

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672

7561 SENATE LABOR & COMMERCE

Alaskan Independent Trucker

Comprehensive Medical Plan

- ✓ 24 Hrs. A Day Coverage
- ✓ Choice of Hospital & Physician
- ✓ Full Family Protection
- ✓ 3 Million Lifetime Benefit
- ✓ Return of Premium

Disability Income Protection

- ✓ 24 Hrs. A Day Coverage
- ✓ Non-Cancellable To Age 65
- ✓ Guaranteed Renew To Age 65
- ✓ Own Occupational
- ✓ Benefit Increase By 10% With Annual Premium

Life Protection

- ✓ 24 Hrs. A Day Coverage
- ✓ Level Term
- ✓ Tax Free Death Benefit
- ✓ Full Family Protection

Fulfilling Promises & Keeping The Alaskan Trucker - Independent

N.A.S.E COMPARISON

THE ALASKAN INDEPENDENT TRUCKER PROPOSAL VS. WORKERS COMPENSATION

BENEFITS	NASE	W.C.
1) ACCIDENT PROTECTION WHILE ON THE JOB	YES	YES
2) ILLNESS PROTECTION ON THE JOB	YES	?
3) ACCIDENT AND ILLNESS PROTECTION OFF THE JOB	YES	NO
4) FULL FAMILY PROTECTION, INCLUDING MATERNITY OPTION	YES	NO
5) WORLDWIDE COVERAGE	YES	NO
6) BENEFITS GUARANTEED	YES	NO
7) TWO (2) YR. RATE GUARANTEE AVAILABLE	YES	NO
8) CUSTOMIZED TO MEET YOUR PARTICULAR NEEDS AND WANTS	YES	NO
9) TRAVEL AND OTHER ASSOCIATION BENEFITS	YES	NO
10) AFFORDABLE COVERAGE FOR YOUR FAMILY, YOU AND YOUR BUSINESS	YES	?

Group
BASIC
Hospital
Expense
Insurance
Plan

ENDORSED BY THE NATIONAL ASSOCIATION FOR
THE SELF-EMPLOYED



UNDERWRITTEN BY PFL LIFE INSURANCE COMPANY
PFL 5150 Br 191 REV

BEFORE YOU CONSIDER OUR PROGRAM ...

... Let's consider what insurance program you already have, and what we have to offer to you.

Your answers to these questions will help us as we work with you to make an educated choice regarding your insurance needs.

Who is your current coverage with, and approximately what is your monthly premium?

Who would you be insuring and what are their current ages?

Do you enjoy good health?

Is anyone currently undergoing treatment or taking medication for a medical problem?

What made you decide on your current coverage?

What do you like or dislike most about your current coverage?

If you were to design a new program, what benefits would you like to see in the plan?

- 24-hour a day coverage?
- Your choice of doctors?
- Protection from being singled out for cancellation or rate increases?
- Money back?

This brochure is a brief description of the coverage. The actual Group Policy (Form #GHP 5 788) is the contract and will control. Your Certificate, which should be read immediately upon receipt, describes in detail the rights and obligations of both you and the Company under the Group Policy. Specific coverage available in your state may vary.

HERE'S AN
AFFORDABLE WAY

TO HELP CONTROL YOUR COSTS FOR
MEDICAL PROTECTION:

The NASE-
Endorsed
Basic Hospital
Expense
Insurance Plan

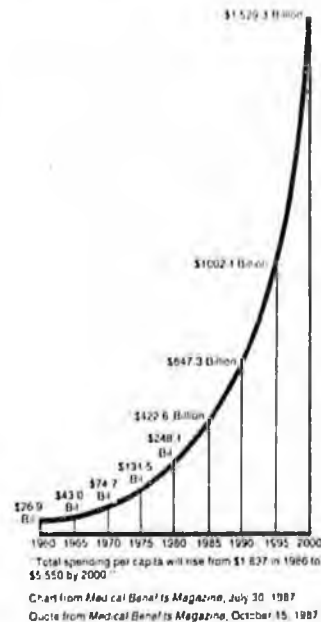
This Plan, exclusively for
Members of the National
Association for the
Self-Employed, is designed
to provide scheduled benefits
to help defray hospital
costs for the Association
Member on a tight budget,
or with a need to supplement
other coverage.

Exploding
health care
costs are a
problem for all
Americans

Here are some
recent examples
of actual Doctor
and Hospital
expenses:

Source: PFL Life files

The Health Insurance Association of America states the average cost of a day in a hospital semiprivate room has risen dramatically, from \$91 in January 1977 to \$315 in July 1990.*



- ☒ Cancer (Lymphoma) ...
23 days in hospital and chemotherapy
\$22,767.55
- ☒ Gastro-intestinal hemorrhage ...
126 days in hospital
\$83,223.78
- ☒ Intestinal Obstruction ...
Four Confinements totaling 89 days
\$77,378.41
- ☒ Auto Accident ...
Three confinements
totaling 150 days
\$219,026.00

Could you afford to get sick?
Without insurance, you may not even get into
the hospital of your choice

Protect your assets!

THE NASE DELIVERS VALUE FOR YOUR PREMIUM DOLLAR!

Here's how insurance companies determine your premium costs:

- Size of group
- Claims costs
- Enrollment and administrative costs
- Type of coverage

Here are the advantages of our Group Enrollment:

- Designed for the self-employed — not the general public
- Each program can be individually designed
- You cannot be singled out for a rate increase
- You cannot be singled out for cancellation
- Employee coverage available
- Transportable coverage (If the owner or employee leaves the company, coverage can be continued.)
- Worldwide coverage
- Your choice of doctor
- Coverage 7 days a week, 24 hours a day
- Return-of-premium available
- 2-year rate guarantee available

About the
insurance group
selected by the
NASE Board of
Directors

Sign up for the
NASE-Endorsed
Plans in just
four easy steps

NASE-Endorsed Plans are underwritten by

PFL Life Insurance Company

people who have been insuring the American public for over a quarter of a century.

- Rated "Excellent" by A.M. Best, the independent rating service for U.S. insurance companies
- A division of AEGON USA, a multi-billion dollar holding company
 - Financially stable — over \$6 billion in assets
 - \$40 billion of insurance in force through subsidiaries like PFL Life
- Top quality service

- 1) Choose the plan that's right for you.
- 2) Complete the application package, including medical history.
- 3) Select your premium payment mode, including convenient automatic bank transfer.
- 4) Attach your initial premium and one-time administrative fee.

Upon approval of your enrollment application by the Company, you will be informed as to when your coverage begins.

If not approved, all insurance premiums — including administrative fee — are refunded to you.

WE WANT YOU TO KNOW

To help keep your premium rates reasonable, your Basic Hospital Expense Insurance Plan does have some exclusions and limitations.

Self-Employed Business Owners, please note:

Your Plan does not cover expenses that result directly or indirectly from:

- Any act of war, declared or undeclared
- Any intentionally self-inflicted injury
- Mental or nervous disorder
- Any routine physical exam
- Drug abuse or addiction or overdose of drugs, narcotics, or hallucinogens, unless taken as prescribed by a doctor
- Cosmetic surgery, except when resulting from an injury and incurred within 2 years from the date of the injury, or due to a congenital anomaly incurred by an Insured who has been continuously covered under the Group Policy from birth
- Pre-existing conditions unless loss occurs after the Insured's coverage has been in force for 2 years
- Normal childbirth unless provided by supplemental rider
- In vitro fertilization
- Care provided solely as a convenience, or care which is experimental or unproven
- Radial keratotomy
- Dental care, treatment, or surgery except when resulting from an injury to sound natural teeth. Expenses must be incurred while hospital confined and within 1 year of the injury
- Temporomandibular joint dysfunction (TMJ) or TMJ pain syndromes
- Being intoxicated, under the influence of intoxicants, or under the influence of any narcotic unless taken as prescribed by a doctor
- Charges for which benefits are not specifically provided by the Group Policy
- Mandibular or maxillofacial surgery to correct growth defects after 1 year from the date of birth
- Jaw disproportions or malocclusions, or to increase vertical dimension or reconstruct occlusion
- Charges for blood, plasma, or blood derivatives
- Hernia or hemorrhoids, unless the expense is incurred 6 months after the Insured becomes covered under the Group Policy
- The commission of, or attempt to commit, a felony or any medical expense incurred while engaging in an illegal occupation or illegal activity

Self-employed Insureds are covered for occupational injury and or sickness. In the case of Insured employees, the Plan does not cover expenses that result directly or indirectly from any injury or sickness arising out of, or in the course of, employment for wage or profit *unless the Insured is ineligible for coverage* under any Workers' Compensation Act, Occupational Disease Act, or similar act or law.

THE \$3,000,000 COMBINED PROTECTION PLAN

Adding the Catastrophic Expense Benefit (Form #CEB 1 788) to your Basic Hospital Expense Insurance Plan provides you with the extra protection you've been looking for.

Pays 100% of the Covered Expenses
— up to \$500,000 in Benefits —
after the Deductible you choose:
 \$6,000 \$12,000

The benefits provided are **in addition** to the benefits provided by the Basic Hospital Expense Insurance Plan. *

The **Lifetime** maximum benefit provided by this Rider for all Injuries and Sicknesses is \$2,000,000, thus, giving you a **total Lifetime Maximum Benefit of \$3,000,000.**

The rider deductible must be satisfied with the Covered Expenses for each Injury or Sickness. Pays 100% of the "usual and customary" (not to be confused with "reasonable") covered expenses.

There is no waiting period for either sickness or injury.

Covered Expenses While Confined as an Overnight Patient in a Hospital:

100%	of the daily Semi-Private Hospital Room and Board rate
100%	of the usual and customary Surgeons' and Assistant Surgeons' fees
100%	of the Miscellaneous Charges such as necessary services and supplies furnished by the hospital when you are hospitalized, including but not limited to the following items: <ul style="list-style-type: none"> • x-rays • medicines • anesthesia • casts and splints • braces for neck, back, arms, legs, ribs • operating room • recovery room • oxygen equipment • surgical dressings • laboratory services • use of wheelchair
100%	of the usual and customary fees for the attending Doctor for a daily visit during hospitalization, if the Doctor is other than the Surgeon
100%	of the usual and customary charges for Anesthesiologists' fees during a covered surgery
100%	of the usual and customary charges for the professional fees of Radiologists and Pathologists for the interpretation of diagnostic tests or studies
100%	of the Hospital Intensive Care Unit rate, up to three times the Semi-Private room rate

Covered Expenses for Treatment in a Same-Day Surgery Facility:

100%	of the charges for operating and recovery rooms, medicines, drugs, and other miscellaneous services and supplies
100%	of the professional fees of Radiologists and Pathologists
100%	of the usual and customary Surgeons' and Assistant Surgeons' fees
100%	of the professional fees of Anesthesiologists for covered surgery

* Total benefits paid under the Basic Covered Expense section of the Group Policy and paid by this Rider will never exceed the actual Covered Expenses, as defined in the Rider, incurred for any injury or sickness.

HERE'S WHAT YOUR NASE-ENDORSED PLAN PAYS FOR:

BASIC COVERED EXPENSES

BENEFIT DESCRIPTION	MAXIMUM BENEFIT
IN HOSPITAL	
Hospital Room and Board: (No limit on number of days)	\$150 per day
Intensive Care: (No limit on number of days)	\$300 per day
Miscellaneous Inpatient Charges: (drugs, x-rays, sutures, etc.)	80% of \$3,000 Example: If you incur \$3,000 in covered Miscellaneous Inpatient charges, the maximum benefit of 80% would be \$2,400 or, if you incur \$2,000 in covered Miscellaneous Inpatient Charges, the maximum benefit would be \$1,600. Or you can select an option paying 80% of \$6,000 or 80% of \$9,000.
Surgery: Surgeon	\$3,000 (based on the Surgical Schedule in the Certificate.) Or you can select an option paying \$6,000 or \$9,000.
Assistant Surgeon	\$750 (based on the Surgeon's Benefit)
Anesthesiology	\$750 (based on the Surgeon's Benefit)
Second Surgical Opinion	\$75
Doctor Visits: 1 visit per day is allowed	\$30 per visit Allows for a total of 40 visits per Injury or Sickness

ADDITIONAL COVERED EXPENSES

BENEFIT DESCRIPTION	MAXIMUM BENEFIT
IN HOSPITAL	
Private Duty Nursing:	\$30 per shift with a maximum of 50 shifts
Ambulance: (trips to and from hospital or nursing home)	\$150 per trip – No limit on number of trips
NURSING HOME CARE	
Room and Board: (Payable for a confinement beginning within 14 days following a hospitalization of at least 3 days)	\$75 per day for up to 90 days
OUTPATIENT SERVICES	
Outpatient Hospital Charges: (emergency room, operating room, radiology and pathology services, chemotherapy charges)	\$600 for each Injury or Sickness
Surgery: Plan allows for outpatient surgery at a hospital, or a same day surgery facility	Same as In-Hospital Schedule
Doctor Visits: In office or at home	\$30 per visit (Allows for a total of 40 visits per Injury or Sickness)
HOSPICE CARE	
Inpatient stay at Hospice and Hospice Programs for the terminally ill	\$1,500

GROUP INSURANCE PROGRAM FOR ASSOCIATION MEMBERS

Standard Features and Benefits

- \$1,000,000 Lifetime Maximum Benefit for all Injuries and Sickness
- Your choice of three deductibles
- Your choice of four room and board rates
- Hospital Bill Audit Benefit

Your cash deductible reduces to 0 after age 65 or upon eligibility for Medicare at any age! The Plan pays **100%** on covered expenses in excess of the amounts which are, or would be, payable under Medicare. The Plan will not duplicate any payments made under Medicare.

Lifetime Deductible for Further Savings

Each Insured has one lifetime deductible for each particular injury or illness, no matter how many times or how often it requires treatment.

No Preadmission Certification

You are not required to obtain permission from us prior to hospitalization.

Use the Doctors and Hospitals of Your Choice — Worldwide

Our Plan does not require that you use member or affiliate hospitals or doctors. You continue your care with the doctors and hospitals of your choice, and coverage applies to you worldwide.

Wide Range of Care Is Covered

- In-hospital Expenses
- Certain Outpatient Expenses
- Nursing Home Care
- Hospice Care

Family Security Benefit

If you should die while your coverage is in force, we will continue coverage of your covered dependents for 12 full months at no cost to your family.

ADD FEATURES AND BENEFITS TO YOUR BASE PLAN

Outpatient Chemotherapy Benefit

(Form #GCR 2 1284)

- Covers actual outpatient expense incurred for Radiation Therapy or Chemotherapy treatment of cancer
- No deductible
- Maximum daily benefit is \$1,000
- Lifetime Maximum Benefit is \$100,000
- Benefits under this Rider are not subject to the Base Plan deductible
- Initial diagnosis of cancer and subsequent treatment must occur while this Rider is in force

Double/Triple Miscellaneous Benefit

You can increase the amount of Miscellaneous Inpatient Charges covered while hospital confined by choosing either:

- the Double Benefit option, which raises the maximum benefit to 80% of \$6,000 ...
- ... or the Triple Benefit option, which raises the maximum benefit to 80% of \$9,000

Double/Triple Surgical Benefit

You can increase the amount of Surgical Charges covered by choosing either:

- the Double Benefit option, which raises the maximum benefit to \$6,000 ...
- ... or the Triple Benefit Option, which raises the maximum benefit to \$9,000

Accident Expense Benefit

(Form #GOP 2 487)

- Provides for treatment of Accidental Injury when treatment begins within 48 hours of accident
- Coverage per accident lasts through the first 30 days following an injury
- Benefits are in addition to any benefit provided by the Group Policy and are not subject to the Base Plan deductible. However, total benefit paid under the Group Policy and the Rider will not be greater than the actual expense incurred.
- Your choice of maximum benefit payable under this option is:
 - \$600
 - \$1,000

Outpatient Ambulatory Care Benefit

(Form #ACR 11189)

Maximum Lifetime Benefit per Insured

■ \$100,000

Maximum benefit payable per Insured during any one 24-hour period

■ \$1,000

Deductible per Insured per calendar year

■ \$250

Coverage provides payment for the following medically necessary Covered Expenses incurred for services provided in Hospital emergency rooms and Outpatient Facility, Same-Day Surgery Facilities, Clinics, and Doctor's Offices:

- Diagnostic X-rays including interpretation
- Laboratory and pathological exams
- Physical, occupational, and speech therapy (In-Hospital Outpatient Facilities only)

Services must be related to and necessary for the diagnosis or treatment of a Sickness or Injury, including but not limited to:

- CAT scans
- Sonogram
- Myelogram
- Electrocardiogram
- Stress tests
- Ultrasound
- Upper/lower G.I. series
- Electroencephalogram
- Nerve conduction study
- Magnetic resonance imaging
- Blood or serum analysis assays
- Microbiological blood assays
- Audiology evaluation including air/bone conduction studies, audiograms
- Angiogram
- Pyelogram
- Cytologic studies
- Electromyogram
- Mammogram

Benefits for physical, occupational, and speech therapy will only be payable in connection with the same Sickness or Injury for which the Insured was Hospital Confined or in connection with surgical care.

