

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 80/2

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328

"Asbestos," comes from the Greek word meaning inextinguishable or unquenchable, and is the generic term applied to a wide variety of mineral silicates which, when processed, separate into fibers. These fibers, when inhaled or swallowed, may be retained in the lungs, stomach or other parts of the body. They are virtually indestructable and will be found in body tissue for life, even though exposure ceased many years before.

TYPES OF ASBESTOS

I. INTRODUCTION

A. Naturally Occurring Fibrous Materials

<u>Type</u>	<u>Source</u>	<u>Production</u>
Chrysotile ($H_4Mg_3Si_2O_9$)	Canada, Rhodesia	93%
Crocidolite ($Na_6Fe_{10}Si_{16}O_{45}(OH)_2$)	South Africa	3.5%
Amosite ($(FeMg_7)Si_8O_{22}(OH)_2$)	South Africa	3.5%
Anthophyllite ($Mg_7Si_2O_{22}(OH)_2$)	Finland, U.S.A	0.5%

B. Chemical Composition

1. Major Constituents

- a. Aluminum
- b. Iron
- c. Magnesium
- d. Sodium
- e. Sodium as Na_2O
- f. Oxygen
- g. Silicon as SiO_2
- h. Free SiO_2

2. Minor Constituents

- a. Cobalt
- b. Chromium
- c. Manganese
- d. Nickel
- e. Antimony
- f. Scandium



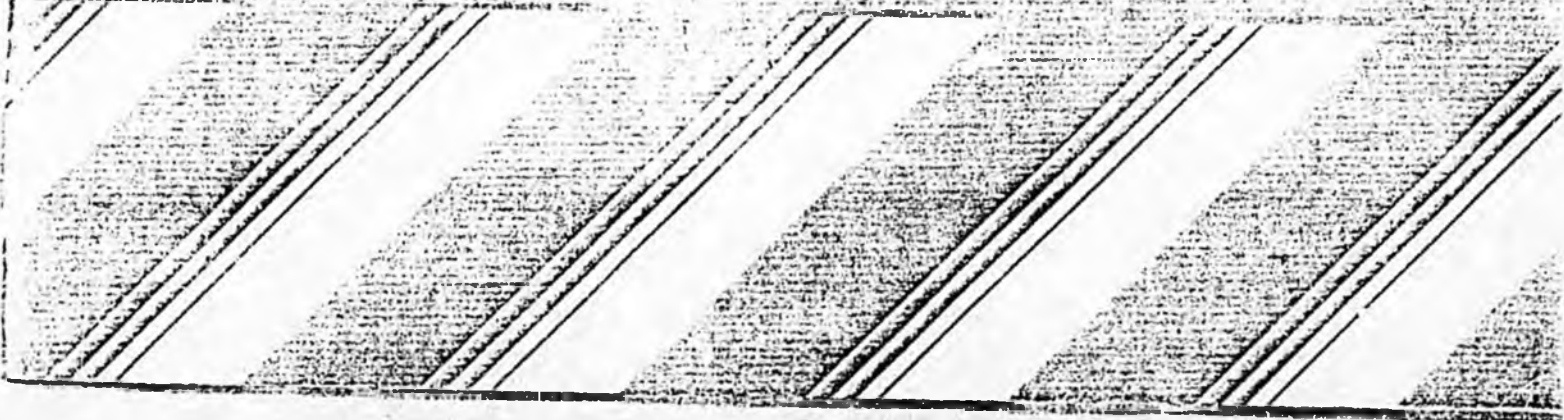
Asbestos-Containing Materials in School Buildings:

Part 1

A Guidance Document

Alaska Health Project
P.O. Box 1037 D.T.
Anchorage, Alaska 99510

return to the Alaska Health Project
ALASKA HEALTH CARE ADVOCATES
P.O. BOX 1037 DT
ANCHORAGE, ALASKA 99510



Acknowledgements

We gratefully acknowledge the assistance of the many individuals who contributed their time and efforts to the preparation of this manual.

This manual embodies the comments and input of State and local government officials, environmental and special interest groups, industry, and interested private citizens as well as staff in EPA Headquarters and Regional Offices. The assistance of the Department of Health, Education, and Welfare (DHEW), the Occupational Safety and Health Administration, the Consumer Product Safety Commission, and the Department of Interior is also gratefully acknowledged.

We are particularly grateful for the assistance and cooperation of DHEW's National Institute of

Environmental Health Sciences (NIEHS) and the National Institute for Occupational Safety and Health. We appreciate the review and comments from the members of NIEHS's Subcommittee to Coordinate Asbestos Research of the Committee to Coordinate Toxicology and Related Programs.

We are indebted to Dr. Robert N. Sawyer of the Yale University School of Medicine. In his capacity as the principal technical consultant to the project, Dr. Sawyer provided his invaluable assistance to the development of the manual. Dr. Sawyer was also responsible for generating interest and comments from individuals who have had experience in dealing with the asbestos-containing material problem.

Preface

Recently there has been an increasing awareness of the significance of environmental factors in causing illness. The fibrous minerals known as asbestos, used in many different kinds of products and applications, have entered the environment in both occupational and non-occupational settings. The lung disease, asbestosis, and some cancers of the lung, abdomen, and other parts of the body have been clearly related to asbestos exposure.

The Environmental Protection Agency (EPA) is concerned with the disease-causing potential of intermittent, low-level exposures that can occur in some school buildings from certain asbestos-containing materials. EPA has established a guidance program to inform States and local school officials of the possible health hazards associated with asbestos. EPA will provide guidance to schools which undertake programs to identify and control exposure to these asbestos-containing materials. Although the EPA program is specifically directed to schools, information and assistance will also be available to contractors, workers, and any individuals who are concerned about exposure to asbestos in buildings.

EPA's guidance package contains two parts. This manual, which is Part 1 of the package, is written for school officials. Part 1 outlines steps that schools can take to conduct an asbestos control program. Part 2

contains more detailed information on asbestos identification and control methods. Part 2 will be particularly useful to school personnel, contractors, and others involved in actual asbestos inspection and control activities.

As the lead Agency for the school asbestos program, EPA will provide additional information and assistance to the States and school districts through the Agency's ten Regional Offices located throughout the country. Each Regional Office will have a Regional Asbestos Coordinator who will work with the States to assist in undertaking asbestos control programs.

Other Federal Agencies concerned with the asbestos problem will also participate in the program. The Occupational Safety and Health Administration (OSHA) and the Department of Health, Education, and Welfare through the National Institute for Occupational Safety and Health (NIOSH) and the Public Health Service will provide assistance particularly in the areas of occupational safety and health. This assistance will be made available through these Agencies' Regional Offices.

Questions about the information in these manuals or about the EPA school asbestos program should be referred to the EPA Regional Asbestos Coordinators listed on page 33.

Chapter 1: Introduction: The Concern

Exposure to asbestos was initially associated with a chronic and debilitating lung disease called asbestosis. More recently exposure to asbestos has been associated with lung cancer, a rare cancer of the chest and abdominal lining called mesothelioma, and cancers of the esophagus, stomach, colon, and other organs. Asbestos also acts as a potent cancer-causing agent in combination with cigarette smoking. In all asbestos-related diseases there is a latency or induction period of many years between initial exposure and appearance of the disease.

In most cases asbestosis has followed long exposure to high levels of asbestos fibers. Therefore, asbestosis is not as significant a concern in schools as cancer risk. The potential for increasing cancer risk may exist at much lower and shorter exposures than those for asbestosis.

Under certain conditions, exposure to fibers released from asbestos-containing materials in buildings can reach levels considered potentially hazardous. Some asbestos levels measured in school buildings have even been shown to briefly exceed the current Federal workplace exposure level standards.

Why is there so much concern now?

EPA is concerned in view of the increasing knowledge of the potential of asbestos as a cancer-inducing agent at low-level exposures and the asbestos contamination that has been found in some schools. Another very important concern is that cigarette smoking can enhance the disease potential of asbestos exposure.

Is there a safe level of exposure?

EPA and the scientific community believe that any exposure to asbestos involves some health risk. No safe level of exposure (or threshold exposure level) has been established. Further, it is impossible at this time to confidently estimate the exact degree of risk associated with low-level exposures.

What is considered the best or safest approach to asbestos exposure?

Where possible all exposure to asbestos should be eliminated or controlled.

Are there special concerns about asbestos in schools?

The school children population differs from other non-occupational populations in age, population density, and behavior.

The exposure of children and adolescents to asbestos in the school building occurs early in their life span. Their remaining life expectancy provides a long development period for asbestos-related diseases.

A large number of students can be exposed at one time to asbestos that is released from asbestos-containing materials present in the school building. The duration of exposure is of concern since school children attend school daily for most of the year.

The school population is very active. Certain asbestos-containing materials can be damaged during school activities and as a result of the capricious behavior of students. When the material is damaged, asbestos fibers are released and exposure can occur. Many cases of badly damaged asbestos-containing materials have been found in schools.

Are there any Federal laws or regulations that protect school children from asbestos exposure in school buildings?

There are currently no Federal laws or regulations that protect children in school buildings where asbestos-containing materials are already present.

Is a medical examination necessary for persons exposed to asbestos in school buildings?

Medical examinations are not recommended in school exposure situations. It is difficult to detect asbestos-related diseases in children due to the long induction period before the disease appears. Individuals who have been exposed to asbestos should avoid smoking; and, of course, medical advice should be obtained for any specific concerns or symptoms.

Chapter 2: Asbestos and Its Uses

What is asbestos?

Asbestos is a term for a group of naturally occurring minerals that separate into fibers. The mineral rock is mined and then milled for commercial use. Asbestos fibers are incombustible and have good thermal and electrical insulating properties. There are six asbestos minerals that are used commercially:

- Chrysotile
- Amosite (Cummingtonite-grunerite asbestos)
- Crocidolite
- Anthophyllite asbestos
- Tremolite asbestos
- Actinolite asbestos

Chrysotile and amosite are the most frequently found asbestos minerals in the asbestos-containing materials used in school buildings.

Why is asbestos a unique environmental contaminant?

The durability of asbestos fibers and their small size and fibrous shape make asbestos an unusual environmental contaminant.

Asbestos fibers cannot be easily destroyed or degraded. The size and shape of these fibers permit them to remain airborne for long periods of time. Asbestos fibers that are released from asbestos-containing materials enter the air and contaminate the building environment.

When the fibers have entered the air, individuals in the building can be exposed and inhale the fibers.



Raw Chrysotile Showing Fiber Structure

Although most fibers will not remain in the lungs, those that are retained will stay indefinitely.

What are some uses of asbestos in school buildings?

Most asbestos products are used in building construction and many products containing asbestos are found in buildings. Asbestos has been used in cement products, plaster, fireproof textiles, vinyl floor tiles, thermal and acoustical insulation, and sprayed materials.

Asbestos also is used in automotive brake linings. In schools that have shops for automotive training, asbestos contamination can occur as a result of automotive brake servicing.

For more information on the uses of asbestos, see pages 1-1-1 and 1-1-3 of Part 2.

What asbestos-containing materials in school buildings can create an exposure problem?

Only certain kinds of asbestos-containing materials in school buildings are considered hazardous. The potential for release, contamination, and exposure depends on the condition of the asbestos-containing material (such as deterioration from age) and the probability that the material will be damaged.

Hard asbestos-containing materials such as vinyl floor tile do not generally create exposure problems. Asbestos fibers are firmly bound or encased in the material. Sanding, grinding, or cutting will cause



Sample of Friable Material

asbestos fibers to be released. Therefore, these hard materials should not be considered hazardous unless they are machined.

Soft or loosely bound (i.e., friable) asbestos-containing materials can release asbestos fibers following only minor disturbance to the material. It is these soft asbestos-containing materials that can cause contamination and exposure problems.

What is friable material?

Friable material is material that can be crumbled, pulverized, or reduced to powder in the hand. Friable material may be an asbestos-containing material or it may be a material that contains other fibers such as cellulose and glass fibers.

This manual is primarily concerned with identifying friable asbestos-containing materials in school buildings and recommending steps to reduce the exposure that they may cause.

What are friable asbestos-containing materials?

Friable asbestos-containing materials are materials that were used for fireproofing, thermal and acoustical insulation, or decoration in building construction and renovation. The asbestos content of these materials is usually found in the range of 5% to 50%. These materials were usually applied by spraying but have also been applied by troweling. They are friable in varying degrees depending on the components of the material, the amount of cement added, and the method of application. Sprayed material is usually soft. Cementitious material varies from soft to relatively hard.

Throughout this manual, both cementitious and sprayed asbestos-containing materials will be called asbestos materials.

What is sprayed asbestos material?

Sprayed asbestos material is a mixture of asbestos fibers, other fibers (cellulose, non-asbestos mineral



Friable Material That Has Been Scraped

fibers) and a binder which has been applied to ceilings, beams, and other surfaces by spraying. It has been widely used for fireproofing, thermal and acoustical insulation, and decoration. Most friable material in schools is sprayed material.

In 1973 EPA prohibited the spraying of asbestos material for fireproofing and insulation. EPA prohibited the application of sprayed asbestos material for nearly all purposes in 1978.

Where are friable asbestos materials located?

Friable asbestos materials are usually found on overhead surfaces, steel beams, ceilings, and occasionally on walls and pipes.

Does all friable material contain asbestos?

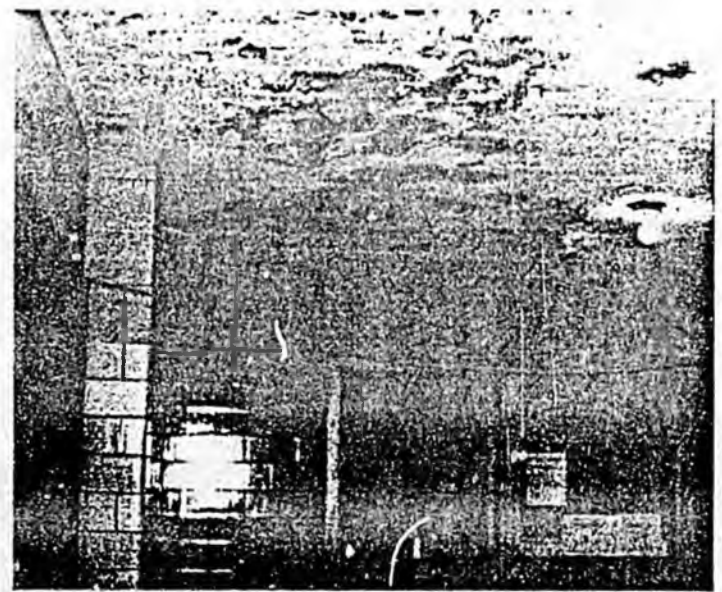
Many materials that look like friable asbestos material do not necessarily contain asbestos. Some friable material contains glass fibers, cellulose, or other non-asbestos fibers.

How are asbestos fibers released from friable asbestos material?

Fibers are released from friable material as a result of a breakdown in the integrity of the material due to deterioration or direct contact and damage.

As friable asbestos material ages, it can lose its cohesive strength and release fibers. Fallout of fibers from deteriorated material is usually low-level but continuous.

Fiber release by contact and damage depends on the accessibility of the material and the degree of disturbance. Contamination can be very high for brief periods of time during a disturbance and then gradually decrease as the fibers settle. Fiber release can occur



Friable Material Showing Water Damage

after only minor contact with friable material.

Direct contact or damage to asbestos materials can occur in a number of ways:

- **School Activities**—A ball hitting friable material on a gymnasium ceiling or wall. Hanging pictures or attaching displays to friable material will cause fiber release.

- **Maintenance Activities**—Any maintenance activity involving intentional or accidental contact with friable material.

- **Vandalism**—Material may be scraped, gouged, or hit.

- **Water Damage**—Water from roof or plumbing leaks will cause material deterioration and in some cases delamination (i.e., breaking away of layers of material from the underlying surface).

- **Vibration**—Building vibration from sources within or outside the building. For example, vibration from activities on the floor above or vibration from machinery can cause movement of the friable material and release fibers.

Fibers that have been released can remain suspended in the air for many hours. After the fibers settle, they can be resuspended in the air by disturbances created by student activities or custodial work such as dusting or sweeping. Resuspension of asbestos fibers in the air is called reentrainment. Reentrainment may cause repeated exposures after the fibers are released from the friable asbestos material.

For more information on asbestos contamination, see pages 1-2-3 to 1-2-11 of Part 2.

Is asbestos contamination permanent once it occurs?

Asbestos fibers tend to remain in the building that they contaminate but can be removed by cleaning. Wet

mopping is recommended since water inhibits fiber movement, thus preventing reentrainment during the cleaning process. Dry dusting and sweeping will cause reentrainment and should be avoided. If wet cleaning is not feasible, a High Efficiency Particulate Absolute (HEPA) filtered vacuum should be used. Conventional vacuum cleaning equipment normally used in the school is not equipped with a filter size small enough to collect asbestos fibers and should not be used to clean in areas of asbestos contamination. If conventional vacuum cleaning equipment is used, fibers can be reentrained.

For more information on HEPA filtered vacuums, see page 11-4-2 of Part 2.

When should school officials be concerned about asbestos material?

