

SCOMM

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*Categorizations of
Fineberg, Block and
National Council
Reports*

MEMORANDUM

Pursuant to the August 1, 1980 meeting, the recommendations from the Richard Fineberg report the Richard R. Block report and the report from the National Council on Worker's Compensation have been categorized in the following manner.

For the term "related" recommendations are all those similar in context or those that have been duplicated. "Unrelated" are all those recommendations that are not similar in characteristics and have no relation.

Should you feel the need for any changes in these recommendations please contact me.



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RECOMMENDATIONS FOR DEATH BENEFITS

RELATED

- 1) Death benefits ^{to survivors} be at least 66 2/3 percent of the worker's gross weekly wage. The two thirds formulation should be used only on transitional basis until the State adopts a provision making payments at least 80 percent of the spendable earnings of the worker.
- 2) The States maximum weekly benefit be increased until by 1981, the maximum represents 200 percent of the State's average weekly wage.
- 3) Benefits in death cases be paid to a widow or widower for life or until remarriage, and in the event of remarriage it is recommended that two years benefits be paid in a lump sum to the widow or widower. It is also recommended that benefits for a dependent child be continued until the child reaches 18 or beyond such age if actually dependent, or at least until age 25 if enrolled as a full-time student in any accredited educational institution. *Now 10 yrs limit* *more than current*
- 4) Worker's Compensation benefits be reduced by the amount of any payments received from Social Security ^{by the ~~the~~ to injury} deceased worker's family.

UNRELATED

- 1) The minimum weekly benefit for death cases be at least 50 percent of the average weekly wage in the State.
- 2) No justification of arbitrary limitation of the amount of the duration of benefits to survivors of a deceased worker.

RECOMMENDATIONS FOR SAFETY

UNRELATED

- 1) Recommended that insurance carriers be required to provide loss prevention service and that the Worker's Compensation Agency carefully audit these services. State-operated worker's compensation funds should provide similar accident prevention services under independent audit procedures where practicable. Self-insurers should likewise be subject to audit, with respect to the adequacy of their safety programs.

- 2) Employer members of the industry trade associations explore the possibility of creating safety groups, as a means of creating more safety awareness and incentive and taking advantage of the economies of scale, available from larger worker's compensation policies.

RECOMMENDATIONS FOR SETTLEMENT

RELATED

- 1) AS. 21.18 should include a provision permitting carriers to recognize remarriage settlement and findings of no liability to be included in the reserve setting. If there is a reluctance to permit this change for statutory reporting purposes, then AS 21.29 should include a provision requiring adjustment in reserve for remarriage, to reflect settlement, remarriage and findings of no liability.

RECOMMENDATIONS FOR RISK POOL

UNRELATED

- 1) The Director of Insurance should order the surcharge be eliminated for all risks in the assigned Risk Pool, with estimated annual standard premiums, equal to or less than, \$1,500 for all risks other than air carriers in the assigned Risk Pool paying estimated annual premiums of greater than \$1,500, the surcharge should be 10%.

- 2) Recommended that the allowed expense loading factor for servicing carriers of the assigned Risk Pool be no larger than that allowed by the NCCI for carriers servicing risk in the voluntary market.

RECOMMENDATIONS FOR REHABILITATION
AND REEMPLOYMENT

RELATED

- 1) Employers/Insurers should furnish re-employment preparation services by vocational rehabilitation specialists to workers on temporary total status for ninety days or more who have not returned to work because of the expected residual or resolving physical effects of their compensable injury or disease.

- 2) Recommended that there be no statutory limit on the length of time or dollar amount for medical care of physical rehabilitation services for any work-related impairment.

- 3) Recommended that each Worker's Compensation Agency establish a medical rehabilitation division, with authority to effectively supervise medical care and rehabilitation services.

- 4) Recommended that the Medical Rehabilitation Division within each State's Worker's Compensation Agency be given the specific responsibility of assuring that every worker who could benefit from vocational rehabilitation services be offered those services.