Benefits will not be payable for:

- Checkups
- Physical examinations
- Treatment planning consultations
- Doctors office visit charges
- Spinal manipulations
- Prescription drugs and medicines
- Radiation or chemotherapy for the purpose of modification or destruction of cancerous tissue.

Benefits will not be payable for physical, occupational, and speech therapy which:

- a) commences more than six months after discharge from a Hospital or the date surgical care was rendered, or
- b) which extends beyond 365 days from the date of discharge from a Hospital or the date surgical care was rendered.

Childbirth Benefit

(Form #GMB 2 983)

- Complications of pregnancy will be considered as a sickness and will be payable in accordance with all Group Policy provisions, including the benefits, definitions, and exceptions
- Provides benefits for medical expenses incurred as a result of normal childbirth, up to the maximum you select
- Payment will be made only if the birth occurs no less than 10 months from effective date of this option
- Option may only be selected at the time of enrollment in the Group Plan or when a dependent spouse is added to coverage
- Once selected, the maximum benefit payable cannot be increased.
- Your choice of maximum benefit payable under this option is:
 - \$1,000 (\$1,500 Elective Cesarean)
 - \$2,000 (\$3,000 Elective Cesarean)
 - \$3,000 (\$4,500 Elective Cesarean)
 - \$4,000 (\$6,000 Elective Cesarean)
 - \$6,000 (\$9,000 Elective Cesarean)

Term Life Insurance Benefit

(Form #GLR 1 688)

- Benefits are payable for death from any cause and are incontestable after insurance has been in force for 2 years
- In the event of suicide during the first 2 years, the Company's liability is limited to the return of premiums paid
- The maximum benefit payable shall be:

Actual Age at Death	Primary Insured's Death Benefit	Insured Spouse's* Death Benefit
to 29	\$50,000	\$10,000
30 — 34	40,000	10,000
35 — 39	30,000	10,000
40 — 44	20,000	10,000
45 — 49	15,000	7,500
50 — 54	10,000	5,000
55 — 59	7,500	3,750
60 — 69	5,000	2,500

All Qualified Children's Death Benefit

0 — 14 Days \$0
 15 Days — 6 Months \$500
 6 Months — 19 Years ** \$2,000

* Spouses' Death Benefit is based on Primary Insured's attained age

** Children who are full-time students are covered to age 24

How the Combined Protection Approach Works

STEP 1:

The full benefits to which you are entitled under your Basic Hospital Expense Plan are calculated and paid.

STEP 2:

Then the full benefits to which you are entitled under the Catastrophic Expense Benefit Rider are separately calculated. To the extent there are benefits available to you after the rider deductible is met, we will also pay these benefits.

STEP 3:

The benefits provided by the Catastrophic Expense Benefit Rider are in addition to the benefits provided by the Basic Hospital Expense Plan. However, the total benefits paid under the Basic Covered Expenses section of the Group Policy and paid by this rider will never exceed the actual Covered Expenses, as defined in the rider, incurred for any Injury or Sickness.

24-Month Rate Guarantee Benefit

If this Rate Option is selected, we guarantee that your rates, for the coverage as issued, will not change for 2 years.

UNIQUE TO THE NASE-ENDORSED PLANS:

The Return-of-Premium Benefit (Form #GRPR 1 385)

Now you can get back every penny you've paid for your NASE-Endorsed Insurance Program!

If this option remains continuously in force from its effective date until you reach age 65, we will return 100% of your premiums, less any claims paid, for you and your covered dependents. You can even get a partial refund (less any claims paid) after only five years.

Here's how our Return-of-Premium works:

- Assume an Insured and spouse, both age 40, are paying \$200 per month in premium.
- If insurance premiums increased only an average of 8 percent each year because of increasing age and inflation, that means that \$175,460 in premiums will have been paid by age 65.
- If the Insured and covered dependents had been fortunate enough to have no claims, we would refund \$175,460 at age 65.
- Even if we paid \$30,000 in claims over this 25-year period, we would refund \$145,460 to help sweeten your retirement years.
- If we paid a truly catastrophic claim (\$200,000 for example), it's obvious there would be no refund at age 65, since claims paid would be more than premiums paid. You can delete your Return-of-Premium by simply calling us toll-free. The premium will be reduced accordingly.
- This feature is available exclusively to NASE Members age 18 through 50, and is effective until age 65. Coverage ends when premium is refunded.

**Enrollment Application to:
PFI. LIFE INSURANCE COMPANY**

BAPP

<p>FOR HOME OFFICE USE ONLY</p> <p>Number</p> <p>Special Request:</p>	<p>Health Insurance Applied For:</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> CHE</td> <td><input type="checkbox"/> BHE</td> <td><input type="checkbox"/> D¹</td> <td rowspan="2"><input type="checkbox"/> OTHER (Describe)</td> </tr> <tr> <td>MAX. BEN. <input type="checkbox"/> \$500,000</td> <td>DAILY BEN. <input type="checkbox"/> \$150 <input type="checkbox"/> \$200</td> <td>WKLY. BEN. <input type="checkbox"/> \$</td> </tr> <tr> <td><input type="checkbox"/> \$</td> <td><input type="checkbox"/> \$250 <input type="checkbox"/> \$300</td> <td>EP _____</td> <td></td> </tr> <tr> <td></td> <td><input type="checkbox"/> \$</td> <td>BP _____</td> <td></td> </tr> <tr> <td>Ded. \$ _____</td> <td>Ded. \$ _____</td> <td><input type="checkbox"/> HC Rider</td> <td></td> </tr> </table>	<input type="checkbox"/> CHE	<input type="checkbox"/> BHE	<input type="checkbox"/> D ¹	<input type="checkbox"/> OTHER (Describe)	MAX. BEN. <input type="checkbox"/> \$500,000	DAILY BEN. <input type="checkbox"/> \$150 <input type="checkbox"/> \$200	WKLY. BEN. <input type="checkbox"/> \$	<input type="checkbox"/> \$	<input type="checkbox"/> \$250 <input type="checkbox"/> \$300	EP _____			<input type="checkbox"/> \$	BP _____		Ded. \$ _____	Ded. \$ _____	<input type="checkbox"/> HC Rider		<p>OTHER COVERAGE (if any)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Accident Benefit</td> <td>Amount</td> <td>Additional Premium</td> </tr> <tr> <td><input type="checkbox"/> Childbirth Benefit</td> <td>\$ \$</td> <td>\$ \$</td> </tr> <tr> <td><input type="checkbox"/> OP Chemotherapy Ben.</td> <td>\$ \$</td> <td>\$ \$</td> </tr> <tr> <td><input type="checkbox"/> Ret. of Premium Ben.</td> <td>\$ \$</td> <td>\$ \$</td> </tr> <tr> <td><input type="checkbox"/> Pre & Post Hosp. Ben.</td> <td>\$ \$</td> <td>\$ \$</td> </tr> <tr> <td><input type="checkbox"/> Cat. Expense Ben.</td> <td>\$ \$</td> <td>\$ \$</td> </tr> <tr> <td><input type="checkbox"/> Double Misc. Benefit</td> <td>\$ \$</td> <td>\$ \$</td> </tr> <tr> <td><input type="checkbox"/> Life Ins. Benefit</td> <td>\$ \$</td> <td>\$ \$</td> </tr> <tr> <td><input type="checkbox"/> Other</td> <td>\$ \$</td> <td>\$ \$</td> </tr> <tr> <td colspan="2">Total Additional Premium</td> <td>\$</td> </tr> </table>	<input type="checkbox"/> Accident Benefit	Amount	Additional Premium	<input type="checkbox"/> Childbirth Benefit	\$ \$	\$ \$	<input type="checkbox"/> OP Chemotherapy Ben.	\$ \$	\$ \$	<input type="checkbox"/> Ret. of Premium Ben.	\$ \$	\$ \$	<input type="checkbox"/> Pre & Post Hosp. Ben.	\$ \$	\$ \$	<input type="checkbox"/> Cat. Expense Ben.	\$ \$	\$ \$	<input type="checkbox"/> Double Misc. Benefit	\$ \$	\$ \$	<input type="checkbox"/> Life Ins. Benefit	\$ \$	\$ \$	<input type="checkbox"/> Other	\$ \$	\$ \$	Total Additional Premium		\$
<input type="checkbox"/> CHE	<input type="checkbox"/> BHE	<input type="checkbox"/> D ¹	<input type="checkbox"/> OTHER (Describe)																																																
MAX. BEN. <input type="checkbox"/> \$500,000	DAILY BEN. <input type="checkbox"/> \$150 <input type="checkbox"/> \$200	WKLY. BEN. <input type="checkbox"/> \$																																																	
<input type="checkbox"/> \$	<input type="checkbox"/> \$250 <input type="checkbox"/> \$300	EP _____																																																	
	<input type="checkbox"/> \$	BP _____																																																	
Ded. \$ _____	Ded. \$ _____	<input type="checkbox"/> HC Rider																																																	
<input type="checkbox"/> Accident Benefit	Amount	Additional Premium																																																	
<input type="checkbox"/> Childbirth Benefit	\$ \$	\$ \$																																																	
<input type="checkbox"/> OP Chemotherapy Ben.	\$ \$	\$ \$																																																	
<input type="checkbox"/> Ret. of Premium Ben.	\$ \$	\$ \$																																																	
<input type="checkbox"/> Pre & Post Hosp. Ben.	\$ \$	\$ \$																																																	
<input type="checkbox"/> Cat. Expense Ben.	\$ \$	\$ \$																																																	
<input type="checkbox"/> Double Misc. Benefit	\$ \$	\$ \$																																																	
<input type="checkbox"/> Life Ins. Benefit	\$ \$	\$ \$																																																	
<input type="checkbox"/> Other	\$ \$	\$ \$																																																	
Total Additional Premium		\$																																																	
Beneficiary (Name and Relationship):																																																			

1. PRINT name of applicant and each member of the family (including wife's maiden name)	Relationship	State of Birth	Sex	Date of Birth			Present Age	Height	Weight		Premium
				Mo.	Day	Yr.			Now	1 Yr. Ago	
(1)	Applicant										\$
(2)	Spouse										
(3)											
(4)											
(5)											
(6)											

Pay mode: Monthly Quarterly Semi-Annually Annually Total Premium _____

2. Addresses: Number and Street or R.F.D. _____ City _____ State _____ Zip _____ Telephone _____

Special Notice To:

a. Permanent U.S. Residence _____ ()

b. Business Name _____

c. Business Address _____ ()

3. Occupation (Member 01) _____ Duties (Describe) _____

4. Are any family members covered under Medicaid or Medicare? _____
Name(s) _____

11. Family Physician/Physician who would have medical records.
a. For Applicant:
Name _____
Address _____
City _____ State _____ Zip _____
Date last seen _____ Reason _____

5. I am a member of the NATIONAL ASSOCIATION FOR THE SELF EMPLOYED.

6. Do any of you now have hospitalization insurance? ...
If "Yes," names of companies _____

7. Will this insurance be used to replace any existing coverage? If YES, give company name and policy number:

8. Has any person proposed for insurance:
a. Ever been rejected or deferred for military service?
b. Ever had an application or reinstatement for life or accident and sickness insurance declined, postponed, rated up, modified, or terminated?
c. Had a drivers license suspended or revoked in the last two years?
Give details if any question is answered "Yes" _____

9. Are all children or stepchildren of the applicant proposed for insurance by this application, currently unmarried and under the age of nineteen (19) years and residing at the applicant's principal place of residence; or under the age of twenty-four (24) years and enrolled as a full-time student at an accredited college or university?
If answer is "No," give name(s) and reason: _____

10. During the past two years, has any person proposed for insurance: Flown in any aircraft other than as a passenger, engaged in any racing, parachuting, scuba diving activities, or other hazardous avocations or does he/she intend to do so in the next 12 months? If "Yes," give details. _____

12. Within the past 5 YEARS has any person proposed for insurance:
a. Had or been advised to have surgical operation, electrocardiogram, x-ray or other diagnostic test? ..
b. Been in or advised to enter a hospital or other institution for consultation, examination or treatment?
c. Consulted or been examined by any physician or other practitioner?
d. Used sedatives, hallucinogenic or narcotic drugs other than those prescribed by a physician or received treatment for drug habit?
e. Used alcohol to excess or received treatment or advice for excessive use of alcohol?

13. Is any proposed insured now pregnant?

INSTRUCTIONS FOR USAGE AND AUTHORIZATION

TO: The bank named on the reverse side

So that you may comply with your depositor's request, this Company agrees:

1. To indemnify you and hold you harmless from any loss you may suffer as a consequence of your actions resulting from or in connection with the execution and issuance of any check, draft or order, whether or not genuine, purporting to be executed by this company and received by you in the regular course of business for the purpose of payment (under this plan), including any costs or expenses reasonably incurred in connection therewith
2. In the event that any such check, draft or order shall be dishonored whether with or without cause and whether intentionally or inadvertently, to indemnify you for any loss even though dishonor results in a forfeiture of insurance or other right
3. To defend at our own cost and expense any action which might be brought by any depositor or any other persons because of your actions taken pursuant to the foregoing request, or in any manner arising by reason of your participation in the foregoing plan of payment collection

Authorized in a resolution adopted by the Board of Directors of

PFL Life Insurance Company—January 30, 1976

NATIONAL ASSOCIATION FOR THE SELF-EMPLOYED

William K. Witcher, President

PFL LIFE INSURANCE COMPANY

Donald J. Shepard, President

PFL Life Insurance Company

To: The Applicant

Please Read This Before Signing!

The best business relationships are those in which there is complete and clear understanding between the parties. Accordingly, we ask that you read and sign the following statement after the representative has made a complete presentation of the plan to assure yourself that you completely understand the coverage

CONFIRMATION OF PRESENTATION AND ACKNOWLEDGEMENT OF DELIVERY

Attention: Underwriting Department

Upon my request, your representative, whose signature appears below, visited me to determine my interest in applying for insurance with your company. Your representative was courteous and fully and completely explained to me from the same certificate all the provisions as contained in the certificate, including every benefit, exclusion, limitation, waiting period, and deductible, if any. Your representative asked each question on the enrollment application, which I signed only after a full review of the provisions and all the answers had been filled in. The answers to the health questions were fully answered to the best of my knowledge, and all the answers on the application are exactly those, with nothing left out, which I in any way related or stated to the representative. I fully understand and agree that if any material information is omitted from the application, it could provide the basis for the Company to refuse coverage and to refund all my premium as though my coverage had never been in force. In signing this form, I agree that I have carefully examined and understand the provisions of the specimen certificate and application, and that the Company is not bound by any knowledge of or statement made by or to the representative, unless set forth here on the application.

I hereby acknowledge receipt of the **OUTLINE OF COVERAGE** for Group Basic Hospital Expense Plan. I understand that coverage is not effective unless and until approved and issued by the Company.