If friable asbestos material is present in the school building, an exposure problem may exist. Chapter 3 outlines the recommended steps to identify friable asbestos material and to undertake a control program to reduce exposure.

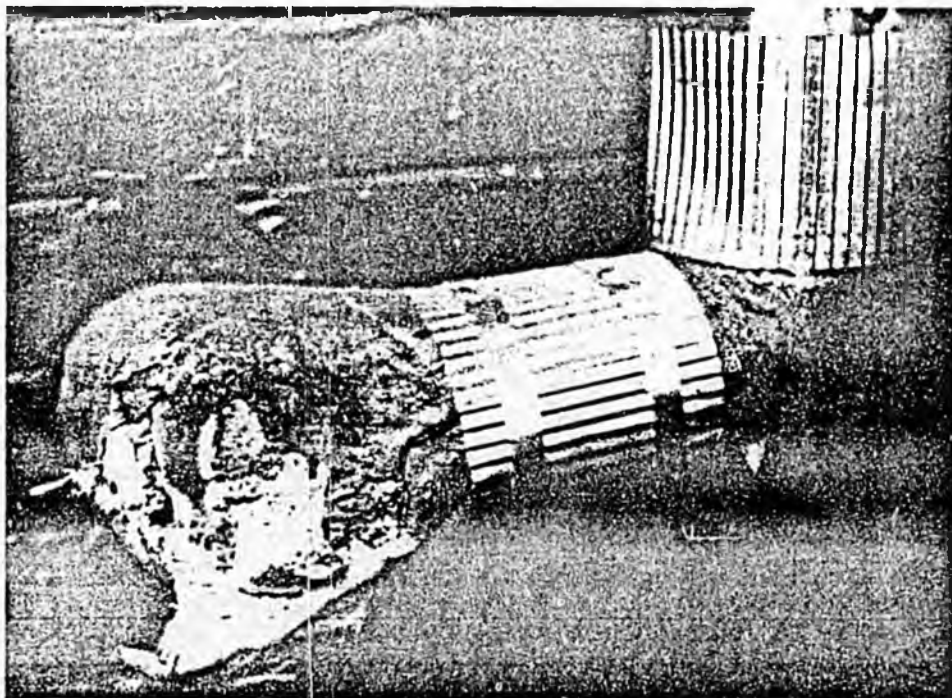
Is pipe covering and boiler lagging of concern?

Friable asbestos material was used for many years in pipe covering and boiler lagging until EPA prohibited its application in 1975. Pipe covering and boiler lagging do not create an exposure hazard unless the friable insulation material is exposed and damaged.

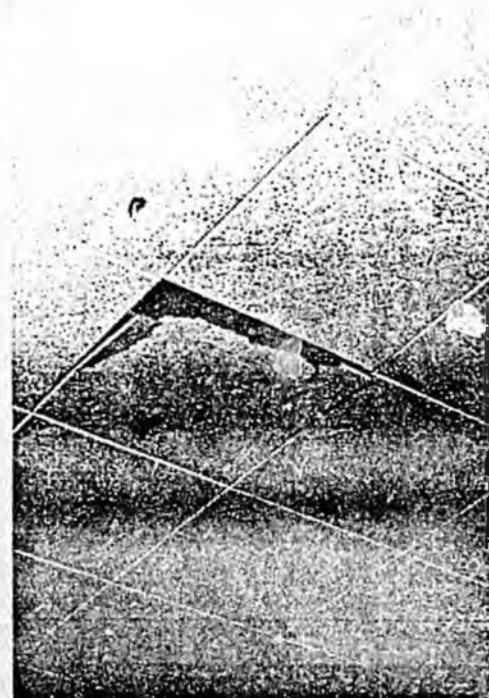
Pipe covering and boiler lagging should be routinely inspected. If the insulation material is exposed, retaping or covering the damaged area will prevent asbestos fiber release.

Is ceiling tile of concern?

Ceiling tiles are not friable and should be of no concern.



Damaged Pipe Covering Showing Friable Insulation Material



Ceiling Tile

ASBESTOS AND THE CONSUMER

A Report
Prepared by the:

Anchorage Air Pollution Control
Agency
Department of Health and
Environmental Protection
Pouch 6-650
Anchorage, AK 99502
Phone No. (907) 264-4713

(August 15, 1983)

Table 3

General Product Types that have Contained Asbestos

Floor Tile

Office floors
Commercial floors
Residence floors

Paints, Coatings and Sealants

Automotive/truck body coatings
Roof coatings and patching
compounds

Asbestos Textiles

Packing components
Gasket components
Roofing materials
Commercial/industrial dryer
felts
Heat/fire protective clothing
Clutch/transmission components
Electrical wire and pipe
insulation
Theater curtains and fire-
proof draperies

Gaskets and Packings

Valve components
Flange components
Pump components
Tank sealing components

Asbestos-Reinforced Plastics

Electric motor components
Molded product compounds for
high-strength/weight uses

Asbestos Paper

Gas vapor ducts for corrosive
compounds
Fireproof absorbent papers
Table pads and heat protective
mats
Heat/fire protection components
Molten glass handling equipment
Insulation products
Gasket components

Underlayment for sheet flooring
Electric wire insulation
Filters for beverages
Appliance insulation
Roofing materials

Friction Products

Clutch/transmission components
Brake/components
Industrial friction materials

Asbestos Cement Pipe

Chemical process piping
Water supply piping
Conduits for electric wires

Asbestos Cement Sheet

Hoods, vents for corrosive
chemicals
Chemical tanks and vessel
manufacturing
Portable construction buildings
Electrical switchboards and
components
Residential building materials
Molten metal handling equipment
Industrial building materials
Fire Protection
Insulation products
Small appliance components
Electric motor components
Laboratory furniture
Cooling tower components

* Information in Table 3 from Asbestos Information Association,
North America

ASBESTOS IN SCHOOLS AND OTHER BUILDINGS

Indoor Air Conference
December 7-9, 1982

Peter A. Breyse, Associate Professor
Department of Environmental Health
University of Washington
Seattle, WA 98195

ASBESTOS

I. INTRODUCTION

A. Naturally Occurring Fibrous Materials

<u>Type</u>	<u>Source</u>	<u>Production</u>
Chrysotile ($H_4Mg_3Si_2O_9$)	Canada, Rhodesia	93%
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Anthophyllite ($Mg_7Si_2O_{22}(OH)_2$)	Finland, U.S.A.	0.5%

B. Chemical Composition

1. Major Constituents

- a. Aluminum
- b. Iron
- c. Magnesium
- d. Sodium
- e. Sodium as Na_2O
- f. Oxygen
- g. Silicon as SiO_2
- h. Free SiO_2

2. Minor Constituents

- a. Cobalt
- b. Chromium
- c. Manganese
- d. Nickel
- e. Antimony
- f. Scandium

C. Uses of Asbestos

1. Special Textiles
2. Fireproof Textiles
3. Woven Fabrics
4. Acid Resistant Materials
5. Packings
6. Brake and Clutch Linings
7. Electrical and Thermal Insulation
8. Asbestos Cement Pipes and Sheets
9. Gaskets
10. Paper Products
11. Rings
12. Welding Rod Coatings
13. Sound Insulation

D. Sources

- i. Home
 - a. Roofing
 - b. Siding
 - c. Insulation Board
 - d. Pipes carrying water
 - e. Sewage
 - f. Gas
 - g. Table & Ironing Board Pads -
 - h. Water Supply
 - i. Ovens
 - j. Floor Tiles
 - k. Draperies
 - l. Rugs
 - m. Electrical Equipment
 - n. Acoustical Ceiling
 - o. Talc (Impurity)
 - p. Covering on Heating Ducts
 - q. Taping Compound
 - r. Dry Wall

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H/HESS 5/24/84 5 p.m.

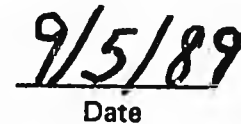


RECORDS CERTIFICATION



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Signature of Camera Operator


Date

HB

6

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF LABOR

DIVISION OF WORKERS' COMPENSATION

1111 WEST 8th, Rm 305
BOX 1149
JUNEAU, ALASKA 99802
PHONE: (907) 465-2790

February 4, 1986

The Honorable Mike Navarre
Chairman, House Labor & Commerce Committee
Alaska State Legislature
Room 102, Capitol Building
Pouch V
Juneau, AK 99811

Dear Representative Navarre:

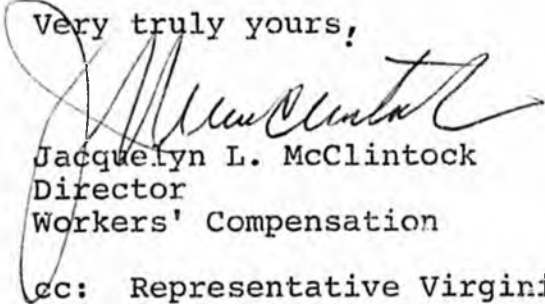
RE: Proposed Revision to Compensation Reporting System (HB6)

This is in follow-up to my October 22, 1985 letter and our earlier discussion concerning second sponsor substitute to HB6.

We fully support the attached proposed revisions to the compensation reporting system which will be submitted by Representative Virginia Collins. The proposed legislation has also been reviewed and approved by the Alaska Workers' Compensation Board and the Labor/Management Ad Hoc Committee.

Please contact me if you have any questions or concerns on the proposed revisions.

Very truly yours,



Jacquelyn L. McClintock
Director
Workers' Compensation

cc: Representative Virginia Collins
Alaska State Legislature
Room 607, Court Building
Pouch V
Juneau, AK 99811

Jim Robison, Commissioner
Department of Labor

PROPOSED REVISIONS FOR COMPENSATION REPORTS & ANNIVERSARY REPORTS

(New language is underlined)

AS 23.30.040

(b) If an employee suffers a compensable injury that results in temporary total disability, temporary partial disability, permanent partial disability, or permanent total disability, the employer or [INSURANCE] carrier shall contribute to the second injury fund. The contribution shall be made ANNUALLY AT THE TIME OF THE REPORT FILING REQUIRED BY AS 23.30.155(m)(1). [BY ONE YEAR FROM THE DATE OF THE INJURY OR ON TERMINATION OF THE EMPLOYEE'S CLAIM, WHICHEVER IS SOONER. IF THIS CLAIM IS NOT TERMINATED WITHIN ONE YEAR, SUBSEQUENT CONTRIBUTIONS SHALL BE MADE YEARLY UNTIL THE TERMINATION OF THE EMPLOYEE'S CLAIM.] The amount of the contribution is the product of the compensation to which the employee is entitled for temporary total disability, temporary partial disability, permanent partial disability, or permanent total disability and the applicable contribution rate set out in column A of this subsection. Payment need not be made to the second injury fund if the total contribution under this subsection is less the \$20. By December 15 of each year the commissioner shall determine and make available to the public the

Proposed Revisions for Compensation Reports & Anniversary Reports

applicable contribution rate for the following calendar year according to the reserve rate of the second injury fund in column B of this subsection:

Column A Second Injury Fund Contribution Rate (Percent)	Column B Reserve Rate	
	At Least (Percent)	But Less Than (Percent)
6	0	50
5	50	75
4	75	100
3	100	125
2	125	150
1	150	175
0	175	

Transition Legislation: The annual report and contribution re-
quired by the amendment to §040(b) applies to all claims
regardless of injury date; the provisions of AS 23.30.040(i)
control the amount and conditions of payment.

The annual report and contribution requirement shall be implemented
as follows:

1. On or before March 1, 1987 the carrier or independent
adjuster shall file a report and make the required contribu-
tion for all claims existing as of December 31, 1986. The
period covered in the report shall be from the date of the
termination report or the last anniversary report filed, if
one has been filed, through December 31, 1986.
2. On or before March 1, 1988 and each March 1 thereafter the
annual report shall be filed and the required contribution
will be made for all compensation payments made from Janu-
ary 1, through December 31, of the preceding year.

3. The time for filing the annual report and making the required contribution shall be extended by 15 days if the insurance carrier or independent adjuster notifies the Commissioner in writing on or before March 1 that the report can not be timely filed.

AS 23.30.155

(c) The carrier or independent adjuster [EMPLOYER] shall notify the board and the employee on a form prescribed by the board that the payment of compensation has begun or has been increased, decreased, suspended, terminated, resumed, or changed in type. An initial report shall be filed with the board and sent to the employee within 28 days after the date of issuing the first payment of compensation. If at any time 21 days or more pass and no compensation payment is issued, a report notifying the board and the employee of the termination or suspension of compensation shall be filed with the board and sent to the employee within 28 days after the date the last compensation payment was issued. A report shall also be filed with the board and sent to the employee within 28 days after the date of issuing a payment increasing, decreasing, resuming or changing the type of compensation paid. If the [EMPLOYER FAILS TO NOTIFY THE] board and the employee are not notified within the 28 days

Proposed Revisions for Compensation Reports & Anniversary Reports

prescribed by this subsection for reporting, the carrier or independent adjuster [EMPLOYER] shall pay a civil penalty of \$100 for the first day plus \$10 for each day thereafter that [THE EMPLOYER FAILED TO GIVE] notice was not given. Total penalties under this section may not exceed \$1,000 for a failure to file a required report. Penalties assessed under this section are due and payable in accordance with AS 23.30.155(m)

AS 23.30.155(m) :

(1) On or before March 1 of each year the carrier or independent adjuster shall file a verified annual report on a form prescribed by the Board stating the total amount of all compensation by type, medical and related benefits, vocational rehabilitation expenses, legal fees and penalties paid on all claims during the preceding calendar year. The time for filing the annual report shall be extended by 15 days if the insurance carrier or independent adjuster notifies the Commissioner in writing on or before March 1 that the report can not be timely filed.

(2) If the annual report is timely and complete when received by the board and provides accurate information about each category of payments, the

Proposed Revisions for Compensation Reports & Anniversary Reports

commissioner or his designee shall review the timeliness of the carrier or independent adjuster's reports filed during the preceding year as required by AS 23.30.155(c). If the carrier or independent adjuster timely filed at least 99% of the reports for the preceding year, the penalties assessed under Sec. 155(c) shall be waived. If the carrier or independent adjuster timely filed at least 97%, of the reports for the preceding year, 75% of the penalties assessed under Sec. 155(c) shall be waived. If the carrier or independent adjuster timely filed 95% of the reports for the preceding year, 50% of the penalties assessed under Sec. 155(c) shall be waived. If the carrier or independent adjuster's reports for the preceding year were not timely filed at least 95% of the time, none of the penalties assessed under 155(c) shall be waived. The penalties that are not waived shall be due and payable within 28 days after the Commissioner of Labor mails the notice of the penalties due.

(3) If the annual report is not filed by March 1 of each year, the carrier or independent adjuster shall pay a civil penalty of \$100 for the first day plus \$10 for each day thereafter. This penalty shall be suspended until March 16 in any particular

Proposed Revisions for Compensation Reports & Anniversary Reports

year in which proper notification has been given under §.155(m)(1).

(4) If the payment under §155(m)(2) is not paid timely, the carrier or independent adjuster shall pay a civil penalty of 20% of the penalties due plus interest at the rate prescribed by AS 45.45-.010.

AS 23.30.155(n):

If the employer does not have a carrier or independent adjuster, §155(c) and §155(m) apply to the employer.

Effective date: The amendment to AS 23.30.155(c) and AS 23.30-.155(m) apply to reports due in 1987 and thereafter.