RECOMMENDATIONS FOR PREMIUMS

UNRELATED

- 1) The Division of Insurance should promulgate regulations adequate to permit cash flow programs for insureds on significant projects with wrap-up policies with estimated aggregate premiums large enough that the retrospective premiums on the policy would effectively cover all losses up to no less than a \$100.00 per claim retention, plus, all expense and reinsurance cost.

UNRELATED - LONG TERM

- 1) The legislature needs to take measures to determine how much of the premium dollar is spent on:
 - a) income maintenance payments
 - b) medical payments (including rehabilitation)
 - c) litigation
 - d) insurance company overhead
 - e) insurance company profits

The question of investment income figures prominently in any such analysis. Investment Income is usually treated apart from the rate base and is thus a form of hidden profit. A corollary policy question is whether the State should play a role in determining where and how insurance company investments are placed.

- 2) The legislature needs to look at programs that might reduce the premium rates of small employers; such as, a reinsurance plan and a group insurance plan. It might wish to examine whether statutory changes would be necessary to effect these changes in compensation insurance and whether these and similar proposals might reduce costs to the employer without reducing benefits. Minnesota has tried two programs. (a) One program is a State reinsurance program which takes responsibility for all

RECOMMENDATIONS FOR PREMIUMS

UNRELATED . - LONG TERM cont'd.

benefit payments over \$300,000, thus, reducing the risk to the carrier that the carrier may have to pay a virtually unlimited amount on even a small policy. (b) The other idea, which was borrowed from Florida, is a mechanism that allows small businesses to bank together a purchase comp. insurance. This gives the group potential for purchasing a large joint policy at the lower rates.

RECOMMENDATIONS FOR SECOND - INJURY FUND

RELATED

- 1) Recommended that States establish a Second Injury Fund with a broad coverage of pre-existing impairment.
- 2) Recommended that the Second Injury Fund be financed by charges against all carriers, state funds, and self-insuring employers, in proportion to the benefits paid by each, or by general revenue, or by both sources.

UNRELATED

- 1) Recommended that medical payments along with disability compensation payments after the first 104 weeks of disability be covered by the Second Injury Fund.
- 2) Recommended that any first injury documentation established prior to a second injury, even if discovered after the second injury, be suitable for establish the second injury claim.
- 3) Recommended that the second injury fund be allowed and properly funded to make lump sum reimbursements to any carrier or employer who provides a lump sum settlement to an injured worker.
- 4) Urge State Worker's Compensation Agencies to interpret eligibility for Second Injury Funds liberally, in order to encourage employment of the physically handicapped and to publicize the programs to employers and employees.

RECOMMENDATIONS FOR HEALTH PROGRAMS

UNRELATED

- 1) Recommended that carriers, other than casualty carriers, be allowed to offer programs for Worker's Compensation. Thus, allowing employers to put together a Worker's Compensation Package, utilizing health care insurers and disability program insurers, which many employers are already utilizing for other employee benefits.

RECOMMENDATIONS FOR A STATE FUND

UNRELATED - LONG TERM

- 1) The legislature should look into the possibility of establishing a competitive State Fund. Continued business hostility toward rising premium rates and information gathered, point to a breakdown in the delivery of services. These factors tend to strengthen arguments for consideration of a State Fund. A State Fund would lower premium costs to employers because State Funds operate with significant less overhead. It increases availability of insurance because State Funds normally accept any risk. Retention of capital increases in-state since premium payments do not flow to an outside parent company. State Funds establishes a yardstick by which to assure the reasonableness of commercial rates and creates new jobs.

