

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

3453 HLAB HB 6

309

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

AMERICAN INTERNATIONAL ADJUSTING

(National Union Fire Ins.)	19	1,943	6	2,090
(Alaska Insurance Co.)	26	2,137	3	2,875
(Granite State Insurance Co.)	2	174		
(American Home Inc.)	2	46	1	110
(A.I.U. Insurance)	5	206		
Total	54	4,506	10	5,075

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

ARCTIC ADJUSTERS

(American Motorists)	7	349
(American Mfg. Mutual)	1	26
(U.S. Fidelity & Guarantee)		490
Total	5	865

INSURER/ADJUSTING AGENCY/  
SELF-INSURED EMPLOYERLATE COMPENSATION PAYMENT  
PENALTY (TO INJURED WORKER)LATE REPORTING PENALTY  
(TO SIF)No. of ClaimsAmountNo. of ClaimsAmount

## CRAWFORD AND COMPANY

(Aetna Casualty & Surety)	37	2,615	4	5,565
(American & Foreign Insurance)	2	19		
(Continental Casualty)	1	1,500		
(American Mutual Liability)	3	58		
(Maryland Casualty Co.)	2	30		
(Royal Indemnity Co.)	6	357		
(Transportation Insurance Co.)	5	112		
(Argonaut Ins. Co.)	51	4,504	3	545
(General Accident Ins. Am.)	1	4		
(Royal Globe Ins.)	4	193	1	130
(Safeco Ins. Co.)	1	154		
(Ideal Mutual)	1	5		
(South Carolina Ins. Co.)	1	120		
(Security Ins. Co. of Hartford)	1	9		
(Royal Ins. Co. of America)	13	360		
(Trans Pacific Ins. Co.)	1	6		
(Mission Ins. Co.)	3	280	2	325
(National Union Fire Ins.)	3	676		
(ALPAC/INA)	10	1,465	1	325
(State Farm Fire & Casualty)	3	77		

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

CRAWFORD & CO. cont.

(Transamerica Ins. Co.)                      1                      13

(Tokio Marine & Fire Ins.)                      7                      184

(Traveler's Ins. Co.)                      1                      110                      1                      475

(Home Ins. Co.)                      2                      24

(Liberty Mutual Ins.)                      3                      148

(Transport Ins.)                      2                      90

(Litton Industries)                      1                      117

(Montgomery & Ward)                      3                      86

(Western Geophysical)                      2                      88

Total                      171                      13,405

12                      7,365

INSURER/ADJUSTING AGENCY/  
SELF-INSURED EMPLOYER

LATE COMPENSATION PAYMENT  
PENALTY (TO INJURED WORKER)

LATE REPORTING PENALTY  
(TO SIF)

	<u>No. of Claims</u>	<u>Amount</u>	<u>No. of Claims</u>	<u>Amount</u>
FIREMAN'S FUND INS. CO. (Seattle)	6	274	1	110
FIREMAN'S FUND INS. CO. (Anchorage)	7	448		
(American Ins. Co.)	15	275	2	280
(Associated Indemnity-Portland)	1	42		
(American Auto Ins.)	1	28		
(Associated Indemnity-Seattle)	2	47		
(National Surety Corp.)	1	6		
(American Ins. Co.)	13	439	2	360
Total	46	1,559	5	750

INSURER/ADJUSTING AGENCY/  
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PENALTY (TO INJURED WORKER)

LATE REPORTING PENALTY  
(TO SIF)

No. of Claims

Amount

No. of Claims

Amount

GENERAL ADJUSTMENT BUREAU

1

3

(Employers Fire Ins.)

3

125

(Hartford Ins. Co.)

6

404

1

925

(International Ins. Co.)

4

67

(Twin City Fire Ins.)

1

63

(John Deere Ins. Co.)

1

3

(Commercial Union Ins. Co.)

5

363

(Houston General Ins. Co.)

1

22

(Occidental Fire & Casualty)

15

727

(Peninsular Fire Ins. Co.)

8

314

(Ideal Mutual Ins. Co.)

1

18

(National Union Fire Ins.)

3

183

(Juneau City & Borough)

10

274

Total

59

2,566

1

925

INSURER/ADJUSTING AGENCY/  
SELF-INSURED EMPLOYER

LATE COMPENSATION PAYMENT  
PENALTY (TO INJURED WORKER)

LATE REPORTING PENALTY  
(TO SIF)

	<u>No. of Claims</u>	<u>Amount</u>	<u>No. of Claims</u>	<u>Amount</u>
GREAT AMERICAN INS. CO.	19	899	6	5,200
(American National Fire Ins.)	37	2,180	2	3,425
Total	56	3,079	8	8,625

INSURER/ADJUSTING AGENCY/  
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LATE COMPENSATION PAYMENT  
PENALTY (TO INJURED WORKER)

LATE REPORTING PENALTY  
(TO SIF)

	<u>No. of Claims</u>	<u>Amount</u>	<u>No. of Claims</u>	<u>Amount</u>
INDUSTRIAL INDEMNITY CO.	531	38,954	64	33,558
(U.S. Fire Ins. Co.)	5	563	1	100
Total	536	39,517	65	33,658

INSURER/ADJUSTING AGENCY/  
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LATE REPORTING PENALTY  
(TO SIF)

No. of Claims      Amount

No. of Claims      Amount

NORTHERN ADJUSTERS

(Electric Mutual Liability)	1	44		
(Allstate Ins.)	1	98		
(Compass Ins. Co.)	1	122		
(Western Employers Ins.)	2	217		
(Northbrook Property & Casualty)			1	1,125
(Employers Casualty Co.)	5	481		
(Reliance Ins. Co.)	1	7		
(State of Alaska)	2	120	2	600
(Fred Meyer)	1	26		
(Georgia Pacific Corp.)	1	6		
(Kenai Peninsula Borough)	5	1,187	1	600
(University of Alaska)	3	259		
(Fairbanks North Star Borough)	1	92		
Total	24	2,659	4	2,325

INSURER/ADJUSTING AGENCY/  
SELF-INSURED EMPLOYER

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LATE REPORTING PENALTY  
(TO SIF)

No. of Claims

Amount

No. of Claims

Amount

PACIFIC MARINE INS. CO.-(Anchorage)

128

9,751

14

3,935

PACIFIC MARINE INS. CO.-(Ketchikan)

18

2,526

3

720

(Carr-Gotstein)

3

401

(Nana Regional Corp.)

3

141

(Alaska Airlines)

4

390

Total

156

13,209

17

4,655

INSURER/ADJUSTING AGENCY/  
SELF-INSURED EMPLOYER

LATE COMPENSATION PAYMENT  
PENALTY (TO INJURED WORKER)

LATE REPORTING PENALTY  
(TO SIF)

	<u>No. of Claims</u>	<u>Amount</u>	<u>No. of Claims</u>	<u>Amount</u>
PROVIDENCE WASHINGTON INS. CO.	470	58,113	67	57,189
(Motor Vehicle Casualty)	7	462		
Total	477	58,575	67	57,189

INSURER/ADJUSTING AGENCY/  
SELF-INSURED EMPLOYEE

LATE COMPENSATION PAYMENT  
PENALTY (TO INJURED WORKER)

LATE REPORTING PENALTY  
(TO SIF)

No. of Claims

Amount

No. of Claims

Amount

ROSEMURGY & CO.

(Lloyds of London)

4

611

5

1,825

(Transit Casualty Co.)

4

475

(Northwest Insurance Co.)

1

14

1

975

Total

9

1,100

6

2,800

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

SCOTT WETZEL SERVICES

(State of Alaska)	63	6,885	2	275
(Ranger Ins. Co.)	1	50		
(National Union Fire Ins.)	1	322		
(Home Ins. Co.)	8	973		
(Sentry Ins.)	2	36		
(Alascom)	2	100		
(Alaska Airlines)	2	15		
(Alaska Rural Electric)	1	298		
(Alaska Lumber & Pulp)	2	33	4	925
(AMFAC)	1	44		
(Municipality of Anchorage)	11	1,335		
(Anchorage School District)	10	1,186		
(Fairbanks North Star Borough)	5	146		
(NANA Regional Comp. Inc.)	1	278		
(Pay-N-Save)	1	91		
(Safeway Stores)	2	173		
(Sealaska Corp.)	9	383		
(Wien Air Alaska)	10	281		

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(TO SIF)

No. of Claims      Amount

No. of Claims      Amount

SCOTT WETZEL (cont.)

(Nabors Alaska Drilling)

3                      1,404

(Carr-Gotstein)

10                     270

Total

145                    14,308

6                      1,200

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

SURETY O. ALASKA

(National Union Fire Ins.)

1

27

3

1,750

(Reliance Ins. Co.)

1

32

Total

2

59

3

1,750

INSURER/ADJUSTING AGENCY/  
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(TO SIF)

No. of Claims      Amount

No. of Claims      Amount

UNDERWRITERS INS./ADJUSTING CO.

(National Union Fire Ins.)

1      400

(Continental Ins. Co.)