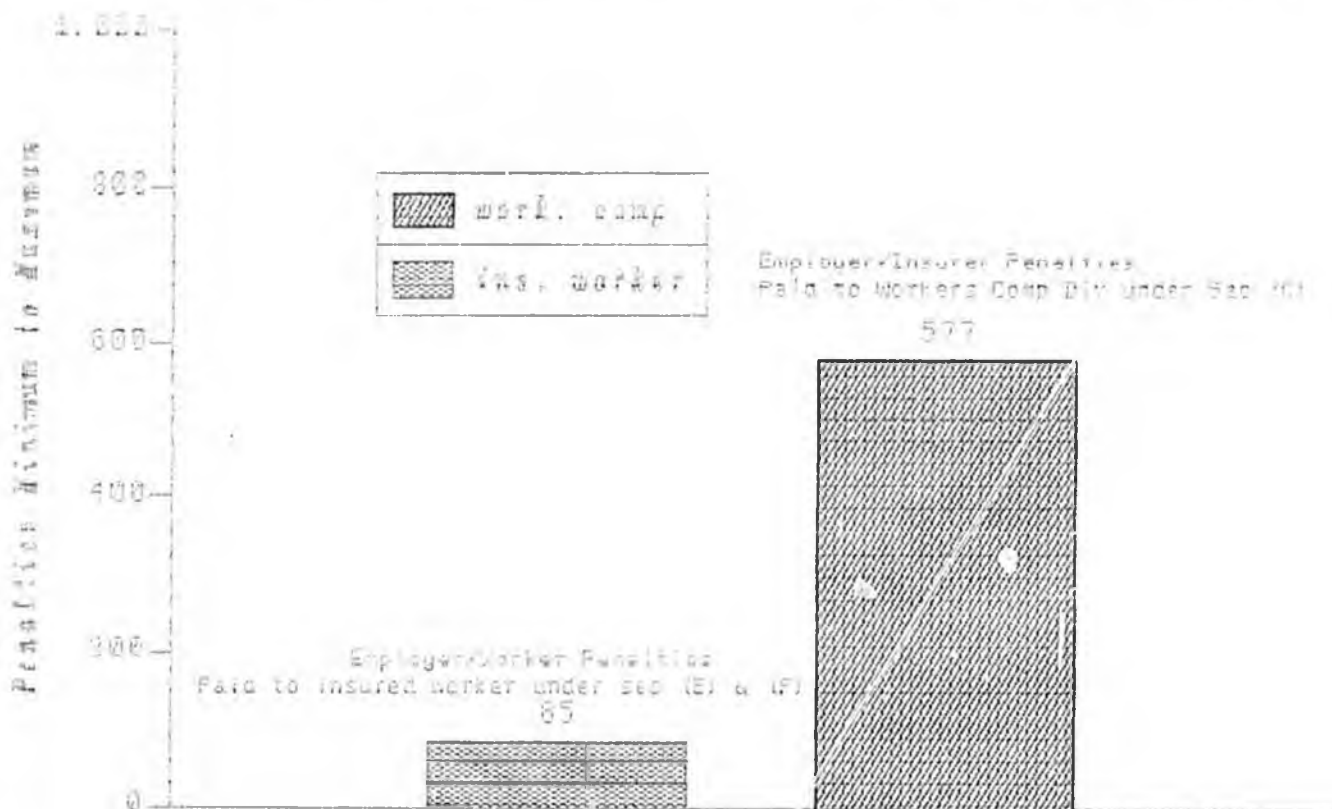
February 28, 1985 Thursday 1:15 pm Room 102 Capitol

HOUSE LABOR AND COMMERCE AGENDA

- 1) CALL MEETING TO ORDER
- 2) NOTE TIME/DAY/HOUR
- 3) NOTE MEMBERS PRESENT AND MEMBERS ABSENT: plus LATE ARRIVALS
- 4) RECOGNIZE ANY VIP'S OR GUESTS PRESENT
- 5) REMIND EVERYONE PRESENT TO SIGN IN AS EITHER A WITNESS OR AS AN OBSERVOR
- 6) EXPLAIN THE ORDER OF BILLS BEFORE THE COMMITTEE
 - a. HB 64 Elevator Safety
 - b. HB 6 Workers Compensation, by Collins (they have people at teleconference sites that are taking a late lunch break to testify on this, so would like to be first)
 - c. HB 138 Relating to Time-Share properties (We have two people from the Anchorage LIO site testifying as a continuation of the hookup from HB 6. However, you may want to put them last in order to hear Frank's HB 211 before them, as it looks simple and may go quick; and/or you could ask the two people in Anchorage if we could do a two-wire on them next week--I gather that this bill will get some opposition from the Real Estate people, so it may bog down on teleconference)
 - d. HB 211 Contractor's Payment of Bonds
- 7) ANNOUNCE FIRST BILL BEFORE COMMITTEE, THEN SECOND, ETC.
- 8) MAKE SURE ALL MEMBERS SIGN ANY BILL THAT IS PASSED OUT OF COMMITTEE
- 9) ANNOUNCE TIME OF ADJOURNMENT

NOte: As each witness comes forth, please request that they state their name and who they represent for the record, and if they are not speaking loudly enough, ask them to speak up.

Average Dollar Amounts of Fines
 Imposed by §§ 30.155 (C), (E), & (F)





Official Business

Alaska State Legislature

House

Pouch V
State Capitol
Juneau, Alaska 99811

<u>EXAMPLE #</u>	<u>ITEM</u>	<u>RESULT</u>	<u>INJ. WORKER</u>	<u>WORKERS COMP</u>
1.	no resumption report submitted	\$2500 fine	paid timely and on continuous basis	\$2500
2.	error in spelling claimants name	\$1575 fine	no interruption of benefits	\$1575
3.	report 7 days late	\$250 fine	no interruption of benefits	\$250
4.	wrong date due to clerical error	\$750 fine	over payment no interruption of benefits	\$750
5.	failure to timely file suspension report	\$1000 fine	over payment no interruption of benefits	\$1000
6.	small box for initial payment not checked off	\$325 fine	no interruption of benefits	\$325
7.	no compensation report filed (c&r):death claim	\$1000 fine	paid in one lump sum	\$1000
8.	mailing date not inserted proper in box	\$325 fine	no interruption of benefits	\$325

9.	failure to file timely notice of a \$5.57 payment	\$2250 fine	no interruption of benefits	\$2250
10.	failure to file timely notice of a 1.86 payment	\$600 fine	no interruption of benefits	\$600
11.	failure to file suspension resumption report	\$2500 fine	no interruption of benefits	\$2500
12.	report filed timely but lost in mail	\$675 fine	no interruption of benefits	\$675



Official Business

Alaska State Legislature

House

Pouch V
State Capitol
Juneau, Alaska 99811

3/7/85

MEMO

TO: LABOR AND COMMERCE COMMITTEE MEMBERS

FROM: REPRESENTATIVE VIRGINIA COLLINS

RE: HOUSE BILL 6, SPONSOR SUBSTITUTE

This memo will serve to clarify some of the points raised during last weeks committee hearing on HB 6, Sponsor Substitute.

First, and most importantly, HB 6, Sponsor Substitute, does not change any of the reporting requirements and it does not change the maximum amount of the penalty for failure to report (currently \$1000.00). The employer/insurer would continue to report as they currently do but would be given a (21) day grace period to correct reporting errors after the first \$100.00 penalty is assessed.

The Division testified that it would be deluged with additional work under this bill, yet consider this: In the three years the Division has administered this law, they have processed 333 penalties for a total cost to private industry of \$192,000.00 or an average of \$577.00 penalty per claim. At the current rate of claims processing (1500 workers' compensation time loss claims per year), this bill would impose an additional workload of approximately 111 penalty notification letters per year; hardly justification for increased staffing or complex computer programming!

To further clarify statements made by the Division please consider this: It was stated that if the employer/insurer failed to file an initial report, the Division would have no way to follow up or know about the claim; not accurate. First of all, the Division receives the original injury report which shows time loss. Further, the Division receives medical reports directly from the physician. At this point, if the Division failed to hear from the employer/insurer the Division would "flag" the file and notify the insurer.

Also, we heard testimony that the employer/insurer files an average of four compensation reports on every claim. To explain this, these reports have to be done in sequence; it is not possible to file a subsequent

report, such as a suspension report if you fail to file an initial report. If this were to occur the Divisions data entry clerk would "flag" the file and a missing report letter would be computer generated along with a penalty assessment. The absolute minimum reporting requirement is (2) reports per claim; the initial report and termination report. Again, should the employer/insurer fail to file the initial report the error would be "flagged" at the time the termination report is filed - and again a late reporting penalty would be assessed.

The Division has testified that the industry is promptly and timely reporting in 99% of the cases, or an approximate 1% error ratio for which a \$1000.00 penalty is assessed. All this bill does is establish a (21) day grace period for the industry to correct it's timely reporting errors after the first \$100.00 penalty is assessed.

I strongly urge your thoughtful consideration of this bill and ask for your support in passing it out of committee.

HB 6 File Contents
House Labor and Commerce Committee

February 28, 1985

- 1) Bill Summary -- Legislative Reporting Service
- 2) Overview -- R. Poppe, Committee Staff
- 3) Statutory References
- 4) Fiscal Note and Fiscal Analysis -- Dept. of Labor, Worker's Comp.
- 5) Position Paper -- Dept. of Labor
- 6) Case File -- Rep. Collin's Office (Brown file)
 - a) Proposed SS for HB 6 and Cover Memo
 - b) Case Examples on penalties
 - c) Additional Case Files
 - d) Memo on Dept. of Labor Fiscal Note and Position Paper
- 7) Additional Miscellaneous Case Materials -- REp. Collins Office
- 8) Additional Materials from Dept. of Labor
 - a. Letter to Renee Murray from Jacqueline McClintock
 - b. Letter to Rep. Collins from J. McClintock + list of all penalties paid from Jan. 1, 1982 to present

March 7, 1985

- 9) Revised Fiscal Note SSHB 6 -- Dept. of Labor
- 10) Position Paper SSHB 6 -- Dept. of Labor

Bill No. Sponsor Substitute for House Bill 6
Title "An Act relating to Workers' Compensation"

Date March 6, 1985

Contact: *[Signature]* W.L. McClintock
465-2790

The Department of Labor is opposed to the passage of SSHB 6, which implements a new method for monitoring prompt reporting and assessing penalties under AS 23.30.155(c) for failure to timely file compensation reports.

Under AS 23.30.155, the insurer/adjuster independently decides when to begin, change, or stop the payment of compensation benefits to an injured worker. When the insurer/adjuster initiates action that affects the payment of compensation, the insurer/adjuster must notify the board and injured worker of the action taken by filing a compensation report with the board within 28 days and mailing a copy of it to the injured worker. Failure to timely file a report subjects the insurer/adjuster to a civil penalty of \$100 for the first day plus \$10 for each day thereafter until the report is mailed up to a maximum of \$1,000.

This bill provides that when an insurer/adjuster fails to file a report within 28 days of starting, stopping or changing compensation benefits, a \$100 fine would be assessed. This bill provides for two types of penalties. First, when an adjuster/insurer files a report later than 28 days after starting, stopping, or changing compensation benefits, a \$100 fine would be assessed. Second, when the board determines that an adjuster/insurer has failed to report at all, the board would then have to notify the insurer/adjuster that no report had been filed, and upon notification, the insurer/adjuster would have another 21 days to file the report. If the insurer/adjuster failed to file the report within 21 days, a fine of \$10 per day up to a maximum of \$1,000 could be assessed.

In essence, this proposed legislation.

- 1) places the burden on the Alaska Workers' Compensation Board to, first, catch the insurer's/adjuster's failure to file a report on an action they have initiated and, then, to notify them of their oversight;
- 2) sets up a very complicated two-tier monitoring and penalty system that cannot realistically be programmed to enable the board to catch missed reports on actions it would have no way of knowing were initiated by the insurer/adjuster in the first instance and distinguish insurer-initiated from board requested reports in the second instance; and
- 3) has the potential to substantially degrade the reporting system because the time and penalty incentives for completing and filing the report would be markedly reduced.

We oppose this amendment because, in effect, it sets a \$100 penalty for late report filings in the first instance. Before implementation of the compensation reporting system in January 1982, insurers/adjusters filed timely reports on a law and procedure similar to that proposed in SSHB 6 in about 50% of the cases in which they were required. With 28 days to file the report initially, an indeterminate period of time before the

POSITION PAPER/Department of Labor

board may detect the missing report and notice the insurer/adjuster, and another 21 days before the maximum penalty commences, it could be anywhere from two to five months or even up to a year before a report was filed with the board. This proposed change to Section 155(c), which reduces the incentive for completing and filing the report, could adversely affect prompt payment of benefits to the injured worker, and cause delays in explaining to the injured worker how benefits were computed, what benefits are being paid, the reasons for payment changes, and the worker's rights.

The proposed legislation would increase the paperwork and handling of claims by both insurers/adjusters and the board's staff. In addition to the present review for timely reporting upon identifying a missed report, the board would have to send out a notice, set up a follow-up for 21 days, and then review the file again to determine the appropriate action necessary. An audit system would have to be set up and perhaps many unnecessary inquiries would have to be made in order for the board to determine if a report should have been filed.

Our present law, which doesn't require notices and is providing 97-100% compliance, is more efficient, less costly for both the employer/insurer/adjuster, and the State and avoids unnecessary expansion of the State bureaucracy. SSHB 6 seeks to change the law for a small problem (only 3%) which is totally in the control of the insurers to correct by changes in systems, administrative procedures and encouraging more accuracy.

All penalties paid for late reporting, along with a 6% contribution on all compensation paid to injured workers, go into the Second Injury Fund, a dedicated fund. As the law now exists, one-hundred percent of all Second Injury Fund monies paid by private industry for late reporting penalties and contributions under AS 23.30.040, are ultimately reimbursed to private industry, i.e. employers/insurers/adjusters, for subsequent injury claims under AS 23.30.205. Since January 1, 1982, employers/insurers/adjusters paid into the Second Injury Fund a total of \$192,193 in late reporting penalties, with \$83,170 paid during calendar year 1984. During 1984 alone the Second Injury Fund reimbursed \$1,844,917 to employers/insurers/adjusters on §.205 claims for benefits that employers/insurers/adjusters were required to pay injured workers under the Act. Therefore, contrary to the testimony given on February 28, the costs of late reporting penalties are not borne by the employer and ultimately passed on to society, but instead cost employers and society as a whole nothing.

Finally, Section 155(c) has been amended three times in a four-year period; the most recent amendment took effect just nine months ago. Effective January 1, 1984 (Ch. 70 SLA 1983), the maximum penalty was reduced from \$2,500 to \$1,000. Effective July 1, 1984 (Ch. 112 SLA 1984), the maximum time to file a report was increased from 14 days to 28 days. A sufficient period of time should be allowed to fully assess the results of the recent amendments so that future changes can be targeted on those areas that continue to cause problems.

APPROVED:



Jim Robison
Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SS for HB6
 Title: "An Act relating to
 Workers' Compensation"
 Sponsor: Collins and Martin
 Requestor: House Labor & Commerce
 Date of Request: 3/5/85

FISCAL DETAIL

Agency Affected: Labor
 Program Category Affected: Public Protection
 BRU, Program or Subprogram(s) Affected: Workers' Compensation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		33.3	34.5	35.7	37.0	38.2
200 TRAVEL		-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL		27.9	10.0	10.0	11.2	11.9
400 SUPPLIES		.5	.5	.6	.6	.6
500 EQUIPMENT		2.7	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	64.4	45.0	46.9	48.8	50.7
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND		64.4	45.0	46.9	48.8	50.7
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	64.4	45.0	46.9	48.8	50.7

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME	-0-	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Jacque McClintock *(Signature)*
 Division: Workers' Compensation

Phone: 465-2790
 Date: 03/06/85

Approved by Commissioner: Jim Roby *(Signature)*
 Agency: Department of Labor

Date: 03/06/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

Fiscal Note

The Legislature of the State of Alaska
Fourteenth Legislature
Bill/Resolution No.: SS for HB6
Title: "An Act relating to Workers' Compensation"
Agency Affected: Department of Labor

In order to meet the requirements of this bill one Workers' Compensation Technician will be needed. Personal service and related costs are detailed on the attached request for new position form.

Other costs associated with the implementation of this bill would include one time data processing changes to re-program the existing system (\$18,500 for 3½ months of one programmers time).

It is assumed that this bill would take affect July 1, 1985.

1.	POSITION TITLE Workers' Compensation Technician				RANGE/STEP 12A	BARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.		

3.	CONTINUATION LEVEL	ADDITION	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES*		
5.	Salary	24,864	
6.	Benefits	4,142	
7.	Supplemental Benefits	1,524	
8.	Fixed Benefits	2,732	
9.	TOTAL PERSONAL SERVICES	01	33,262
10.	Travel	02	-0-
11.	Contractual	03	9,400
12.	Commodities	04	500
13.	Equipment	05	2,700
14.	Other		
15.	TOTAL COST		45,862

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	45,862
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

FOR B&M USE ONLY
4A KEY NUMBER _____

JUSTIFICATION

The services of a Workers' Compensation Technician are needed to process the additional paperwork that will result from implementation of a notice and follow-up system and to examine and audit an increased number of claim files to determine compliance with the two tier monitoring and penalty system required under SS HB6.

From past experience with a similar law and procedure it is estimated that insurer/adjuster compliance in timely filing compensation reports will deteriorate by 40 to 50 percent as a result of this amendment. This means that a minimum of 10,000 to 12,500 compensation reports will require special review and handling over that required by the current penalty system.

Failure to provide the additional follow-up and audit services would adversely affect the monitoring of timely benefit payments to injured workers, the collection of meaningful workers' compensation data, and the board's ability to assist injured workers and employers in resolving misunderstandings or disputes over workers' compensation claims.

In addition to personal services costs, the following associated costs would also be incurred: contractual services of 9,400 to cover space rent, indirect costs, and normal fees; 500 for normal supplies, and 2,700 for one-time equipment purchases.

13 REQUEST FOR NEW POSITION

AGENCY Department of Labor
PROGRAM Worker Protection
BRU Workers' Compensation
COMPONENT Workers' Compensation

FY 86

Page 1 of 1
Revised Date _____

Mike;

HB 6 File Contents
House Labor and Commerce Committee

- 1) Bill Summary -- Legislative Reporting Service
- 2) Overview -- R. Poppe, Committee Staff
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- 4) Fiscal Note and Fiscal Analysis -- Dept. of Labor, Worker's Comp.
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- 7) Additional Miscellaneous Case Materials -- REp. Collins Office

STATE OF ALASKA

DEPARTMENT OF LABOR

DIVISION OF WORKERS' COMPENSATION

BILL SHEFFIELD, GOVERNOR

1111 WEST 8th, Rm 305
BOX 1149
JUNEAU, ALASKA 99802
PHONE: (907) 465-2790

February 23, 1985

Randall J. Weddle, Esq.
Faulkner, Banfield, Doogan & Holmes
2550 Denali Street, Suite 700
Anchorage, AK 99503

Dear Randy:

RE: Compromise on Penalty Issues
Your File No. AS048.191C

Thank you for your letter of February 5, in which you expressed your thoughts on Renee Murray's proposed legislation on penalties under AS 23.30.155. Enclosed is a copy of my response to Renee concerning her proposal. As you will note, I oppose the proposed amendment based on the reasons outlined in my letter. As in the past, I would welcome the opportunity to meet with the insurers, the Workers' Compensation Committee of Alaska and the Labor/Management Ad Hoc Committee to further study and discuss the penalty issue and attempt to arrive at an acceptable solution for all concerned.