RECOMMENDATIONS FOR BENEFITS ---WAGES

RELATED

- 1) Recommended progressive increases in the maximum weekly wage benefit, according to a time schedule stipulated in Chapter 3; so that, by 1981, the maximum in each state would be at least 200 percent of the State's average weekly wage.
- 2) The exalating maximum benefit schedule adopted in AS 23.30.175 be abandoned and in its place there be adopted the following schedule:
 - (a) 66 2/3 of that portion of wages up to 150% of the State's weekly wages, and
 - (b) 40% of that portion of wages falling between 150% 200 % of the State's average weekly, and
 - (c) 20% of that portion of wages falling between ~~200%~~ 300% of the State's average weekly wage.
 - (d) No benefit will accrue for any wages earned in excess of 300% of the State's average weekly wage.

UNRELATED

- 1) Recommended that the waiting period be no more than 3 days and that the retroactive period be no more than 14 days.
- 2) AS. 23.30.220 (1) should be amended to read the: the average weekly wage is calculated by dividing 52 into the total wages earned, including self-employment, in the twelve months preceding the injury.
- 3) AS. 23.30.105 should be amended to provide for substantially shorter filing periods to six months, after voluntary payments have terminated but, in any even, no later than two years after injury.

RECOMMENDATIONS FOR INSURANCE RATES

RELATED

- 1) Interest rate assumptions in AS 21.18.090 (3) and (4) should be increased, to more nearly reflect realistic yields on investments. The 7.5% assumption used for immediate annuity and endowment contractors is appropriate. If there is reluctance to permit this change for statutory reporting purposes, then AS 21.39 should include a provision requiring adjustment in reserve for remarriage to reflect the 25% annuity assumptions on reserves.
- 2) If in the future, another extraordinary construction project of the magnitude of the Trans-Alaska Pipeline is to occur within the State, and if a special wrap-up insurance program is utilized, we recommend the Directory of the Division of Insurance require, for the purposes of the Worker's Compensation rate-making, that all premiums paid, losses incurred, and the experience realized by this project be segregated from the Alaskan experience, as a whole, and not be included in general State rate-making.

UNRELATED

- 1) We recommend that the fund be audited yearly by independent actuarial consultants and that all projected revenues and claims be established. If the expected liabilities of the fund exceed the projected carrier revenues, then, an additional appropriation to make up for this difference be made from the general fund.
- 2) AS 21.39 should be amended to limit worker's compensation rating bureaus from promulgating pure loss class rates. Carriers should be required to use only the pure loss rates on file, plus, expense loadings, which comply with the current standards for rate propriety.

RECOMMENDATIONS FOR HEARINGS & INVESTIGATIONS

UNRELATED

- 1) Carriers and employers should institute the practice of using hearing representatives for preparing and presenting the majority of its cases before the Worker's Compensation hearing officers or board.
- 2) Recommended that the Division of Insurance require the NCCI to investigate the use of accident year statistics, rather than, those used currently with the expectation that this data base will be put in place as quickly as practicalbe.
- 3) Hearings concerning the Worker's Compensation Division and Division of Insurance failure to uphold certain provisions of the Worker's Compensation Statute AS 23.30. The Alaska Worker's Compensation statute contains provisions that would, if enforced, guarantee the claimant more timely and equitable resolution of compensation problems.
- 4) Hearings are needed to investigate lack of enforcement in (a) prompt carrier payment of claims; (b) prompt carrier notification to the Worker's Compensation Board if the carrier stops payment for any reason; and (c) Board decisions to be issued within 20 days of hearing.
- 5) The legislature may wish to determine (a) extend of violation; (b) which remedy is in force at this time; (c) how widely the sanction is applied; and (d) whether both the sanction and the enforcement effort need to be strengthened.

RECOMMENDATIONS FOR COVERAGE OF EMPLOYMENT/
WORK RELATION, INQUIRES AND DISEASES

RELATED

- 1) Recommended that Worker's Compensation be compulsory rather than elective.

UNRELATED

- 1) Recommended that employers not be exempted from Worker's Compensation because of the number of their employees.
- 2) Recommended that by July 1, 1975, household workers and all casual workers be covered under Worker's Compensation, at least, to the extent they are covered by Social Security.
- 3) Recommended that the employee be given the choice of filing a claim for Worker's Compensation in any state where he was hired, or where his employment was principally localized or where he was injured.