1      376

Total

1      376

1      400

INSURER/ADJUSTING AGENCY/  
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LATE COMPENSATION PAYMENT  
PENALTY (TO INJURED WORKER)

LATE REPORTING PENALTY  
(TO SIF)

No. of Claims      Amount

No. of Claims      Amount

WILTON ADJUSTING SERVICE

(Commercial Ins. Co.)	2	26		
(Fidelity & Casualty Co.)	5	1,234		
(Niagra Fire Ins.)	1	195		
(Continental Ins. Co.)	38	1,981	2	580
(National Union Fire Ins.)	9	799	2	265
(Continental Ins. Co.)	4	137	1	125
(Providence Washington)	1	41	1	1,000
(Carriers Ins. Co.)	1	9		
Total	61	4,422	6	1,970

## PENALTIES PAID TO SIF CALENDAR YEAR 1984

(From SIF Check Register)

	<u>No. of Penalties</u>	<u>Amount Paid</u>
Providence Washington	44	\$44,605
Industrial Indemnity	37	15,730
Wausau	10	5,720
ALPAC/INA	8	4,445
Crawford & Co.	8	4,350
National Union/AIAC	4	4,190
Scott Wetzel	3	1,180
Pacific Marine	8	1,255
Fireman's Fund	4	710
Wilton Adj.	2	425
Alaska Timber Ins. Exchange	3	335
Alaska National	<u>2</u>	<u>225</u>
	133	\$83,170

# STATE OF ALASKA

## DEPARTMENT OF LABOR

### DIVISION OF WORKERS' COMPENSATION

BILL SHEPHERD, 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.

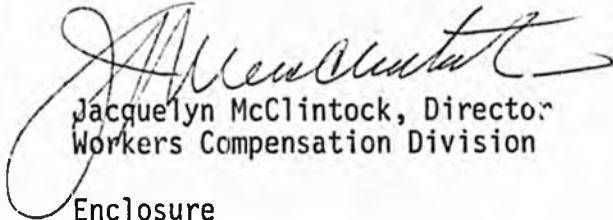
A comment in your letter that needs to be addressed is your mistaken assumption that no one ever attempted to enforce penalties under the law in

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

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February 5, 1985

Jackie McClintock  
Alaska Workers' Compensation Board  
P. O. Box 1149  
Juneau, AK 99811

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

Dear Jackie:

Renee Murray sent me a package of materials which included your letter to her of January the 4th and her response. Also included was a document which is Renee's proposed compromise on the penalty issue. For what it's worth, I would like to make a few comments.

First, I know from our previous conversations that you have focused heavily upon the fact that prior to 1981, the carriers failed to file the required reports and you have attributed this fact to the existence of a relatively low penalty. I think that your assumption as to the reason for the lack of reports is inaccurate. Even if there had been a \$1,000.00 penalty or a \$5,000.00 penalty I doubt the carriers would have filed reports in those days, simply because no one attempted to enforce the penalties.

In our prior conversations concerning this subject, you convinced me that your office does have a legitimate need for some of the statistics that are compiled. You also convinced me that there's a need to ensure that the statistics are accurate, which means that reports need to be filed on time. However, no data base is 100% accurate and in the case of the statistics which you are gathering, there will always be inaccuracies which result from various mistakes in reporting, even if there was a \$100,000.00 penalty for each error. Obviously, some sort of balance must be struck between the competing needs of an accurate data base and a penalty system which is financially tolerable to the insurance industry. It is the value which one places upon each of these competing needs that determines the size of the penalty.

FEB 07 1985

Jackie McClintock  
Our File No.: AS048.191C  
February 5, 1985  
Page Two

After considering this matter for some time and after having spoken to both you and Renee, it is my feeling that the current system would probably lose only a small margin of accuracy in its data base through the compromise suggested by Renee Murray. I have spoken with literally dozens of adjusters about the efforts which they go through in attempting to comply with the report filing system and I'm absolutely convinced that the industry as a whole is acting in good faith to comply with the reporting requirements. While some errors are being made and will continue to be made, I believe that the proposal suggested by Renee would not result in significant decrease in the conscientious efforts of adjusters and thus, would not seriously impair the accuracy of the data which you maintain.

Thank you for your consideration of my comments.

Very truly,

FAULKNER, BANFIELD,  
DOOGAN & HOLMES'

By:

  
Randall J. Weddle

RJW/ar

AWCO  
Bureau

FEB 07 1985

# 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

January 4, 1985

Renee Murray, Vice-President  
Scott Wetzel Services Incorporated  
741 Sesame Street, Suite 1A  
Anchorage, AK 99503

Dear Renee:

Re: AS 23.30.155

Please excuse my long overdue response to your November 15 letter concerning the compensation reporting system under §.155.

I am somewhat surprised that a change to §.155 is again being proposed considering that this section was just amended by the Legislature last year under HCS CSSB 517. It was my impression that last year's amendment, endorsed and supported by the Workers' Compensation Labor/Management Ad Hoc Committee, was agreed upon by all parties to our system.

I have reviewed your proposed statutory language and while I am sure you have given a great deal of thought to this, it would be impossible for the reporting system to operate as you propose under the current provisions of the Act. As happened last year in your review of HCS CSSB 517, there seems to be continuing confusion and misinterpretation of §.155 and how the reporting system actually works. Perhaps some of the confusion stems from the anniversary report, which is also mentioned in your letter.

If I am reading it correctly you are suggesting, in simple terms, that the Board notify the employer/insurer if the employer/insurer has not filed with the Board, and mailed to the injured worker, a report advising that the employer/insurer has begun or has increased, reduced, terminated, resumed, changed or suspended the payment of compensation. Under the Alaska Workers' Compensation system, it is the employer/insurer who independently decides when to begin, change or stop the payment of compensation to an injured worker, unless there has been a Board order issued on a specific case. Therefore, how could the Board possibly know that the employer/insurer failed to file a report advising that action had been taken on a claim when the Board has no way of knowing until the employer/insurer notifies us by filing the report? In other words, how can the Board tell you that you have not reported an action that you independently decide and take in the first place? An employer/insurer could conceivably make numerous changes in the payment of compensation to an injured worker and the Board never be aware of the changes until an inquiry or other filing was received triggering a review of a specific

file. With over 30,000 injuries per year, this would obviously be a very small percentage of the cases in the compensation reporting system.

As mentioned in your letter, and again this may be confusing you, we are able to tell from a computer listing that an employer/insurer has not filed an anniversary report as required under §.155(m). This is done by calling up all files that have not had a termination report filed and on which no anniversary report has been filed one year from the date of injury. This is possible because we are looking for a known - a specific type of report that is to be filed on all open claims at a specific time. This is not the case with the other compensation report filings.

The only way your proposal could possibly work in a compensation reporting system is if the employer/insurer had to obtain Board approval prior to beginning, changing or terminating compensation payments, or any such action was taken only at or upon Board direction. This "agreement" type system is used in some jurisdictions and, in fact, has been suggested for our system by various labor groups and legislators over the past several years, particularly on those cases where the employer/insurer is controverting an injured worker's benefits. We have always opposed enactment of an agreement system as, I assume, would employer and insurer groups.

While the data from the computer reporting system is necessary in order to provide accurate information to the Legislature, as pointed out in your letter, the system provides a much more important service to the two main parties in a workers' compensation program - the injured worker and employer. Injured workers are now apprised of what is happening on their claims and the Board, because it is also informed of any action, is able to resolve many disputes between the injured worker and employer/insurer before the problem ends up in litigation. We believe this process, which is only made possible by accurate and timely filing of compensation reports by the insurer, has substantially reduced litigation and the related costs. For the first time the Board is able to provide comprehensive data in support of testimony on proposed legislation, such as the net spendable concept passed in 1983. Again, this is only made possible by the input of information into the Board's information handling system from reports filed by insurers.

Prior to the 1981 amendment to §.155, which implemented the present compensation reporting system, the insurer was required to file with the Board an initial report upon making first payment of compensation, and within 16 days after final payment of compensation, was required to file a final report. For failure to timely file a final report, the insurer was subject to a \$100 penalty. Under the old law, insurers only filed final reports on about 50% of their claims even though there was a specific statutory requirement and penalty for not doing so. For this reason, the Legislature in 1981 imposed greater penalties of up to \$2,500 for failure to file compensation reports within 14 days. The 1984 amendment decreased the maximum penalty to \$1,000 (\$100 for the first day plus \$10 for each day thereafter), and extended the report filing time to 28 days, which is a longer time period than was allowed even under the law prior to 1981.

Our statistics show that for FY84 insurance carriers timely filed compensation reports within 14 days on 97% of their claims and adjusting companies timely filed on 99% of their claims. In fact, the last quarter of FY84 shows 99% and 100% for insurance carriers and adjusting companies respectively. Timely filing will no doubt be even better now that insurers have 28 days. This performance record contrasts sharply with that in years prior to 1981 and with the reporting track record on the current requirement that insurers file anniversary reports. As previously mentioned, the penalty for not timely filing final reports under the old law was \$100. Since insurers only filed reports on about 50% of their claims, the penalty was obviously not much of a motivating force. As you are aware, insurers are required to file anniversary reports under AS 23.30.155(m), however, there is no penalty for not filing the required report. According to our last computer run, insurers are only filing anniversary reports on about 18% of the claims in which anniversary reports are due. Hence, our requests reminding you to file anniversary reports. We believe, and the record seems to support it, that the wide differences in the insurers' track records for filing the reports required under the Act is directly attributable to whether or not there is a penalty assessed and the amount of that penalty for failure to file the report. This is also rather obvious from your letter. Despite the fact that the anniversary report was required under the same 1981 amendment, you state ". . . 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 . . ." (emphasis mine). Your statement begs the question, would your "compliance" not be hit and miss and would you file as "required" if the same penalty was assessed for not filing an anniversary report as for not filing a compensation report? Our statistical information will, of course, never be completely accurate without the anniversary report filings because it is this report that shows the total medical, rehabilitation and litigation costs on a claim. Most important is the fact that if you have no way to pull up the information on your on-going claims, it must mean that proper payment to the Second Injury Fund is not being made yearly on those on-going claims as required under AS 23.30.040(b). This could perhaps account for a part of the substantial shortfall in SIF funding.