As you are aware, any changes to the Alaska Workers' Compensation Act since 1981 have been as the result of compromise between labor and management and their joint sponsorship of proposed legislation through the Labor/Management Ad Hoc Committee. The department subscribes to the theory, as I am sure you do, that the two main parties in the workers' compensation system are the injured worker and the employer. Therefore, we feel all legislative proposals affecting these two parties should be thoroughly studied, discussed and endorsed by the Committee. It has been my impression over the past several years that this procedure is also favored by the Alaska Legislature.

Unfortunately, this process was not followed on HB6, which is currently pending before the House Labor and Commerce Committee, nor was it followed on this proposal. Enclosed is a copy of a letter from Jack Thompson, management member of the Committee, in which he advises that it was the unanimous decision of the Committee to oppose HB6. In a recent conversation with Mr. Thompson, he expressed his opinion that we should allow sufficient time to assess the results of the 1983 and 1984 amendments to AS 23.30.155 and then meet with the parties before the next legislative session. I think your input to the Committee would be invaluable.

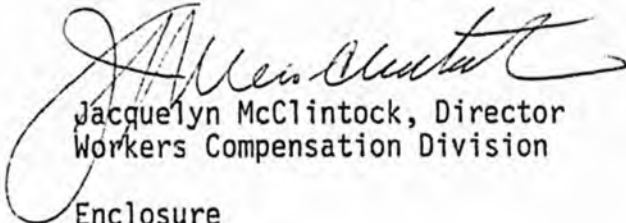
A comment in your letter that needs to be addressed is your mistaken assumption that no one ever attempted to enforce penalties under the law in

effect prior to 1981. That is not correct. While we had no computer system to immediately catch errors and notice insurers of their failure to file required reports, we religiously sent penalty notices when a claim was closed and purged from the system. Voluntary compliance and payment by insurers was very poor due to the time lapse, which in some cases could be several years, and because the maximum penalty was only \$100. It is correct that the Board, as now, had insufficient staff and members to enforce the collection of penalties through the hearing process.

I agree that the industry as a whole is acting in good faith to comply with the reporting requirements. That is why we are opposed to this amendment. We already know from past experience that compliance on a similar law and procedure was poor.

Again, thank you for your interest and input on this very important issue. I hope you will actively participate in any future review and discussion on this with the Labor/Management Ad Hoc Committee.

Very truly yours,



Jacquelyn McClintock, Director
Workers Compensation Division

Enclosure

M E M O R A N D U M

TO: All Members, House Labor and Commerce Committee

FROM: Roger Poppe, Committee Staff

DATE: February 28, 1985 Thursday

SUBJECT: Overview, HB 6

On Thursday, February 28, in Room 102 of the Capitol Bldg., the House Labor and Commerce Committee meets on HB 6, relating to reporting requirements for workers compensation.

This bill was not introduced during the 13th legislative session; and there is no companion legislation in the Senate or any other related legislation in the House.

This bill was initially opposed by the Department of Labor (see Commissioner's memo in your files). However, in response to these concerns, Sponsor Collins has submitted a SS for HB 6 which should meet the Department's objections, and reduce their fiscal note from \$344,300 to zero.

Most of the backup on this bill, including the SS, has been supplied directly to the Committee members by the sponsor in a large brown file; it is assumed that the members have this material to bring with them.

INTRODUCTION OF BILLS (House)(cont'd)

HB 5 (cont'd)

of students of the location of asbestos. School officials are also responsible for contracting for inspection of the building to comply with EPA asbestos regulations, and for contracting for removal of asbestos.

School boards may adopt a shorter school term of not less than 150 days if it is necessary for removal of asbestos and the board has submitted an acceptable plan under which students will receive the approximate educational equivalent of a 180-day term.

Provides Act takes effect immediately.

On January 14 Representatives Goll, Davis, Koponen and Navarre added their names as co-sponsors.

Introduced January 14 and referred to Health, Education & Social Services, Labor & Commerce, then Finance.

Workers' Compensation (reporting requirements)

HOUSE BILL NO. 6, by Rep. Collins. Changes wording of law which requires employers to report certain information regarding payment of workers' compensation to the Workers' Compensation Board. Employers are given 28 days to notify the Board and employee that payment of compensation has begun or has been increased, decreased, suspended, terminated, resumed, or changed in type. The law (AS 23.30.155(c)) presently states that an employer who is tardy with reports "shall pay" a civil penalty of \$100 for the first day plus \$10 for each day thereafter, up to a maximum of \$1,000.

Would be amended to make the penalty provision less restrictive and to give the employer recourse to petition the Board: "If the employer fails to notify the board and the employee within the 28 days ..., unless the board finds that the failure was due to conditions over which the employer had no control, the board may require that the employer [SHALL] pay a civil penalty" (Underlined material added, bracketed material deleted.)

Sec. 1 establishes the intent of the Legislature that "the Workers' Compensation Board review the civil penalties imposed under AS 23.30.155(c) since July 11, 1981, to determine if, under AS 23.30.155(c) as amended by this Act, those penalties should not be imposed, and to determine if any refund of the penalties is due."

Employers and insurers have complained about fines assessed by the Workers' Compensation Division under circumstances where the report was filed on time, but due to minor irregularities or errors in how it was filled out was not processed immediately, then later counted as late by the WC Division.

Introduced January 14 and referred to Labor & Commerce and Finance.

Fish Records (release of confidential)

HOUSE BILL NO. 7, by Rep. Herrmann. Allows the Department of Fish and Game to release confidential records of fish landings and annual statistical reports of buyers and processors to

Johns v. State, Dep't of Hwys., Sup. Ct. No. 424 (File Nos. 732, 743), 431 P.2d 503 (1967).

Attorney's fees held not sufficient. Rose v. Alaskan Village, Inc., Sup. Ct. No. 333 (File No. 623), 412 P.2d 503 (1966).

Award of attorneys' fees under prior award. — See Hunter v. Wagner, 7 Alaska 93 (1926); Bacciglieri v. Ghezzi, 11 Alaska 93 (1946); Alaska Packers Ass'n v. Alaska Indus. Bd., 12 Alaska 465 (1949).

Appeal. — An attorney in a workers' compensation proceeding has the right to appeal from an award of attorney's fees by the board or the superior court. Rose v. Alaskan Village, Inc., Sup. Ct. Op. No. 623, 412 P.2d 503 (1966). Applied in J.B. Warrack Co. v. Roosa, Sup. Ct. Op. No. 366 (File No. 684), 411 P.2d 986 (1966); Ketchikan Gateway Board v. Saling, Sup. Ct. Op. No. 2006 (File No. 320), 604 P.2d 590 (1979).

Appeal in Cooper v. Carlson, Sup. Ct. Op. No. 107 (File No. 1769), 511 P.2d 1305 (1974).

compensation.

Collection of defaulted payments

Construction of provision of act regarding "waiting period." 81 ALR 1301.

Compensation. Compensation for days of the disability, except however, the injury results from negligence shall be allowed from 1959

NOTES TO DECISIONS

Purpose of waiting period. — The purpose underlying the waiting period was to protect workers who are so inclined, from taking advantage of a slight or imaginary strain, as an excuse for obtaining a long vacation on half or two-thirds pay. Hanson v. Benson, 179 F. Supp 130 (D. Alaska 1959).

Return to work is not absolute bar to compensation. — Where an injury is

sufficiently serious to incapacitate an employee for the statutory period, the claimant's return to work before the running of the statutory period is not an absolute bar to compensation since, by the use of expert medical testimony which will expose the malingerer and vindicate those claiming severe injury, the purpose of the waiting period is fulfilled. Hanson v. Benson, 179 F. Supp. 130 (D. Alaska 1959).

Sec. 23.30.155. Payment of compensation. (a) Compensation under this chapter shall be paid periodically, promptly, and directly to the person entitled to it, without an award, except where liability to pay compensation is controverted by the employer. To controvert a claim the employer must file a notice, on a form prescribed by the board, stating

- 1. that the right of the employee to compensation is controverted;
- 2. the name of the employee;
- 3. the name of the employer;
- 4. the date of the alleged injury or death; and
- 5. the type of compensation and all grounds upon which the right to compensation is controverted.

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

20. The employer shall notify the board and the employee on a form prescribed by the board that the payment of compensation has begun or has been increased, decreased, suspended, terminated, resumed, or changed in type. An initial report shall be filed with the board and sent to the employee within 28 days after the date of issuing the first payment of compensation. If at any time 21 days or more pass and no compensation payment is issued, a report notifying the board and the employee of the termination or suspension of compensation shall be filed with the board and sent to the employee within 28 days after the date the last compensation payment was issued. A report shall also be filed with the board and sent to the employee within 28 days after the date of issuing a payment increasing, decreasing, resuming or changing the type of compensation paid. If the employer fails to notify the board and the employee within the 28 days prescribed by this subsection for reporting, the employer shall pay a civil penalty of \$100 for the first day plus \$10 for each day thereafter that the employer failed to give notice. Total penalties under this section may not exceed \$1,000 for a failure to file a required report.

ity compensation had been controverted by the insurance carrier, the employee disputed this action, secured representation by counsel, and filed an application for adjustment of the claim, and subsequently, as a result of medical evidence, the carrier paid the employee the accumulation of past-due payments covering the preceding year and thereafter continued disability payments until the employee had received the statutory maximum for temporary total disability, the employee was entitled to attorney's fees based on the total amount of compensation, not just the amount of the past-due payments. *State, Dep't of Hwys. v. Brown*, Sup. Ct. Op. No. 1935 (File Nos. 3912, 4374), 600 P.2d 9 (1979).

Award to employer-defendant. — Appellate court grant of a torneys' fees to an employer-defendant must be based on finding that claimant's appeal was frivolous, unreasonable, or brought in bad faith. *Whaley v. Alaska Workers' Comp. Bd.*, Sup. Ct. Op. No. 2533 (File No. 5701), 648 P.2d 955 (1982).

Attorney's fees held reasonable. —

See *Johns v. State, Dep't of Hwys.*, Sup. Ct. Op. No. 424 (File Nos. 732, 740, 441), 148 (1967).

Attorney's fees held not sufficient. See *Rose v. Alaskan Village, Inc.*, Sup. Ct. Op. No. 333 (File No. 623), 412 P.2d 333 (1966).

Award of attorneys' fees under private law. — See *Hunter v. Wagner*, Alaska 382 (1926); *Bacciglieri v. ...*, Alaska 93 (1946); *Alaska Packers Ass'n v. Alaska Indus. Bd.*, 12 Alaska 40 (1924).

Appeal. — An attorney in a workers' compensation proceeding has the right to appeal from an award of attorney's fees to either the board or the superior court. *State v. Alaskan Village, Inc.*, Sup. Ct. Op. No. 333 (File No. 623), 412 P.2d 333 (1966).

Applied in J.B. Warrack Co. *State v. J.B. Warrack Co.*, Sup. Ct. Op. No. 366 (File No. 647), 412 P.2d 986 (1966); *Ketchikan Gateway v. Saling*, Sup. Ct. Op. No. 284, 412 P.2d 590 (1976).

Cited in Cooper v. Carlson. *Cooper v. Carlson*, Sup. Ct. Op. No. 907 (File No. 1769), 511 P.2d 511 (1973).

Collateral references. — Compensation of attorneys for services in connection with claims. 159 ALR 912.

Article 4. Payment of Compensation.

Section	Section
150. Commencement of compensation	165. Lien
155. Payment of compensation	170. Collection of defaulted awards
160. Assignment and exemption of claims	

Collateral references. — 82 Am. Jur. 2d, Workmen's Compensation, §§ 649-658.

101 C.J.S., Workmen's Compensation, §§ 826-848.

Construction of provisions regarding "waiting period."

Sec. 23.30.150. Commencement of compensation. Compensation may not be allowed for the first three days of the disability, except the benefits provided for in AS 23.30.095; if, however, the injury results in disability of more than 28 days, compensation shall be allowed at the rate of the disability. (§ 5(1) ch 193 SLA 1959)

Purpose of waiting period. — The purpose underlying the waiting period was to prevent workers who are so inclined, from taking advantage of a slight or imaginary strain, as an excuse for obtaining a few days vacation on half or two-thirds pay. *Hanson v. Benson*, 179 F. Supp 130 (D. Alaska 1959).

Return to work is not absolute bar to compensation. — Where an injury is

Sec. 23.30.155. Payment of compensation. Under this chapter shall be paid prior to the person entitled to it, without an appeal, the compensation is controverted by claim the employer must file a notice with the board, stating

- (1) that the right of the employee is controverted;
- (2) the name of the employee;
- (3) the name of the employer;
- (4) the date of the alleged injury or disability;
- (5) the type of compensation and amount of compensation is controverted.

(b) The first installment of compensation shall be paid no later than 10 days after the employer has knowledge of the injury or disability. All compensation then due shall be paid in installments, and the board determines that payment in monthly or at some other period.

(c) The employer shall notify the board of any change in the compensation prescribed by the board that the payment has been increased, decreased, suspended, or changed in type. An initial report shall be filed with the board and sent to the employee within 28 days after the date of payment of compensation. If at any time after the date of payment of compensation a report is filed with the board and sent to the employee, a report shall be filed with the board and sent to the employee within 28 days after the date of issuing a payment increasing or changing the type of compensation paid. If the employer fails to file a report with the board and the employee within 28 days after the date of payment of compensation, the employer shall be liable for the first day plus \$10 for each day thereafter for failing to give notice. Total penalties under this section shall not exceed \$1,000 for a failure to file a required

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB6
 Title: "An Act relating to
 Workers' Compensation"
 Sponsor: Collins & Martin
 Requestor: House Labor and Commerce
 Date of Request: 2/7/85

FISCAL DETAIL

Agency Affected: Labor
 Program Category Affected: Public Protection
 BRU, Program or Subprogram(s) Affected: Workers' Compensation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		85.7	88.7	91.7	94.9	98.2
200 TRAVEL		34.9	19.1	20.2	21.4	22.7
300 CONTRACTUAL		219.0	30.7	32.6	34.5	36.6
400 SUPPLIES		1.5	1.6	1.7	1.8	1.9
500 EQUIPMENT		3.2	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	344.3	140.1	146.2	152.6	159.4

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

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		344.3	140.1	146.2	152.6	159.4
FEDERAL FUNDS						
OTHER						
TOTAL	0	344.3	140.1	146.2	152.6	159.4

POSITIONS:

FULL-TIME	0	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Analysis attached

Prepared By: ^{MB} Jacque McClintock
 Division: Workers' Compensation

Phone: 465-2790

Date: 2/8/85

Approved by Commissioner: ^{MB} Jim Robison
 Agency: Department of Labor

Date: 2/8/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

FISCAL NOTE

The Legislature of the State of Alaska
Fourteenth Legislature
Bill/Resolution No.: HB5
Title: "An Act relating to Workers' Compensation"
Agency Affected: Department of Labor

As a result of this bill we estimate a minimum of 125 workers' compensation hearings would have to be held each year. Also, since the bill is retroactive to July 11, 1981, we estimate that at least half of the 327 penalties assessed since January 1, 1982 would have to be heard the first year the bill is effective.

In order to hold the estimated number of hearings each year the following costs would be incurred:

	<u>FY 86 Costs</u>
A. One full time Workers' Compensation hearing officer and associated costs*	\$ 77.1
B. Clerk typist III and associated costs*	42.3
C. Attorney general's fees	5.0
D. Workers' Compensation Board per diem expenses (2 people x 50 days x \$130 per day)	<u>13.0</u>
Total for normal hearing load	\$137.4

In order to hear the retroactive claims during the first year the following additional resources would be required in FY 86:

A. Contractual hearing officer services	\$150.0
B. Contractual secretary services for hearings	35.0
C. Attorney general's fees	5.0
D. Workers' Compensation Board per diem expenses (2 people x 65 days x \$130/day)	<u>16.9</u>
Total for retroactive hearings	\$206.9

We have assumed an effective date of July 1, 1986 for this bill. Also, in fiscal years 87-90 we assumed an inflation rate of 6% on non personal services costs, and 3.5% on personal services costs.

* See attached New Position Requests for associated costs.