INJURIES AND DISEASES

UNRELATED

- 1) Recommended that the accident requirement be dropped as a test for compensability.
- 2) Recommended that all states provide full coverage of work related diseases.

RECOMMENDATIONS FOR MEDICAL

RELATED

- 1) The employer, or carrier should be allowed to designate the panel of physicians from which the injured worker must select his treating physician. The panel should include at least two physicians in each geographic area from each recognized medical specialty. There should be two exceptions to this rule:
 - A. If the injured worker has seen a family physician or a physician in the same specialty as required for the industrial injury for actual treatment within the one year preceding the industrial injury, he may be treated by that physician and
 - B. If the worker is not responding to treatment or is otherwise dissatisfied with the first selected physician, he may require the carrier or employer to provide a list of three other physicians in the required specialty in the workers geographic area from which the worker may select a second treating physician.
- 2) Recommended that the worker be permitted the initial selection of his physician, either from among all licensed physicians in the State or from a panel of physicians selected or approved by the State Worker's Compensation Agency.
- 3) Recommended there be no statutory limits on the length of time or dollar amount for medical care of physical rehabilitation services for any work related impairment.
- 4) Recommended that each Worker's Compensation Agency establish a medical rehabilitation division, with authority to effectively supervise medical care and rehabilitation services.

RECOMMENDATIONS FOR MEDICAL

cont'd.

UNRELATED

- 1) The greater use of pain clinics as an accepted modality should be encouraged among claim adjusters and the worker. The compensation board should be authorized, in addition, to the authority conferred by AS 23.30.095 (B) to suspend compensation to the injured worker failing to cooperate with pain clinic treatment.

RECOMMENDATIONS FOR TEMPORARY TOTAL DISABILITY

RELATED

- 1) Recommended that cash benefits for temporary total disability be at least two-thirds of the worker's gross weekly wage. The two-thirds formulation should be used only on a transitional basis until the State adopts a provision making payments, at least, 80 percent of the workers spendable weekly earnings.

RECOMMENDATIONS FOR PERMANENT PARTIAL DISABILITY

RELATED

- 1) Some states evaluations of the extent of permanent partial disability often seems to be without consistent guidelines. They are designed only for impairment and do not purport to provide guidance for the evaluation of disability as opposed to impairment.
- 2) Disability compensation should be 66 2/3 of the difference between the average wages earned at the time of injury and any current wages presently being earned subject to the weekly maximum. The duplication between temporary permanent disability awards should be eliminated.

UNRELATED

- 1) The issues arising from benefits for permanent partial disability are so critical to the future of Worker's Compensation that the subject warrants the highest priority.
- 2) The critical need for corrective action is matched by the elusiveness of the proper remedy, and there is a serious danger that premature or insufficiently detailed recommendations might only worsen the present problems. These problems include wide variation from state to state in the ration of permanent partial benefits to total benefits, and the apparent tendency in some states for the payment of disproportionately large benefits for minor permanent partial disabilities and permanent total disabilities.
- 3) There is a need for the immediate commencement of a thorough examination of permanent partial benefits.

RECOMMENDATIONS FOR PERMANENT PARTIAL DISABILITY

UNRELATED cont'd.

- 4) The present scheduled permanent partial disability list in AS 23.30.190 should be eliminated and a very simple impairment schedule adopted. The impairment schedule should only address the loss of a hand or an arm, a foot or a leg, loss of vision, in part or in whole, and loss of hearing, in part or in whole.

- 5) The impairment award should equal 52 weeks of compensation loss of more than one member shall increase the award proportionately.