I acknowledge that I have received this Outline of Coverage

Applicant _____ Date _____

Maximum Room and Board Rate Selected \$ 150 per day

Cash Deductible Amount Base Plan \$ _____ Cat. Exp. Rider \$ _____

I certify that I have delivered this Outline of Coverage

Representative _____ # _____

BHE-WRS 888

Return this form with the application

AUTHORIZATION FOR DISCLOSURE OF MEDICAL RECORD INFORMATION

By my (our) signature(s) below, I authorize any health care provider, including physicians, clinics, hospitals or other institutions who are named in the application for insurance or who attend or has attended myself, my spouse, or any of my children, at any time, to disclose to PFL LIFE INSURANCE COMPANY or its legal representative, information from my or my family's health care record. I understand this could include, but is not limited to, my identity, medical history, diagnosis, prognosis, dates of treatment, treatment, test results, and summary reports, and this disclosure is without limitation to period of treatment, diagnostic or therapeutic information, history or type of illness including treatment, if any, for alcohol and drug abuse.

I UNDERSTAND the information obtained by use of the Authorization will be used by PFL LIFE INSURANCE COMPANY to determine eligibility for insurance, and eligibility for benefits under an existing policy. Any information obtained will not be released by PFL LIFE INSURANCE COMPANY to any person or organization EXCEPT to reinsuring companies, the Medical Information Bureau, Inc., or other persons or organizations performing business or legal services in connection with my application, claim, or as may be otherwise lawfully required or as I may further authorize.

I KNOW that I am requesting a copy of this Authorization

AGREE this Authorization shall be valid for two years from the date shown below

AGREE that a photographic copy of this Authorization shall be made as the original

ACKNOWLEDGE receipt of the original and makeable Practices

EXPLICIT: Do not forward this information to other agents, correspondents, or other persons without the approval of _____

Signature _____ Title _____

Signature _____ Title _____

Signature _____ Title _____

DESCRIPTION OF INFORMATION PRACTICES

To Our Applicants
and Insureds:

Collection of Information

This description of the information practices of our Company, and our agent, is being provided in accordance with the requirements of laws in your state of residence.

In order to properly underwrite and administer your insurance coverage, we must collect a certain amount of necessary and helpful information. The amount and type of information collected may vary depending on the amount and type of coverage applied for, but in general we will be seeking information about your age, occupation, physical condition, health history, mode of living, avocations, and other personal characteristics. In addition, our agent may collect information intended to aid in the updating and improvement of your insurance program.

You are our most important source of information, but we may also collect or verify information by contacting medical professionals and institutions that have provided care to you or members of your family proposed for coverage, employers and business associates, friends and neighbors, and other insurance companies you have applied to. We may collect information by exchanges of correspondence, by phone, or by personal contact.

In some cases, we may ask an insurance support organization to collect information and submit an investigative consumer report to us. That organization may retain a copy of the report and may disclose its contents to others for whom it performs such services.

Our Disclosures

In some circumstances, we or our agent will make disclosures of personal information, without your authorization, to third parties. Following is a brief description of some of the persons or organizations to whom certain items or information might be disclosed.

- Persons or organizations performing professional, business, or insurance functions for us, such as independent claim examiners or group plan administrators
- Our agent, consumer reporting agencies hired to prepare investigative reports, and other insurance companies to which you have applied for coverage or benefits
- Your attending physician or treating medical professional
- Personnel or organizations conducting bona fide actuarial or scientific research studies, audits, or evaluations

Please be assured that the above describes some of the disclosures which may be made, not disclosures which are always, or even often, made. In any event, the information disclosed without your authorization will be only as much as is reasonably necessary to accomplish the intended purpose.

For example, we would ordinarily disclose only name and address to a marketing firm, and perhaps additional information relating to age, amounts of insurance, and claims experience to a scientific research organization. Information relating to physical condition or medical history would ordinarily be disclosed only to your attending physician or treating medical professional. In short, the types of information disclosed will vary depending upon the needs of the recipient and the sensitivity of the data.

Access and Correction

A description of the circumstances under which information about you might be disclosed without your authorization to the types of persons and organizations will be sent to you upon request.

There are procedures by which you can obtain access to personal information about you appearing in our files, including information contained in investigative consumer reports. We have also established procedures by which you may request correction, amendment, or deletion of any information in our files which you believe to be inaccurate or irrelevant. A description of these procedures will also be sent to you upon request.

Obtaining Additional Information

We hope that you find this description of our information practices helpful. We take our responsibilities and your rights very seriously. If you have any further questions about the items just discussed, please write our Administrative Office at P.O. Box 1038, Hurst, Texas 76053. Please indicate your full name, address, telephone number, and certificate number.

Notice Concerning the Medical Information Bureau

Information regarding your insurability will be treated as confidential. The Company may, however, make a brief report thereon to the Medical Information Bureau, a non-profit membership organization of life insurance companies which operates an information exchange on behalf of its members. If you apply to another Bureau member company for life or health insurance coverage, or file a claim for benefits to such a company, the Bureau, upon request, will supply such company with the information in its file. Upon receipt of a request from you, the Bureau will arrange disclosure of any information it may have in your file. (Medical information will be disclosed only to your attending Physician.) If you question the accuracy of information in the Bureau's file, you may contact the Bureau and seek a correction in accordance with the procedures set forth in the Federal Fair Credit Reporting Act. The address of the Bureau's information office is P.O. Box 105, Essex Station, Boston, MA 02112, telephone (617) 426-3660. The Company may also release information in its file to other life insurance companies to which you may apply for life or health insurance, or to which a claim for benefits may be submitted.

Pre-Notification — Public Law 91-508 — Fair Credit Reporting Act

This is to inform you that as a part of the Company's underwriting procedure for processing applications for insurance, an investigative report by a consumer reporting agency may be made concerning you and any person requesting insurance whereby information is obtained from personal interviews with neighbors, friends, associates or others acquainted with you, and those to be insured, as to character, general reputation, personal characteristics and mode of living. You have the right to make a written request within a reasonable period of time to receive additional detailed information about the nature and scope of this investigation. This written request should be directed to the Company at P.O. Box 1038, Hurst, TX 76053.

ADDITIONAL QUESTIONS YOU MIGHT HAVE

When Does Coverage Begin?

We require evidence of insurability before coverage is provided. Once we have approved your application, coverage for you and your Covered Dependents will begin on the Certificate Date shown in the Certificate Schedule. Your newborn children will be provided coverage after the Certificate Date from the moment of birth for 31 days. Coverage will not be subject to any evidence of insurability or acceptance by the Company. To continue coverage beyond 31 days, you must send written notice directing us to add the newborn child. This notice must be received by us within 31 days of the newborn child's birth and must be accompanied by any required additional premium.

What About Premium Changes?

You cannot be singled out for rate increases. We can only change the table of premiums, on a class basis, becoming due under the Group Policy at any time and from time to time, provided the Company has given the Group Policyholder written notice of at least 31 days prior to the effective date of the new rates.

What Is a Pre-Existing Condition?

Claims will not be paid for pre-existing conditions unless loss occurs after the Insured's coverage has been in force for 2 years. Pre-existing condition means a medical condition, Sickness, or Injury not excluded by name or specific description for which:

1) medical advice, consultation, or treatment was recommended by or received from a Doctor within the 1-year period before the effective date of coverage, or 2) symptoms existed which would cause an ordinarily prudent person to seek diagnosis, care, or treatment within the 1-year period before the effective date of coverage.

When Does Coverage Terminate?

Your coverage will terminate and no benefits will be payable on or after:

1) the date the Group Policy terminates; 2) upon nonpayment of premium, subject to the grace period; 3) upon our receipt of your written notice of cancellation; 4) the date you cease to be a Member in good standing of the association covered under the Group Policy; 5) the date you qualify for Medicare, at any age, or reach age 65, except as provided by the Catastrophic Care Benefit.

Your Covered Dependent's coverage will terminate on:

1) the date your coverage terminates; 2) the date such dependent ceases to be an Eligible Dependent; 3) the date the Group Policy terminates; 4) the date we receive your written request to cancel a dependent's coverage; 5) the date a dependent qualifies, at any age, for Medicare, or reaches age 65, except as provided by the Catastrophic Care Benefit.

The attainment of the Limiting Age for a Covered Dependent will not cause coverage to terminate while that person is and continues to be both: a) incapable of self-sustaining employment by reason of mental retardation or physical handicap; and b) Chiefly Dependent on you for support and maintenance, meaning the Covered Dependent receives the majority of his/her financial support from you.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

ADDITIONAL QUESTIONS YOU MIGHT HAVE

When Does Coverage Begin?

We require evidence of insurability before coverage is provided. Once we have approved your application, coverage for you and your Covered Dependents will begin on the Certificate Date shown in the Certificate Schedule. Your newborn children will be provided coverage after the Certificate Date from the moment of birth for 31 days. Coverage will not be subject to any evidence of insurability or acceptance by the Company. To continue coverage beyond 31 days, you must send written notice directing us to add the newborn child. This notice must be received by us within 31 days of the newborn child's birth and must be accompanied by any required additional premium.

What About Premium Changes?

You cannot be singled out for rate increases. We can only change the table of premiums, on a class basis, becoming due under the Group Policy at any time and from time to time, provided the Company has given the Group Policyholder written notice of at least 31 days prior to the effective date of the new rates.

What Is a Pre-Existing Condition?

Claims will not be paid for pre-existing conditions unless loss occurs after the Insured's coverage has been in force for 2 years. Pre-existing condition means a medical condition, Sickness, or Injury not excluded by name or specific description for which:

1) medical advice, consultation, or treatment was recommended by or received from a Doctor within the 1-year period before the effective date of coverage, or 2) symptoms existed which would cause an ordinarily prudent person to seek diagnosis, care, or treatment within the 1-year period before the effective date of coverage.

When Does Coverage Terminate?

Your coverage will terminate and no benefits will be payable on or after:

1) the date the Group Policy terminates; 2) upon nonpayment of premium, subject to the grace period; 3) upon our receipt of your written notice of cancellation; 4) the date you cease to be a Member in good standing of the association covered under the Group Policy; 5) the date you qualify for Medicare, at any age, or reach age 65, except as provided by the Catastrophic Care Benefit.

Your Covered Dependent's coverage will terminate on:

1) the date your coverage terminates; 2) the date such dependent ceases to be an Eligible Dependent; 3) the date the Group Policy terminates; 4) the date we receive your written request to cancel a dependent's coverage; 5) the date a dependent qualifies, at any age, for Medicare, or reaches age 65, except as provided by the Catastrophic Care Benefit.

The attainment of the Limiting Age for a Covered Dependent will not cause coverage to terminate while that person is and continues to be both: a) incapable of self-sustaining employment by reason of mental retardation or physical handicap; and b) Chiefly Dependent on you for support and maintenance, meaning the Covered Dependent receives the majority of his/her financial support from you.

YOUR PEACE OF MIND AND SECURITY ARE IMPORTANT TO US

You should be contacted by us within 14 days confirming our receipt of your application.

If you should have any questions about your application or your insurance coverage, or need any assistance with claims or other matters, please contact us at any time.

Received from:

the amount of \$ _____

for the initial insurance premium, one-time administrative fee, and current NASE membership dues, with application for enrollment in:

The NASE's Basic Hospital Expense Insurance Plan

Cash Deductible Amount \$ _____

You must be a member of NASE in order to apply. The representative does not have the authority on behalf of the Company to accept risks; to make, alter or amend the Group Policy; or to extend the time for making any payment due under such Group Policy. **Therefore, insurance is not effective until the coverage applied for has been approved and issued by the Company.**

Date _____ Authorized Representative _____ # _____

For those who apply for the Basic Plan without the Catastrophic Rider, you may, in the future, apply for coverage in another NASE-Endorsed Plan, which could carry higher benefits if you are approved.

PFL Life Insurance Company

Toll Free # 1-800-527-5504



Congratulations; you've joined the growing number of individuals who rely on insurance plans endorsed by the NASE.

NASE Member insurance certificates are serviced by PFL Life Insurance Company. Last year alone, NASE Members received more than \$110 million in insurance benefits.

Your NASE-Endorsed Basic Hospital Expense Insurance Plan brings with it:

- The advantages of group enrollment, in a plan specifically designed for the self-employed
- Underwriting by an A-rated insurance company
- Freedom from being singled out for cancellation or rate increases
- Worldwide coverage by your choice of doctor or hospital
- Availability of return-of-premium, 2-year rate guarantee, and other options that can increase the value of your coverage

**PFL Life Insurance Co.
Home Office:**

Cedar Rapids, Iowa
Administrative Office:
9151 Grapevine Highway
N. Richland Hills, TX 76180
Toll Free 1-800-527-5504



Group
BASIC
Hospital
Expense
Insurance
Plan

© 1991 PFL LIFE INSURANCE COMPANY

All rights reserved. This publication is protected by copyright. No part of it may be duplicated or reproduced without written permission from PFL Life Insurance Company.

PLEASE NOTE — Benefits for a loss for a period of less than one month shall be payable on the basis of 1/30th of the monthly benefit for each day of such loss. This Policy provision applies to monthly benefits payable under the Policy and each of the Optional Benefit Riders.

BASIC POLICY BENEFITS

Prepared for _____ on Date: _____
 Age Last Birthday _____ Smoker Non-Smoker

• **ACCIDENT AND SICKNESS TOTAL DISABILITY:**

\$ _____ per month, while disabled, beginning on the _____ day; for disability commencing:

(a) before age 62½ payments continue for _____ months;
(benefit period)

(b) on or after age 62½ but before age 70 payments continue for 30 months or for such lesser period in (a); and

(c) on or after age 70 payments continue for 15 months

• **LOSS OF SPEECH, HEARING OR USE OF TWO MEMBERS OCCURRING PRIOR TO AGE 65:**
 (Lasting at least 90 days, monthly benefits are payable from the first day for the applicable maximum benefit period, whether caused by accident or sickness and whether or not disabled or employed.)

• **DOUBLE DISMEMBERMENT OR LOSS OF SIGHT OCCURRING PRIOR TO AGE 65:**
 (whether caused by accident or sickness and whether or not disabled or employed).

\$ _____ (Total Disability Benefit) per month from the first day of such loss for 60 months or for the applicable benefit period if longer.

\$ _____ CAPITAL SUM (15 times monthly benefit).

• **BENEFIT FOR NON-DISABLING INJURIES:** To a maximum of...

\$ _____ (one-half of one month's benefit).

BILLING: (Check one)

- Individual Direct Notice
 Common Billing Invoice
 ABC Plan (See Form ABC-6 for rules)

PAYMENT MODE: (Check one)

- Annual*
 Semi-Annual (½ Annual)
 Quarterly (¼ Annual)
 Monthly (1/12 Annual) multiple risk list bill or ABC only

*ALL DOLLAR BENEFITS INCREASE 10% WHEN PREMIUMS ARE PAID ANNUALLY

POLICY ANNUAL PREMIUM: \$ _____

OPTIONAL RIDERS TOTAL PREMIUM: \$ _____
(As outlined in Form OBR/ALL)

TOTAL POLICY AND RIDERS ANNUAL PREMIUM: \$ _____

PAYABLE _____ @ \$ _____
(Mode)

Agent: _____

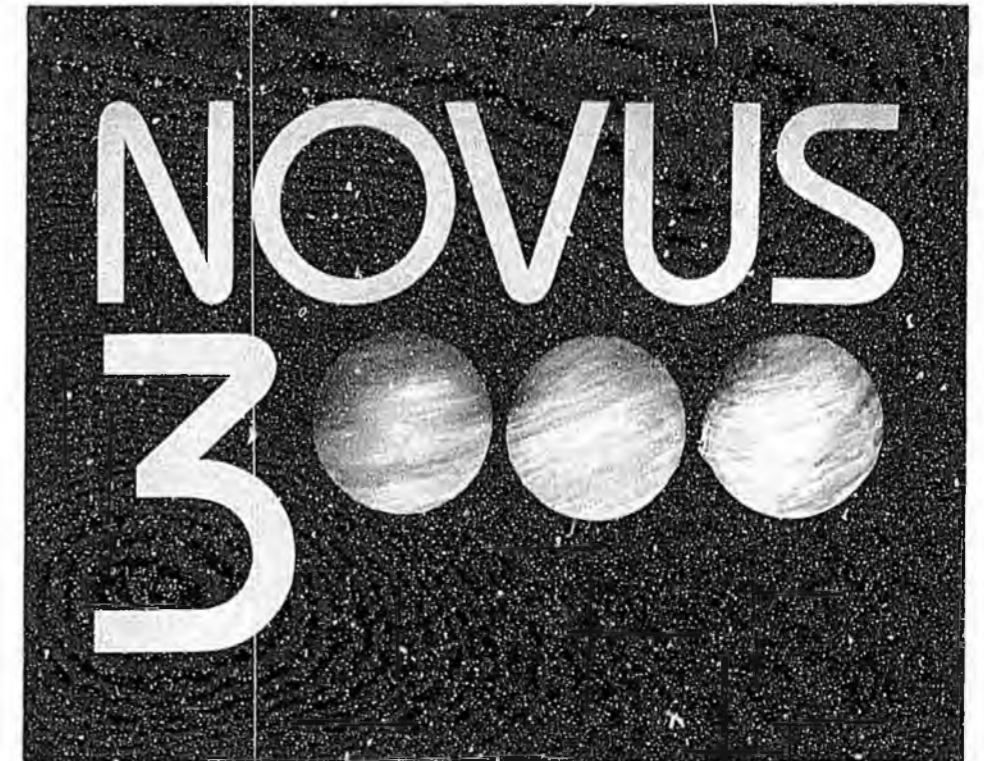


Massachusetts Casualty Insurance Company
 DISABILITY INCOME EXCLUSIVELY
 BOSTON, MASSACHUSETTS

B-BASIC (3/90)

B-BASIC (3/90)

Massachusetts Casualty Insurance Company



Disability Income Insurance Protection

ALL CLASSES — AGES 18-60
 This brochure is to be used when illustrating 15, 30 and 60 Month Benefit Plans for all classes, (A-1A through A-4, inclusive).