1.	POSITION TITLE Clerk Typist III				RANGE/STEP 8A	BARG. UNIT GGH	FORM 12	PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anch.	ELECTION DISTRICT		LEG.		
3.	CONTINUATION LEVEL	ADDITION			JUSTIFICATION						
4.	TYPE OF EXPENDITURE			AMOUNT	<p>The services of a clerk typist III are needed to process the legal filings and board orders resulting from enactment of HDG.</p> <p>At least 125 penalty cases per year, will be brought before the board for adjudication. This will result in an additional workload for the board's clerks in processing legal documents and issuing the board's decisions and orders that are an integral part of the board's adjudication procedure.</p> <p>Failure to provide the additional clerical resources would adversely affect timely scheduling of disputed claims and issuing the board's decisions.</p> <p>Contractual services costs associated with this position would include rent, \$3,600; indirect, \$2,300; and other average expenses of \$7,049 for a clerical position.</p> <p>Normal commodities of \$1,000 and a one-time expense for equipment of \$1,600 are also included.</p>						
	1	2	3								
	PERSONAL SERVICES										
5.	Salary	19,572									
6.	Benefits	3,261									
7.	Supplemental Benefits	1,200									
8.	Fixed Benefits	2,732									
9.	TOTAL PERSONAL SERVICES	01	26,765								
10.	Travel	02	0								
11.	Contractual	03	12,949								
12.	Commodities	04	1,000								
13.	Equipment	05	1,600								
14.	Other										
15.	TOTAL COST		42,314								
	RECEIPT CODE	FUNDING SOURCE									
16.		Federal Receipts 1002									
17.		G.F. Match 1003									
18.		General Funds 1004		42,314							
19.		I-A Receipts 1005									
20.		Program Receipts 1028									
21.		Other									
FOR B&M USE ONLY											
4A KEY NUMBER											

13 REQUEST FOR NEW POSITION

AGENCY Department of Labor
PROGRAM Worker Protection
BRU Workers' Compensation
COMPONENT Workers' Compensation

Page of
Revised Date

FY 86

LEG:F:36

1.	POSITION TITLE Workers' Compensation Hearing Officer				RANGE/STEP 21A	BARG. UNIT GGU	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anch.	ELECTION DISTRICT	LEG.		

3.	CONTINUATION LEVEL	ADDITION		
4.	TYPE OF EXPENDITURE		AMOUNT	
	1	2	3	
	PERSONAL SERVICES			
5.	Salary	45,744		
6.	Benefits	7,621		
7.	Supplemental Benefits	2,804		
8.	Fixed Benefits	2,732		
9.	TOTAL PERSONAL SERVICES	01	58,901	
10.	Travel	02	5,000	
11.	Contractual	03	11,090	
12.	Commodities	04	500	
13.	Equipment	05	1,600	
14.	Other			
15.	TOTAL COST		77,091	

JUSTIFICATION

The services of a board hearing officer are needed to chair hearings on disputed employer/insurer penalty cases resulting from enactment of HB6.

At least 125 penalty cases per year will be brought before the board for adjudication. Although the issues are much less complex to adjudicate, there will be substantial time involved for the hearing officer to chair the hearings and write the board's findings of fact, conclusions of law, and order.

Failure to provide the additional board resources would adversely affect the board's ability to promptly hear and decide disputed claims between injured workers and employers.

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	77,091
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

Contractual services expenses associated with this position would include rent, \$3,600; indirect, \$5,490; and other average costs of \$2,000.

Normal commodities of \$500 and one-time equipment charges of \$1,600 are also included.

FOR B&M USE ONLY
4A KEY NUMBER _____

13 REQUEST FOR
NEW POSITION

AGENCY Department of Labor
 PROGRAM Worker Protection
 BRU Workers' Compensation
 COMPONENT Workers' Compensation

FY 86

Page _____ of _____
 Revised Date _____

Bill No. House Bill 6

Date February 7, 1985

Title "An Act relating to Workers' Compensation;
and providing for an effective date."

Contact J. L. McClintock
465-2790

The Department of Labor is opposed to the passage of HB 6, which provides for the discretionary, instead of mandatory, payment of late reporting penalties assessed under AS 23.30.155(c), and requires the board to review all civil penalties imposed since July 11, 1981.

Under AS 23.30.155, the employer/insurer independently decides when to begin, change or stop the payment of compensation benefits to an injured worker. When the employer/insurer initiates action that affects the payment of compensation, the insurance adjuster must notify the board and injured worker of the action taken by filing a compensation report with the board within 28 days and mailing a copy of it to the injured worker. Failure to timely file a report subjects the employer/insurer to a civil penalty of \$100 for the first day plus \$10 for each day thereafter until the report is filed, up to a maximum of \$1,000. The term "notify" or "file with the board" means the date the report was placed in the mail, i.e. postmark date.

This bill allows the board to waive the penalty if it finds that failure to timely file was due to conditions over which the employer/insurer had no control. Since any action to begin, change or stop payment of compensation is initiated by the employer/insurer and the insurer has 28 days to file a report, it is difficult to imagine any circumstance which would be beyond the employer's/insurer's control other than nondelivery of mail. The board has provided for this contingency by allowing the employer/insurer to file an affidavit affirming that a report was mailed to the board. The bill further provides that the requirement to pay a late reporting penalty would be a discretionary decision by the board.

Although the bill is not clear on how the board would proceed in its review of employer/insurer penalties, the only workable procedure is through an appeal process. This means that following the assessment of a penalty by the Second Injury Fund the insurer would have to petition the board for waiver of a disputed penalty, which would then initiate the full board adjudication process.

Statistics show that 133 penalties were paid during CY84, 89 penalties are still pending action by the insurer and 42 penalty cases were referred to the board for order of payment. While it is conceivable that an equal number of cases per year could be appealed to the board as a result of this bill, the fiscal note is based on an assumption that no more than half of all penalties assessed annually will be appealed. Although the issues are much less complex to adjudicate, there would be substantial time and cost involved for the Alaska Workers' Compensation Board to hold hearings, decide the case, and issue its findings of fact, conclusions of law and

POSITION PAPER/Department of Labor

order. From this level, of course, the insurer or Second Injury Fund could appeal the board's decisions to the Superior Court. The increased hearing load will require on-going additional board hearing officer and clerical resources, as well as legal representation for the Second Injury Fund. Additional resources would also be required for one year to conduct hearings on penalties imposed and paid since January 1, 1982.

APPROVED:

A handwritten signature in cursive script that reads "Jim Robison". The signature is written in dark ink and is positioned above a horizontal line.

Jim Robison
Commissioner

UPON MAKING THE FIRST PAYMENT, AND UPON AN INCREASE REDUCTION, TERMINATION, SUSPENSION, RESUMPTION OR A CHANGE IN RATE OR TYPE OF COMPENSATION PAID, THE EMPLOYER SHALL NOTIFY THE BOARD WITHIN 21 DAYS ON A FORM PRESCRIBED BY THE BOARD, THAT PAYMENT OF COMPENSATION HAS BEGUN OR HAS BEEN INCREASED, REDUCED, TERMINATED, RESUMED, CHANGED, OR SUSPENDED, AS THE CASE MAY BE. IF THE EMPLOYER FAILS TO NOTIFY THE BOARD WITHIN 21 DAYS, THE BOARD SHALL ASSESS AGAINST THE EMPLOYER A CIVIL PENALTY OF \$100. UPON NOTIFICATION BY THE BOARD THAT A REPORT HAS NOT BEEN FILED, THE EMPLOYER SHALL HAVE 21 DAYS WITHIN WHICH TO FILE SUCH REPORT AND THEREAFTER, IF THE EMPLOYER HAS FAILED TO COMPLY, THE BOARD SHALL ASSESS A PENALTY OF \$10.00 PER DAY FOR EACH DAY THAT THE EMPLOYER HAS FAILED TO FILE THE REPORT FOLLOWING NOTICE BY THE BOARD. TOTAL PENALTIES UNDER THIS SECTION MAY NOT EXCEED \$1,000.00 FOR EACH FAILURE TO FILE A REQUIRED REPORT.



Scott Wetzel Services Incorporated

An Affiliate of The Home Group Inc

741 Sesame Street • Suite 1A • Anchorage, Alaska 99503

Phone: (907) 561-1725

NOVEMBER 15, 1984

JACQUELYN McCLINTOCK, DIRECTOR
ALASKA WORKER'S COMPENSATION DIVISION
P.O. Box 1149
JUNEAU AK 99802

RE: STATUTE AS23.30.155 (c)

DEAR JACKIE:

~~RECENTLY WE HAVE BEEN RECEIVING REQUESTS FOR ANNIVERSARY REPORTS FROM YOUR DEPARTMENT. I WANT TO THANK YOU MOST SINCERELY FOR THESE REMINDERS BECAUSE, ALTHOUGH WE MAKE AN EFFORT TO COMPLY AS REQUIRED, WE REALLY HAVE NO METHOD FOR PULLING UP THIS INFORMATION ON OUR COMPUTER AND SO OUR COMPLIANCE HAS BEEN RATHER HIT AND MISS, AS YOU ARE PROBABLY AWARE. THIS HAS NOT BEEN INTENTIONAL ON OUR PART AND SINCE YOUR SYSTEM DOES ALLOW YOU TO NOTIFY US WHEN ANNIVERSARY REPORTS ARE DUE, IF YOU COULD SET THIS UP AS A REGULAR ROUTINE AND EVEN ONCE A MONTH SEND US A LIST OF ALL ANNIVERSARY REPORTS THAT ARE DUE, WE WILL BE MORE THAN HAPPY TO RESPOND PROMPTLY.~~

AS YOU KNOW, THE PENALTY ASSESSED UNDER 23.30.155 (c) REMAINS A MAJOR CONCERN FOR ALOT US AND I HAVE GIVEN A GREAT DEAL OF CONSIDERATION AS TO HOW WE COULD ANSWER YOUR CONCERNS AND PROVIDE YOU WITH THE INFORMATION THAT YOU REQUIRE AND STILL ALLOW US SOME BREATHING SPACE WHEN WE MAKE AN OCCASIONAL OVERSIGHT AND AFFORD US THE OPPORTUNITY TO CORRECT IT BEFORE IT BECOMES EXCESSIVELY EXPENSIVE.

I AM ATTACHING HERETO A SUGGESTED CHANGE WHICH MAY ANSWER BOTH OF OUR NEEDS IN THAT IT WOULD ASSESS A ONE HUNDRED DOLLAR (\$100.00) PENALTY FOR FAILURE TO NOTIFY THE BOARD WITHIN TWENTY ONE (21) DAYS, AS IS NOW REQUIRED, BUT NO FURTHER PENALTY WOULD BE ASSESSED UNTIL THE BOARD HAD NOTIFIED US OF OUR OVERSIGHT. THEN IF WE FAILED TO RESPOND WITHIN TWENTY-ONE (21) DAYS, THE PENALTY WOULD ACCRUE AT THE RATE OF \$10.00 PER DAY UP TO THE MAXIMUM OF \$1,000.00.

JACKIE, I REALIZE YOUR POSITION AND KNOW THAT THIS DATA IS NECESSARY FOR YOU IN ORDER TO OBTAIN ACCURATE INFORMATION TO PROVIDE TO THE LEGISLATORS AND OTHERS, AND IT HAS NEVER BEEN OUR INTENTION TO PURPOSELY FAIL TO REPORT BUT AS I HAVE STATED SO MANY TIMES BEFORE, OUR CLERICAL PERSONNEL ARE ONLY HUMAN AND THEY DO MAKE OCCASIONAL ERRORS WHICH WE ARE MORE THAN HAPPY TO RECTIFY IMMEDIATELY, IF WE ARE NOTIFIED THAT AN ERROR OR OVERSIGHT HAS OCCURRED. ALL OF THE PENALTIES IN THE WORLD CANNOT MAKE A PERFECT HUMAN BEING WHO WILL BE TOTALLY ERROR FREE, BUT IF WE IGNORE A REQUEST FROM YOUR DIVISION WE ARE CERTAINLY WILLING TO ACCEPT THE PUNISHMENT.

NOVEMBER 15, 1984
PAGE 2

WE HAVE NEVER PURPOSELY FAILED TO FILE A REPORT AND WE BELIEVE OUR ERROR/OVERSIGHT RATE IS QUITE LOW, BUT AS IT CURRENTLY STANDS, EVEN FIFTY CLERICAL ERRORS COULD SUBJECT US TO \$50,000.00 IN PENALTIES WHICH IS WHAT WE ARE PROBABLY FACING AT THIS MOMENT AND ACTUALLY THAT REPRESENTS VERY FEW ERRORS CONSIDERING THE HUNDREDS OR THOUSANDS OF REPORTS THAT WE HAVE FILED CORRECTLY.

I WOULD REALLY APPRECIATE IT IF YOU WOULD GIVE THIS SUGGESTION SERIOUS CONSIDERATION AND LET ME HAVE THE BENEFITS OF YOUR THOUGHTS AS SOON AS POSSIBLE.

THANK YOU VERY MUCH FOR YOUR CONSIDERATION.

SINCERELY,

SCOTT WETZEL SERVICES, INC.



RENEE MURRAY
VICE PRESIDENT

RM/DP

CC: WCCA
JIM ROBINSON - COMMISSIONER OF LABOR

UPON MAKING THE FIRST PAYMENT, AND UPON AN INCREASE REDUCTION, TERMINATION, SUSPENSION, RESUMPTION OR A CHANGE IN RATE OR TYPE OF COMPENSATION PAID, THE EMPLOYER SHALL NOTIFY THE BOARD WITHIN 21 DAYS ON A FORM PRESCRIBED BY THE BOARD, THAT PAYMENT OF COMPENSATION HAS BEGUN OR HAS BEEN INCREASED, REDUCED, TERMINATED, RESUMED, CHANGED, OR SUSPENDED, AS THE CASE MAY BE. IF THE EMPLOYER FAILS TO NOTIFY THE BOARD WITHIN 21 DAYS, THE BOARD SHALL ASSESS AGAINST THE EMPLOYER A CIVIL PENALTY OF \$100. UPON NOTIFICATION BY THE BOARD THAT A REPORT HAS NOT BEEN FILED, THE EMPLOYER SHALL HAVE 21 DAYS WITHIN WHICH TO FILE SUCH REPORT AND THEREAFTER, IF THE EMPLOYER HAS FAILED TO COMPLY, THE BOARD SHALL ASSESS A PENALTY OF \$10.00 PER DAY FOR EACH DAY THAT THE EMPLOYER HAS FAILED TO FILE THE REPORT FOLLOWING NOTICE BY THE BOARD. TOTAL PENALTIES UNDER THIS SECTION MAY NOT EXCEED \$1,000.00 FOR EACH FAILURE TO FILE A REQUIRED REPORT.



Scott Wetzel Services Incorporated

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741 Sesame Street • Suite 1A • Anchorage, Alaska 99503

Phone: (907) 561-1725

MARCH 17, 1983

JACQUELINE McCLINTOCK, DIRECTOR
ALASKA WORKERS' COMPENSATION DIVISION
P. O. Box 1149
JUNEAU, AK 99811

RE: PENALTIES ASSESSED UNDER SECTION 23.30.155(c),
ALASKA WORKERS' COMPENSATION ACT

DEAR JACKIE:

THE PURPOSE OF THIS LETTER IS TO VOICE MY CONCERNS OVER WHAT I CONSIDER TO BE EXCESSIVE AND UNNECESSARY PENALTIES WHICH ARE BEING ASSESSED UNDER THE ABOVE SECTION OF THE ALASKA WORKERS' COMPENSATION LAW.

FIRST OF ALL, LET ME ASSURE YOU THAT I AM FULLY COGNIZANT OF THE FACT THAT YOU ARE ACTING AS DIRECTED BY THE LAW AND THAT YOU HAVE NO CHOICE IN THE MATTER. THEREFORE, MY CONCERN IS WITH HAVING THE LAW CHANGED BECAUSE I FEEL IT IS UNREASONABLE AND REQUIRES EXCESSIVE AND REDUNDANT REPORTING AND I OBJECT STRONGLY TO THE POLICING ACTION AND THE HARASSMENT.

THE ENTIRE WORKERS' COMPENSATION ACT IS A LAW WHICH WE OBEY SIMPLY BECAUSE IT IS THE LAW AND WE ATTEMPT TO OBEY IT TO THE BEST OF OUR ABILITY. WE DO THIS WITH OR WITHOUT THE THREAT OF ANY PENALTY.

LET ME ASSURE YOU THAT I HAVE NO OBJECTION TO THE FILING OF THE COMPENSATION REPORT. IN FACT, IT IS QUITE THE CONTRARY. I FEEL THAT IT IS NECESSARY THAT YOU HAVE THIS INFORMATION AND IT IS IMPORTANT TO US AS WELL AS TO THE DIVISION THAT THE ACTUAL COSTS OF ALL OF OUR SYSTEMS ARE KNOWN AND RETRIEVABLE, SO WE WOULD FILE THE REPORT WITH OR WITHOUT THE THREAT OF ANY PENALTY AS WE DO WITH ALL OTHER FORMS WHICH WE ARE REQUIRED TO FILE.

OUR FIRM HAS HAD TO PAY VERY FEW PENALTIES, BUT THAT IS NOT THE ISSUE. THE ISSUE IS THE CONSTANT HARASSMENT BY THE LETTERS WHICH ARE GENERATED BY THE COMPUTER THREATENING US WITH HUGE PENALTIES OF ANYWHERE FROM \$100 TO \$2500, THE MORALE PROBLEM IT HAS CREATED WITH OUR STAFF, AND THE TIME THAT IT TAKES TO ANSWER THESE NUMEROUS INQUIRIES OVER NITPICKY DETAILS AND EXPLAIN WHY WE NEGLECTED OR FORGOT TO MARK AN "X" IN A CERTAIN BOX WHICH HAS CAUSED US TO BE ASSESSED A PENALTY OF SEVERAL HUNDRED DOLLARS. AN EXAMPLE OF THIS IS ATTACHED HERETO.