RECOMMENDATIONS FOR PERMANENT TOTAL DISABILITY

RELATED

- 1) Prior to an employee being classified in a permanent disability status, it would be in the best interest of the employer, during the period the injured worker is reaching maximum medical improvement, (i.e., during the period he is in the temporary total status) that all efforts toward a job, vocational and physical rehabilitation be made. If rehabilitation and maximum medical improvement coincide, the potential compensation liability will be minimized.
- 2) Disability compensation should be $66 \frac{2}{3}$ of the difference between the average wages earned at the time of injury and any current wages presently being earned subject to the weekly maximum. The duplication between temporary and permanent disability awards should be eliminated.
- 3) Recommended that permanent total benefits be paid for the duration of the workers disability without limitations as to dollar amount or time.
- 4) Recommended that Social Security benefits for permanent and total disability be reduced in the presence of worker's compensation benefits.

UNRELATED

- 1) AS 23.30.180 should be repealed to eliminate presumptive permanent total status. All workers classified as permanently disabled should be paid compensation based strictly on actual wage loss. In other words, that compensation be $66 \frac{2}{3}$ of the difference between prior-

RECOMMENDATIONS FOR PERMANENT TOTAL DISABILITY

UNRELATED cont'd.

to-injury average weekly wages and current weekly wages subject to the weekly maximum. It is in the best interest of the injured worker that compromise and release agreements with lump sum settlements be available.

- 2) The maximum compensation benefits, which a permanently disabled worker should be allowed, shall be no greater than three years annual salary or wages earned at the time of injury, unless that permanently disabled worker is, subsequent to the three year period, determined to be permanently totally injured. In this case, benefits shall extend for life.
- 3) Each permanently disabled injured worker should be required to fully register with the employment service, pursue job referrals, and report any wages earned during a prior two week period. If the injured worker does not report to the employment service for job referrals or report his prior two weeks earnings, benefits shall be reinstated after a worker reports to the employment service and reports his prior two week wages.
- 4) Each injured worker who obtains a job referral will be expected to obtain an interview. If within a three year period, the injured worker has received 10 job referrals and is not employed, the employment service will contact the Division of Worker's Compensation who will notify the carrier or the employer to cease benefits. If on the other hand, the permanently disabled worker, within the three year period of time, has not obtained 10 job referrals, this will permit a determination of permanent

RECOMMENDATIONS FOR PERMANENT TOTAL DISABILITY

UNRELATED cont'd.

total disability, in accordance with the facts.

- 5) Recommended that permanent total benefit proposals be applicable only in those cases which meet the test of permanent total disability used in most states.

RECOMMENDATIONS FOR ADMINISTRATION

SIX OBLIGATIONS OF ADMINISTRATION:

- 1) take initiatives in administering the Act.
- 2) provide for continuing review and seek periodic revision of both the worker's compensation statute and supporting regulations and procedures, based on research findings, changing needs, and the evidence of experience.
- 3) advise employees of their rights and obligations and to assure workers of their benefits under the law.
- 4) apprise employers, carriers, and others involved, of their rights, obligations and privileges.
- 5) assist voluntary resolutions of disputes consistent with the law.
- 6) adjudicate disputes which do not yield to voluntary negotiation. Adjudication should be the least burdensome of these six obligations if the others are well executed.

RELATED

- 1) It is recommended that all employees/board members be made full-time employees. Also, the possibility of staffing the Board with referees and/or investigators to make the hearing process more efficient should be considered. This should be done with no outside employment, with salaries commensurate with this full-time status.
- 2) The Division of Worker's Compensation should be provided a systems staff who shall prepare in concert with the private carriers, the self-insurers, the National Council

RECOMMENDATIONS FOR ADMINISTRATION

RELATED cont'd.

on Compensation Insurance, and the Department of Occupational Safety and Health, a data system, which will allow the Worker's Compensation Division to provide employers useful information to enable them to contain their work injury costs, decrease injury frequency and severity and to evaluate their safety systems and which will allow the Division of Insurance to make the rate-making process more relevant.