Disability Income Insurance Protection

SOME POLICY FEATURES:

- **The policy is non-cancellable and guaranteed renewable to age 65;** renewable thereafter for life, subject to the Company's right (1) to non-renew if the Insured ceases to be gainfully employed full-time or (2) to change premium levels by class at its choice and without specific approval of any state authority.
- **Definition of total disability:**
The Insured (Occupational Classes A-1A, A-1, and A-2) is considered totally disabled when substantially unable to perform the material duties of his or her regular occupation, trade or profession for the benefit period provided in the Policy.
The Insured (Occupational Classes A-3 and A-4) is considered totally disabled when substantially unable to perform the material duties of his or her regular occupation, trade or profession for the benefit period provided in the Policy to a maximum of 30 months.
Beyond this, the Insured (Occupational Classes A-3 and A-4) is considered totally disabled during the remainder, if any, of the benefit period when substantially unable to perform the material duties of any gainful occupation for which reasonably fitted, having due regard for his or her earning ability from the Policy Date, education, training and experience.
- **Loss of Speech, Hearing or Loss of Use of Two Members** occurring prior to age 65 and lasting at least 90 days: monthly benefits are payable from the first day for the applicable maximum benefit period, whether caused by accident or sickness and whether or not disabled or employed.
- **Monthly benefits for Double Dismemberment or Loss of Sight** occurring prior to age 65 are payable from the first day of disability for 60 months or the applicable benefit period, whichever is longer, whether caused by accident or sickness and whether or not disabled or employed.
- **A Capital Sum equal to 15 months' benefit** is paid in addition to monthly benefits for Double Dismemberment or Loss of Sight, when occurring prior to age 65 and whether caused by accident or sickness.
- **Unisex rates.**
- **All dollar benefits increase** — premium is paid annually.
- **Non-Disabling Injuries** — to a maximum of one-half of one month's benefit is provided on a per occurrence basis for cost incurred for attendance of a physician, x-rays, or hospital out-patient care, if not entitled to benefits for such injury under other provisions of the Policy, and Insured not already disabled or receiving benefits under the Policy.

- **Waiver of premium:** effective after 90 consecutive days of total disability — retroactive to 1st day of disability.
- **Physicians and Dentists** are insured in their specialties.
- **Optional Policy Adjustments:** Insured may vary policy coverage to meet changing insurance needs.
- **Full aviation coverage** including private flying.
- **World-wide coverage.**
- **Discounted Non-smoker premium rates available.**
- **Rehabilitation** — if the Insured chooses to participate in an approved program of rehabilitation, mutually agreed upon by the Insured and the Company, his or her voluntary efforts to recover from disability and return to work will not result in a complete loss of disability benefits.
- **Transplant surgery** — total disability due to the transplant of part of the Insured's body to the body of another person will be treated like any other sickness under the policy.
- **No benefits are payable** for a loss which starts within 2 years after coverage becomes effective and results from a pre-existing condition not fully disclosed in the application for the policy. Disabilities from the same cause(s) as a prior disability and not separated by at least a 6-month recover period are subject to one benefit period. Concurrent disabilities are treated as a single period of disability subject to only one payment or none if policy premiums are then being waived.

A Medical Examination and or a Blood Profile may be required when applying for coverage under the Policy described herein. Please consult the "Underwriting Guide."

A specimen policy or specimen riders are available upon request.

IMPORTANT:

The policy form described herein provides disability income insurance and such optional riders as selected. It does not provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. The expected benefit ratio for this policy is 50%. This ratio is the portion of future premiums which the Company expects to return as benefits, when averaged over all people with this policy.

This brochure only summarizes some of the features of Disability Income Policy Series 3000. As such it does not constitute a contract or offer of insurance. You also should not interpret the within information as providing you with a reasonable expectation of any benefits except those specifically contained in the actual provisions of the policy and riders applied for and issued to you. This policy and riders are subject to modification in certain states.



EXAMPLE NO. 1

TRUCKER PROFILE: SINGLE MALE, 35 YEARS OLD, SMOKER

HEALTH PROTECTION: COMBINED PROTECTION PLAN
\$200.00 DEDUCTIBLE WITH A 3,000,000 LIFETIME
BENEFIT

DISABILITY INCOME PROTECTION: \$2,500.00 MONTHLY BENEFIT FOR 5 YEARS
30 DAY WAITING PERIOD

TERM LIFE INSURANCE: 250,000 TAX-FREE DEATH BENEFIT

TOTAL MONTHLY COST \$367.00

EXAMPLE NO. 2

TRUCKER PROFILE: SINGLE MALE, 40 YEARS OLD, SMOKER

HEALTH PROTECTION: COMBINED PROTECTION PLAN
\$200.00 DEDUCTIBLE WITH A 3,000,000 LIFETIME
BENEFIT

DISABILITY INCOME PROTECTION: \$2,500 MONTHLY BENEFIT FOR 5 YRS
30 DAY WAITING PERIOD

TERM LIFE INSURANCE: \$250,000 TAX-FREE DEATH BENEFIT

TOTAL MONTHLY COST \$419.00

EXAMPLE NO. 3

TRUCKER PROFILE: SINGLE MALE, 30 YEARS OLD, SMOKER

HEALTH PROTECTION: COMBINED PROTECTION PLAN
\$200.00 DEDUCTIBLE WITH A 3,000,000 LIFETIME
BENEFIT

DISABILITY INCOME PROTECTION: \$2,500 MONTHLY BENEFIT FOR 5 YRS
30 DAY WAITING PERIOD

TERM LIFE INSURANCE: \$250,000 TAX-FREE DEATH BENEFIT

TOTAL MONTHLY COST \$343.00

SUBSTANTIAL DISCOUNTS AVAILABLE FOR NONSMOKERS AND 60 DAYS WAITING PERIODS

CS FOR SENATE BILL NO. 219 (L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE LABOR & COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to workers' compensation; and providing for an effective date."

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

3 * Section 1. PURPOSE OF SECTION 3. It is the purpose of sec. 3 of this Act to amend AS 23.30
4 to provide that an insurer is not liable for providing or failing to provide safety inspections or safety
5 advisory services; this amendment would decide a public policy question concerning the liability of an
6 insurer for the performance of a safety inspection or safety advisory service raised in Van Biene v. ERA
7 Helicopters, Inc., 779 P.2d 315 (Alaska 1989). Liability for conduct not related to safety inspections
8 or safety advisory services is not intended to be changed.

9 * Sec. 2. AS 23.30 is amended by adding a new section to read:

10 Sec. 23.30.047. BENEFITS FOR HEALTH INSURANCE. (a) An employer who pays
11 compensation to an injured employee under AS 23.30.041(k), 23.30.180, 23.30.185, 23.30.190,
12 23.30.200, or 23.30.215, and who provided health insurance to the employee at the date of injury
13 shall also reimburse the employee for health insurance coverage for the employee and covered
14 dependents, as provided in this section.

1 (b) Payment required under this section is equal to the employer's current contribution
2 for health insurance or the amount paid by the employee for replacement coverage, whichever
3 amount is less. Payment required under this section commences when the employee's health
4 insurance provided by the employer's contribution ceases and shall continue until the employee
5 is no longer receiving compensation described in (a) of this section, or for 18 months, whichever
6 period is shorter.

7 (c) Payment is not required under this section until the employee provides proof of health
8 insurance coverage. In this subsection, "health insurance" includes an individual policy of health
9 insurance, or a notice of self-payment or continuance of coverage under a union health or welfare
10 trust agreement.

11 (d) If benefits required under this section are not paid within 30 days after the employer
12 receives a request for payment, the employer shall pay a penalty equal to 25 percent of the
13 amount due.

14 * Sec. 3. AS 23.30 is amended by adding a new section to read:

15 Sec. 23.30.232. CIVIL LIABILITY FOR WORKPLACE SAFETY INSPECTIONS. A
16 carrier, an insurance service agent to a self-insured employer, or a trade association is not liable
17 for civil damages as a result of an act or omission in performing or failing to perform a
18 workplace safety inspection or a safety advisory service unless the carrier's, agent's, or
19 association's act or failure to act constitutes intentional misconduct.

20 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

7-LS1004A ✓
Ford
3/14/91

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE BY REQUEST

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to workers' compensation; and providing for an effective date."

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

3 * Section 1. PURPOSE OF SECTIONS 11, 18, AND 19. (a) It is the purpose of sec. 11 of this Act
4 to amend AS 23.30.055 to provide that the exclusive liability provisions extended to an employer
5 includes the liability of an insurer for providing or failing to provide safety inspections or safety advisory
6 services; this amendment would decide a public policy question concerning the liability of an insurer for
7 the performance of a safety inspection or safety advisory service raised in Van Biene v. ERA
8 Helicopters, Inc., 779 P.2d 315 (Alaska 1989).

9 (b) It is the purpose of sec. 18 of this Act to amend AS 23.30.265(15) to include prior temporary
10 total disability payments within the definition of gross wages.

11 (c) It is the purpose of sec. 19 of this Act to amend AS 23.30.265(21) to clarify that medical
12 stability results from a condition from which objectively measurable improvement or deterioration is not
13 expected from further medical treatment, and that medical stability is presumed in the absence of
14 improvement or deterioration after 45 days.

1 * Sec. 2. AS 23.30.041(b) is amended to read:

2 (b) The administrator shall

3 (1) enforce regulations adopted by the board to implement this section;

4 (2) recommend regulations for adoption by the board that establish performance
5 and reporting criteria for rehabilitation specialists;

6 (3) enforce the quality and effectiveness of reemployment benefits provided for
7 under this section;

8 (4) review on an annual basis the performance of rehabilitation specialists to
9 determine continued eligibility for delivery of rehabilitation services;

10 (5) submit to the department, on or before July 1 [JANUARY 1] of each year,
11 a report of reemployment benefits provided under this section for the previous calendar
12 [FISCAL] year; the report must include a general section, sections related to each rehabilitation
13 specialist employed under this section, and a statistical summary of all rehabilitation cases,
14 including

15 (A) the estimated and actual cost of each active rehabilitation plan;

16 (B) the estimated and actual time of each rehabilitation plan;

17 (C) a status report on all individuals completing or terminating a
18 reemployment benefits program including a return to work date;

19 (D) the cost of reemployment benefits;

20 (6) maintain a list of rehabilitation specialists who meet the qualifications
21 established under this section;

22 (7) monitor the activities of medical managers assigned by the carrier to an
23 injured employee, including reviewing reports or correspondence concerning the injured
24 employee;

25 (8) promote awareness among physicians, adjusters, injured workers, employers,
26 employees, attorneys, training providers, and rehabilitation specialists of the reemployment
27 program established in this subsection.

28 * Sec. 3. AS 23.30.041(c) is amended to read:

29 (c) If an employee suffers a compensable injury that may permanently preclude an
30 employee's return to the employee's occupation at the time of injury, the employee or employer
31 may request an eligibility evaluation for reemployment benefits. The employee shall request an

1 eligibility evaluation within 90 days after the employee gives the employer notice of injury unless
2 the administrator determines the employee has an unusual and extenuating circumstance that
3 prevents the employee from making a timely request. If, after a review of the board's case file,
4 the administrator determines the employee is unlikely to be able to return to the employee's
5 occupation at the time of injury, the [THE] administrator shall, on a rotating and geographic
6 basis, select a rehabilitation specialist from the list maintained under (b)(6) of this section to
7 perform the eligibility evaluation.

8 * Sec. 4. AS 23.30.041(e) is amended to read:

9 (e) An employee is [SHALL BE] eligible for benefits under this section upon the
10 employee's written request and by having a licensed physician, or regarding muscular, skeletal,
11 or neurological injuries, a licensed physician or a licensed physical or occupational
12 therapist, predict that the employee will have permanent physical capacities that are less than
13 the physical demands of the employee's job as described in the United States Department of
14 Labor's "Selected Characteristics of Occupations Defined in the Dictionary of Occupational
15 Titles" for

16 (1) the employee's job at the time of injury; or

17 (2) other jobs that exist in the labor market that the employee has held or received
18 training for within 10 years before the injury or that the employee has held following the injury
19 for a period long enough to obtain the skills to compete in the labor market, according to specific
20 vocational preparation codes as described in the United States Department of Labor's "Selected
21 Characteristics of Occupations Defined in the Dictionary of Occupational Titles."

22 * Sec. 5. AS 23.30.041(h) is amended to read:

23 (h) Within 90 days after the rehabilitation specialist's selection under (g) of this section,
24 the reemployment plan must be formulated and approved. The reemployment plan must include
25 at least the following:

26 (1) a determination of the occupational goal in the labor market;

27 (2) an inventory of the employee's technical skills, physical and intellectual
28 capacities, academic achievement, emotional condition, and family support;

29 (3) a plan to acquire the occupational skills to be employable;

30 (4) the cost estimate of the reemployment plan, including provider fees; the
31 amount of tuition, books, tools, and supplies; transportation; temporary lodging; or job

1 modification devices;

2 (5) the estimated length of time that the plan will take;

3 (6) the date the plan will commence;

4 (7) the estimated time of medical stability as predicted by the physician;

5 (8) a detailed description and plan schedule; [AND]

6 (9) a finding by the rehabilitation specialist that the inventory under (2) of this

7 subsection indicates that the employee can be reasonably expected to satisfactorily complete the

8 plan and perform in a new occupation within the time and cost limitations of the plan; and

9 (10) a certification by the rehabilitation specialist that the plan meets all the

10 requirements of this subsection; if the administrator determines that the plan does not meet

11 one or more of the requirements of this subsection, the administrator shall require the

12 rehabilitation specialist to amend the plan to meet the requirements of this subsection; a

13 rehabilitation specialist may not charge a fee for an amendment to a reemployment plan

14 required under this paragraph.