JACQUELINE McCLINTOCK, DIRECTOR
PAGE TWO
MARCH 17, 1983

IN THIS CASE, YOU WILL NOTE THAT WE FILED OUR INITIAL REPORT AND WE FILED THE TERMINATION REPORT WHICH ALSO INCORPORATED A RATE CHANGE AND WE NEGLECTED TO MARK THE RATE CHANGE BOX. THE PROPER RATE WAS PAID, THE REPORT WAS TIMELY FILED BUT THE FAILURE TO MARK THIS BOX HAS GENERATED A \$800 PENALTY LETTER, COPY ATTACHED.

I FEEL ABSOLUTELY CERTAIN THAT YOU WILL AGREE WITH ME THAT THIS IS WRONG AND THAT THIS WAS NEVER THE INTENT OF THE LAW; IT JUST HAPPENS TO BE THE END RESULT. I GUESS WHAT I'M REALLY OBJECTING TO IS THE BUREAUCRACY THAT THIS HAS CREATED AND ALL OF THE PAPERWORK, THE TIME, THE EXPENSE, THE AURA OF DISTRUST, THE REQUEST FOR AFFIDAVITS WHICH ARE A COMPLETE INSULT TO OUR HONESTY AND INTEGRITY AND THE FACT THAT THERE IS ABSOLUTELY NO ALLOWANCE FOR HUMAN ERROR.

IT GOES WITHOUT SAYING THAT THE PUNISHMENT IS EXCESSIVE AND DOES NOT FIT THE CRIME.

I REALIZE YOU ARE NOT RESPONSIBLE FOR THIS LAW BUT I ALSO REALIZE THAT YOU CAN BE QUITE EFFECTIVE IN HAVING THE NECESSARY CHANGES EFFECTED. THIS COULD EASILY BE REMEDIED BY REMOVING THE WORD "SHALL" ASSESS AND CHANGING IT TO "MAY" ASSESS. THEREFORE, I AM ASKING YOUR ASSISTANCE TO ACCOMPLISH THIS IN THE MOST EXPEDIENT AND REASONABLE MANNER.

THANK YOU SO MUCH FOR YOUR ASSISTANCE AND CONTINUED COOPERATION.

VERY TRULY YOURS,
SCOTT WETZEL SERVICES, INC.

RENEE MURRAY
ALASKA MANAGER

RM/vp

CC: JIM ROBINSON, COMMISSIONER OF LABOR

STATE OF ALASKA
DEPARTMENT OF LABOR
WORKERS COMPENSATION DIVISION
P.O. BOX 1149
JUNEAU ALASKA 99811
(907) 465 2790

DATE 02/25/83

*Paul
3-4-83*

SCOTT WETZEL SERVICES
741 SESAME ST SUITE 1A
ANCHORAGE AK 99503

DEAR INSURER:

AS 23.30.155(C) REQUIRES YOU TO NOTIFY THE BOARD WITHIN 14 DAYS AFTER MAKING FIRST PAYMENT OR INCREASING, REDUCING, TERMINATING, SUSPENDING, RESUMING OR CHANGING COMPENSATION RATES OR TYPES.

YOUR COMPENSATION REPORT FOR THE CASE CAPTIONED BELOW REGARDING PAYMENT MADE 01/04/83, WAS 29 DAYS OVERDUE. ACCORDINGLY, \$800 LATE REPORT PENALTY IS DUE. PLEASE SEND YOUR CHECK IN THAT AMOUNT TO THE SECCND INJURY FUND, P.O. BOX 1149, JUNEAU, AK 99811.

EMPLOYEE: BAUER, STEPHAN
BOX 9

EMPLOYER: ILIAMMA AK 99606
WIEN AIR ALASKA
4100 INT'L AIRPORT RD.

ANCHORAGE AK 99502
INJURY DATE: 12/09/82
AWCB CASE NO: 226213
REF YOUR CLAIM 794

VERY TRULY YOURS,
Paul House
J. PAUL HOUSE, ADMINISTRATOR
SECOND INJURY FUND

EMPLOYEE:

KEEP THIS REPORT FOR YOUR RECORDS. THIS INFORMATION ONLY. REAL IMPORTANT INFORMATION ABOUT YOUR RIGHTS ON BACK.

ALASKA DEPARTMENT OF LABOR
Alaska Workers' Compensation Board
Box 1149, Juneau, Alaska 99811

COMPENSATION REPORT

AWCB Case Number	226213
3. Injury Date	12 9 182
5. Social Security Number	476-64-7033
6. Birthdate	5 29 154

1. Employee's Name (Last, First, Middle Initial)	Bauer, Stephen
4. Address	Box 9
City	Hianna, AK
State	AK
Zip	99606
Telephone	
7. Employer	Wien Air Alaska
9. Address	4100 Intl Airport Rd.
City	Anch, AK
State	AK
Zip	99502
Telephone	

2. Insurer Claim Number	794
8. Insurer/Adjusting Company	Self-Insured
10. Address	90 Scott Industrial Services
City	
State	
Zip	
Telephone	

COMPENSATION RATE (Complete for initial payment or rate change)

METHODS	<input type="checkbox"/> 1. Awaiting gross wages documents	12. If method 3, 4, or 5, how did you figure gross wages?
	<input checked="" type="checkbox"/> 2. Highest of three years, 19 <u>81</u>	
	Documents received: <u>1/3/83</u>	
	Date	
	<input type="checkbox"/> 3. Same or similar wages	<input type="checkbox"/> 13. Tips, board, rent, housing or similar advantage included. Explain how figured.
	<input type="checkbox"/> 4. Minor or apprentice	
	<input type="checkbox"/> 5. Volunteer policeman, etc.	

14. RATE \$ <u>320.90</u>	15. HOW RATE WAS FIGURED
<input checked="" type="checkbox"/> a. Alaska TTD, PYD, death or scheduled PPD	a. Gross Wages Employee Avg. Wk. Wage Alaska Weekly Rate Alaska Max. or Min.
	\$ <u>25,030.18</u> 52 weeks = \$ <u>481.35</u> x 66 2/3% = \$ <u>320.90</u> \$
<input type="checkbox"/> b. Alaska unscheduled PPD or TPD	b. Employee Avg. Wk. Wage Earning Capacity Difference Alaska Weekly Rate Alaska Max. or Min.
	\$ - \$ - \$ X 66 2/3% = \$ \$
<input type="checkbox"/> c. Out-of-state TTD, TPD, PPD, PTD or death	c. State Avg. Wk. Wage Alaska Avg. Wk. Wage State Ratio Alaska Weekly Rate State Weekly Rate
	\$ \$ % X \$ = \$
(1) State or Country	(2) Date Left / / (3) Were gross wages earned in Alaska? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partly

16. a. INITIAL PAYMENT b. SIF PAYMENT ONLY c. TERMINATION d. SUSPENSION e. RATE CHANGE f. TYPE CHANGE
 g. RESUMPTION Knowledge Date: / / h. ANNIVERSARY i. OTHER (Explain)

17. a. Payment Date	b. Type	c. From	d. Through	e. Weeks & Days	f. Weekly Rate	g. Total Amount
1-4-83	TTD	12-13-82	1-3-83	3 /	\$ 320.90	\$ 1008.54 *
					\$	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$

(If additional space is needed, use chart on reverse.) TOTAL \$ 1008.54

18. Impairment Rating: % of ; % of ; % of

19. Permanent disability compensation was paid in a lump sum. (Enter amount in No. 17.) How did you figure it?

20. a. Date Disability Began	<u>1/14/83</u>	22. a. Employee Attorney Fees	\$ <u>0</u>	b. Late Report Penalties	\$ <u>0</u>
b. First Payment Date	<u>12/28/82</u>	c. Employer Attorney Fees	\$ <u>0</u>	d. Medical	\$ <u>1150.00</u>
21. Date Disability Ended	<u>1/3/83</u>	e. Second Injury Fund	\$ <u>100.51</u>	f. Rehabilitation	\$ <u>0</u>
		<input type="checkbox"/> s	Check to SIF Attached	g. Other	\$ <u>0</u>

REASON FOR SUSPENSION, TERMINATION, RATE CHANGE, TYPE CHANGE, OR NON-PAYMENT

23. <input checked="" type="checkbox"/> Returned to Work <u>1/4/83</u>	24. <input type="checkbox"/> Released for Work	25. <input type="checkbox"/> Moved from Alaska	26. <input type="checkbox"/> Compromise and Release
<input type="checkbox"/> At New Job <input checked="" type="checkbox"/> At Same Job	Date / /	27. <input type="checkbox"/> Returned to Alaska	28. <input type="checkbox"/> Controversy (Attach 076105)
Occupation	<input type="checkbox"/> Regular Work	29. <input type="checkbox"/> Recomputation	30. <input type="checkbox"/> Board Order
Weekly Pay Rate \$	<input type="checkbox"/> Modified Work	31. <input type="checkbox"/> Other	32. <input type="checkbox"/> Lack Recent Medical Report

33. Remarks: CC: AWCB
Wien
File
Rate change report only. Final filed 1/4/83. See ATTACHED.

I certify that I have mailed the original of this report to the employee at the address above and a copy to the Alaska Workers' Compensation Board.

34. Name and Title of Person Submitting Report (Type or Print)	35. Signature	36. Date		
Julia Fackelheim Examiner	Julia Falke	2/18/83		
37. Address (if different from No. 10)	City	State	Zip	Telephone
741 Seward St Ste 1-11	Anch, AK	AK	99503	501-1725

EMPLOYEE: KEEP THIS REPORT FOR YOUR RECORDS. FOR INFORMATION ONLY. READING IMPORTANT INFORMATION ABOUT YOUR RIGHTS ON BACK.

ALASKA DEPARTMENT OF LABOR
Alaska Workers' Compensation Board
Box 1149, Juneau, Alaska 99811

COMPENSATION REPORT

AWCB Case Number _____

3. Injury Date
12/9/82

5. Social Security Number
476-64-7033

6. Birthdate
5/29/54

1. Employee's Name (Last, First, Middle Initial)
Bauer, Stephen

4. Address
Box 9

City State Zip Telephone
11anna, AK 99800

7. Employer
Wien Air Alaska

9. Address
4100 International

City State Zip Telephone
Anch, AK 99503

2. Insurer/Adjusting Company
794
Self-Insured

8. Insurer/Adjusting Company
Self-Insured

10. Address
c/o Scott Weber Services

City State Zip Telephone

COMPENSATION RATE (Complete for initial payment or rate change)

11. METHODS

1. Awaiting gross wages documents
 2. Highest of three years, 19____
Documents received: ____/____/____ Date

3. Same or similar wages
 4. Minor or apprentice
 5. Volunteer policeman, etc.

13. Tips, board, rent, housing or similar advantage included. Explain how figured. _____

14. RATE \$65.00

15. HOW RATE WAS FIGURED

a. Alaska TTD, PTD, death or scheduled PPD
Employee Avg. Wk. Wage \$ _____ X 66 2/3% = \$ _____
Alaska Weekly Rate \$65.00
Alaska Max. or Min. \$65.00

b. Alaska unscheduled PPD or TPD
Employee Avg. Wk. Wage \$ _____ Earning Capacity \$ _____ Difference \$ _____
Alaska Weekly Rate \$ _____
Alaska Max. or Min. \$ _____

c. Out-of-state TTD, TPD, PPD, PTD or death
State Avg. Wk. Wage \$ _____ Alaska Avg. Wk. Wage \$ _____ State Ratio % _____
Alaska Weekly Rate \$ _____ State Weekly Rate \$ _____

(1) State or Country _____ (2) Date Left ____/____/____ (3) Were gross wages earned in Alaska? Yes No Partly

16. a. INITIAL PAYMENT b. SIF PAYMENT ONLY c. TERMINATION d. SUSPENSION e. RATE CHANGE f. TYPE CHANGE
 g. RESUMPTION Knowledge Date: ____/____/____ h. ANNIVERSARY i. OTHER (Explain) _____

17. a. Payment Date	b. Type	c. From	d. Through	e. Weeks & Days	f. Weekly Rate	g. Total Amount
12/13/82	TTD	12/13/82			\$ 65.00	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$
TOTAL						\$

(If additional space is needed, use chart on reverse.)

18. Impairment Rating: _____ % of _____ ; _____ % of _____ ; _____ % of _____

19. Permanent disability compensation was paid in a lump sum. (Enter amount in No. 17.) How did you figure it? _____

20. a. Date Disability Began 12/10/82
b. First Payment Date 12/28/82

21. Date Disability Ended ____/____/____

22. a. Employee Attorney Fees \$ -5
b. Late Report Penalties \$ -5
c. Employer Attorney Fees \$ -5
d. Medical \$ -5
e. Second Injury Fund \$ -5
f. Rehabilitation \$ -5
g. Other \$

Check to SIF Attached

REASON FOR SUSPENSION, TERMINATION, RATE CHANGE, TYPE CHANGE, OR NON-PAYMENT

23. Returned to Work ____/____/____
 At New Job At Same Job
Occupation _____
Weekly Pay Rate \$ _____

24. Released for Work
Date ____/____/____
 Regular Work
 Modified Work

25. Moved from Alaska
27. Returned to Alaska
29. Recomputation
31. Other

26. Compromise and Release
28. Controversy (Attach 07 G105)
30. Board Order
32. Lack Recent Medical Report

33. Remarks:
CC: HWSB + WIETU AIR AK

I certify that I have mailed the original of this report to the employee at the address above and a copy to the Alaska Workers' Compensation Board.

34. Name and Title of Person Submitting Report (Type or Print)
Julia Falke, Claims Examiner

35. Signature
Julia Falke

36. Date
12/28/82

37. Address (if different from No. 10)
Scott Weber Services, 741 Sesame St, Anch AK 99503

City State Zip Telephone



Scott Wetzel Services Incorporated

An Affiliate of The Home Group, Inc.

741 Sesame Street • Suite 1A • Anchorage, Alaska 99503

Phone (907) 276-2111

February 9, 1982

The Honorable Terry Martin
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Re: David Butler/Municipality of Anchorage

Dear Mr. Martin:

The attached decision from the Workers' Compensation Board is a classic example of the serious problems inherent in our current Workers' Compensation laws.

This employee, who had a minor hearing loss, basically corrected by a hearing aid, was kept on full salary through non-cashable sick leave for the period 4/1/80 through 12/8/80 while he was awaiting action on his request for retirement from the Municipality, which was subsequently granted. After he was retired and after he had received full payment in the amount of \$27,658.67 from his employer for the period 4/1/80 through 12/8/80, he filed for worker's compensation for the same period of time and the Board has now ruled that the employer must also pay him compensation benefits of an additional \$21,668.04 for the exact same period of time loss. The employee has therefore recovered in excess of 200% of his normal salary for a period of 9 months. Full payment by an employer, regardless of what fund it is paid from, or what they call it, should certainly satisfy the requirements of the Workers' Compensation Board.

Your comments will be appreciated.

Very truly yours,

SCOTT WETZEL SERVICES, INC.

Renee Murray
Claims Manager

RM/vb

*We need an offset
in W.C. for other
benefits that
duplicate their payments.*
Renee
1/9/83



Scott Wetzel Services Incorporated

An Affiliate of The Home Group, Inc.

741 Sesame Street • Suite 1A • Anchorage, Alaska 99503

Phone: (907) 561-1725

January 9, 1985

Elaine VanderSande
Workers Compensation Officer
Second Injury Fund
Box 1149
Juneau, Alaska 99802

RE: David Ford vs. State of Alaska
D/A: 3/10/83 Case No. 304511

Dear Ms. VanderSande:

This will acknowledge receipt of your letter of December 28, 1984 notifying us of your decision that we owe a \$750.00 penalty and your filing of the notice of Statement of Readiness to Proceed hearing.

We don't owe this penalty. Marion Berry attempted to explain it, but it is a complicated situation, so I am going to try again.

First of all, I will tell you the facts and then explain our error which created this whole scenario.

The fact is that we paid Mr. Ford TTD benefits from 3/14/83 through 6/2/83. The last payment was made on 6/2/83. (Copies of the last 3 checks issued are attached.)

After making the final payment on 6/2/83, we filed a Termination Report on 6/15/83. When that report was completed, WE MADE AN ERROR AND INCORRECTLY INDICATED THAT THE FINAL PAYMENT HAD BEEN MADE ON 5/6/83 RATHER THAN 6/2/83.

I frankly have no idea why our clerical personnel picked up the incorrect date, but the fact is she did and we, therefore, filed a corrected report on 6/30/83 indicating the error and showing the final payment made on 6/2/83.

This final check was, in fact, returned to us by the claimant inasmuch as he had returned to work at an earlier date. We had an overpayment from 5/9/83 through 5/19/83, but for the purposes of the Compensation Report and the alleged penalty, the fact remains that we did issue the final check on 6/2/83 and we did file the Termination Report within the 14 day period following the final payment.