- 3) Additional, two hearing officers and noncommitant support personnel should be provided the Division. All disputed claims should be heard by only the professional hearing officer who discovers the facts and prepares and issues opinions. Only appeals from the hearing officers opinions would be heard from the full board. Hearings ought then to be scheduled in a timely way throughout each work week.
- 4) Recommended that legislation mandating and financing the publication of a booklet to explain to to the claimant what she/he can and cannot expect from Worker's Compensation, thereby reducing misunderstandings and contested cases before they become part of the backlog in the Worker's Compensation hearing schedule. This should be distributed to each employee setting for a clear, concise and easy to read explanation of the worker's compensation system and the injured employees entitlements under the system.
- 5) Legislation to provide specific follow-up information on progress in reducing delays in first payments and hearing decision. It might be appropriate to attach

RECOMMENDATIONS FOR ADMINISTRATION

RELATED cont'd.

- to remedial legislation a requirement that the Division report to the legislature and others the compliance rate for items the Legislature deems significant. This is suggested in view of the routine but illegal delays (a) first payments; (b) issuing board decisions; and (c) non-reporting of payment suspensions - practices that have existed for sometime with the knowledge of the Worker's Compensation Division.
- 6) Hearings to determine the reasons the Worker's Compensation Division and the Division of Insurance have routinely failed to enforce various statutes relating to Worker's Compensation, including statutes requiring:
- a) prompt carrier payment of claims
 - b) prompt carrier notification to the Worker's Compensation Board
 - c) board decisions to be issued within 20 days of hearing
- 7) The Worker's Compensation Division should be mandated to undertake a special review of compensation cases to insure that the Board's practices, in fact, up-hold the intent of the law. If this review finds that problems exist, the Board has statutory authority to reconsider cases at its own initiative. Because the Department has been resistant to the idea of investigating its own conduct, the Legislature might require this review.
- ### UNRELATED
- 1) Recommended that each state utilize a Worker's Compensation Agency to fulfill the administrative obligations of a

RECOMMENDATIONS FOR ADMINISTRATIONS

RELATED cont'd.

modern workers compensation program.

- 2) Recommended that attorneys fees for all parties be reported for each case, and that the fees be regulated under the rulemaking authority of the Workers Compensation Administration.
- 3) Recommended that the time limit for initiating a claim be three years after the date the claimant knows, or by exercise of reasonable diligence should have known, of the existence of the impairment and its possible relationship to his employment, or within three years after the employee first experiences a loss of wages which the employee knows, or by exercise of reasonable dilligence, should have known was because of the work-related impairment. If benefits have previously been provided, the claim period should begin on date benefits were last furnished.
- 4) Recommended that procedures be established in each state to provide benefits to employees whose benefits are endangered because of an employer failing to comply with the law mandating the purchase of Worker's Compensation Insurance.
- 5) The Division of Worker's Compensation should accumulate and publish usual and customary fees charged for specific modalities by physicians for use in evaluating the propriety of fee charges in worker's compensation cases.
- 6) A section of analysis and regulation be established within the Division to evaluate and recommend issuance

RECOMMENDATIONS FOR ADMINISTRATION

UNRELATED cont'd.

of certificates of self-insurance. The Department should also be charged with continuous monitoring of the data gathering from self-insurance in a manner; so that, this data can be compared to that gathered from the private sector.

RELATED - LONG TERM

- 1) It is suggested that the Legislature consider the actions of other states that have overhauled their compensation systems for future long-term considerations.
- 2) To serve as an efficient framework for the activities of the Division and Board, the Worker's Compensation Statute (AS 23.30) needs a complete overhaul. The statute has been amended in a piecemeal fashion since 1959. In re-drafting the law, the Legislature might address the following points:
 - a) Some statutes begin with a preamble or statement of legislative intent. The Alaska Compensation Statute opens abruptly by stating. "The Alaska Worker's Compensation Board shall consist of five members..." The law never states the reason for creating the board. Similarly, Article 2, deals with the duties of the employer but does not spell out the rationale for the institution of compensation benefits.
 - b) The cumbersome structure of the present law is one reason State agencies have failed to enforce several passages. To figure out the time limit in which the Board must schedule hearings under AS 23.30.110 (B) and (C), one has to slither