Renee, I can understand your opposition to being assessed penalties for failing to file reports. However, when we met with employer and insurer groups last year to discuss the 1984 proposed legislation, it was my understanding that the biggest problem was the 14 day reporting requirement. The filing time was, therefore, extended from 14 to 28 days because it was felt the adjusters would catch any report filing oversight in their periodic file review, which hopefully occurs within that time period on all open claims. And remember, the term "notify" or "file with the Board" means the date the report was placed in the mail, i.e. postmark date, not the date the report is received in Juneau.

By the way, I note in your letter and proposed amendment that you have shortened the insurer's filing time requirement from 28 days to 21 days. Was this intended or are you confusing the compensation report with the

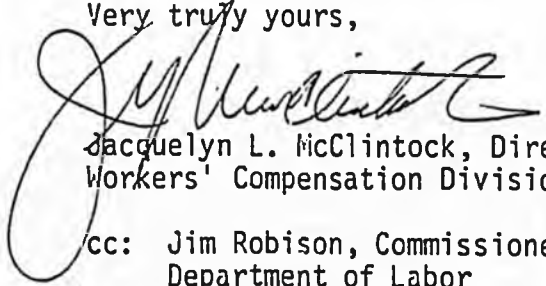
controversion notice? The controversion provision under §.155 was amended last year extending the time period to controvert a claim from 14 days to 21 days, allowing the employer/insurer more investigative time to verify a claim. Or you may be confusing the time period to pay compensation with the time period to report compensation payments. The time period to pay benefits under §.155(a) was shortened from 28 days to 21 days to conform with the controversion time period. The time period for the compensation report filing is, of course, clearly stated as 28 days in §.155(c) and was explained in detail in the Board's 84-06 bulletin issued July 1, 1984. You may wish to refer to the Section-by-Section Analysis and the payment and report charts on pages 1984-1 and 2 in the 1984 Amendment section and page 6104-1 in the Forms Section of your manual. If the 21 days was intended we would, of course, have no problem if the insurers want to shorten their report filing time period. If it was a misinterpretation you have more time than you thought you did.

I did not intend to write an epistle on this, but did feel it was necessary to further explain the amendments to §.155 and some of the related history; and to present my position, and hopefully that of the Board, on this matter. In response to your letter and numerous requests from insurers, I had hoped to have a computer run this week on the total amount of penalties paid by individual insurers during the past year. Unfortunately, it will be next week before I can obtain and mail out the information.

Concerning your request to send a list of outstanding anniversary reports, we have requested a computer run on this for all insurers. However, we cannot set up a "regular routine" for sending this information to all insurers once a month. Since anniversary reporting on claims is a specific requirement under the Act it is the responsibility of insurers to program their computers in order to obtain and report this information. We had originally proposed an annual instead of anniversary report, but the insurer representative on the 1981 workers' compensation legislative committee testified that the insurance community would prefer a report to be filed on the anniversary of the injury date. I understand that not all insurers agree. If it would be easier to provide this information on an annual rather than anniversary basis, we would wholeheartedly support the change.

If you have any questions concerning this or would like to meet with Commissioner Robison or any of the Board's staff, please contact me.

Very truly yours,



Jacquelyn L. McClintock, Director  
Workers' Compensation Division

cc: Jim Robison, Commissioner  
Department of Labor  
P.O. Box 1149  
Juneau, AK 99802

cc: Continued

Jack Thompson, President  
Workers' Compensation Committee of Alaska  
2216 Post Road  
Anchorage, AK 99501

Joe Butler, Member  
Workers' Compensation Labor/Management Ad Hoc Committee  
900 W. Northern Lights, #200  
Anchorage, AK 99503

Kevin Dougherty, Member  
Workers' Compensation Labor/Management Committee of Alaska  
2501 Commercial Drive  
Anchorage, AK 99504



## 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 RECEIVE A REQUEST FROM YOUR DIVISION WE ARE CERTAINLY WILLING TO ACCEPT THE PUNISHMENT.

NOV 19 1984

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

NOV 15 1984

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.

APCS NOV 18 1964  
APCS NOV 19 1964

Clarice M. Hiratsuka  
517 Craig  
Fairbanks, AK 99701

April 2, 1985

Senator Bettye Fahrenkamp  
Pouch V  
Juneau, Alaska 99811

Re: Sponsor Substitute House Bill 6

Dear Senator Fahrenkamp:

House Bill 6 does not provide for the discretionary payment of late reporting penalties for filing untimely reports. The penalties would still be mandatory. The exception is that the penalty would be \$100.00 automatically in the event of an untimely report, and an additional penalty up to \$1000.00 (as now) would apply if the report wasn't submitted upon notification by the AWCB.

The Workers Compensation Board does not have accurate statistics as to how many reports were or were not filed prior to the amendment in 1981. In some cases the Board does not even have complete files prior to 1981 (see attached request from Elaine VanderSande). This is not the fault of the insurance industry.

It isn't the penalty provision that is responsible for the timely compensation reports; it is the reports themselves. The old reports didn't contain much information; the new reports are very informative and are completed many times during the life of the file.

I personally have only worked in two insurance related businesses, Alpac/INA and Scott Wetzel Services. Both of these companies stressed the importance of filing reports with the AWCB. This was both before and after the amendment.

In paragraph three of your 3/14/85 letter you state, "It is difficult to imagine any circumstance which would be beyond the employer's/insurer's control..." I suppose human error is not beyond our control but I can assure you that it probably will always exist, just because none of us function perfectly at all times. Adjusters typically handle over 200 claims at a time. We request reports and expect our clerical personnel to complete them as requested. Sometimes they make a mistake. Sometimes we err and forget to request the report. If we don't catch this immediately we usually catch it later. As soon as the oversight is noticed the report is submitted. Generally the AWCB requests a penalty AFTER we submit the report because it is only after we submit the report (usually) that they notice it is late.

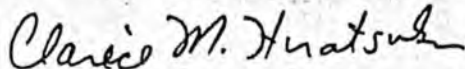
Page two

We do police our own files and comply with the law to the best of our ability. The penalty as it currently stands does not serve any purpose other than to increase the stress load on the adjuster, which as you may or may not know is already a high stress job. A few years ago a liability adjuster committed suicide, reportedly job related. There is a large turnover among adjusters. Some cannot cope with the pace and stress and change to easier jobs. You mention that legislative proposals should be thoroughly studied, discussed and endorsed by those most affected. House Bill 6 most affects adjusters and believe me it most certainly has been studied, discussed and endorsed by all adjusters.

The injured workers with whom I've talked have agreed that the penalty provision as it currently stands is most unfair. I'll be happy to provide you names, addresses and telephone numbers if you wish. I also invite you to stop in our office the next time you're in Fairbanks (545 Third Ave., Rm. 205, over Nerland's) so I can show you how the compensation system works in actual practice.

I am aware of Jack Thompson's position and believe he has been sold a bill of goods on House Bill 6. It appears to me that decisions are being made emotionally (whose side are you on?) rather than objectively (what is fair?) and I doubt House Bill 6 will survive this legislature. However, if it does somehow make it to the Senate I will appreciate your careful consideration and would request that you obtain information from all sides before making any decisions.

Thank you.



Clarice M. Hiratsuka  
Fairbanks Claim Manager  
Scott Wetzel Services

cc: Mike Nevar  
Jack Thompson



# Alaska State Legislature

## House

Official Business

Pouch V  
State Capitol  
Juneau, Alaska 99811

### MEMO

DATE: 2/24/85  
TO: LABOR AND COMMERCE COMMITTEE  
FROM: REPRESENTATIVE VIRGINIA COLLINS  
RE: HB 6, SPONSOR SUBSTITUTE

### OVERVIEW

Sec. 2. AS 23 30.155 (c) Assesses penalties which are payable to the State of Alaska, Second Injury Fund for failure to file certain reports with the Division of Workers Compensation within a 28 day time period required by the statute. There is no forgiveness clause for oversight due to human error. Various reports required by the Workers Compensation Division are relevant to activities regarding the progress of a workers compensation claim.

However the purpose of this labor report is primarily for "data collection" purposes for the Workers Compensation Division. Under no circumstances does the reporting or lack of it affect any benefits due to the injured worker.

The penalties assessed under AS 23.30.155 (c) have been of major concern for employers and insurance carriers since 1981. While it is agreed that the Division of Workers Compensation does have a legitimate need for the data that are compiled from these reports it is clear that the level of penalties assessed places an unfair burden on the employer and insurance carrier and ultimately these costs are then passed on to the consumer.

### PURPOSE OF BILL

The purpose of House Bill 6 Sponsor Substitute is to establish a balance between the competing needs of a accurate data base and a penalty system which recognizes the "occasional" fallibility of human office workers.

WHAT THE BILL ACCOMPLISHES

- \* It establishes a 21 day "grace period" to correct timely reporting errors.

WHAT THE BILL DOES NOT DO

- \* Does not relieve the employer or insurance carrier of any responsibilities for timely reporting.
- \* It Does not require that the Division of Worker's Compensation change any of its procedures or relevant to reporting mechanisms.
- \* It is not in any way adverse to the effect of the delivery of services to the injured worker.
- \* It does not change the intent of AS 23. 35. 155 (c) to encourage timely reporting and payments.
- \* More importantly, it does not carry a fiscal note

The role of the bureaucracy in government is to encourage compliance, punishing wrong-doer's is an issue for the courts.