15 * Sec. 6. AS 23.30.041(k) is repealed and reenacted to read:

16 (k) The employer shall pay compensation to an employee eligible for reemployment
17 benefits, as follows:

18 (1) until the employee reaches medical stability or the reemployment plan is
19 completed or terminated, whichever comes first, temporary disability benefits shall be paid;

20 (2) if the employee reaches medical stability or has been found eligible for reem-
21 ployment benefits, temporary disability benefits shall cease and permanent impairment benefits
22 shall then be paid biweekly at the employee's temporary total disability rate until plan
23 completion, termination, or exhaustion of permanent impairment benefits; permanent impairment
24 benefits remaining unpaid upon completion or termination of the plan shall be paid to the
25 employee in a single lump sum;

26 (3) if the employee's permanent impairment benefits are exhausted before the
27 completion or termination of the reemployment plan, the employer shall pay, on a biweekly basis,
28 an amount equal to 60 percent of the employee's spendable weekly wage as determined under
29 AS 23.30.220, not to exceed \$525, until the completion or termination of the plan;

30 (4) if the employee reaches medical stability before an impairment rating is given
31 as provided in AS 23.30.190, except for the first 30 days the employee shall be paid 60 percent

1 of the employee's spendable weekly wage until an impairment rating is given; benefits paid more
2 than 30 days after medical stability but before an impairment rating is given shall be offset from
3 the total sum of permanent impairment benefits due to the employee; after the employee reaches
4 medical stability and an impairment rating is given, all benefits paid shall be included as
5 permanent impairment benefits;

6 (5) benefits related to the reemployment plan may not extend past two years from
7 the date of the initiation of the 60 percent payment of the employee's spendable weekly wage,
8 plan approval, or plan acceptance, whichever date occurs first, at which time the benefits expire;

9 (6) if the employer controverts the employee's claim or appeals a ruling of the
10 administrator or the board and the controversion or appeal delays completion of an evaluation,
11 development, commencement or completion of a plan

12 (A) the employer shall pay the employee 60 percent of the spendable
13 weekly wage during the period of controversion or appeal, except that temporary
14 disability benefits shall be paid until the employee reaches medical stability;

15 (B) the two-year limitation on payment of benefits in (5) of this subsection
16 does not begin to run or is tolled; and

17 (C) payments made at 60 percent of the employee's spendable weekly
18 wage during controversion or appeal may not be offset from permanent impairment
19 benefits due to the employee.

20 * Sec. 7. AS 23.30.041(l) is amended to read:

21 (l) The cost of the reemployment plan incurred under this section is [SHALL BE] the
22 responsibility of the employer, shall be paid on an expense incurred basis, and may not exceed
23 \$10,000. The cost of the rehabilitation specialist shall be paid by the employer, but may not
24 be included in determining the cost of the reemployment plan. Fees charged by and paid
25 to a rehabilitation specialist for services must be comparable to fees for similar services in
26 the community in which the services are performed, as determined by the board.

27 * Sec. 8. AS 23.30.041(p) is amended to read:

28 (p) In this section,

29 (1) "administrator" means the reemployment benefits administrator under (a) of
30 this section;

31 (2) "employability" means possessing the ability but not necessarily the

1 opportunity to engage in employment that is consistent with the employee's physical status
2 imposed by the compensable injury;

3 (3) "labor market" means a geographical area that offers employment opportunities
4 in the following priority:

5 (A) area of residence;

6 (B) area of last employment;

7 (C) the state;

8 (D) other states;

9 (4) "medical manager" means a nurse, rehabilitation specialist, or other
10 health care provider assigned by the carrier to assist an employee in coordinating medical
11 benefits, or to monitor the employee's medical services;

12 (5) "physical capacities" means objective and measurable physical traits such as
13 ability to lift and carry, walk, stand or sit, push, pull, climb, balance, stoop, kneel, crouch, crawl,
14 reach, handle, finger, feel, talk, hear, or see;

15 (6) [(5)] "physical demands" means the physical requirements of the job such as
16 strength, including positions such as standing, walking, sitting, and movement of objects such as
17 lifting, carrying, pushing, pulling, climbing, balancing, stooping, kneeling, crouching, crawling,
18 reaching, handling, fingering, feeling, talking, hearing, or seeing;

19 (7) [(6)] "rehabilitation specialist" means a person who is a certified insurance
20 rehabilitation specialist, a certified rehabilitation counselor, or a person who has equivalent or
21 better qualifications as determined under regulations adopted by the department;

22 (8) [(7)] "remunerative employability" means having the skills that allow a worker
23 to be compensated with wages or other earnings equivalent to at least 60 percent of the worker's
24 gross hourly wages at the time of injury; if the employment is outside the state, the stated 60
25 percent shall be adjusted to account for the difference between the applicable state average
26 weekly wage and the Alaska average weekly wage.

27 * Sec. 9. AS 23.30.041 is amended by adding a new subsection to read:

28 (q) After a medical manager has been assigned to an injured employee, the medical
29 manager shall send written notice to the employee, the employer, and the employee's physician
30 explaining in what capacity the medical manager is employed, who the medical manager
31 represents, and the scope of the services to be provided.

1 * Sec. 10. AS 23.30 is amended by adding a new section to read:

2 Sec. 23.30.047. BENEFITS FOR HEALTH INSURANCE. (a) An employer who pays
3 compensation to an injured employee under AS 23.30.041(k), 23.30.180, 23.30.185, 23.30.190,
4 23.30.200, or 23.30.215, and who provided health insurance to the employee at the date of injury
5 shall also reimburse the employee for health insurance coverage for the employee and covered
6 dependents, as provided in this section.

7 (b) Compensation required under this section is equal to the employer's current
8 contribution for health insurance or the amount paid by the employee for replacement coverage,
9 whichever amount is less. Compensation required under this section commences when the
10 employee's health insurance provided by the employer's contribution ceases and shall continue
11 until the employee is no longer receiving compensation described in (a) of this section, or for 18
12 months, whichever period is shorter.

13 (c) Payment of compensation under this section is not required until the employee
14 provides proof of health insurance coverage. In this subsection, "health insurance" includes an
15 individual policy of health insurance, or a notice of self-payment or continuance of coverage
16 under a union health or welfare trust agreement.

17 (d) If benefits required under this section are not paid within 30 days after the employer
18 receives a request for payment, the employer shall pay a penalty equal to 25 percent of the
19 amount due.

20 * Sec. 11. AS 23.30.075(b) is amended to read:

21 (b) If an employer fails to insure and keep insured employees subject to this chapter or
22 fails to obtain a certificate of self-insurance from the board, upon conviction, the court shall
23 impose a fine of \$10,000 and may impose a sentence of imprisonment for not more than one
24 year. In addition, the board may impose a civil penalty equal to three times the manual
25 rate that would have been charged for the employer's insurance premium during the period
26 the employer failed to obtain insurance. If an employer is a corporation, all persons who, at
27 the time of the injury or death, had authority to insure the corporation or apply for a certificate
28 of self-insurance [,] and the person actively in charge of the business of the corporation shall be
29 subject to the penalties prescribed in this subsection and shall be personally, jointly, and severally
30 liable together with the corporation for the payment of all compensation or other benefits for
31 which the corporation is liable under this chapter if the corporation at that time is not insured or

1 qualified as a self-insurer.

2 * Sec. 12. AS 23.30.155(d) is amended to read:

3 (d) If the employer controverts the right to compensation, the employer shall file with
4 the board and send to the employee a notice of controversion on or before the 21st day after the
5 employer has knowledge of the alleged injury or death. If the employer controverts the right to
6 compensation after payments have begun, the employer shall file with the board and send to the
7 employee a notice of controversion within seven days after an installment of compensation
8 payable without an award is due. When payment of temporary disability benefits is controverted
9 solely on the grounds that another employer or another insurer of the same employer may be
10 responsible for all or a portion of the benefits, the most recent employer or insurer who is party
11 to the claim and who may be liable shall make the payments during the pendency of the dispute.
12 When a final determination of liability is made, any reimbursement required, including interest
13 at the statutory rate, and all costs and reasonable attorneys' fees incurred by the prevailing
14 employer, shall be made within 14 days of the determination.

15 * Sec. 13. AS 23.30.175(a) is amended to read:

16 (a) The weekly rate of compensation for disability or death may not exceed \$700 and
17 initially may not be less than \$154 when the employee has furnished documentary proof of
18 the employee's wages, or less than \$110 when the employee has not furnished documentary
19 proof of the employee's wages. However, if [THE BOARD DETERMINES THAT] the
20 employee's spendable weekly wage is [WAGES ARE] less than [\$110 A WEEK AS
21 COMPUTED UNDER AS 23.30.220, OR LESS THAN] \$154 a week as computed under
22 AS 23.30.220, the employee's weekly compensation rate shall [IN THE CASE OF AN
23 EMPLOYEE WHO HAS FURNISHED DOCUMENTARY PROOF OF THE EMPLOYEE'S
24 WAGES, IT SHALL ISSUE AN ORDER ADJUSTING THE WEEKLY RATE OF
25 COMPENSATION TO A RATE] equal [TO] the employee's spendable weekly wage [WAGES].
26 The employer may not pay compensation at the employee's spendable weekly wage without
27 a board order except as provided under regulations established by the board. [IF THE
28 EMPLOYER CAN VERIFY THAT THE EMPLOYEE'S SPENDABLE WEEKLY WAGES ARE
29 LESS THAN \$154, THE EMPLOYER MAY ADJUST THE WEEKLY RATE OF
30 COMPENSATION TO A RATE EQUAL TO THE EMPLOYEE'S SPENDABLE WEEKLY
31 WAGES WITHOUT AN ORDER OF THE BOARD.] If the employee's spendable weekly wage

1 is [WAGES ARE] greater than \$154, but 80 percent of the employee's spendable weekly wage
2 [WAGES] is less than \$154, the employee's weekly rate of compensation shall be \$154. Prior
3 payments made in excess of the adjusted rate shall be deducted from the unpaid compensation
4 in the manner the board determines. In any case, the employer shall pay timely compensation.

5 * Sec. 14. AS 23.30.190(b) is amended to read:

6 (b) All determinations of the existence and degree of permanent impairment shall be
7 made strictly and solely under the whole person determination as set out in the American Medical
8 Association Guides to the Evaluation of Permanent Impairment, except that an impairment rating
9 may not be rounded to the next five percent. The board shall adopt a supplementary recognized
10 schedule for injuries that cannot be rated by use of the American Medical Association Guides.
11 An impairment rating shall be determined by a licensed physician or, if the injury is related
12 to muscular, skeletal, or neurological disabilities, by a licensed physician or a licensed
13 physical or occupational therapist.

14 * Sec. 15. AS 23.30.195 is amended to read:

15 Sec. 23.30.195. SURVIVAL OF THE RIGHT TO COMPENSATION. (a)
16 Compensation to which a [ANY] claimant would be entitled under AS 23.30.190 [EXCEPTING
17 (a)(20) OF THAT SECTION] shall, notwithstanding death arising from causes other than the
18 injury, be payable to and for the benefit of the following persons [FOLLOWING]:

19 (1) if there is [BE] a widow or widower, but [AND] no child of the deceased,
20 to the widow or widower;

21 (2) if there is [BE] a widow or widower and a surviving child or children of the
22 deceased, one-half to the widow or widower, the other half to the surviving child or children,
23 in equal shares;

24 (3) if there is [BE] a surviving child or children of the deceased, but no widow
25 or widower, then to the child or children, in equal shares.

26 (b) An award for impairment [DISABILITY] may be made after the death of the injured
27 employee.

28 * Sec. 16. AS 23.30 is amended by adding a new section to read:

29 Sec. 23.30.232. CIVIL LIABILITY FOR WORKPLACE SAFETY INSPECTIONS. A
30 carrier, an insurance service agent to a self-insured employer, or a trade association is not liable
31 for civil damages as a result of an act or omission in performing a workplace safety inspection

1 or a safety advisory service unless the carrier's, agent's, or association's act or failure to act
2 constitutes intentional misconduct.

3 * Sec. 17. AS 23.30 is amended by adding a new section to read:

4 Sec. 23.30.238. VOLUNTEER EMERGENCY MEDICAL TECHNICIANS AS
5 EMPLOYEES. (a) A person who is injured during the course and within the scope of providing
6 service as a volunteer emergency medical technician is an employee of the state for purposes of
7 this chapter if the person

8 (1) is certified by the state under AS 18.08 as an emergency medical technician;

9 (2) provides emergency medical service outside an incorporated city or borough;

10 and

11 (3) is not otherwise covered for that injury by an employer's workers'
12 compensation insurance policy or self-insurance certificate.

13 (b) The gross weekly earnings for a person receiving benefits under this section shall be
14 the gross weekly earnings paid a full-time emergency medical technician employed in the city
15 or borough nearest to the place where the injury occurred, or, if the nearest city or borough has
16 no full-time emergency medical technician, at a reasonable figure previously set by the nearest
17 city or borough to make this determination, but in no case may the gross weekly earnings for
18 calculating compensation be less than the minimum wage computed on the basis of 40 hours of
19 work a week.

20 * Sec. 18. AS 23.30.265(15) is amended to read:

21 (15) "gross earnings" means periodic payments [,] by an employer to an employee
22 for employment before any authorized or lawfully required deduction or withholding of money
23 by the employer, including wages [COMPENSATION THAT IS] deferred at the option of the
24 employee and temporary disability compensation for an occupational injury or illness, and
25 excluding irregular bonuses, reimbursement of expenses, expense allowances, and any benefit or
26 payment to the employee that is not fully taxable to the employee during the pay period, except
27 that the total amount of contributions made by an employer to a qualified pension or profit
28 sharing plan during the two plan years preceding the injury, multiplied by the percentage of the
29 employee's vested interest in the plan at the time of injury, shall be included in the determination
30 of gross earnings; the value of room and board if taxable to the employee may be considered in
31 determining gross earnings; however, the value of room and board that would raise an

1 employee's gross weekly earning above the state average weekly wage at the time of injury may
2 not be considered;

3 * Sec. 19. AS 23.30.265(21) is amended to read:

4 (21) "medical stability" means the date after which further objectively measurable
5 improvement or deterioration from the effects of the compensable injury is not reasonably
6 expected to result from additional medical care or treatment, notwithstanding the possible need
7 for additional medical care or the possibility of improvement or deterioration resulting from the
8 passage of time; medical stability shall be presumed in the absence of objectively measurable
9 improvement or deterioration for a period of 45 days; this presumption may be rebutted by clear
10 and convincing evidence;

11 * Sec. 20. AS 23.30.265 is amended by adding a new paragraph to read:

12 (34) "volunteer emergency medical technician" means a person who is certified
13 by the state as an emergency medical technician under AS 18.08 and who provides emergency
14 medical services on a voluntary basis.

15 * Sec. 21. REPORT. The division of insurance shall prepare a report on the feasibility of
16 implementing a contracting classification premium adjustment program to provide premium credits for
17 employers who purchase workers' compensation insurance. The report must include comments and
18 recommendations from labor and management representatives in the state. The division of insurance
19 shall submit the report to the Second Session of the Seventeenth Alaska State Legislature by January 31,
20 1992.

21 * Sec. 22. TRANSITION. Notwithstanding AS 23.30.041(b), as amended by sec. 2 of this Act, the
22 first report of reemployment benefits due under that section as amended is to be filed on or before
23 July 1, 1992, and must include the period of July 1, 1990, through December 31, 1990, and calendar year
24 1991.

25 * Sec. 23. This Act takes effect immediately under AS 01.10.070(c).

HCS for CSSB 219(JUD)

- Sec 1. Partial change to accomodate new sections.
- Sec 2 From ad hoc bill.
- Sec 3. Ad hoc bill rewrite with Collins assistance.
- Sec 4. Rewrite of S L&C section.
- Sec 5. Ad hoc bill
- Sec 6. Donley amendment rewrite with Miller & Pfieffer.
- Sec 7. Donley
- Sec 8. Donley rewrite with Usera
- Sec 9. Donley
- Sec 10. Donley
- Sec 11. Sen L&C version
- Sec 12. EMT section
- Sec 13. Rewrites softball amendment excluding remote camp recreation from exemption.
- Sec 14. Ad hoc
- Sec 15. Collins
- Sec 16. EMT definition
- Sec 17. Ad hoc
- Sec 18. Ad hoc

7-LS1004A ✓
Ford
3/14/91

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE BY REQUEST

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to workers' compensation; and providing for an effective date."

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

3 * Section 1. PURPOSE OF SECTIONS 11, 18, AND 19. (a) It is the purpose of sec. 11 of this Act
4 to amend AS 23.30.055 to provide that the exclusive liability provisions extended to an employer
5 includes the liability of an insurer for providing or failing to provide safety inspections or safety advisory
6 services; this amendment would decide a public policy question concerning the liability of an insurer for
7 the performance of a safety inspection or safety advisory service raised in Van Biene v. ERA
8 Helicopters, Inc., 779 P.2d 315 (Alaska 1989).