RECOMMENDATIONS FOR ADMINISTRATION

RELATED - LONG TERM cont'd.

through a verbal pathway whose blockages appear to require a plumber's friend, or similar tool, to clear. The law does not make it clear how quickly a hearing must be held. There is failure to clarify the difference between "hearing" and "investigation". Apparently, AS 23.30.110 (C) intends the two to be different, but the phrasing of AS 23.30.155 (H) appears to indicate that, in some instances, hearings and investigations are interchangeable. It would be useful to clear up this ambiguity.

- 3) Legislation is needed to establish closer interaction between the Division of Insurance, the Division of Worker's Compensation and the Division of Occupational Safety and Health. In Alaska, a close working relationship between the Division of Occupational Safety and Health (DOSH) and Worker's Compensation is not apparent. Although their tasks are complementary, personnel have little formal interaction. Although there is an overlap in the mission of insurance company safety inspections and those of DOSH, the Worker's Compensation Division deals primarily with claimant issues after the fact, giving little attention to the inspection programs that might have prevented the accident. The relative lack of of interaction does not minimize the effectiveness of the two agencies. In Oregon, accident prevention (including occupational safety inspections) is a division of the Worker's Compensation Department.

UNRELATED

- 1) Inquiry into Worker's Compensation problems may be more

RECOMMENDATIONS FOR ADMINISTRATION

UNRELATED - LONG TERM cont'd.

effectively handled through the existing Legislative Committee System than through the creation of another camel. If Legislative Research is undertaken, care should be taken to insure that all groups concerned with Worker's Compensation are involved in the process. The reason for a committee system is that in Alaska, Worker's Compensation is not widely perceived as a top priority political issue. Consequently, the impetus for a task force is lacking. Also, in Alaska, task force members would have to travel great distances, making meetings both expensive and difficult to arrange.

STATUTES IN QUESTION FOR INVESTIGATION

- 1) AS 23.30.110 (C) and AS 23.30.155 (H). Both contemplate that the Worker's Compensation Division shall investigate controverted claims but the Division has no investigating staff or capability.
- 2) AS 23.30.155 (C) requires a carrier who stops payment for any reason to notify the Board of this action. Information on compliance with and enforcement of this statute is not readily available, in part, due to the abysmal nature of the Division of Worker's Compensation present filing system. Carriers appear to be violating this statute in all resisted cases (cases in which the carrier declines to make payments but does not file a notice of controversion).
- 3) AS 23.30.155 (B) requires employer to make first payment to cover wage loss within 14 days of notification of the injury; it also imposes a 20 percent penalty for non-compliance. The Division has documented widespread non-compliance and have failed to assess the penalty.
- 4) AS 23.30.250 makes it a misdemeanor to willfully make a false or misleading statement to obtain benefits. There is no apparent attempt by the Division of Worker's Compensation to reduce this problem by apprising claimants of the statutory prohibition, or attempting to enforce that prohibition.
- 5) AS 23.30.110 (C) requires the board to issue findings within 20 days after a hearing is held. For several years the average time lapse has been estimated at approximately 100 days. The legislature might wish to ascertain whether the current proposals to alleviate the problem are appropriate and sufficient.

STATUTES IN QUESTION FOR INVESTIGATION

cont'd.

- 6) AS 23.30.030 (7) says in part, "If the insurer fails... to comply with a provision of this chapter, the insurance commissioner shall revoke the approval of the policy form.. The Division of Insurance maintains it does not have authority to deal with compensation settlement problems. The Division of Insurance routinely turns over three complaints a week to the Worker's Compensation Division and apparently makes no effort to ascertain how that agency responds. This is a violation of the Compensation statute.