For

1 IN THE HOUSE

BY COLLINS AND MARTIN

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 6  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to workers' compensation."

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

8 \* Section 1. AS 23.30.155(c) is amended to read:

9 (c) The employer shall notify the board and the employee on a  
10 form prescribed by the board that the payment of compensation has  
11 begun or has been increased, decreased, suspended, terminated, re-  
12 sumed, or changed in type. An initial report shall be filed with the  
13 board and sent to the employee within 28 days after the date of issu-  
14 ing the first payment of compensation. If at any time 21 days or more  
15 pass and no compensation payment is issued, a report notifying the  
16 board and the employee of the termination or suspension of compen-  
17 sation shall be filed with the board and sent to the employee within  
18 28 days after the date the last compensation payment was issued. A  
19 report shall also be filed with the board and sent to the employee  
20 within 28 days after the date of issuing a payment increasing, de-  
21 creasing, resuming or changing the type of compensation paid. If the  
22 employer fails to notify the board and the employee within the 28 days  
23 prescribed by this subsection for reporting, the board shall assess  
24 against the employer [SHALL PAY] a civil penalty of \$100. Upon noti-  
25 fication by the board that a report has not been filed, the employer  
26 shall have 21 days within which to file the report and if the employer  
27 fails to comply, the board shall assess a civil penalty of \$10 for  
28 each day thereafter that the employer fails to file the report [FOR  
29 THE FIRST DAY PLUS \$10 FOR EACH DAY THEREAFTER THAT THE EMPLOYER



Introduced: 1/14/85  
Referred: Labor & Commerce and  
Finance

1 IN THE HOUSE

BY COLLINS AND MARTIN

2

HOUSE BILL NO. 6

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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

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

9 \* Section 1. It is the intent of the legislature that the Workers'  
10 Compensation Board review the civil penalties imposed under AS 23.30.155(c)  
11 since July 11, 1981, to determine if, under AS 23.30.155(c) as amended by  
12 this Act, those penalties should not be imposed, and to determine if any  
13 refund of the penalties is due.

14 \* Sec. 2. AS 23.30.155(c) is amended to read:

15 (c) The employer shall notify the board and the employee on a  
16 form prescribed by the board that the payment of compensation has  
17 begun or has been increased, decreased, suspended, terminated, re-  
18 sumed, or changed in type. An initial report shall be filed with the  
19 board and sent to the employee within 28 days after the date of issu-  
20 ing the first payment of compensation. If at any time 21 days or more  
21 pass and no compensation payment is issued, a report notifying the  
22 board and the employee of the termination or suspension of compen-  
23 sation shall be filed with the board and sent to the employee within  
24 28 days after the date the last compensation payment was issued. A  
25 report shall also be filed with the board and sent to the employee  
26 within 28 days after the date of issuing a payment increasing, de-  
27 creasing, resuming or changing the type of compensation paid. If the  
28 employer fails to notify the board and the employee within the 28 days  
29 prescribed by this subsection for reporting, unless the board finds

1        that the failure was due to conditions over which the employer had no  
2        control, the board may require that the employer [SHALL] pay a civil  
3        penalty of \$100 for the first day plus \$10 for each day thereafter  
4        that the employer failed to give notice. Total penalties under this  
5        section may not exceed \$1,000 for a failure to file a required report.  
6        \* Sec. 3. Section 2 of this Act is retroactive to July 11, 1981.  
7        \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
8        10.070(c).

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not sufficient. —  
ge, Inc., Sup. Ct. 3), 412 P.2d 503

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agner, 7 Alaska  
v. Ghezzi, 11  
Packers Ass'n v.  
Alaska 465 (1949).

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P.2d 503 (1966).

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NOTES TO DECISIONS

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

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.

(b) 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.

(c) 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.

State of Alaska Bill Sheffield Governor	Alaska Workers' Compensation Board P.O. Box 1149, Juneau, Alaska 99802					
Department of Labor Jim Robison Commissioner	BULLETIN	<table border="1"> <tr> <th data-bbox="1055 194 1273 232">Number</th> <th data-bbox="1278 194 1638 232">Date</th> </tr> <tr> <td data-bbox="1055 238 1273 320">84-03</td> <td data-bbox="1278 238 1638 320">February 15, 1984</td> </tr> </table>	Number	Date	84-03	February 15, 1984
Number	Date					
84-03	February 15, 1984					
SUBJECT Compensation Reporting Penalty						

Although the penalty under AS 23.30.155(c) is automatic and no hearing should be required [Wilson v. Erickson, 477 P.2d 998 (Alaska 1970)], the Administrator of the Second Injury Fund has decided to notify insurers and employers of the Fund's penalty request. The employer/insurer will be given an opportunity to be heard, and then the Board will consider the issue and enter an order.

The procedure is as follows:

1. The Fund's Administrator will file with the Board a Petition (form 07-6111) requesting assessment of the penalty. It will be accompanied by a copy of the compensation report that was allegedly untimely filed and, if necessary, an affidavit stating when the compensation report was received at the Board's office and when it was postmarked. The Administrator will also file a Statement of Readiness to Proceed indicating he is ready for the Board to decide the issue, requesting that the Board review the material in its file to make its decision, and stating that no in-person hearing is necessary.
2. A copy of all of the above documents will be sent to the employer and its insurer (as well as the adjuster if appropriate).
3. Under the Board's regulations, the employer/insurer has 20 days from the date of service to answer the Petition and the Administrator has 7 days to reply. If no in-person hearing is requested during this time, the Board will then act on the petition. 8 AAC 45.050(c)(2). If a hearing is requested, one will be scheduled.
4. The Board will issue an order regarding the penalty. A copy will be sent to the employer by certified mail (unless an attorney has appeared on the employer's behalf) and a copy will be sent to the insurer (as well as the adjuster if appropriate) by regular mail.

There are some important points to remember regarding the penalty issue under AS 23.30.155(c): They are:

- \* 1. The fact that the applicant was timely paid and only the report was late makes no difference. The penalty under AS 23.30.155(c) is intended to encourage timely reporting. Timely payments are encouraged by the penalties under AS 23 30.155(e) and (f).

The legislature enacted AS 23.30.155(c) to obtain statistical information for future law changes. Timely and accurate information about payments is needed if the data is to be valid and useful.

- \* 2. Oversight, mistake or inadvertently forgetting to file the report does not make a difference in assessing the penalty. The penalty is mandatory as the law says "the board shall assess . . . a civil penalty". This makes it different from a penalty under AS 23.30.155(e) which may be excused by the Board or a penalty under AS 23.30.070(f) which shall be assessed "if so required by the board."

Again the legislature wanted to assure compliance and wanted to penalize an employer/insurer who causes the data to be inaccurate. Therefore, the employer's/insurer's response should be directed to errors by the administrator in reading the postage date or compensation payment date or incorrectly counting the number of days between payment and mailing of the compensation report.

3. The date used in computing the penalty is the date the compensation payment is made (date in line 17a of Compensation Report) not the date compensation is paid through.

There are two reasons for using the date payment is mailed to the employee rather than the ending date of the compensation payment. First, using payment date avoids a late reporting penalty when you pay a past period of compensation. For example, an employee is injured January 1, 1984 and disabled from that date to January 30, 1984. However, due to employee's late reporting, payment is not made until May 1, 1984. If the ending payment date was used (January 30, 1984) a penalty would be due under AS 23.30.155(c).

Secondly, when a lump sum payment is made for permanent partial disability the report would not be due until the benefit had been expended which could be more than a year after the payment date. The long delay in obtaining the information about this payment would effect the reliability and validity of the statistical data being collected for the legislature and groups working to improve the system.

4. To keep expenses to a minimum, we suggest the employer/insurer submit all information and arguments in writing, rather than requesting a formal hearing, so the Board can decide the penalty issue on the written record.
5. It isn't necessary for an attorney to represent the employer/insurer in this issue. Arguments can be submitted by letter. If you have some information relating to the filing or mailing of the compensation report, it should be submitted in an affidavit.

71st year

Tuesday

The

60 pages.

# Wage policy delayed mail, carriers say

## *Workers say hours rule forced backlog in daily mail delivery*

by Tim Leslie  
Times Writer

A new wage agreement for some U.S. Postal Service employees appears to have frustrated what neither snow, nor rain, nor heat, nor gloom of night could prevent — the swift completion of Anchorage letter carriers' appointed rounds.

The agreement, adopted Jan. 19 as part of a national postal employees' union contract, guarantees mail carriers and other classes of postal workers twice their hourly rate for work in excess of 10 hours per day or 56 hours per week.

While Anchorage mail is being delivered on sched-

double-time hours. The result, Moore said, was that mail was going undelivered and began piling up at the already overcrowded Arctic Boulevard Carrier Annex.

"There was a spell there, from Jan. 19 to the beginning of February, where it was just chaos," Moore said. "It didn't affect the whole city, but a lot of the routes were behind."

Moore blamed most of the problem on management's fear of overspending.

"Local management had a lot of problems understanding the new contract," Moore said. "They were so afraid of that double time."

Moore said the problem was compounded when man-

# Committee denies involvement in borough investigations

acknowledge no one has asked him as a member of the committee — to start any review of the matter.

Pourchot did note that the ethics committee requires a written complaint, signed under oath, before a proceeding may commence: "A complaint may be initiated by any person," according to state law.

Sen. Dick Eliason, D-Sitka, the third Senate member of the

committee, said no one has contacted him to request an ethics committee investigation of possible involvement of legislators with North Slope Borough contractors.