9 (b) It is the purpose of sec. 18 of this Act to amend AS 23.30.265(15) to include prior temporary
10 total disability payments within the definition of gross wages.

11 (c) It is the purpose of sec. 19 of this Act to amend AS 23.30.265(21) to clarify that medical
12 stability results from a condition from which objectively measurable improvement or deterioration is not
13 expected from further medical treatment, and that medical stability is presumed in the absence of
14 improvement or deterioration after 45 days.

1 * Sec. 2. AS 23.30.041(b) is amended to read:

2 (b) The administrator shall

3 (1) enforce regulations adopted by the board to implement this section;

4 (2) recommend regulations for adoption by the board that establish performance
5 and reporting criteria for rehabilitation specialists;

6 (3) enforce the quality and effectiveness of reemployment benefits provided for
7 under this section;

8 (4) review on an annual basis the performance of rehabilitation specialists to
9 determine continued eligibility for delivery of rehabilitation services;

10 (5) submit to the department, on or before July 1 [JANUARY 1] of each year,
11 a report of reemployment benefits provided under this section for the previous calendar
12 [FISCAL] year; the report must include a general section, sections related to each rehabilitation
13 specialist employed under this section, and a statistical summary of all rehabilitation cases,
14 including

15 (A) the estimated and actual cost of each active rehabilitation plan;

16 (B) the estimated and actual time of each rehabilitation plan;

17 (C) a status report on all individuals completing or terminating a
18 reemployment benefits program including a return to work date;

19 (D) the cost of reemployment benefits;

20 (6) maintain a list of rehabilitation specialists who meet the qualifications
21 established under this section;

22 (7) monitor the activities of medical managers assigned by the carrier to an
23 injured employee, including reviewing reports or correspondence concerning the injured
24 employee;

25 (8) promote awareness among physicians, adjusters, injured workers, employers,
26 employees, attorneys, training providers, and rehabilitation specialists of the reemployment
27 program established in this subsection.

28 * Sec. 3. AS 23.30.041(c) is amended to read:

29 (c) If an employee suffers a compensable injury that may permanently preclude an
30 employee's return to the employee's occupation at the time of injury, the employee or employer
31 may request an eligibility evaluation for reemployment benefits. The employee shall request an

1 eligibility evaluation within 90 days after the employee gives the employer notice of injury unless
2 the administrator determines the employee has an unusual and extenuating circumstance that
3 prevents the employee from making a timely request. If, after a review of the board's case file,
4 the administrator determines the employee is unlikely to be able to return to the employee's
5 occupation at the time of injury, the [THE] administrator shall, on a rotating and geographic
6 basis, select a rehabilitation specialist from the list maintained under (b)(6) of this section to
7 perform the eligibility evaluation.

8 * Sec. 4. AS 23.30.041(e) is amended to read:

9 (e) An employee is [SHALL BE] eligible for benefits under this section upon the
10 employee's written request and by having a licensed physician, or regarding muscular, skeletal,
11 or neurological injuries, a licensed physician or a licensed physical or occupational
12 therapist, predict that the employee will have permanent physical capacities that are less than
13 the physical demands of the employee's job as described in the United States Department of
14 Labor's "Selected Characteristics of Occupations Defined in the Dictionary of Occupational
15 Titles" for

16 (1) the employee's job at the time of injury; or

17 (2) other jobs that exist in the labor market that the employee has held or received
18 training for within 10 years before the injury or that the employee has held following the injury
19 for a period long enough to obtain the skills to compete in the labor market, according to specific
20 vocational preparation codes as described in the United States Department of Labor's "Selected
21 Characteristics of Occupations Defined in the Dictionary of Occupational Titles."

22 * Sec. 5. AS 23.30.041(h) is amended to read:

23 (h) Within 90 days after the rehabilitation specialist's selection under (g) of this section,
24 the reemployment plan must be formulated and approved. The reemployment plan must include
25 at least the following:

26 (1) a determination of the occupational goal in the labor market;

27 (2) an inventory of the employee's technical skills, physical and intellectual
28 capacities, academic achievement, emotional condition, and family support;

29 (3) a plan to acquire the occupational skills to be employable;

30 (4) the cost estimate of the reemployment plan, including provider fees; the
31 amount of tuition, books, tools, and supplies; transportation; temporary lodging; or job

1 modification devices;

2 (5) the estimated length of time that the plan will take;

3 (6) the date the plan will commence;

4 (7) the estimated time of medical stability as predicted by the physician;

5 (8) a detailed description and plan schedule; [AND]

6 (9) a finding by the rehabilitation specialist that the inventory under (2) of this
7 subsection indicates that the employee can be reasonably expected to satisfactorily complete the
8 plan and perform in a new occupation within the time and cost limitations of the plan; and

9 (10) a certification by the rehabilitation specialist that the plan meets all the
10 requirements of this subsection; if the administrator determines that the plan does not meet
11 one or more of the requirements of this subsection, the administrator shall require the
12 rehabilitation specialist to amend the plan to meet the requirements of this subsection; a
13 rehabilitation specialist may not charge a fee for an amendment to a reemployment plan
14 required under this paragraph.

15 * Sec. 6. AS 23.30.041(k) is repealed and reenacted to read:

16 (k) The employer shall pay compensation to an employee eligible for reemployment
17 benefits, as follows:

18 (1) until the employee reaches medical stability or the reemployment plan is
19 completed or terminated, whichever comes first, temporary disability benefits shall be paid;

20 (2) if the employee reaches medical stability or has been found eligible for reem-
21 ployment benefits, temporary disability benefits shall cease and permanent impairment benefits
22 shall then be paid biweekly at the employee's temporary total disability rate until plan
23 completion, termination, or exhaustion of permanent impairment benefits; permanent impairment
24 benefits remaining unpaid upon completion or termination of the plan shall be paid to the
25 employee in a single lump sum;

26 (3) if the employee's permanent impairment benefits are exhausted before the
27 completion or termination of the reemployment plan, the employer shall pay, on a biweekly basis,
28 an amount equal to 60 percent of the employee's spendable weekly wage as determined under
29 AS 23.30.220, not to exceed \$525, until the completion or termination of the plan;

30 (4) if the employee reaches medical stability before an impairment rating is given
31 as provided in AS 23.30.190, except for the first 30 days the employee shall be paid 60 percent

1 of the employee's spendable weekly wage until an impairment rating is given; benefits paid more
2 than 30 days after medical stability but before an impairment rating is given shall be offset from
3 the total sum of permanent impairment benefits due to the employee; after the employee reaches
4 medical stability and an impairment rating is given, all benefits paid shall be included as
5 permanent impairment benefits;

6 (5) benefits related to the reemployment plan may not extend past two years from
7 the date of the initiation of the 60 percent payment of the employee's spendable weekly wage,
8 plan approval, or plan acceptance, whichever date occurs first, at which time the benefits expire:

9 (6) if the employer controverts the employee's claim or appeals a ruling of the
10 administrator or the board and the controversion or appeal delays completion of an evaluation,
11 development, commencement or completion of a plan

12 (A) the employer shall pay the employee 60 percent of the spendable
13 weekly wage during the period of controversion or appeal, except that temporary
14 disability benefits shall be paid until the employee reaches medical stability;

15 (B) the two-year limitation on payment of benefits in (5) of this subsection
16 does not begin to run or is tolled; and

17 (C) payments made at 60 percent of the employee's spendable weekly
18 wage during controversion or appeal may not be offset from permanent impairment
19 benefits due to the employee.

20 * Sec. 7. AS 23.30.041(l) is amended to read:

21 (l) The cost of the reemployment plan incurred under this section is [SHALL BE] the
22 responsibility of the employer, shall be paid on an expense incurred basis, and may not exceed
23 \$10,000. The cost of the rehabilitation specialist shall be paid by the employer, but may not
24 be included in determining the cost of the reemployment plan. Fees charged by and paid
25 to a rehabilitation specialist for services must be comparable to fees for similar services in
26 the community in which the services are performed, as determined by the board.

27 * Sec. 8. AS 23.30.041(p) is amended to read:

28 (p) In this section,

29 (1) "administrator" means the reemployment benefits administrator under (a) of
30 this section;

31 (2) "employability" means possessing the ability but not necessarily the

1 opportunity to engage in employment that is consistent with the employee's physical status
2 imposed by the compensable injury;

3 (3) "labor market" means a geographical area that offers employment opportunities
4 in the following priority:

5 (A) area of residence;

6 (B) area of last employment;

7 (C) the state;

8 (D) other states;

9 (4) "medical manager" means a nurse, rehabilitation specialist, or other
10 health care provider assigned by the carrier to assist an employee in coordinating medical
11 benefits, or to monitor the employee's medical services;

12 (5) "physical capacities" means objective and measurable physical traits such as
13 ability to lift and carry, walk, stand or sit, push, pull, climb, balance, stoop, kneel, crouch, crawl,
14 reach, handle, finger, feel, talk, hear, or see;

15 (6) [(5)] "physical demands" means the physical requirements of the job such as
16 strength, including positions such as standing, walking, sitting, and movement of objects such as
17 lifting, carrying, pushing, pulling, climbing, balancing, stooping, kneeling, crouching, crawling,
18 reaching, handling, fingering, feeling, talking, hearing, or seeing;

19 (7) [(6)] "rehabilitation specialist" means a person who is a certified insurance
20 rehabilitation specialist, a certified rehabilitation counselor, or a person who has equivalent or
21 better qualifications as determined under regulations adopted by the department;

22 (8) [(7)] "remunerative employability" means having the skills that allow a worker
23 to be compensated with wages or other earnings equivalent to at least 60 percent of the worker's
24 gross hourly wages at the time of injury; if the employment is outside the state, the stated 60
25 percent shall be adjusted to account for the difference between the applicable state average
26 weekly wage and the Alaska average weekly wage.

27 * Sec. 9. AS 23.30.041 is amended by adding a new subsection to read:

28 (q) After a medical manager has been assigned to an injured employee, the medical
29 manager shall send written notice to the employee, the employer, and the employee's physician
30 explaining in what capacity the medical manager is employed, who the medical manager
31 represents, and the scope of the services to be provided.

1 qualified as a self-insurer.

2 * Sec. 12. AS 23.30.155(d) is amended to read:

3 (d) If the employer controverts the right to compensation, the employer shall file with
4 the board and send to the employee a notice of controversion on or before the 21st day after the
5 employer has knowledge of the alleged injury or death. If the employer controverts the right to
6 compensation after payments have begun, the employer shall file with the board and send to the
7 employee a notice of controversion within seven days after an installment of compensation
8 payable without an award is due. When payment of temporary disability benefits is controverted
9 solely on the grounds that another employer or another insurer of the same employer may be
10 responsible for all or a portion of the benefits, the most recent employer or insurer who is party
11 to the claim and who may be liable shall make the payments during the pendency of the dispute.
12 When a final determination of liability is made, any reimbursement required, including interest
13 at the statutory rate, and all costs and reasonable attorneys' fees incurred by the prevailing
14 employer, shall be made within 14 days of the determination.

15 * Sec. 13. AS 23.30.175(a) is amended to read:

16 (a) The weekly rate of compensation for disability or death may not exceed \$700 and
17 initially may not be less than \$154 when the employee has furnished documentary proof of
18 the employee's wages, or less than \$110 when the employee has not furnished documentary
19 proof of the employee's wages. However, if [THE BOARD DETERMINES THAT] the
20 employee's spendable weekly wage is [WAGES ARE] less than [\$110 A WEEK AS
21 COMPUTED UNDER AS 23.30.220, OR LESS THAN] \$154 a week as computed under
22 AS 23.30.220, the employee's weekly compensation rate shall [IN THE CASE OF AN
23 EMPLOYEE WHO HAS FURNISHED DOCUMENTARY PROOF OF THE EMPLOYEE'S
24 WAGES, IT SHALL ISSUE AN ORDER ADJUSTING THE WEEKLY RATE OF
25 COMPENSATION TO A RATE] equal [TO] the employee's spendable weekly wage [WAGES].
26 The employer may not pay compensation at the employee's spendable weekly wage without
27 a board order except as provided under regulations established by the board. [IF THE
28 EMPLOYER CAN VERIFY THAT THE EMPLOYEE'S SPENDABLE WEEKLY WAGES ARE
29 LESS THAN \$154, THE EMPLOYER MAY ADJUST THE WEEKLY RATE OF
30 COMPENSATION TO A RATE EQUAL TO THE EMPLOYEE'S SPENDABLE WEEKLY
31 WAGES WITHOUT AN ORDER OF THE BOARD.] If the employee's spendable weekly wage

1 is [WAGES ARE] greater than \$154, but 80 percent of the employee's spendable weekly wage
2 [WAGES] is less than \$154, the employee's weekly rate of compensation shall be \$154. Prior
3 payments made in excess of the adjusted rate shall be deducted from the unpaid compensation
4 in the manner the board determines. In any case, the employer shall pay timely compensation.

5 * Sec. 14. AS 23.30.190(b) is amended to read:

6 (b) All determinations of the existence and degree of permanent impairment shall be
7 made strictly and solely under the whole person determination as set out in the American Medical
8 Association Guides to the Evaluation of Permanent Impairment, except that an impairment rating
9 may not be rounded to the next five percent. The board shall adopt a supplementary recognized
10 schedule for injuries that cannot be rated by use of the American Medical Association Guides.
11 An impairment rating shall be determined by a licensed physician or, if the injury is related
12 to muscular, skeletal, or neurological disabilities, by a licensed physician or a licensed
13 physical or occupational therapist.

14 * Sec. 15. AS 23.30.195 is amended to read:

15 Sec. 23.30.195. SURVIVAL OF THE RIGHT TO COMPENSATION. (a)
16 Compensation to which a [ANY] claimant would be entitled under AS 23.30.190 [EXCEPTING
17 (a)(20) OF THAT SECTION] shall, notwithstanding death arising from causes other than the
18 injury, be payable to and for the benefit of the following persons [FOLLOWING]:

19 (1) if there is [BE] a widow or widower, but [AND] no child of the deceased,
20 to the widow or widower;

21 (2) if there is [BE] a widow or widower and a surviving child or children of the
22 deceased, one-half to the widow or widower, the other half to the surviving child or children,
23 in equal shares;

24 (3) if there is [BE] a surviving child or children of the deceased, but no widow
25 or widower, then to the child or children, in equal shares.

26 (b) An award for impairment [DISABILITY] may be made after the death of the injured
27 employee.

28 * Sec. 16. AS 23.30 is amended by adding a new section to read:

29 Sec. 23.30.232. CIVIL LIABILITY FOR WORKPLACE SAFETY INSPECTIONS. A
30 carrier, an insurance service agent to a self-insured employer, or a trade association is not liable
31 for civil damages as a result of an act or omission in performing a workplace safety inspection

1 or a safety advisory service unless the carrier's, agent's, or association's act or failure to act
2 constitutes intentional misconduct.

3 * Sec. 17. AS 23.30 is amended by adding a new section to read:

4 Sec. 23.30.238. VOLUNTEER EMERGENCY MEDICAL TECHNICIANS AS
5 EMPLOYEES. (a) A person who is injured during the course and within the scope of providing
6 service as a volunteer emergency medical technician is an employee of the state for purposes of
7 this chapter if the person

8 (1) is certified by the state under AS 18.08 as an emergency medical technician;

9 (2) provides emergency medical service outside an incorporated city or borough;

10 and

11 (3) is not otherwise covered for that injury by an employer's workers'
12 compensation insurance policy or self-insurance certificate.

13 (b) The gross weekly earnings for a person receiving benefits under this section shall be
14 the gross weekly earnings paid a full-time emergency medical technician employed in the city
15 or borough nearest to the place where the injury occurred, or, if the nearest city or borough has
16 no full-time emergency medical technician, at a reasonable figure previously set by the nearest
17 city or borough to make this determination, but in no case may the gross weekly earnings for
18 calculating compensation be less than the minimum wage computed on the basis of 40 hours of
19 work a week.