David Ford vs. State of Alaska
D/A: 3/10/83 Case No. 304511
Page 2

If we were to accept your reasoning, every time we overpay someone we would owe a late reporting penalty because we continued payment beyond their return to work date - for whatever reason. In this case, we relied on the doctor's report, which indicated he was not released for work. However, as you know, he returned to work without a doctor's release, and for this you want us to pay a \$750.00 penalty. Can you possibly believe this is justified?

If so, we request a formal hearing in Anchorage before the full Board.

You will note from the attached copies that we had to file SIX Compensation Reports, and it still isn't good enough for you. No wonder we are up in arms.

Very truly yours,

Renee Murray
Vice-President

RM/jlh
Enclosures

cc: WCCA Committee
cc: Rep. Virginia Collins
cc: Randy Weddle, Esq.
cc: SWS-Bremerton

3009

NATIONAL BANK OF ALASKA
SPENARD BRANCH
ANCHORAGE, ALASKA 99503

CLAIM NO.
390-110-647

SCOTT WETZEL SERVICES, INC.
741 SESAME STREET, SUITE 1A
ANCHORAGE, ALASKA 99503

CLAIMANT
FORD, DAVID P.

DATE ISSUED
5/6/83

TYPE PMT. | CLOSE
3

DATE OF LOSS
3/10/83

LOCATION
CHUGIAK

PAYEE FEDERAL I.D. NO. IN FULL SETTLEMENT OF TEMPORARY TOTAL DISABILITY--5/11 thru 5/15/83 (5 day wait
period) PLUS TTD ADJUSTMENT 3/14 thru 5/5/83 (2wks) 30/222

PAY ---TWO THOUSAND, ONE HUNDRED, FORTY THREE & 74/100-----

DOLLARS \$ 2,143.74**

TO: DAVID P. FORD
1547 E. 27th Avenue
Anchorage, Alaska 99504

STATE OF ALASKA
W/C CLAIMS PAYMENT ACCOUNT
BY SCOTT WETZEL SERVICES, INC.

NOT NEGOTIABLE

3145

NATIONAL BANK OF ALASKA
SPENARD BRANCH
ANCHORAGE, ALASKA 99503

CLAIM NO.
390-110-647

SCOTT WETZEL SERVICES, INC.
741 SESAME STREET, SUITE 1A
ANCHORAGE, ALASKA 99503

CLAIMANT
FORD, DAVID P.

DATE ISSUED
5/18/83

TYPE PMT. | CLOSE
3

DATE OF LOSS
3/10/83

LOCATION
CHUGIAK, AK.

PAYEE FEDERAL I.D. NO. IN FULL SETTLEMENT OF TEMPORARY TOTAL DISABILITY 5/6 THRU 5/10/83 (2 WEEKS) 30/222

PAY FIVE HUNDRED EIGHTY EIGHT DOLLARS AND 72/100-----

DOLLARS \$ 588.72

TO: DAVID P. FORD
1547 E 27th AVE
ANCHORAGE, AK. 99504

STATE OF ALASKA
W/C CLAIMS PAYMENT ACCOUNT
BY SCOTT WETZEL SERVICES, INC.

NOT NEGOTIABLE

3308

NATIONAL BANK OF ALASKA
SPENARD BRANCH
ANCHORAGE, ALASKA 99503

CLAIM NO.
390-110-647

SCOTT WETZEL SERVICES, INC.
741 SESAME STREET, SUITE 1A
ANCHORAGE, ALASKA 99503

CLAIMANT
FORD, DAVID P.

DATE ISSUED
6/2/83

TYPE PMT. | CLOSE
3

DATE OF LOSS
3/10/83

LOCATION
CHUGIAK, AK.

PAYEE FEDERAL I.D. NO. IN FULL SETTLEMENT OF TEMPORARY TOTAL DISABILITY--5/20 thru 6/2/83 (2 wks) 30/222

PAY ----FIVE HUNDRED, EIGHTY EIGHT & 72/100-----

DOLLARS \$ 588.72**

TO: DAVID P. FORD
1547 E. 27th Avenue
Anchorage, Alaska 99504
6/16/83

STATE OF ALASKA
W/C CLAIMS PAYMENT ACCOUNT
BY SCOTT WETZEL SERVICES, INC.

NOT NEGOTIABLE

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF LABOR

DIVISION OF WORKERS' COMPENSATION

1111 WEST 8th, Rm 305
BOX 1149
JUNEAU, ALASKA 99802
PHONE: (907) 465-2790

December 28, 1984

Ms. Marion C. Berry
Scott Wetzel Services
741 Sesame Street, Suite 1-A
Anchorage, AK 99503


Dear Ms. Berry:

Re: David P. Ford vs. State of Alaska
D/A 3-10-83 Case No. 304511
Insurer Claim No. 647

You responded on June 28, 1983 to J. Paul House's June 23, 1983 notice of late report penalty and explained that the adjuster was not notified of David Ford's return to work several weeks before it was anticipated.

AS 23.30.155(c) does not provide an option to waive penalty, and the Fund cannot excuse notice not timely filed even though the period of disability changed after receipt of additional information. If the employer did not notify the adjuster of the return to work, you should discuss this failure with the employer as the employer/insurer/adjuster are jointly responsible for prompt filing.

Very truly yours,


Elaine VanderSande
Workers' Compensation Officer
Second Injury Fund

COPY SERVED ON
(HSS) State of AK / Scott Wetzel Services
C-RRR

ALASKA DEPARTMENT OF LABOR
Alaska Workers' Compensation Board
P. O. Box 1149
Juneau, Alaska 99811

PETITIONED ON 12-28-84

AWCB Case Number

304511

(Not to be used by injured employee)

1. Employee's Name (Last, First, Middle Initial) Ford, David P.				2. Insurer Claim No. 647		3. Date of Injury 3 / 10 / 83	
4. Address						5. Social Security Number 329 - 80 - 0804	
City	State	Zip Code	Telephone			6. Date of Birth 5 / 6 / 49	
7. Employer State of Alaska (HSS)				8. Insurer Self Insured / Scott Wetzel Services			
9. Address 400 Gambell, Suite 201				10. Address 741 Sesame St. Suite 1-A			
City	State	Zip Code	Telephone	City	State	Zip Code	Telephone
Anchorage, Alaska 99503				Anchorage, Alaska 99503 561-1725			

REASON FOR PETITION - CHECK APPROPRIATE BOXES AND COMPLETE QUESTIONS IN DETAIL.

JOIN ADDITIONAL EMPLOYER AND/OR INSURER: (ATTACH PROOF OF SERVICE ON EMPLOYER AND/OR INSURER)

11. Name of Employer to be Joined				12. Insurer			
13. Address				14. Address			
City	State	Zip Code	Telephone	City	State	Zip Code	Telephone
15. Dates Injured Employee Worked for Employer to be Joined				16. Dates of Coverage (Use when joining only insurer)			
17. Date of Alleged Injury		18. Nature of Alleged Injury					

If more than one employer and/or insurer to be joined, attach additional page and provide above information for each employer and/or insurer.

PETITION TO TERMINATE BENEFITS (CHECK TYPE TO BE TERMINATED):

Temporary Total Disability Temporary Partial Disability Permanent Partial Disability Permanent Total Disability Medical Benefits
 Other:

20. Reason for termination:

21. If you are seeking termination of temporary compensation and allege the disability is permanent, report total compensation paid:

Type	From	Through	Weeks and Days	Rate	Amount
				\$	\$
				\$	\$
				\$	\$
				\$	\$

22. Date When Disability Became Permanent

OTHER (STATE IN DETAIL BELOW; ATTACH ADDITIONAL PAGE IF NECESSARY):

Request Board Order on late reporting penalty of \$750.00 per AS 23.30.155(c) based upon compensation report termination payment of May 6, 1983 which was 27 days late.

The Second Injury Fund requests a determination based upon the information in the case file.

COMPLETE AND ATTACH A MEDICAL SUMMARY (Form 07-6103).
ATTACH PROOF OF SERVICE

23. Name of Individual Submitting this Form (Print or Type) Claine VanderSande			24. Signature Claine VanderSande		25. Date 12/28/84	
26. Address Second Injury Fund			City	State	Zip Code	

COPY SERVED ON
 (HSS) State of AK/ Scott Wetzel Services

C-RRR

STATEMENT OF
 READINESS TO PROCEED

ALASKA DEPARTMENT OF LABOR
 Alaska Workers' Compensation Board
 P.O. Box 1149
 Juneau, Alaska 99802

AWCB Case Number

304511

BEFORE YOU COMPLETE AND SUBMIT THIS FORM, READ CAREFULLY.

1. Use only to request the scheduling of a pre-hearing or hearing after employee has filled an "Application for Adjustment of Claim" (Form 07-6106) or employer/insurer has filed a "Petition" (Form 07-6111).
2. Note that once a hearing has been scheduled, a continuance will be permitted only for good cause following a written stipulation filed with the Board before the hearing or an oral motion at the time for the hearing. If a continuance is granted, there may be a significant delay before your case is rescheduled.
3. You should complete and submit this form only if you are fully prepared for a hearing.
4. Plan to be present at the hearing in person or represented by an attorney.

1. Employee's Name (Last, First, Middle Initial) Ford, David P.				2. Insurer Claim Number 647		3. Date of injury 3 / 10 / 83	
4. Address						5. Social Security Number 329-80-0804	
City		State		Zip Code		Telephone	
7. Employer State of Alaska (HSS)				8. Insurer/Adjusting Company Self Insured / Scott Wetzel Services			
9. Address 400 Gambell, Suite 201				10. Address 741 Sesame St. Suite 1-A			
City		State		Zip Code		Telephone	
Anchorage, Alaska 99503				Anchorage, Alaska 99503 561-1725			

Before your case will be scheduled for a pre-hearing or hearing, you MUST comply with the following instructions:

Section 1

11. Complete the entire form except (a) Section 4 if requesting a pre-hearing, or (b) Section 3 if requesting a hearing.
12. Attach a "Medical Summary" (Form 07-6103).
13. Attach proof of service upon opposing parties of the "Medical Summary" form and this form.
14. Mail this form to the Board's address in the city you want the pre-hearing or hearing held. If you request "Other", mail to the Board's Juneau address.

Section 2

15. The Employee, Employer, Insurer, or Physician requests that this case be set for a Pre-hearing or Hearing in:

<input type="checkbox"/> Anchorage Pouch 7-019 Anchorage, AK 99510 (907) 264-2424	<input type="checkbox"/> Fairbanks 675 7th Avenue Station "J" Fairbanks, AK 99701 (907) 452-1509	<input checked="" type="checkbox"/> Juneau Box 1149 Juneau, AK 99802 (907) 465-2790	<input type="checkbox"/> Other (Check one) <input type="checkbox"/> Ketchikan <input type="checkbox"/> Sitka
--	--	--	--

16. Employee is now receiving compensation payments: YES NO Weekly Rate \$ _____

Section 3

17. A pre-hearing is requested to:

Frame Issues, Record Stipulations, Join Necessary Parties, or Other (Explain): _____

Section 4

18. A regular hearing is requested. If there are additional issues not listed on the "Application for Adjustment of Claim" or "Petition", please attach an amended Application or Petition.

19. I expect to present _____ witnesses, including _____ medical witnesses, and estimate the time required for my portion of the hearing will be _____ minutes.

20. Comments: no testimony/witness

21. Name of Individual Submitting this Form (Print or Type) Elaine VanderSande		22. Signature <i>Elaine VanderSande</i>		23. Date 12/28/84	
24. Address Second Injury Fund P.O. Box 1149, Juneau, Alaska 99802		City Juneau		State Alaska	
25. Attorney's Name and Firm Name (if represented)		26. Telephone			
27. Attorney's Address		City		State	

STATE OF ALASKA
DEPARTMENT OF LABOR
WORKERS COMPENSATION DIVISION
P.O. BOX 1149
JUNEAU ALASKA 99802
(907) 465 2790

Paul House

DATE 06/29/83

SCOTT WETZEL SERVICES
741 SESAME ST SUITE 1A

ANCHORAGE AK 99503

DEAR INSURER:

AS 23.30.15(C) REQUIRES YOU TO NOTIFY THE BOARD WITHIN 14 DAYS AFTER MAKING FIRST PAYMENT OR INCREASING, REDUCING, TERMINATING, SUSPENDING, RESUMING OR CHANGING COMPENSATION RATES OR TYPES.

YOUR COMPENSATION REPORT FOR THE CASE CAPTIONED BELOW REGARDING PAYMENT MADE 05/06/83, WAS 27 DAYS OVERDUE. ACCORDINGLY, \$750 LATE REPORT PENALTY IS DUE. PLEASE SEND YOUR CHECK IN THAT AMOUNT TO THE SECOND INJURY FUND, P.O. BOX 1149, JUNEAU, AK 99802.

EMPLOYEE: FORD, DAVID P.
1547 E 27TH AVE

ANCHORAGE AK 99504
ALASKA, STATE OF (H&SS)
HEALTH & SOCIAL SERVICES
3601 C ST., FRONTIER BLD
ANCHORAGE AK 99503

EMPLOYER:

INJURY DATE: 03/10/83
AWCB CASE NO: 304511
REF YOUR CLAIM 647

VERY TRULY YOURS,
Paul House
PAUL HOUSE, ADMINISTRATOR
SECOND INJURY FUND

6/28/83
DEAR PAUL,
Pls be advised that we
have submitted a corrected
report, because our last
payment made was on 6-2-83
paying clmt thru 6-2-83, but
was returned by clmt
6-9-83 indicating that he
had Rtw 5-7-83 without
a doctor's release. I do not
feel we owe \$750.00 on
any amount.

EMPLOYEE:

KEEP THIS REPORT FOR YOUR RECORDS. FOR INFORMATION ONLY. READ IMPORTANT INFORMATION ABOUT YOUR RIGHTS ON BACK.

ALASKA DEPARTMENT OF LABOR
Alaska Workers' Compensation Board
Box 1149, Juneau, Alaska 99811

COMPENSATION REPORT

AWCB Case Number
304511

1. Employee's Name (Last, First, Middle Initial) FORD, DAVID P.		2. Insurer Claim Number 647		3. Injury Date 3 / 10 / 83	
4. Address 1547 E 27th AVE City State Zip Telephone ANCHORAGE AK 99504 276-5427				5. Social Security Number 329 - 80 - 0804	
7. Employer STATE OF ALASKA		8. Insurer/Adjusting Company SELF INSURED			
9. Address 400 GAMBELL, SUITE 201 City State Zip Telephone ANCHORAGE AK 99503		10. Address SCOTT WETZEL SERVICES, INC. City State Zip Telephone			

COMPENSATION RATE (Complete for initial payment or rate change)

11. METHODS

1. Awaiting gross wages documents

2. Highest of three years, 19 _____
Documents received: _____ / _____ / _____
Date

3. Same or similar wages

4. Minor or apprentice

5. Volunteer policeman, etc.

12. If method 3, 4, or 5, how did you figure gross wages? _____

13. Tips, board, rent, housing or similar advantage included. Explain how figured. _____

14. RATE \$		15. HOW RATE WAS FIGURED			
<input type="checkbox"/> a. Alaska TTD, PTD, death or scheduled PPD	a. Gross Wages	Employee Avg. Wk. Wage	Alaska Weekly Rate	Alaska Max. or Min.	
	\$	52 weeks = \$	X 662/3% = \$	\$	
<input type="checkbox"/> b. Alaska unscheduled PPD or TPD	b. Employee Avg. Wk. Wage	Earning Capacity	Difference	Alaska Weekly Rate	Alaska Max. or Min.
	\$	-\$	= \$	X 662/3% = \$	\$
<input type="checkbox"/> c. Out-of-state TTD, TPD, PPD, PTD or death	c. State Avg. Wk. Wage	Alaska Avg. Wk. Wage	State Ratio	Alaska Weekly Rate	State Weekly Rate
	\$	\$	% X \$	= \$	= \$

(1) State or Country (2) Date Left / / (3) Were gross wages earned in Alaska? Yes No Partly

16. a. INITIAL PAYMENT b. SIF PAYMENT ONLY c. TERMINATION d. SUSPENSION e. RATE CHANGE f. TYPE CHANGE g. RESUMPTION Knowledge Date: / / h. ANNIVERSARY i. OTHER (Explain) **CORRECTION**

17. a. Payment Date	b. Type	c. From	d. Through	e. Weeks & Days	f. Weekly Rate	g. Total Amount
6/2/83	TTD	5/11/83	5/19/83	10	\$ 294.36	\$ 3406.16
					\$	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$

(If additional space is needed, use chart on reverse.) TOTAL \$: 3406.16

18. Impairment Rating: _____ % of _____ : _____ % of _____ : _____ % of _____

19. Permanent disability compensation was paid in a lump sum. (Enter amount in No. 17.) How did you figure it? _____

20. a. Date Disability Began 3 / 11 / 83	22. a. Employee Attorney Fees \$ _____	b. Late Report Penalties \$ _____
b. First Payment Date 3 / 24 / 83	c. Employer Attorney Fees \$ _____	d. Medical \$ 39,041.49
21. Date Disability Ended 5 / 19 / 83	e. Second Injury Fund \$ 148.86	f. Rehabilitation \$ _____
	<input type="checkbox"/> s Check to SIF Attached	g. Other \$ _____

REASON FOR SUSPENSION, TERMINATION, RATE CHANGE, TYPE CHANGE, OR NON-PAYMENT

23. Returned to Work **5 / 9 / 83** Released for Work Date / /

At New Job At Same Job

Occupation _____

Weekly Pay Rate \$ _____

24. Regular Work Modified Work

25. Moved from Alaska

26. Compromise and Release

27. Returned to Alaska

28. Controversy (Attach 076105)

29. Recomputation

30. Board Order

31. Other

32. Lack Recent Medical Report

33. Remarks: **OVERPAYMENT 5/9/83 THRU 5/19/83 = 1 WEEK 4 DAYS = 462.56 OVERPAYMENT LAST PAYMENT MADE ON 6/2/83, PAYING CLAIMANT THRU 6/2/83, BUT WAS RETURNED BY CLAIMANT ADVISING HE RETURNED TO WORK 5/9/83.**

CC: AWCB CC: SOA PR CC: FILE CC: SOA RISK MANAGEMENT CC: SWS BREMERTON

I certify that I have mailed the original of this report to the employee at the address above and a copy to the Alaska Workers' Compensation Board.