Referring to press reports detailing the financial involvement of Rep. Al Adams, D-Kotzebue, with certain North Slope contractors, Eliason said, "I have a lot of respect for Al Adams and I'm not about to throw him to the wolves without a proper hearing."

The Sitka senator added, "I'm not in favor of starting anything on my own. I'm not in favor of witch hunting," noting that the committee needs a formal complaint before it can institute any action.

Adams has been found to be financially tied to a company named in the audit. Under terms of his contract with the firm, Adams earned a base salary of \$60,000 a year, along with other payments that could have exceeded \$300,000. Adams said the

contract is not a conflict of interest with his duties as a legislator.

Adams is the House Finance Committee chairman, and is responsible for the review of projects that potentially could go to the North Slope Borough.

The borough's financial dealings are the subject of investigations by two agencies, the FBI and the state Department of Labor, following an audit that found several contracts in the borough were awarded questionably during the last months and

days of Mayor Eugene Brower's term.

Several of the contracts have since been cancelled or suspended by his successor, George Ahmaogak.

Companies named in the audit funneled nearly \$100,000 to Brower during his mayoral tenure in 1981 through 1984.

The third House member of the committee, Rep. Walt Furnace, R-Anchorage, could not be reached for comment Monday night.



# Workers say wage policies delayed mail

Continued from page A-1

would not work," Moore said.

William Ball, general manager of postal service operations in Anchorage, said some station foremen may have instructed carriers to limit their overtime hours, but he said the prompt delivery of mail receives priority.

"Supervisors are instructed that under no circumstances will they delay the mail," Ball said.

Moore said the postal employees' union requested the double-pay clause in its recent con-

tract in an attempt to reduce the amount of overtime carriers were being asked to work. He said some routes in Anchorage and in other cities have grown too large to complete during an 8-hour shift, requiring carriers to work mandatory overtime.

"The union is trying to get away from mandatory overtime," Moore said.

Moore said concessions in the union's new contract provide incentives for the postal service to hire additional employees to handle the mail. He said those incentives include substantially

reduced pay levels for new employees, but he added that understaffing remains a problem in Anchorage.

Although mail is now being delivered on schedule, local postal service employees say overcrowding is another problem which continues to plague operations at the Arctic Boulevard Carrier Annex. Moore agreed and added that employees are forced to leave parcels outside in freezing weather during the day because there is no room for them inside the Arctic carrier annex.

"Conditions are so crowded

that when they unload the trucks, sometimes they can't unload some of the first-class mail," Moore said. "If it's in the back of the truck, they bring out the second-, third- and fourth-class mail and the first class has to wait another day."

Ball said about 200 of the city's 360 carriers work out of the Arctic carrier annex. He said 60 or 70 carriers will be transferred to a new facility on Minnesota Boulevard within three weeks and added that additional carrier facilities will be opening in April.

# Reagan's budget

# Ticket prices drop

LAW OFFICES OF  
FAULKNER, BANFIELD, DOOGAN & HOLMES

A PROFESSIONAL CORPORATION

DENALI TOWERS NORTH  
2550 DENALI STREET, SUITE 700  
ANCHORAGE, ALASKA 99503-2774

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MICHAEL M. HOLMES  
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LAWRENCE T. FLINNEY  
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ANTHONY M. SHOLTY  
JAMES R. WEBB  
MICHAEL A. BARCOIT\*\*  
KAREN L. RUSSELL  
LEE S. GLASS, M.D.\*\*  
RICHARD B. BROWN

TIMOTHY A. MCKREEVER  
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OF COUNSEL

HERBERT L. FAULKNER (1082-1072)  
FRANK M. DOOGAN (1023-1977)

\*ADMITTED IN WASHINGTON ONLY  
\*\*ADMITTED IN WASHINGTON & ALASKA  
OTHERS NOT ADMITTED IN WASHINGTON

February 5, 1985

JUNEAU OFFICE

SUITE 300, 601 W. TENTH  
P. O. BOX 1150  
JUNEAU, ALASKA 99802-1150  
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SEATTLE OFFICE

FIFTH AVENUE PLAZA  
800 FIFTH AVENUE, SUITE 3740  
SEATTLE, WASHINGTON 98104  
(206) 292-8008  
TELEX: 70-4212

Jackie McClintock  
Alaska Workers' Compensation Board  
P. O. Box 1149  
Juneau, AK 99811

RE: Compromise on Penalty Issues  
Our File No.: AS048

Dear Jackie:

Renee Murray sent me a package of materials which included your letter to her of January the 4th and her response. Also included was a document which is Renee's proposed compromise on the penalty issue. For what it's worth, I would like to make a few comments.

First, I know from our previous conversations that you have focused heavily upon the fact that prior to 1981, the carriers failed to file the required reports and you have attributed this fact to the existence of a relatively low penalty. I think that your assumption as to the reason for the lack of reports is inaccurate. Even if there had been a \$1,000.00 penalty or a \$5,000.00 penalty I doubt the carriers would have filed reports in those days, simply because no one attempted to enforce the penalties.

In our prior conversations concerning this subject, you convinced me that your office does have a legitimate need for some of the statistics that are compiled. You also convinced me that there's a need to ensure that the statistics are accurate, which means that reports need to be filed on time. However, no data base is 100% accurate and in the case of the statistics which you are gathering, there will always be inaccuracies which result from various mistakes in reporting, even if there was a \$100,000.00 penalty for each error. Obviously, some sort of balance must be struck between the competing needs of an accurate data base and a penalty system which is financially tolerable to the insurance industry. It is the value which one places upon each of these competing needs that determines the size of the penalty.

Jackie McClintock  
Our File No.: AS048.191c  
February 5, 1985  
Page Two

After considering this matter for some time and after having spoken to both you and Renee, it is my feeling that the current system would probably lose only a small margin of accuracy in its data base through the compromise suggested by Renee Murray. I have spoken with literally dozens of adjusters about the efforts which they go through in attempting to comply with the report filing system and I'm absolutely convinced that the industry as a whole is acting in good faith to comply with the reporting requirements. While some errors are being made and will continue to be made, I believe that the proposal suggested by Renee would not result in significant decrease in the conscientious efforts of adjusters and thus, would not seriously impair the accuracy of the data which you maintain.

Thank you for your consideration of my comments.

Very truly,

FAULKNER, BANFIELD,  
DOOGAN & HOLMES

By: 

Randall J. Weddle

RJW/ar  
bcc: Renee Murray



Scott Wetzel Services Incorporated

An Affiliate of The Home Group, Inc.

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

Phone. (907) ~~222-0000~~ 561-1725

January 25, 1985

State of Alaska - Department of Labor  
1111 West 8th, Rm 305  
Box 1149  
Juneau, AK 99802  
Attn: Elaine VanderSande

*Re: Penalties*

Re: Employee: David Ford  
Employer: State of Alaska  
Date of Injury: 3-10-83  
Claim Number: 647  
AWCB Number: 304511

Dear Ms. VanderSande:

In regards to your letter of 1-15-85 addressed to Renee Murray, I wish to comment on your third paragraph.

Prior to compensation payments going out, there are three calls made - one to the physician, one to the claimant, and one to the employer. Most of the time the claimant is the hardest to reach.

In Mr. Ford's case, he was not at home at the time. According to the doctor's office, no release to work was given (to this date we have not received one), and per the department/office he works for, he had not returned to work per the leave slips they had, which are never current.

It seems all the state departments and the various offices do not have a guideline they follow regarding reporting requirements. Very rarely does a state department ever report a return to work. More than 50% of the time the different departments, if they do not have the current leave slips, can not tell if that person returned to work or not, unless the person happens to work in the same room or is within sight of the person you are questioning on the claimant's work status.

It is my understanding that no State of Alaska employee is allowed to return to work without a slip from his/her treating physician, so this should be the most reliable source and most of the time it is.

In addition most of the State employees are on salary continuation so the only department which is really interested is the payroll department so that they can keep their internal records straight, and they can do that long after the fact.

Elaine VanderSande  
January 25, 1985  
Page 2

When you stated that the employer, particularly the State of Alaska, should be educated to report the return to work, I totally agree. There are alot of areas that each department and all offices should be educated on regarding workers' compensation for an injured employee. Hopefully one day this will occur, but you are not talking about a "Mom and Pop" type of operation. You are speaking of a very large governmental operation and I don't think you can educate that many individuals. It is most certainly unfair to penalize the adjusters in this type of a situation.

Very truly yours,

SCOTT WETZEL SERVICES, INC.

Marion C. Berry  
Claims Examiner

MCB/cs

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPARTMENT OF LABOR

### DIVISION OF WORKERS' COMPENSATION

January 15, 1985

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

Ms. Renee Murray  
Vice-President  
Scott Wetzel Services Incorporated  
741 Sesame Street, Suite 1A  
Anchorage, AK 99503

Dear Ms. Murray:

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

Although I thought I had carefully reviewed all cases on which Second Injury Fund petitions for late reporting were prepared, in this instance I believe you are correct, and a penalty should not be pursued.

Using the June 2, 1983 corrected payment date, your June 15, 1983 report would have been timely. I believe the date benefits were terminated may be subject to question concerning whether the correct date or the actual date should be used. The statute was changed July 1, 1984 in an attempt to clarify the date to be used in assessing penalties, and clarification of the earlier version does not appear critical now.