20 * Sec. 18. AS 23.30.265(15) is amended to read:

21 (15) "gross earnings" means periodic payments [,] by an employer to an employee
22 for employment before any authorized or lawfully required deduction or withholding of money
23 by the employer, including wages [COMPENSATION THAT IS] deferred at the option of the
24 employee and temporary disability compensation for an occupational injury or illness, and
25 excluding irregular bonuses, reimbursement of expenses, expense allowances, and any benefit or
26 payment to the employee that is not fully taxable to the employee during the pay period, except
27 that the total amount of contributions made by an employer to a qualified pension or profit
28 sharing plan during the two plan years preceding the injury, multiplied by the percentage of the
29 employee's vested interest in the plan at the time of injury, shall be included in the determination
30 of gross earnings; the value of room and board if taxable to the employee may be considered in
31 determining gross earnings; however, the value of room and board that would raise an

1 employee's gross weekly earning above the state average weekly wage at the time of injury may
2 not be considered;

3 * Sec. 19. AS 23.30.265(21) is amended to read:

4 (21) "medical stability" means the date after which further objectively measurable
5 improvement or deterioration from the effects of the compensable injury is not reasonably
6 expected to result from additional medical care or treatment, notwithstanding the possible need
7 for additional medical care or the possibility of improvement or deterioration resulting from the
8 passage of time; medical stability shall be presumed in the absence of objectively measurable
9 improvement or deterioration for a period of 45 days; this presumption may be rebutted by clear
10 and convincing evidence;

11 * Sec. 20. AS 23.30.265 is amended by adding a new paragraph to read:

12 (34) "volunteer emergency medical technician" means a person who is certified
13 by the state as an emergency medical technician under AS 18.08 and who provides emergency
14 medical services on a voluntary basis.

15 * Sec. 21. REPORT. The division of insurance shall prepare a report on the feasibility of
16 implementing a contracting classification premium adjustment program to provide premium credits for
17 employers who purchase workers' compensation insurance. The report must include comments and
18 recommendations from labor and management representatives in the state. The division of insurance
19 shall submit the report to the Second Session of the Seventeenth Alaska State Legislature by January 31,
20 1992.

21 * Sec. 22. TRANSITION. Notwithstanding AS 23.30.041(b), as amended by sec. 2 of this Act, the
22 first report of reemployment benefits due under that section as amended is to be filed on or before
23 July 1, 1992, and must include the period of July 1, 1990, through December 31, 1990, and calendar year
24 1991.

25 * Sec. 23. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSB 219 (L&C)

Revision Date: 4/29/91 Department Affected: Commerce & Economic Dev.
 Title: An Act relating to Workers' Compensation BRU: Insurance
 Component: Operations

Sponsor: _____
 Requestor: Senate Labor & Commerce COMPONENT SERIAL NO.

0	3	5	4
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
----------------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
----------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Don Koch, Chief of Market Surveillance Phone: 465-2515
 Division: Insurance Date: 4/29/91
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 4/29/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO : CSSB 219(L&C)

Revision Date: _____
 Title: " An Act relating to workers' compensation ..."
 Sponsor: Senate Labor & Commerce
 Requestor: Senate Labor & Commerce

Department Affected: Labor
 BRU: Workers' Compensation
 Component: Workers' Compensation
 COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Linda Rexwinkel, Director Phone : 465-2790
 Division: Workers' Compensation Date : 4/22/91
 Approved by Commissioner: Nancy Bear Usara
 Agency: Department of Labor Date: 4/22/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSB 219 (L&C)

Revision Date: 4/29/91 Department Affected: Commerce & Economic Dev.
Title: An Act relating to Workers' Compensation BRU: Insurance
Component: Operations

Sponsor: _____
Requestor: Senate Labor & Commerce COMPONENT SERIAL NO.

0	3	5	4
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Don Koch, Chief of Market Surveillance Phone: 465-2515
Division: Insurance Date: 4/29/91
Approved by Commissioner: Glenn A. Olds
Agency: Department of Commerce & Economic Development Date: 4/29/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

A M E N D M E N T #1

OFFERED IN THE SENATE BY THE SENATE LABOR AND COMMERCE COMMITTEE
TO: CSSB 219(L&C)

Page 2, after line 20:

Insert a new bill section to read:

"* Sec. 4. AS 23.30.265(2) is amended to read:

(2) "arising out of and in the course of employment" includes employer-required or supplied travel to and from a remote job site; activities performed at the direction or under the control of the employer; and employer-sanctioned activities at employer-provided facilities; but excludes recreational activities sponsored by the employer, unless participation is required as a condition of employment, and activities of a personal nature away from employer-provided facilities;"

Renumber the following bill section accordingly.

A M E N D M E N T #2

OFFERED IN THE SENATE
TO: CSSB 219 (L&C)

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Page 1, line 4:

Delete "SECTION 3"

Insert "SECTION 4"

Delete "sec. 3"

Insert "sec. 4"

Page 2, after line 13:

Insert a new bill section to read:

** Sec. 3. AS 23.30.075(b) is amended to read:

(b) If an employer fails to insure and keep insured employees subject to this chapter or fails to obtain a certificate of self-insurance from the board, upon conviction, the court shall impose a fine of \$10,000 and may impose a sentence of imprisonment for not more than one year. In addition, the board may impose a civil penalty equal to three times the manual rate that would have been charged for the employer's insurance premium during the period the employer failed to obtain insurance. If an employer is a corporation, all persons who, at the time of the injury or death, had authority to insure the corporation or apply for a certificate of self-insurance [,] and the person actively in charge of the business of the corporation shall be subject to the penalties prescribed in this subsection and shall be personally, jointly, and severally liable together with the corporation for the payment of all compensation or other benefits for which the corporation is liable under this chapter if the corporation at that time is not insured or qualified as a self-insurer."

Renumber the following bill sections accordingly.

CS FOR SENATE BILL NO. 219 (L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to workers' compensation and civil liability for workplace safety
2 inspections; and providing for an effective date."

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

4 * Section 1. PURPOSE OF SECTION 3. It is the purpose of sec. 3 of this Act to amend AS 23.30
5 to provide that an insurer is not liable for providing or failing to provide safety inspections or safety
6 advisory services; this amendment would decide a public policy question concerning the liability of an
7 insurer for the performance of a safety inspection or safety advisory service raised in Van Biene v. ERA
8 Helicopters, Inc., 779 P.2d 315 (Alaska 1989).

9 * Sec. 2. AS 23.30 is amended by adding a new section to read:

10 Sec. 23.30.047. BENEFITS FOR HEALTH INSURANCE. (a) An employer who pays
11 compensation to an injured employee under AS 23.30.041(k), 23.30.180, 23.30.185, 23.30.190,
12 23.30.200, or 23.30.215, and who provided health insurance to the employee at the date of injury
13 shall also reimburse the employee for health insurance coverage for the employee and covered
14 dependents, as provided in this section.

1 (b) Payment required under this section is equal to the employer's current contribution
2 for health insurance or the amount paid by the employee for replacement coverage, whichever
3 amount is less. Payment required under this section commences when the employee's health
4 insurance provided by the employer's contribution ceases and shall continue until the employee
5 is no longer receiving compensation described in (a) of this section, or for 18 months, whichever
6 period is shorter.

7 (c) Payment is not required under this section until the employee provides proof of health
8 insurance coverage. In this subsection, "health insurance" includes an individual policy of health
9 insurance, or a notice of self-payment or continuance of coverage under a union health or welfare
10 trust agreement.

11 (d) If benefits required under this section are not paid within 30 days after the employer
12 receives a request for payment, the employer shall pay a penalty equal to 25 percent of the
13 amount due.

14 * Sec. 3. AS 23.30 is amended by adding a new section to read:

15 Sec. 23.30.232. CIVIL LIABILITY FOR WORKPLACE SAFETY INSPECTIONS. A
16 carrier, an insurance service agent to a self-insured employer, or a trade association is not liable
17 for civil damages as a result of an act or omission in performing or failing to perform a
18 workplace safety inspection or a safety advisory service unless the carrier's, agent's, or
19 association's act or failure to act constitutes intentional misconduct.

20 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

A M E N D M E N T

OFFERED IN THE SENATE BY THE SENATE LABOR AND COMMERCE COMMITTEE
TO: SB 219

Page 1, line 7, after "(Alaska 1989).":

Insert "Liability for conduct not related to safety inspections or safety advisory services is not intended to be changed."

A M E N D M E N T

OFFERED IN THE SENATE

BY THE SENATE LABOR AND COMMERCE COMMITTEE

TO: SB 219

Page 1, line 8, before "include":

Insert "reaffirm the original intent of changes made to this definition in sec. 24, ch. 93, SLA 1982, to"

A M E N D M E N T

OFFERED IN THE SENATE

BY THE SENATE LABOR AND COMMERCE COMMITTEE

TO: SB 219

Page 7, lines 6 - 8:

Delete "Payment required under this section is equal to the employer's current contribution for health insurance or the amount paid by the employee for replacement coverage, whichever amount is less. Payment"

Insert "Compensation"

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 219

Page 1, line 3:

Delete "SECTIONS 16, 18, AND 19"

Insert "SECTIONS 17, 19, AND 20"

Delete "sec. 16"

Insert "sec. 17"

Page 1, line 8:

Delete "sec. 18"

Insert "sec. 19"

Page 1, line 10:

Delete "sec. 19"

Insert "sec. 20"

Page 7, after line 31:

Insert a new bill section to read:

** Sec. 12. AS 23.30.110 is amended by adding a new subsection to read:

(h) If the board determines that the employee's injury resulted from the employer's wilful, serious, and repeated violation of state or federal occupational safety or health guidelines, the compensation awarded to the employee by order of the board shall be doubled."

Re-number the following bill sections accordingly.

Page 11, following line 19:

Insert a new bill section to read:

"* Sec. 23. REPORT. The division of workers' compensation shall report to the Alaska State Legislature by January 1, 1992, with the following:

- (1) recommendations for changes to AS 23.30 that will promote workplace safety;
- (2) recommendations for increasing workplace safety;
- (3) a discussion of the effect, if any, of the enactment of ch. 79, SLA 1988, on workers' compensation;
- (4) a determination of the effectiveness of AS 23.30.145 in ensuring that employees who file claims are receiving adequate legal representation;
- (5) a survey of claims filed in 1989 and 1990 to determine
 - (A) how many employees were not represented by an attorney in making the claim; and
 - (B) how many employees who were not represented by an attorney tried but failed to find legal representation;
- (6) a determination of whether the procedures used by the board in granting a "blanket" release of medical information are adequate to avoid the release of nonmedical information that is not relevant to the claim;
- (7) a determination of whether employers or carriers are routinely requesting a "blanket" release of medical information in an effort to discourage injured employees from filing a claim, and if this is occurring, recommendations for legislation to halt this practice; and
- (8) recommendations for reducing fees charged by attorneys who represent employees and carriers."

Renumber the following bill sections accordingly.

AMENDMENT

OFFERED IN THE SENATE

TO: SB 219

Page 10, line 1, after "constitutes":

Insert "gross negligence or reckless or"

*Expands on language
We want out 10/91*

AMENDMENT

OFFERED IN THE SENATE

TO: SB 219

Page 1, line 3:

Delete "SECTIONS 16, 18, AND 19"

Insert "SECTIONS 17, 19, AND 20"

Delete "sec. 16"

Insert "sec. 17"

Page 1, line 8:

Delete "sec. 18"

Insert "sec. 19"

Page 1, line 10:

Delete "sec. 19"

Insert "sec. 20"

Page 7, after line 31:

Insert a new bill section to read:

** Sec. 12. AS 23.30.107 is amended to read:

Sec. 23.30.107. RELEASE OF INFORMATION; CONFIDENTIALITY. Upon request, an employee shall provide written authority to the employer, carrier, rehabilitation provider, or rehabilitation administrator to obtain medical and rehabilitation information relative to the employee's injury. Except for medical records released to the employer, carrier, rehabilitation provider, rehabilitation administrator, or other person selected by the employee, the employee's medical records in the possession of the division of workers' compensation are confidential and are not subject to the public records inspection requirements of AS 09.25.110 - 09.25.121.

What is purpose of this

Renumber the following bill sections accordingly.

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 219

Page 1, line 3:

Delete "SECTIONS 16, 18, AND 19"

Insert "SECTIONS 17, 19, AND 20"

Delete "sec. 16"

Insert "sec. 17"

Page 1, line 8:

Delete "sec. 18"

Insert "sec. 19"

Page 1, line 10:

Delete "sec. 19"

Insert "sec. 20"

Page 7, following line 31:

Insert a new bill section to read:

"* Sec. 12. AS 23.30.095(e) is amended to read:

(e) The employee shall, after an injury, at reasonable times during the continuance of the disability, if requested by the employer or when ordered by the board, submit to an examination by a physician or surgeon of the employer's choice authorized to practice medicine under the laws of the jurisdiction in which the physician resides, furnished and paid for by the employer. If the examination requires the employee to travel outside the state, the employer shall pay all costs resulting from the employee's travel and examination, including costs incurred if the employee takes the deposition of the physician at a later date. The employer may not make more than one change in the employer's choice of a physician or surgeon without the

written consent of the employee. Referral to a specialist by the employer's physician is not considered a change in physicians. An examination requested by the employer not less than 14 days after injury, and every 60 days thereafter, shall be presumed to be reasonable, and the employee shall submit to the examination without further request or order by the board. Unless medically appropriate, the physician shall use existing diagnostic data to complete the examination. Facts relative to the injury or claim communicated to or otherwise learned by a physician or surgeon who may have attended or examined the employee, or who may have been present at an examination are not privileged, either in the hearings provided for in this chapter or an action to recover damages against an employer who is subject to the compensation provisions of this chapter. If an employee refuses to submit to an examination provided for in this section, the employee's rights to compensation shall be suspended until the obstruction or refusal ceases, and the employee's compensation during the period of suspension may, in the discretion of the board or the court determining an action brought for the recovery of damages under this chapter, be forfeited. The board in any case of death may require an autopsy at the expense of the party requesting the autopsy. An autopsy may not be held without notice first being given to the widow or widower or next of kin if they reside in the state or their whereabouts can be reasonably ascertained, of the time and place of the autopsy and reasonable time and opportunity given the widow or widower or next of kin to have a representative present to witness the autopsy. If adequate notice is not given, the findings from the autopsy may be suppressed on motion made to the board or to the superior court, as the case may be."

Renumber the following bill sections accordingly.

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 219

Page 1, line 3:

Delete "SECTIONS 16, 18, AND 19"

Insert "SECTIONS 17, 19, AND 20"

Delete "sec. 16"

Insert "sec. 17"

Page 1, line 8:

Delete "sec. 18"

Insert "sec. 19"

Page 1, line 10:

Delete "sec. 19"

Insert "sec. 20"

Page 8, following line 13:

Insert a new bill section to read:

"* Sec. 13. AS 23.30.155(o) is amended to read:

(o) The division of workers' compensation [BOARD] shall promptly notify the division of insurance if the division of workers' compensation [BOARD] determines that the employer's insurer, including an adjuster for a self-insured employer, has filed a notice of controversion for a frivolous or unfair reason. Notice of frivolous or unfair controversion is required even if a hearing is not held or compensation is not awarded by the board [FRIVOLOUSLY OR UNFAIRLY CONTROVERTED COMPENSATION DUE UNDER THIS CHAPTER]. After receiving notice from the division of workers' compensation [BOARD], the division of insurance shall determine if the insurer or adjuster has committed an unfair claim settlement

practice under AS 21.36.125. If the division of workers' compensation determines that an adjuster for a self-insured employer has filed a notice of controversion for a frivolous or unfair reason, the board shall consider the self-insured employer's claims adjusting practices and may cancel or fail to renew the employer's self-insurance certificate."

Renumber the following bill sections accordingly.

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 219

Page 1, line 3:

Delete "SECTIONS 16, 18, AND 19"

Insert "SECTIONS 17, 19, AND 20"

Delete "sec. 16"

Insert "sec. 17"

Page 1, line 8:

Delete "sec. 18"

Insert "sec. 19"

Page 1, line 10:

Delete "sec. 19"

Insert "sec. 20"

Page 8, following line 13:

Insert a new bill section to read:

"* Sec. 13. AS 23.30.155 is amended by adding a new subsection to read:

(p) Compensation due an employee under this chapter shall be paid by negotiable bank check that can be cashed not more than three days after being issued."