34. Name and Title of Person Submitting Report (Type or Print) MARION C. BERRY/CLAIMS EXAMINER	35. Signature <i>[Signature]</i>	36. Date 6 / 30 / 83
37. Address (if different from No. 10) 741 SESAME ST SUITE 1-A ANCHORAGE AK 99503 541-1775		

EMPLOYEE:KEEP THIS REPORT FOR YOUR RECORDS. FOR INFORMATION ONLY.
READ IMPORTANT INFORMATION ABOUT YOUR RIGHTS ON BACK.ALASKA DEPARTMENT OF LABOR
Alaska Workers' Compensation Board
Box 1149, Juneau, Alaska 99811**COMPENSATION REPORT**AWCS Case Number
304511

1. Employee's Name (Last, First, Middle Initial) FORD, DAVID P.		2. Insurer Claim Number 647	3. Injury Date 3 / 19 / 83
4. Address 1547 F 27th AVE		5. Social Security Number 329 - 80 - 0804	
City ANCHORAGE	State AK	Zip 99504	Telephone 276-5427
7. Employer STATE OF ALASKA (HSS)		8. Insurer/Adjusting Company SELF INSURED	
9. Address 400 GAMBELL, SUITE 201		10. Address SCOTT NETZEL SERVICES, INC.	
City ANCHORAGE	State AK	Zip 99503	Telephone

COMPENSATION RATE (Complete for initial payment or rate change)

METHODS	<input type="checkbox"/> 1. Awaiting gross wages documents	12. If method 3, 4, or 5, how did you figure gross wages?
	<input type="checkbox"/> 2. Highest of three years, 19____	
	Documents received: ____/____/____ Date	
	<input type="checkbox"/> 3. Same or similar wages	<input type="checkbox"/> 13. Tips, board, rent, housing or similar advantage included. Explain how figured.
	<input type="checkbox"/> 4. Minor or apprentice	
<input type="checkbox"/> 5. Volunteer policeman, etc.		

14. RATE \$		15. HOW RATE WAS FIGURED			
<input type="checkbox"/> a. Alaska TTD, PTD, death or scheduled PPD	a. Gross Wages	Employer Avg. Wk. Wage	Alaska Weekly Rate	Alaska Max. or Min.	
	\$	÷ 52 weeks = \$	X 66 ² / ₃ % = \$	\$	\$
<input type="checkbox"/> b. Alaska unscheduled PPD or TPD	b. Employee Avg. Wk. Wage	Earning Capacity	Difference	Alaska Weekly Rate	Alaska Max. or Min.
	\$	-\$	= \$	X 66 ² / ₃ % = \$	\$
<input type="checkbox"/> c. Out-of-state TTD, TPD, PPD, PTD or death	c. State Avg. Wk. Wage	Alaska Avg. Wk. Wage	State Ratio	Alaska Weekly Rate	State Weekly Rate
	\$	\$	% X \$	\$	\$
(1) State or Country	(2) Date Left / /	(3) Were gross wages earned in Alaska? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partly			

16. <input type="checkbox"/> a. INITIAL PAYMENT	<input type="checkbox"/> b. SIF PAYMENT ONLY	<input checked="" type="checkbox"/> c. TERMINATION	<input type="checkbox"/> d. SUSPENSION	<input type="checkbox"/> e. RATE CHANGE	<input type="checkbox"/> f. TYPE CHANGE
<input type="checkbox"/> g. RESUMPTION	Knowledge Date: / /	<input type="checkbox"/> h. ANNIVERSARY	<input type="checkbox"/> i. OTHER (Explain)		

17. a. Payment Date	b. Type	c. From	d. Through	e. Weeks & Days	f. Weekly Rate	g. Total Amount
5/6/83	TTD	3/11/83	5/19/83	10	\$ 294.36	\$ 3406.16
					\$	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$
TOTAL						\$ 3406.16

18. Impairment Rating: _____ % of _____ ; _____ % of _____

19. Permanent disability compensation was paid in a lump sum. (Enter amount in No. 17.) How did you figure it? _____

20. a. Date Disability Began 3 / 11 / 83	22. a. Employee Attorney Fees \$ _____	b. Late Report Penalties \$ _____
b. First Payment Date 3 / 24 / 83	c. Employer Attorney Fees \$ _____	d. Medical \$ 37,401.4
21. Date Disability Ended 5 / 19 / 83	e. Second Injury Fund \$ 148.86	f. Rehabilitation \$ _____
	<input type="checkbox"/> \$ 148.86 Check to SIF Attached	g. Other \$ _____

REASON FOR SUSPENSION, TERMINATION, RATE CHANGE, TYPE CHANGE, OR NON-PAYMENT

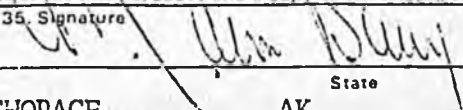
23. <input checked="" type="checkbox"/> Returned to Work 5 / 9 / 83	24. <input type="checkbox"/> Released for Work	25. <input type="checkbox"/> Moved from Alaska	26. <input type="checkbox"/> Compromise and Release
<input type="checkbox"/> At New Job <input type="checkbox"/> At Same Job	Date / /	27. <input type="checkbox"/> Returned to Alaska	28. <input type="checkbox"/> Controversy (Attach 07 G105)
Occupation _____	<input type="checkbox"/> Regular Work	29. <input type="checkbox"/> Recomputation	30. <input type="checkbox"/> Board Order
Weekly Pay Rate \$ _____	<input type="checkbox"/> Modified Work	31. <input type="checkbox"/> Other	32. <input type="checkbox"/> Lack Recent Mer Report

33. Remarks: **OVERPAYMENT FROM 5/9/83 THRU 5/19/83, PERIOD OF 1 WEEK 4 DAYS, OF \$462.56.**

CC: AWCB
CC: SOA PR
CC: FILE
CC: SOA RISK MANAGEMENT

CC: SWS BREMERTON

I certify that I have mailed the original of this report to the employee at the address above and a copy to the Alaska Workers' Compensation Board.

34. Name and Title of Person Submitting Report (Type or Print) MARION C. BERRY/CLAIMS EXAMINER	35. Signature 	36. Date 6 / 15 / 83
37. Address (if different from No. 10) 741 SESAME ST., SUITE 1-A	City ANCHORAGE	State AK
	Zip 99507	Telephone 561-1725

Chancy Croft, Attorney

738 H Street — Suite 200

Anchorage, Alaska 99501

907-272-3508

February 27, 1985

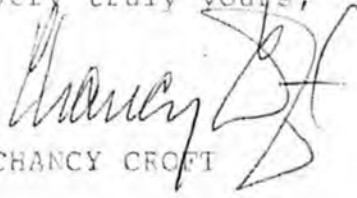
Honorable Mike Navarre
Chairman, Labor & Commerce Committee
Alaska House of Representatives
Juneau, Alaska 99801

Dear Mike:

As a lawyer, I represent only injured workers before the Alaska Workers Compensation Board. The present reporting and penalty provisions of the Alaska Workers Compensation Act are a real benefit to injured workers. The present system provides needed information by which all parties can make informed decisions. Equally important, and some of the time even more important, the penalty provisions help to insure prompt payment of benefits to injured workers. Often, prompt payment of benefits is all that keeps a disabling injury from becoming a huge personal tragedy. While the present system does not guarantee prompt payment in all cases, it is a strong incentive in that direction and certainly should be strengthened and not weakened.

In the early 1980's, I was a public member of a committee created by the legislature to analyze our workers compensation system. Both the committee and the legislature spent countless hours considering possible changes. While in the end we were unable to agree on such things as the benefit level or rehabilitation, there was unanimous and emphatic agreement for the adoption of the present reporting and penalty provisions. As a former member of that committee, I believe the legislative changes made then have worked well to accomplish their purpose and I hope they will all be retained.

Very truly yours,


CHANCY CROFT

CC:ols

STATE OF ALASKA

DEPARTMENT OF LABOR

DIVISION OF WORKERS' COMPENSATION

BILI SHEFFIELD, GOVERNOR

1111 WEST 8th, Rm 305
BOX 1149
JUNEAU, ALASKA 99802
PHONE: (907) 465-2790

February 27, 1985

The Honorable Virginia Collins
Alaska State Representative
Pouch V
Juneau, AK 99811

Dear Representative Collins:

In follow-up to our discussion last month regarding late reporting penalties, enclosed is information on the amount of penalties paid for both calendar year 1984 and total penalties paid for the past three-year period that the compensation reporting system has been in effect. On the latter report I have included the total penalties paid by insurers/adjusters to injured workers for late payment of compensation benefits.

The current update of penalties paid to the Second Injury Fund shows that since January 1, 1982 a total of \$192,193 has been paid by insurers/adjusters on 333 claims. Penalties paid to injured workers by insurers/adjusters for late payment of compensation benefits total \$179,776 on 2,099 claims. For the convenience of insurers/adjusters requesting break-outs of penalties paid, I have listed the penalties by the Division claim number. For each independent adjusting agency I have listed, by insurance company or self-insured employer for whom claims are being adjusted, the total number of claims penalized and amount of penalties. Concerning the status of outstanding penalties due the Second Injury Fund, records show that since November 1984 the Second Injury Fund has filed petitions with the Board for non-payment of penalties on 41 cases. Three cases were subsequently resolved through payment or filing of an affidavit by the insurer/adjuster, and seven cases were referred to the Board for order of payment. Twenty-one cases are pending insurer/adjuster response to the petition or referral to the Board. The forty-one petitions were served on the following:

Providence Washington Insurance	7
Alaska Pacific Assurance Company	6
Scott Wetzels Services	8
Wilton Adjustment Services	1
Crawford and Company	5
American International Adjusting Company	2
State Farm Insurance	1
Wausau Insurance	1
Louisiana Pacific - Ketchikan	1
Industrial Indemnity Insurance	9

It was my understanding that one particular adjuster stated to you that he refused to pay Second Injury Fund penalties and, in fact, had never paid

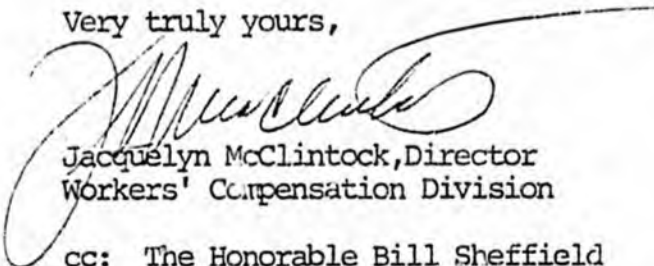
any penalties. You, therefore, questioned whether the law was being equitably enforced. Since I do not know the name of the adjuster it is difficult to research this statement. However, in comparing the above companies who have been served petitions for non-payment of penalties with the list of companies who have paid penalties, it is noted that all the above companies appear on the payment listing. We have no long outstanding unpaid penalties other than those listed above. Therefore, it would appear this adjuster has either never been assessed a late reporting penalty or the penalty was waived upon filing of an affidavit or corrected report with the Board. Please advise if you wish me to research this further.

As you may be aware, Randy Weddle of the law firm of Faulkner, Banfield, Doogan and Holmes, on behalf of the insurers/adjusters listed below, and the Attorney General's office, on behalf of the Second Injury Fund, signed a stipulation on June 8, 1984 staying action on ten penalty cases pending a constitutional challenge to the court on the assessment of Second Injury Fund penalties. On February 11, 1985 the Attorney General's office was advised by Randy Weddle that the insurers/adjusters had decided not to proceed with the case because the litigation costs exceeded the amount of penalties. We have heard nothing further from the parties and assume this action has been dropped. The insurers/adjusters who had been involved in these cases are as follows:

Northern Adjusters	3
Alaska Pacific Assurance Company/ Insurance Company of No. America	1
Scott Wetzel Services	3
Travelers Insurance	1
Industrial Indemnity Insurance	1
Fireman's Fund Insurance	1

If you have further questions, please contact me.

Very truly yours,



Jacquelyn McClintock, Director
Workers' Compensation Division

cc: The Honorable Bill Sheffield
Governor, State of Alaska

The Honorable Mike Navarre, Chairman
House Labor and Commerce Committee

Jim Robison, Commissioner
Department of Labor

Jack Thompson, Management Member
Labor/Management Ad Hoc Committee

Kevin Dougherty, Labor Member
Labor/Management Ad Hoc Committee

Randall J. Weddle, Esq.
Faulkner, Banfield, Doogan and Holmes

PENALTIES PAID FROM JANUARY 1, 1982 - PRESENT

<u>INSURER/ADJUSTING/AGENCY/ SELF-INSURED EMPLOYER</u>	<u>LATE COMPENSATION PAYMENT PENALTY (TO INJURED WORKER)</u>		<u>LATE REPORTING PENALTY (TO SIF)</u>	
	<u>No. of Claims</u>	<u>Amount</u>	<u>No. of Claims</u>	<u>Amount</u>
Alaska Insurance Company	1	26		
Alaska National Insurance Company	32	1,005	2	550
Alaska Timber Insurance Exchange	25	1,391	12	2,450
Alaska Pacific Assurance Company/ Insurance Company of North America	108	7,060	46	27,380
American International Adjusting	54	4,506	10	5,075
Arctic Adjusters	15	865		
Argonaut Insurance Company	1	12		
Consolidated Freightways	2	65	1	1,240
Crawford and Company	171	13,405	12	7,365
Foss Alaska Lines			1	325
Fireman's Fund Insurance	46	1,559	5	750
General Adjustment Bureau	59	2,566	1	925
Great American Insurance Company	56	3,079	8	8,625
Home Insurance Company	17	757	9	2,425
Industrial Indemnity Company	536	39,517	65	33,658
Liberty Mutual Insurance Company	2	64	2	286
Marathon Oil	1	56		

LATE COMPENSATION PAYMENT PENALTYLATE REPORTING PENALTY

Mission Insurance Company	1	21		
Northern Adjusters	24	2,659	4	2,325
Pacific Marine Insurance Company	156	13,209	17	4,655
Providence Washington Insurance Company	477	58,575	67	57,189
Rosenurgy and Company	9	1,100	6	2,800
Scott Wetzel Services	145	14,308	6	1,200
Sears Roebuck			5	1,345
Shell Oil Company	2	78		
St. Paul Fire and Marine	3	62		
Standard Oil Company/Chevron U.S.A.			6	2,350
State Farm Fire and Casualty	29	1,176	1	150
Surety of Alaska	2	59	3	1,750
Traveler's Insurance Company	4	498	6	1,885
Underwriters Adjusting Company	1	376	1	400
Union Oil Company			2	425
U.S. Fidelity and Guaranty	5	1,815	2	1,750
Wausau Insurance Company	54	5,485	27	20,945
Wilton Adjusting Company	<u>61</u>	<u>4,422</u>	<u>6</u>	<u>1,970</u>
	2,099	179,776	333	192,193

INSURER/ADJUSTING AGENCY/
SELF-INSURED EMPLOYER

LATE COMPENSATION PAYMENT
PENALTY (TO INJURED WORKER)

REPORTING PENALTY
SIF)

	<u>No. of Claims</u>	<u>Amount</u>	<u>No. of Claims</u>	<u>Amount</u>
ALASKA TIMBER INSURANCE EXCHANGE	21	829	9	1,900
(Louisiana Pacific Corporation)	4	562	3	550
Total	25	1,391	12	2,450

INSURER/ADJUSTING AGENCY/
SELF-INSURED EMPLOYER

LATE COMPENSATION PAYMENT
PENALTY (TO INJURED WORKER)

LATE REPORTING PENALTY
(TO SIF)

No. of Claims

Amount

No. of Claims

Amount

ALPAC/INA - Anchorage/ INSURANCE CO. OF NORTH AMERICA	102	6,767	46	27,380
(Pacific Employers Ins. Co.)	4	46		
(Industrial Indemnity of No. America)	1	214		
(Aetna Fire Underwriters)	1	33		
Total	108	7,060	46	27,380