A similar question may arise, however, under the law change when a claim is paid beyond the return-to-work date. The 28 days allowed to file the report should reduce the frequency, although my understanding of the intent of the new provision is that the last correct payment date will be the one enforced. The reasoning is that the adjuster has an obligation to follow the claim carefully enough to know what is happening and report accurately. Particularly when the former employer is the same one where the worker returns to work, the employer should be educated to report the return to work or have to pay the late reporting penalty himself, passed on by the insurer.

That will be a question to resolve if and when the circumstances arises.

Very truly yours,



Elaine VanderSande  
Workers' Compensation Officer  
Second Injury Fund



## 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

RN/jlh  
Enclosures

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

# 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



## Scott Wetzel Services Incorporated

An Affiliate of The Home Group, Inc.

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

Phone: (907) ~~273-0000~~ 561-1725

January 24, 1985

Governor Bill Sheffield  
State of Alaska  
Pouch A  
Juneau, AK 99811

Dear Governor:

Enclosed herewith is a packet of information concerning heavy penalties being assessed against the workers' compensation claims industry by the Division of Workers' Compensation.

Director McClintock flatly refuses to address this problem and in fact alleges that a problem does not exist and further alleges that I am the sole individual even concerned with this intolerable situation.

The enclosed correspondence from many insurance carriers, adjusters, and attorneys will prove her assessment to be incorrect.

Briefly, Alaska Statute AS 23.30.15 (c) assesses penalties which are payable to the State of Alaska - Second Injury Fund for failure to file certain reports with the Division of Workers' Compensation within a 28 day time period required by this statute. There is no forgiveness clause for oversight due to human error. The attached letter dated 1-4-85 from Director McClintock indicates that the insurance industry is filing timely reports 97% to 99% of the time, but for the margin of error of 1% to 3%, private industry has paid in excess of \$190,000.00 in penalties into the coffers of the State of Alaska - Second Injury Fund.

I realize you are much too busy with many serious matters to give this great concern, but if you could just take the time to read my attached letter of 1-22-85 to Ms. McClintock, you will see that I have proposed a reasonable compromise which will give her department the information they require, will assess us a reasonable penalty and provide us an opportunity to correct our oversight before we are subject to a penalty of up to \$1,000.00 for each report we fail to file.

There is a lot of information and correspondence relative to these penalties attached to this letter and if a member of your staff could review these documents, I think it would be self evident that we really have a serious problem.

January 24, 1985

The Workers' Compensation Division has become a huge bureaucracy under Ms. McClintock's supervision and the relationship between her division and the insurance industry is at an all time low. The fact that she is unwilling to even consider a reasonable compromise is an indication of her attitude toward this industry.

Many people are afraid to voice their opinions to Ms. McClintock because of her obvious power. Because I do, she is of the opinion that it is a personal vendetta. It is not, but as a senior member of the workers' compensation claims community in Alaska, having practiced in this industry in Alaska for 30 years, I frequently act as a spokesperson for my constituents. I do believe she has abused her power and has shown a total lack of concern for the industry she polices so diligently.

All of us in the claims business would really like to get back to the business of handling claims and assisting the injured workers to return to viable employment and try to reduce the overall cost to society as a whole, but we are becoming lost in a maze of bureaucratic forms, regulations, and penalties and we need help.

Thank you so much for your concern.

Sincerely,

SCOTT WETZEL SERVICES, INC.

Renee Murray  
Vice President

RM/cs



## Scott Wetzel Services Incorporated

An Affiliate of The Home Group, Inc.

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

Phone: (907) 263-0001 561-1725

January 22, 1985

Jacquelyn McClintock, Director  
Alaska Workers' Compensation Division  
State of Alaska  
P.O. Box 1149  
Juneau, AK 99802

Re: AS 23.30.155 (c) - Penalties Payable to the State of Alaska-Second Injury Fund

Dear Jackie:

Thank you for your letter of January 4, 1985 and your points are well taken. Please accept my rebuttal argument.

In paragraph 3 of your first page you pose a question as to how the Board would know the answers (or even the questions to ask) if the carriers did not file the Compensation Reports as required by AS 23.30.155.

That statement assumes that the industry would purposely not file the Compensation Reports as required by law and that is just simply untrue and preposterous.

As you know, we are required to file a minimum of two reports; an initial report and a termination report and not infrequently, we file six or more reports during the life of a claim. We might, and sometimes do, overlook the filing of one report, but when a subsequent report has to be filed, the error of course shows up and we file the missing report at that time, which subjects us to a penalty, but there is no way the filing of the report can be avoided even if we tried and we would certainly have no reason to try because the failure to file any report subjects us to penalty.

Assume, for the sake of argument that we filed an initial report and there were no other interim reports required and we closed the file, failing to file the termination report. As your system is now set up, if you did not receive a termination report, you would eventually send us a request for an anniversary report on the assumption that having received no termination report, the file was still open. When we received your request for an anniversary report, we would pull the closed file and would see that we had overlooked filing the termination report and the report would be filed. (We just recently had such a case.) As you can see, the system is fool proof and if you could not catch our error in the beginning, you definitely could at the end.

January 22, 1985  
Page 2

In a reverse scenario, assume we failed to file the initial report. When the benefits were terminated and we filed the final report we would again catch our error and make the necessary initial filing.

In most instances, we have to make several filings on each claim and with each filing it is impossible not to correct any previous errors. A subsequent report can not be filed until the prior report has been corrected, as you know.

So it is obvious that we would not and could not purposely fail to file a report. The error would always be caught and would always subject us to a penalty of \$100.00 to \$1,000.00. Why would anyone prefer paying a penalty to the filing of a report?

Your letter indicates that 97% to 99% of all insurance carriers and adjusters filed timely reports in 1984. That means the industry is doing a superior job, but there was still that 1% to 3% of margin of human error that amounted to approximately \$190,000.00 in collected penalties being paid by private industry into the coffers of the State of Alaska - Second Injury Fund.

Short of creating a perfect human being that is 100% totally error free, I know of no way to cover that 1% to 3% margin and stop the heavy penalties, but short of that, our only alternative is to pay in excess of \$100,000.00 yearly in penalties.

Jackie, that just isn't justice. My proposed compromise "gives you your cake and lets you eat it to". Under my proposal, when we make an error and miss a filing of a report we will owe a \$100.00 penalty, regardless of whether we catch the error and make the necessary correction, or your division catches the error and notifies us.

Once the division has notice of the oversight and notifies the carrier or adjuster, we then would have 21 days to file the report before any additional penalty (over and above the \$100.00 mandatory penalty) is due. From the 21st day on, additional penalties shall accrue at the rate of \$10.00 per day up until a report is filed, to the present maximum of \$1,000.00.

Obviously, Jackie, there is nothing in my proposed compromise which would cause the carriers or adjusters to fail to file the Compensation Report because we are still subject to the same penalties. It simply gives us one chance (after paying a \$100.00 penalty) to correct our oversight and avoid further penalty. If a carrier or adjuster fails to file a report after it has been called to their attention, then they certainly deserve the \$1,000.00 penalty and my compromise law would allow for that.

I am asking you again to reconsider your stand on this issue.

I would very much like to see the industry and the Workers' Compensation Division start working together in a spirit of cooperation for the benefit of injured workers as it used to do, as opposed to the "us against them" current mentality. I feel that your support of this compromise would go along ways toward accomplishing that end.

January 22, 1985  
Page 3

For the benefit of the individuals to whom I am addressing a copy of this letter, I would like to make it clearly understood that the filing of, or the failure to file the Compensation Report has no bearing on the benefits paid to the injured worker. In fact it is payment to the injured worker that triggers the filing of the report. If for whatever reason, we fail to file the report, the injured worker's benefits continue and any penalty assessed by your division is paid to the State of Alaska - Second Injury Fund - and not to the injured worker.

Thank you for your consideration.

Sincerely,

SCOTT WETZEL SERVICES, INC.

Renee Murray  
Vice President

RM/cs

cc: Governor Bill Sheffield

Jim Robison - Commissioner of Labor

Jack Thompson, President  
Workers' Compensation Committee of Alaska  
2216 Post Road  
Anchorage, AK 99501

Representative Virginia Collins  
Alaska State Legislature  
Pouch 5  
Juneau, AK 99811

Joe Butler, Member  
Workers' Compensation Labor/Management Ad Hoc Committee  
900 West Northern Lights, #200  
Anchorage, AK 99503

Kevin Dougherty, Member  
Workers' Compensation Labor/Management Committee of Alaska  
2501 Commercial Drive  
Anchorage, AK 99504

Marilyn Murphy - Workers' Compensation Claims Manager  
Alaska National Insurance  
P.O. Box 3440  
Anchorage, AK 99510

January 22, 1985  
Page 4

cc: Continued

Kathy Smith  
Workers' Compensation Supervisor  
Industrial Indemnity Insurance  
P.O. Box 307  
Anchorage, AK 99510

Virginia Parker  
Workers' Compensation Claims Supervisor  
Crawford Adjusters  
3300 Arctic Blvd.  
Anchorage, AK 99503

Dick Stone  
Northern Insurance Adjusters  
2609 Arctic Blvd.  
Anchorage, AK 99503

Alaska Adjusters Association, Anchorage, AK

Randall J. Weddle, Esq.  
Faulkner, Banfield, Doogan & Holmes  
Denali Towers North  
Anchorage, AK 99503

Harry Sjoberg, Risk Manager - Municipality of Anchorage



## Alaska Timber Insurance Exchange

111 Stedman St., Suite 201  
Ketchikan, Alaska 99901  
(907) 215-9451

January 15, 1984

Mr. Mike Thomas  
Robertson, Monagle, Eastaugh & Bradley  
P.O. Box 679  
Anchorage, Alaska 99510

Dear Mike:

Thanks for mailing a copy of pre-filed House Bill Number 6 by Representative Virginia Collins. The Alaska Timber Insurance Exchange supports this legislation. It would permit the Board to disallow unreasonable penalties.