Renumber the following bill sections accordingly.

1 [WAGES] is less than \$154, the employee's weekly rate of compensation shall be \$154. Prior
2 payments made in excess of the adjusted rate shall be deducted from the unpaid compensation
3 in the manner the board determines. In any case, the employer shall pay timely compensation.

4 * Sec. 14. AS 23.30.190(b) is amended to read:

5 (b) All determinations of the existence and degree of permanent impairment shall be
6 made strictly and solely under the whole person determination as set out in the American Medical
7 Association Guides to the Evaluation of Permanent Impairment, except that an impairment rating
8 may not be rounded to the next five percent. The board shall adopt a supplementary recognized
9 schedule for injuries that cannot be rated by use of the American Medical Association Guides.
10 An impairment rating shall be determined by a licensed physician or, if the injury is related
11 to muscular, skeletal, or neurological disabilities, by a licensed physician or a licensed
12 physical or occupational therapist.

13 * Sec. 15. AS 23.30.195 is amended to read:

14 Sec. 23.30.195. SURVIVAL OF THE RIGHT TO COMPENSATION. (a)
15 Compensation to which a [ANY] claimant would be entitled under AS 23.30.190 [EXCEPTING
16 (a)(20) OF THAT SECTION] shall, notwithstanding death arising from causes other than the
17 injury, be payable to and for the benefit of the following persons [FOLLOWING]:

18 (1) if there is [BE] a widow or widower, but [AND] no child of the deceased,
19 to the widow or widower;

20 (2) if there is [BE] a widow or widower and a surviving child or children of the
21 deceased, one-half to the widow or widower, the other half to the surviving child or children,
22 in equal shares;

23 (3) if there is [BE] a surviving child or children of the deceased, but no widow
24 or widower, then to the child or children, in equal shares.

25 (b) An award for impairment [DISABILITY] may be made after the death of the injured
26 employee.

27 * Sec. 16. AS 23.30 is amended by adding a new section to read:

28 Sec. 23.30.232. CIVIL LIABILITY FOR WORKPLACE SAFETY INSPECTIONS. A
29 carrier, an insurance service agent to a self-insured employer, or a trade association is not liable
30 for civil damages as a result of an act or omission in performing or failing to perform a
31 workplace safety inspection or a safety advisory service unless the carrier's, agent's, or

1 association's act or failure to act constitutes intentional misconduct.

2 * Sec. 17. AS 23.30 is amended by adding a new section to read:

3 *21/* Sec. 23.30.238. VOLUNTEER EMERGENCY MEDICAL TECHNICIANS AS
4 EMPLOYEES. (a) A person who is injured during the course and within the scope of providing
5 service as a volunteer emergency medical technician is an employee of the state for purposes of
6 this chapter if the person

7 (1) is certified by the state under AS 18.08 as an emergency medical technician;

8 (2) provides emergency medical service outside an incorporated city or borough;

9 and

10 (3) is not otherwise covered for that injury by an employer's workers'
11 compensation insurance policy or self-insurance certificate.

12 (b) The gross weekly earnings for a person receiving benefits under this section shall be
13 the gross weekly earnings paid a full-time emergency medical technician employed in the city
14 or borough nearest to the place where the injury occurred, or, if the nearest city or borough has
15 no full-time emergency medical technician, at a reasonable figure previously set by the nearest
16 city or borough to make this determination, but in no case may the gross weekly earnings for
17 calculating compensation be less than the minimum wage computed on the basis of 40 hours of
18 work a week.

19 * Sec. 18. AS 23.30.265(15) is amended to read:

20 (15) "gross earnings" means periodic payments [,] by an employer to an employee
21 for employment before any authorized or lawfully required deduction or withholding of money
22 by the employer, including wages [COMPENSATION THAT IS] deferred at the option of the
23 employee and temporary disability compensation for an occupational injury or illness, and
24 excluding irregular bonuses, reimbursement of expenses, expense allowances, and any benefit or
25 payment to the employee that is not fully taxable to the employee during the pay period, except
26 that the total amount of contributions made by an employer to a qualified pension or profit
27 sharing plan during the two plan years preceding the injury, multiplied by the percentage of the
28 employee's vested interest in the plan at the time of injury, shall be included in the determination
29 of gross earnings; the value of room and board if taxable to the employee may be considered in
30 determining gross earnings; however, the value of room and board that would raise an
31 employee's gross weekly earning above the state average weekly wage at the time of injury may

HOUSE CS FOR CS FOR SENATE BILL NO. 219 (JUDICIARY)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

**1 "An Act relating to workers' compensation and civil liability for workplace safety
2 inspections; and providing for an effective date."**

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

**4 * Section 1. PURPOSE OF SECTIONS 12, 15, AND 16. (a) It is the purpose of sec. 12 of this Act
5 to amend AS 23.30 to provide that an insurer is not liable for providing or failing to provide safety
6 inspections or safety advisory services; this amendment would decide a public policy question concerning
7 the liability of an insurer for the performance of a safety inspection or safety advisory service raised in
8 Van Biene v. ERA Helicopters, Inc., 779 P.2d 315 (Alaska 1989).**

**9 (b) It is the purpose of sec. 15 of this Act to amend AS 23.30.265(15) to reaffirm the original
10 intent of changes made to this definition in sec. 24, ch. 93, SLA 1980, to include prior temporary total
11 disability payments within the definition of gross wages.**

**12 (c) It is the purpose of sec. 16 of this Act to amend AS 23.30.265(21) to clarify that medical
13 stability results from a condition from which objectively measurable improvement or deterioration is not
14 expected from further medical treatment, and that medical stability is presumed in the absence of**

who wants?
why?

etc.

is WCCA ok w/
them?
269 2421 Dante

I think we can
work w/ Tony.

DRUE - 5/9

DISCUSSION VERSION

I GOT FROM

SMUTZ TONIGHT.

ROD
what are the
additions???

1 improvement or deterioration after 45 days.

2 * Sec. 2. AS 23.30.041(k) is repealed and reenacted to read:

3 (k) The employer shall pay compensation to an employee eligible for reemployment
4 benefits, as follows:

5 (1) until the employee reaches medical stability or the reemployment plan is
6 completed or terminated, whichever comes first, temporary disability benefits shall be paid;

7 (2) if the employee reaches medical stability or has been found eligible for reem-
8 ployment benefits, temporary disability benefits shall cease and permanent impairment benefits
9 shall then be paid biweekly at the employee's temporary total disability rate until plan
10 completion, termination, or exhaustion of permanent impairment benefits; permanent impairment
11 benefits remaining unpaid upon completion or termination of the plan shall be paid to the
12 employee in a single lump sum;

13 (3) if the employee's permanent impairment benefits are exhausted before the
14 completion or termination of the reemployment plan, the employer shall pay, on a biweekly basis,
15 an amount equal to 60 percent of the employee's spendable weekly wage as determined under
16 AS 23.30.220, not to exceed \$525, until the completion or termination of the plan;

17 (4) if the employee reaches medical stability before an impairment rating is given
18 as provided in AS 23.30.190, except for the first 30 days the employee shall be paid 60 percent
19 of the employee's spendable weekly wage until an impairment rating is given; benefits paid more
20 than 30 days after medical stability but before an impairment rating is given shall be offset from
21 the total sum of permanent impairment benefits due to the employee; after the employee reaches
22 medical stability and an impairment rating is given, all benefits paid shall be included as
23 permanent impairment benefits;

24 (5) benefits related to the reemployment plan may not extend past two years from
25 the date of the initiation of the 60 percent payment of the employee's spendable weekly wage,
26 plan approval, or plan acceptance, whichever date occurs first, at which time the benefits expire;

27 (6) if the employer controverts the employee's claim or appeals a ruling of the
28 administrator or the board and the controversion or appeal delays completion of an evaluation,
29 development, commencement or completion of a plan

30 (A) the employer shall pay the employee 60 percent of the spendable
31 weekly wage during the period of controversion or appeal, except that temporary

1 disability benefits shall be paid until the employee reaches medical stability;

2 (B) the two-year limitation on payment of benefits in (5) of this subsection
3 does not begin to run or is tolled; and

4 (C) payments made at 60 percent of the employee's spendable weekly
5 wage during controversion or appeal may not be offset from permanent impairment
6 benefits due to the employee.

7 * Sec. 3. AS 23.30.041(p) is amended to read:

8 (p) In this section,

9 (1) "administrator" means the reemployment benefits administrator under (a) of
10 this section;

11 (2) "employability" means possessing the ability but not necessarily the
12 opportunity to engage in employment that is consistent with the employee's physical status
13 imposed by the compensable injury;

14 (3) "labor market" means a geographical area that offers employment opportunities
15 in the following priority:

16 (A) area of residence;

17 (B) area of last employment;

18 (C) the state;

19 (D) other states;

20 (4) "medical manager" means a nurse, rehabilitation specialist, or other
21 health care provider assigned by the carrier to assist an employee in coordinating medical
22 benefits, or to monitor the employee's medical services;

23 (5) "physical capacities" means objective and measurable physical traits such as
24 ability to lift and carry, walk, stand or sit, push, pull, climb, balance, stoop, kneel, crouch, crawl,
25 reach, handle, finger, feel, talk, hear, or see;

26 (6) [(5)] "physical demands" means the physical requirements of the job such as
27 strength, including positions such as standing, walking, sitting, and movement of objects such as
28 lifting, carrying, pushing, pulling, climbing, balancing, stooping, kneeling, crouching, crawling,
29 reaching, handling, fingering, feeling, talking, hearing, or seeing;

30 (7) [(6)] "rehabilitation specialist" means a person who is a certified insurance
31 rehabilitation specialist, a certified rehabilitation counselor, or a person who has equivalent or

1 better qualifications as determined under regulations adopted by the department;

2 (8) [(7)] "remunerative employability" means having the skills that allow a worker
3 to be compensated with wages or other earnings equivalent to at least 60 percent of the worker's
4 gross hourly wages at the time of injury; if the employment is outside the state, the stated 60
5 percent shall be adjusted to account for the difference between the applicable state average
6 weekly wage and the Alaska average weekly wage.

7 * Sec. 4. AS 23.30.041 is amended by adding a new subsection to read:

8 (q) After a medical manager has been assigned to an injured employee, the medical
9 manager shall send written notice to the employee, the employer, and the employee's physician
10 explaining in what capacity the medical manager is employed, whom the medical manager
11 represents, and the scope of the services to be provided.

12 * Sec. 5. AS 23.30 is amended by adding a new section to read:

13 Sec. 23.30.047. BENEFITS FOR HEALTH INSURANCE. (a) An employer who pays
14 compensation to an injured employee under AS 23.30.041(k), 23.30.180, 23.30.185, 23.30.190,
15 23.30.200, or 23.30.215, and who provided health insurance to the employee at the date of injury
16 shall also reimburse the employee for health insurance coverage for the employee and covered
17 dependents, as provided in this section.

18 (b) Payment required under this section is equal to the employer's current contribution
19 for health insurance or the amount paid by the employee for replacement coverage, whichever
20 amount is less. Payment required under this section commences when the employee's health
21 insurance provided by the employer's contribution ceases and shall continue until the employee
22 is no longer receiving compensation described in (a) of this section, or for 18 months, whichever
23 period is shorter.

24 (c) Payment is not required under this section until the employee provides proof of health
25 insurance coverage. In this subsection, "health insurance" includes

26 (1) an individual policy of health insurance; or

27 (2) a notice of self-payment for continuance of coverage required under 29 U.S.C.
28 1161 (Consolidated Omnibus Budget Reconciliation Act of 1985) or under a union health or
29 welfare trust agreement.

30 (d) If benefits required under this section are not paid within 30 days after the employer
31 receives a request for payment, the employer shall pay a penalty equal to 25 percent of the

1 amount due.

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

3 (b) If an employer fails to insure and keep insured employees subject to this chapter or
4 fails to obtain a certificate of self-insurance from the board, upon conviction, the court may
5 [SHALL] impose a fine of up to \$10,000 and may impose a sentence of imprisonment for not
6 more than one year. In addition, the board may impose a civil penalty of up to three times
7 the manual rate that would have been charged for the employer's insurance premium
8 during the period the employer failed to obtain insurance. If an employer is a corporation,
9 all persons who, at the time of the injury or death, had authority to insure the corporation or
10 apply for a certificate of self-insurance [,] and the person actively in charge of the business of
11 the corporation shall be subject to the penalties prescribed in this subsection and shall be
12 personally, jointly, and severally liable together with the corporation for the payment of all
13 compensation or other benefits for which the corporation is liable under this chapter if the
14 corporation at that time is not insured or qualified as a self-insurer.

15 * Sec. 7. AS 23.30.095 is amended by adding a new subsection to read:

16 (l) The employer shall provide to the employee one round trip coach fare airline ticket
17 to the place at which an examination described under (e) of this section is performed and per
18 diem at the rate and in the amount paid to state employees for equivalent travel outside the state
19 if the examination requires the employee to travel outside the state. If the employee takes ~~the~~
20 deposition of ~~the~~ physician and the deposition is taken outside the state, or if the employer takes
21 ~~the~~ deposition of ~~the~~ physician who performs ~~the~~ examination and the deposition is taken outside
22 the state, the employer shall provide one round trip coach fair airline ticket to the location of the
23 deposition and per diem at the rate and in the amount paid to state employees for equivalent
24 travel outside the state.

25 * Sec. 8. AS 23.30.107 is amended to read:

26 Sec. 23.30.107. RELEASE OF INFORMATION; CONFIDENTIALITY. Upon request,
27 an employee shall provide written authority to the employer, carrier, rehabilitation provider, or
28 rehabilitation administrator to obtain medical and rehabilitation information relative to the
29 employee's injury and any prior injury. Except for medical records released to the
30 employer, carrier, rehabilitation provider, rehabilitation administrator, or other person
31 selected by the employee, the employee's medical records in the possession of the division

1 of workers' compensation are confidential and are not subject to the public records
2 inspection requirements of AS 09.25.110 - 09.25.121.

3 * Sec. 9. AS 23.30.110 is amended by adding a new subsection to read:

4 (h) If the board determines that the employee's injury resulted from the employer's
5 wilful, serious, and repeated violation of state or federal occupational safety or health guidelines,
6 the board shall report the violation to the Occupational Safety and Health Review Board
7 established under AS 18.60.057.

8 * Sec. 10. AS 23.30.155(o) is amended to read:

9 (o) The division of workers' compensation [BOARD] shall promptly notify the division
10 of insurance if the division of workers' compensation [BOARD] determines that the employer's
11 insurer, including an adjuster for a self-insured employer, has filed a notice of controversion
12 for a frivolous or unfair reason. Notice of frivolous or unfair controversion is required even
13 if a hearing is not held or compensation is not awarded by the board [FRIVOLOUSLY OR
14 UNFAIRLY CONTROVERTED COMPENSATION DUE UNDER THIS CHAPTER]. After
15 receiving notice from the division of workers' compensation [BOARD], the division of
16 insurance shall determine if the insurer or adjuster has committed an unfair claim settlement
17 practice under AS 21.36.125. If the division of workers' compensation determines that an
18 adjuster for a self-insured employer has filed a notice of controversion for a frivolous or
19 unfair reason, the board shall consider the self-insured employer's claims adjusting
20 practices and may cancel or fail to renew the employer's self-insurance certificate.

21 * Sec. 11. AS 23.30.155 is amended by adding a new subsection to read:

22 (p) Compensation due an employee under this chapter shall be paid by negotiable bank
23 check that can be cashed not more than three business days after being issued.

24 * Sec. 12. AS 23.30 is amended by adding a new section to read:

25 Sec. 23.30.232. CIVIL LIABILITY FOR WORKPLACE SAFETY INSPECTIONS. A
26 carrier, an insurance service agent to a self-insured employer, or a trade association is not liable
27 for civil damages as a result of an act or omission in performing or failing to perform a
28 workplace safety inspection or a safety advisory service unless the carrier's, agent's, or
29 association's act or failure to act constitutes reckless or intentional misconduct.

30 * Sec. 13. AS 23.30 is amended by adding a new section to read:

31 Sec. 23.30.238. VOLUNTEER EMERGENCY MEDICAL TECHNICIANS AS