQUIRE]. When medical care is required, the injured employee may designate a licensed physician inside the state to render the care except in cases where, in the judgment of the board, care or treatment or both can best be administered by the selection of another licensed physician. Upon procuring the services of a licensed physician, the injured employee shall give proper notification of his selection to the employer within a reasonable time after first being treated. [IF FOR ANY REASON DURING THE PERIOD WHEN MEDICAL CARE IS REQUIRED THE EMPLOYEE

1 WISHES TO CHANGE TO ANOTHER PHYSICIAN, HE MAY DO SO IN ACCORDANCE WITH
2 RULES PRESCRIBED BY THE BOARD.]

3 * Sec. 28. AS 23.30.095(c) is amended to read:

4 (c) No claim for medical or surgical treatment is valid and
5 enforceable as against the employer unless, within 20 [TWENTY] days
6 following each visit for [THE FIRST] treatment, the physician giving
7 the treatment or the employee receiving it furnishes to the employer
8 and the board notice of the injury and treatment, preferably on a form
9 prescribed by the board. The board shall [MAY], however, excuse the
10 failure to furnish notice within 20 days when it finds it to be in the
11 interest of justice to do so, and it may, upon application by a party
12 in interest, make an award for the reasonable value of the medical or
13 surgical treatment so obtained by the employee.

14 * Sec. 29. AS 23.30.095(e) is amended to read:

15 (e) The employee shall, after an injury, at reasonable times
16 during the continuance of his disability if requested by his employer
17 or, when ordered by the board, submit himself to an examination by a
18 physician or surgeon authorized to practice medicine under the laws of
19 the state in which the employee may be found, furnished and paid for by
20 the employer. [THE EMPLOYEE HAS THE RIGHT TO HAVE A PHYSICIAN, PAID
21 FOR BY THE EMPLOYER, PRESENT AT THE EXAMINATION OR EXAMINATIONS.] No
22 fact relative to the injury or claim communicated to or otherwise
23 learned by a physician or surgeon who may have attended or examined the
24 employee, or who may have been present at an examination is privileged,
25 either in the hearings provided for in this chapter or an action to
26 recover damages against an employer who is subject to the benefits
27 [COMPENSATION] provisions of this chapter. If an employee refuses to
28 submit himself to any examination provided for in this section [HEREIN],
29 his rights to compensation shall be suspended until the obstruction or

1 refusal ceases, and his compensation during the period of suspension
2 may, in the discretion of the board or the court determining an action
3 brought for the recovery of damages under this chapter [HEREUNDER], be
4 forfeited. The board in any case of death may require an autopsy at
5 the expense of the party requesting the autopsy. No autopsy may be
6 held without notice first being given to the widow or widower or next
7 of kin if they reside in the state or their whereabouts can be reason-
8 ably ascertained, of the time and place of the autopsy and reasonable
9 time and opportunity given the widow or widower or next of kin to have
10 a representative present to witness the autopsy. If no adequate notice
11 is given, the findings from the autopsy may be suppressed on motion
12 made to the board or to the superior court, as the case may be.

13 * Sec. 30. AS 23.30.100(a) is amended to read:

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

18 * Sec. 31. AS 23.30.100(b) is amended to read:

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

24 * Sec. 32. AS 23.30.100(d) is amended to read:

25 (d) Failure to give notice does not bar a claim under this
26 chapter

27 (1) if the employer (or his agent in charge of the business
28 in the place where the injury occurred) or the carrier had knowledge of
29 the injury or death and the board determines that the employer or

1 carrier has not been prejudiced by failure to give notice;

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

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

7 * Sec. 33. AS 23.30.105~~(a)~~ is amended to read:

8 Sec. 23.30.105. TIME FOR FILING OF CLAIMS. (a) The right to
9 benefits [COMPENSATION FOR DISABILITY] under this chapter is barred
10 unless a claim for them [IT] is filed within two years after the
11 employee has knowledge of the nature of his disability and its relation
12 to his employment and after disablement. The [HOWEVER, THE MAXIMUM
13 TIME FOR FILING THE CLAIM IN ANY EVENT OTHER THAN ARISING OUT OF AN
14 OCCUPATIONAL DISEASE SHALL BE FOUR YEARS FROM THE DATE OF INJURY, AND
15 THE] right to benefits [COMPENSATION] for death is barred unless a
16 claim for benefits [THEREFORE] is filed within one year after the
17 death. If [, EXCEPT THAT IF] payment of benefits [COMPENSATION] has
18 been made without an award on account of the injury or death, a claim
19 may be filed within two years after the date of the last payment. It
20 is additionally provided that, in the case of a latent injury [DEFECTS
21 PERTINENT TO AND CAUSING COMPENSABLE DISABILITY], the injured employee
22 has full right to claim as shall be determined by the board, time
23 limitations notwithstanding.

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

29 (c) If a person who is entitled to benefits [COMPENSATION] under

1 this chapter is mentally incompetent or a minor, the provisions of (a)
2 of this section are not applicable so long as he has no guardian or
3 other authorized representative, but are applicable in the case of a
4 person who is mentally incompetent or a minor from the date of appoint-
5 ment of a guardian or other representative, or in the case of a minor,
6 if no guardian is appointed before he becomes of age, from the date he
7 becomes of age.

8 (d) If recovery is denied to a person, in a suit brought at law
9 or in admiralty to recover damages in respect to injury or death, on
10 the ground that he was an employee and that the defendant is an employer
11 within the meaning of this chapter and that the employer has secured
12 benefits [COMPENSATION] to the employee under this chapter, the limita-
13 tion of time prescribed in (a) of this section begins to run only from
14 the date of termination of the suit.

15 * Sec. 34. AS 23.30.106(b) is amended to read:

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

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

28 (2) the amount of all income benefits paid or awarded the
29 employee under another workers' compensation law shall be credited