Sincerely,

Donald A. Bell  
President

ALASKA TIMBER MANAGEMENT CORPORATION

DAB/mjh

cc: George Krusz  
Representative Virginia Collins  
George Erickson

*File  
H.S. to  
Folder*

**DEPARTMENT OF LABOR**

*DIVISION OF WORKERS' COMPENSATION*

January 15, 1985

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

Ms. Renee Murray  
Vice-President  
Scott Wetzel Services Incorporated  
741 Sesame Street, Suite 1A  
Anchorage, AK 99503

Dear Ms. Murray:

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

Although I thought I had carefully reviewed all cases on which Second Injury Fund petitions for late reporting were prepared, in this instance I believe you are correct, and a penalty should not be pursued.

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That will be a question to resolve if and when the circumstances arises.

Very truly yours,



Elaine VanderSande  
Workers' Compensation Officer  
Second Injury Fund

cc: W.C.C.A  
Jack Thompson, President  
2216 Post Road  
Anchorage, AK 99501

Rep. Virginia Collins ✓  
Pouch V  
Juneau, AK 99811

Randall J. Weddle, Esq.  
2550 Denali, Suite 700  
Anchorage, AK 99503



## 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.

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

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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

CLAIM NO. 390-110-647  
 DATE ISSUED 5/6/83  
 TYPE PMT. CLOSE 5  
 PAYEE FEDERAL ID. NO. [REDACTED]  
 IN FULL SETTLEMENT OF [REDACTED] (Temporary Total Disability - 5/5/83 thru 5/5/83 (2 WEEKS)) PLUS THE ADJUSTMENT 5/14 THRU 5/5/83 (2 WEEKS)

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

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

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

NOT NEGOTIABLE

CLAIM NO. 3145  
 DATE ISSUED 5/18/83  
 TYPE PMT. CLOSE 5  
 PAYEE FEDERAL ID. NO. [REDACTED]  
 IN FULL SETTLEMENT OF [REDACTED] (Temporary Total Disability 5/6 THRU 5/18/83 (2 WEEKS))

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

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

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

NOT NEGOTIABLE

CLAIM NO. 3308  
 DATE ISSUED 6/2/83  
 TYPE PMT. CLOSE 5  
 PAYEE FEDERAL ID. NO. [REDACTED]  
 IN FULL SETTLEMENT OF [REDACTED] (Temporary Total Disability - 5/20 thru 6/2/83 (2 WKS))

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

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

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

NOT NEGOTIABLE

BILL SHEFFIELD, GOVERNOR

STATE OF ALASKA  
**DEPARTMENT OF LABOR**

DIVISION OF WORKERS' COMPENSATION

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

December 28, 1983

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

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

COPY SERVED ON  
(HSS) State of AK / Scott Wetzel Services  
C-RRR  
PETITIONS 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
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
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
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) Elaine VanderSande		24. Signature <i>Elaine VanderSande</i>	25. Date 12/28/84
26. Address Second Injury Fund P.O. Box 1149, Juneau, Alaska 99802		28. Telephone	
27. Attorney's Name and Firm Name (If Represented)		28. Telephone	
29. Attorney's Address		28. Telephone	

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

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

C-RRR

STATEMENT OF  
READINESS TO PROCEED

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 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	

Section 1	Before your case will be scheduled for a pre-hearing or hearing, you MUST comply with the following instructions:
	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.
Section 2	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.
	15. The <input type="checkbox"/> Employee, <input type="checkbox"/> Employer, <input type="checkbox"/> Insurer, or <input type="checkbox"/> Physician requests that this case be set for a <input type="checkbox"/> Pre-hearing or <input type="checkbox"/> Hearing in:  <input type="checkbox"/> Anchorage Pouch 7-619 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 <input checked="" type="checkbox"/> Second Injury Fund - Decided on written record contained in Board file.
Section 3	16. Employee is now receiving compensation payments: <input type="checkbox"/> YES <input type="checkbox"/> NO Weekly Rate \$ _____
	17. <input type="checkbox"/> A pre-hearing is requested to:  <input type="checkbox"/> Frame Issues, <input type="checkbox"/> Record Stipulations, <input type="checkbox"/> Join Necessary Parties, or <input type="checkbox"/> Other (Explain): _____
Section 4	18. <input type="checkbox"/> 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: <u>no testimony/witness</u>

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

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

*pull 6/23/83*  
9  
23  
DATE 06/23/83

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 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

EMPLOYER: ALASKA, STATE OF (HESS)  
HEALTH & SOCIAL SERVICES  
3601 C ST., FRONTIER BLD  
ANCHORAGE AK 99503

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 5-9-83 without a doctor's release. I do not feel we owe \$750.00 on.*

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

**COMPENSATION RATE (Complete for initial payment or rate change)**

11.  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	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
	\$	-\$	\$	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
	\$	÷ \$	% 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) **PPD PAYMENT**

17. a. Payment Date	b. Type	c. From	d. Through	e. Weeks & Days	f. Weekly Rate	g. Total Amount
	TTD	5/11/83	5/19/83	10	\$ 294.36	\$ 3405.16
11/8/83	PPD	-----20% OF LEFT ARM-----				\$ 8275.44
					\$	\$
					\$	\$
					\$	\$
					\$	\$

18. Impairment Rating: **20** % of **L ARM** (If additional space is needed, use chart on reverse.) **TOTAL \$ 11,679.60**

19.  Permanent disability compensation was paid in a lump sum. (Enter amount in No. 17.) How did you figure it?  
**45,680. X 20% = 8736.**

20. a. Date Disability Began <b>3 / 11 / 83</b>	22. a. Employee Attorney Fees \$ _____	b. Late Report Penalties \$ _____
b. First Payment Date <b>3 / 24 / 83</b>	c. Employer Attorney Fees \$ _____	d. Medical \$ <b>50,020.83</b>
21. Date Disability Ended <b>5 / 19 / 83</b>	e. Second Injury Fund \$ <b>675.02</b>	f. Rehabilitation \$ _____
	<input checked="" type="checkbox"/> s <b>524.16</b> Check to SIF Attached	g. Other \$ _____

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

23.  Returned to Work **5 / 9 / 83** Date  
 At New Job  At Same Job  
 Occupation \_\_\_\_\_  
 Weekly Pay Rate \$ \_\_\_\_\_

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

25.  Moved from Alaska  
 26.  Compromise and Release  
 27.  Returned to Alaska  
 28.  Controversy (Attach 07-6105)  
 29.  Recomputation  
 30.  Board Order  
 31.  Other  
 32.  Lack Recent Medical Report

23. Remarks: **OVERPAYMENT RECOVERED.**  
 CC: ANCB  
 CC: SOA PR  
 CC: FILE  
 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) <b>MARION C. BERRY/CLAIMS EXAMINER</b>	35. Signature <i>[Signature]</i>	36. Date <b>11 / 8 / 83</b>
37. Address (if different from No. 10) <b>741 CECIL ST</b>	City <b>ANCHORAGE</b>	State <b>AK</b>

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) <b>FORD, DAVID P.</b>		2. Insurer Claim Number <b>647</b>	3. Injury Date <b>3 / 10 / 83</b>
4. Address <b>1547 E 27th AVE</b> City State Zip Telephone <b>ANCHORAGE AK 99504 276-5427</b>		5. Social Security Number <b>329 - 80 - 0804</b>	
7. Employer <b>STATE OF ALASKA</b>		8. Insurer/Adjusting Company <b>SELF INSURED</b>	
9. Address <b>400 GAMBELL, SUITE 201</b> City State Zip Telephone <b>ANCHORAGE AK 99503</b>		10. Address <b>SCOTT WETZEL SERVICES, INC.</b> 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 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	Employee 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
	\$	-\$	-\$	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
	\$	÷ \$	% 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) **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	\$ 294.56	\$ 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 <b>3 / 11 / 83</b>	22. a. Employee Attorney Fees \$ _____	b. Late Report Penalties \$ _____
b. First Payment Date <b>3 / 24 / 83</b>	c. Employer Attorney Fees \$ _____	d. Medical \$ <b>39,041.49</b>
21. Date Disability Ended <b>5 / 19 / 83</b>	e. Second Injury Fund \$ <b>148.86</b>	f. Rehabilitation \$ _____
	<input type="checkbox"/> s 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 <b>5 / 9 / 83</b>	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 Medical Report

33. Remarks: OVERPAYMENT 5/9/83 THRU 5/19/83 = 1 WEEK 4 DAYS = 462.56 OVERPAYMENT ST 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) <b>MARION C. BERRY/CLAIMS EXAMINER</b>	35. Signature <i>[Signature]</i>	36. Date <b>6 / 30 / 83</b>
37. Address (if different from No. 10) City State Zip Telephone		

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 / 19 / 83
4. Address 1547 E 27th AVE City State Zip Telephone ANCHORAGE AK 99504 276-5427		5. Social Security Number 329 - 89 - 0804	
7. Employer STATE OF ALASKA (HSS)		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 \$ _____	Employer Avg. Wk. Wage 52 weeks = \$ _____	Alaska Weekly Rate X 66 2/3% = \$ _____	Alaska Max. or Min. \$ _____
<input type="checkbox"/> b. Alaska unscheduled PPD or TPD	b. Employee Avg. Wk. Wage \$ _____	Earning Capacity - \$ _____	Difference = \$ _____	Alaska Weekly Rate 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 = % X \$ _____	Alaska 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
5/6/83	TTD	5/11/83	5/19/83	10	\$ 294.56	\$ 2945.16
					\$	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$

(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 \$ 57,401.4
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.  Returned to Work 5 / 9 / 83  At New Job  At Same Job

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

25.  Moved from Alaska

26.  Compromise and Release

27.  Returned to Alaska

28.  Controversy (Attach 07-6105)

29.  Recomputation

30.  Board Order

31.  Other

32.  Lack Recent Medical 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 BREWERTON

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. BEPPY/CLAIMS EXAMINER	35. Signature <i>Marion C. Beppy</i>	36. Date 6 / 15 / 83
37. Address (If different from No. 10) 741 SESAME ST., SUITE 1-A	City ANCHORAGE	State Zip Telephone AK 99503 261 1770

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 4149, 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 Avenue				5. Social Security Number 239 - 80 - 0804	
City ANCHORAGE, ALASKA		State 99504		Telephone 276-5427	
7. Employer STATE OF ALASKA (HSS)			8. Insurer/Adjusting Company SELF INSURED c/o SCOTT WETZEL SERVICES, INC.		
9. Address 400 GAMBELL, SUITE 201			10. Address 741 Sesame Street		
City ANCHORAGE, ALASKA		State 99503		Telephone 581-1725	

COMPENSATION RATE (Complete for initial payment or rate change)

METHODS

1. Awaiting gross wages documents

2. Highest of three years, 19 82

Documents received: 5 / 4 / 83 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 \$ <u>294.36</u>	15. HOW RATE WAS FIGURED	
<input checked="" type="checkbox"/> a. Alaska TTD, PTD, death or scheduled PPD	a. Gross Wages \$22,959.64	Employee Avg. Wk. Wage ÷ 52 weeks = \$ 441.53
<input type="checkbox"/> b. Alaska unscheduled PPD or TPD	b. Employee Avg. Wk. Wage	Earning Capacity Difference Alaska Weekly Rate
<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
(1) State or Country (2) Date Left / / (3) Were gross wages earned in Alaska? <input type="checkbox"/> Yes <input type="checkbox"/> No		

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
5/6/83	TTD	3/11/83			\$294.36	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$
					\$	\$
(If additional space is needed, use chart on reverse.)						TOTAL \$

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 5 / 24 / 83	c. Employer Attorney Fees \$ _____	d. Medical \$ _____
21. Date Disability Ended CONTINUING	e. Second Injury Fund \$ _____	f. Rehabilitation \$ _____
	<input type="checkbox"/> \$ Check to SIF Attached	g. Other \$ _____

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

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

33. Remarks:  
  
CC: ANCB  
CC: SOA-PAYROLL  
CC: FILE

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, CLAIM EXAMINER	35. Signature <i>[Signature]</i>	36. Date 5 / 6 / 83
37. Address (if different from No. 10) City _____ State _____ Zip _____ Telephone _____		





# 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

January 4, 1985

Renee Murray, Vice-President  
Scott Wetzel Services Incorporated  
74i Sesame Street, Suite 1A  
Anchorage, AK 99503

Dear Renee:

Re: AS 23.30.155

Please excuse my long overdue response to your November 15 letter concerning the compensation reporting system under §.155.

I am somewhat surprised that a change to §.155 is again being proposed considering that this section was just amended by the Legislature last year under HCS CSSB 517. It was my impression that last year's amendment, endorsed and supported by the Workers' Compensation Labor/Management Ad Hoc Committee, was agreed upon by all parties to our system.

I have reviewed your proposed statutory language and while I am sure you have given a great deal of thought to this, it would be impossible for the reporting system to operate as you propose under the current provisions of the Act. As happened last year in your review of HCS CSSB 517, there seems to be continuing confusion and misinterpretation of §.155 and how the reporting system actually works. Perhaps some of the confusion stems from the anniversary report, which is also mentioned in your letter.

If I am reading it correctly you are suggesting, in simple terms, that the Board notify the employer/insurer if the employer/insurer has not filed with the Board, and mailed to the injured worker, a report advising that the employer/insurer has begun or has increased, reduced, terminated, resumed, changed or suspended the payment of compensation. Under the Alaska Workers' Compensation system, it is the employer/insurer who independently decides when to begin, change or stop the payment of compensation to an injured worker, unless there has been a Board order issued on a specific case. Therefore, how could the Board possibly know that the employer/insurer failed to file a report advising that action had been taken on a claim when the Board has no way of knowing until the employer/insurer notifies us by filing the report? In other words, how can the Board tell you that you have not reported an action that you independently decide and take in the first place? An employer/insurer could conceivably make numerous changes in the payment of compensation to an injured worker and the Board never be aware of the changes until an inquiry or other filing was received triggering a review of a specific

file. With over 30,000 injuries per year, this would obviously be a very small percentage of the cases in the compensation reporting system.

As mentioned in your letter, and again this may be confusing you, we are able to tell from a computer listing that an employer/insurer has not filed an anniversary report as required under §.155(m). This is done by calling up all files that have not had a termination report filed and on which no anniversary report has been filed one year from the date of injury. This is possible because we are looking for a known - a specific type of report that is to be filed on all open claims at a specific time. This is not the case with the other compensation report filings.

The only way your proposal could possibly work in a compensation reporting system is if the employer/insurer had to obtain Board approval prior to beginning, changing or terminating compensation payments, or any such action was taken only at or upon Board direction. This "agreement" type system is used in some jurisdictions and, in fact, has been suggested for our system by various labor groups and legislators over the past several years, particularly on those cases where the employer/insurer is controverting an injured worker's benefits. We have always opposed enactment of an agreement system as, I assume, would employer and insurer groups.

While the data from the computer reporting system is necessary in order to provide accurate information to the Legislature, as pointed out in your letter, the system provides a much more important service to the two main parties in a workers' compensation program - the injured worker and employer. Injured workers are now apprised of what is happening on their claims and the Board, because it is also informed of any action, is able to resolve many disputes between the injured worker and employer/insurer before the problem ends up in litigation. We believe this process, which is only made possible by accurate and timely filing of compensation reports by the insurer, has substantially reduced litigation and the related costs. For the first time the Board is able to provide comprehensive data in support of testimony on proposed legislation, such as the net spendable concept passed in 1983. Again, this is only made possible by the input of information into the Board's information handling system from reports filed by insurers.

Prior to the 1981 amendment to §.155, which implemented the present compensation reporting system, the insurer was required to file with the Board an initial report upon making first payment of compensation, and within 16 days after final payment of compensation, was required to file a final report. For failure to timely file a final report, the insurer was subject to a \$100 penalty. Under the old law, insurers only filed final reports on about 50% of their claims even though there was a specific statutory requirement and penalty for not doing so. For this reason, the Legislature in 1981 imposed greater penalties of up to \$2,500 for failure to file compensation reports within 14 days. The 1984 amendment decreased the maximum penalty to \$1,000 (\$100 for the first day plus \$10 for each day thereafter), and extended the report filing time to 28 days, which is a longer time period than was allowed even under the law prior to 1981.

Our statistics show that for FY84 insurance carriers timely filed compensation reports within 14 days on 97% of their claims and adjusting companies timely filed on 99% of their claims. In fact, the last quarter of FY84 shows 99% and 100% for insurance carriers and adjusting companies respectively. Timely filing will no doubt be even better now that insurers have 28 days. This performance record contrasts sharply with that in years prior to 1981 and with the reporting track record on the current requirement that insurers file anniversary reports. As previously mentioned, the penalty for not timely filing final reports under the old law was \$100. Since insurers only filed reports on about 50% of their claims, the penalty was obviously not much of a motivating force. As you are aware, insurers are required to file anniversary reports under AS 23.30.155(m); however, there is no penalty for not filing the required report. According to our last computer run, insurers are only filing anniversary reports on about 18% of the claims in which anniversary reports are due. Hence, our requests reminding you to file anniversary reports. We believe, and the record seems to support it, that the wide differences in the insurers' track records for filing the reports required under the Act is directly attributable to whether or not there is a penalty assessed and the amount of that penalty for failure to file the report. This is also rather obvious from your letter. Despite the fact that the anniversary report was required under the same 1981 amendment, you state ". . . 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 . . ." (emphasis mine). Your statement begs the question, would your "compliance" not be hit and miss and would you file as "required" if the same penalty was assessed for not filing an anniversary report as for not filing a compensation report? Our statistical information will, of course, never be completely accurate without the anniversary report filings because it is this report that shows the total medical, rehabilitation and litigation costs on a claim. Most important is the fact that if you have no way to pull up the information on your on-going claims, it must mean that proper payment to the Second Injury Fund is not being made yearly on those on-going claims as required under AS 23.30.040(b). This could perhaps account for a part of the substantial shortfall in SIF funding.

Renee, I can understand your opposition to being assessed penalties for failing to file reports. However, when we met with employer and insurer groups last year to discuss the 1984 proposed legislation, it was my understanding that the biggest problem was the 14 day reporting requirement. The filing time was, therefore, extended from 14 to 28 days because it was felt the adjusters would catch any report filing oversight in their periodic file review, which hopefully occurs within that time period on all open claims. And remember, the term "notify" or "file with the Board" means the date the report was placed in the mail, i.e. postmark date, not the date the report is received in Juneau.

By the way, I note in your letter and proposed amendment that you have shortened the insurer's filing time requirement from 28 days to 21 days. Was this intended or are you confusing the compensation report with the