

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9290 HOUSE LABOR & COMMERCE

HB

116

FISCAL NOTE

No. 2
 Bill Version: CSHB 116(L&C)
 (H) Publish Date: 4/25/97

**STATE OF ALASKA
 1997 LEGISLATIVE SESSION**

Revision Date: _____ Department Affected: Labor
 Title: Workers' Compensation self- BRU: Workers' Compensation
 Insurance group Component: Workers' Compensation
 Sponsor: Representatives Kott
 Requestor: House L&C COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	37.4	37.4	37.4	37.4	37.4	37.4
TRAVEL						
CONTRACTUAL	6.1	1.1	1.1	1.1	1.1	1.1
SUPPLIES						
EQUIPMENT	5.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	48.5	38.5	38.5	38.5	38.5	38.5

CAPITAL						
CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	48.5	38.5	38.5	38.5	38.5	38.5
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 Interagency Receipt						
TOTAL	48.5	38.5	38.5	38.5	38.5	38.5

POSITIONS:

FULL-TIME	1					
PART-TIME						
TEMPORARY						

Estimate of current year (FY97) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)
 This bill proposes amending AS 21 by adding chapter 47, "Workers' Compensation Self Insurance Groups".
 See attached for the impact to Workers' Compensation.

Prepared by: Paul Grossi, Director *Paul Grossi* Phone: 465-2790
 Division: Workers' Compensation Date: 2/14/97
 Approved by Commissioner: Tom Cashen, Commissioner *Tom Cashen*
 Agency: Department of Labor Date: 2/14/97

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CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

FISCAL NOTE

No. 2
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 Sponsor: Representatives Kott
 Requestor: House L&C

Department Affected: Labor
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 COMPONENT SERIAL NO. 344

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CAPITAL						
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CHANGE IN REVENUE FUND SOURCE #						
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HB 116 Analysis:

The provisions of this bill apply to workers' compensation self insured groups. Under this bill the Division of Insurance would issue a certificate of approval to those persons who qualify for self-insurance coverage. Security from the self insurers would be deposited with the Division of Insurance and assigned to the Workers' Compensation Division to hold in trust, collect and transmit accruing interest to the depositor, and keep the Division of Insurance apprised of individual or group status changes within the self insured group.

A new position would be required to track all securities assigned; establish individual trust; monitor interest accrued and disbursed to the depositor; prepare form letters of status change; and keep the Division of Insurance apprised of any status changes within the self-insured groups.

One staff month of programming time will be required to develop computerized programs to interface with the Division of Insurance and to track self insurer and individual changes within each self insurance group.

Line 100 Personal Services

1 Administrative Clerk III
Salary & Benefits \$37.4

Line 300 Contractual Services

DP Programming (FY98 one time) 5.0
Postage 0.5
DP Operations 0.4
Printing form letters 0.2
\$6.1

Line 500 Equipment

(One time set up costs)
Computer 3.5
Office Furniture 1.5
5.0

Total \$48.5

POSITION INFORMATION HAS BEEN UPDATED

02/14/97

Position Information Inquiry/Update

Prior

11:52:11

Yr Actual

Budgeted

Position: New Position	Project: 0	Salary:	23,953	25,480.56
Comp: 07-06-07-10-01-00	Region: _	Benefits:	9,756	11,917.56
Scenario: 1	FY: 98	COLA %: 1.500	Total: 33,709	37,398.12

Actuals from Payroll (Status: FILLED) FLSA: N Retirement Code: A

A | Step: A for 12.0 months & Step: B for _0.0 months (total: 12.00)
 97/05/16 | Merit Date; use merit defaults? N (10.5 @ B & 1.5 @ C)
 2 | Class/Sched Prefix: 2 Schedule: 2A (actual: 2A)
 GG | Bargaining Unit: GG Range: 10 (actual: 10)
 EBA ? | Location Code: AWA Place: JUNEAU
 P1135 | Job Class Code: P1135 Title: ADMINISTRATIVE CLERK III_____
 F | Seasonal Indic.: F Type: FACL - FULL TIME / OMB AUTH

Optional Override Salary Rates:

Monthly Rate: 0.00___ for _0.0 months & rate of 0.00___ for _0.0 months
 Hourly Rate: 0.00___ for _0.0 months Frozen at this rate? (Y/N): N

Press ENTER to update record; enter # or use PF key to go to another screen:
 1=Premium pay info 2=Funding info 4=Code Translations 6=Calculations
 3=Detail Report 12=Exit w/o update Selection: 0_

FISCAL NOTE

Bill Version: CSHB 115(230)

(H) Publish Date: 4/25/97

**STATE OF ALASKA
1997 LEGISLATIVE SESSION**

Revision Date: _____ Department: Commerce and Economic Development
 Title: An Act relating to workers' compensation BRU: insurance
if-insurance Component: insurance
 Sponsor: Kott
 Requestor: _____ COMPONENT SERIAL NO. 324

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY01	FY 02	FY 03
PERSONAL SERVICES	72.0	36.0	37.0	37.0	38.0	38.0
TRAVEL	1.5	1.5	1.6	1.6	1.7	1.7
CONTRACTUAL	2.0	1.0	1.1	1.1	1.2	1.2
SUPPLIES	1.5	0.5	0.7	0.7	0.8	0.8
EQUIPMENT	5.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	82.0	39.0	40.4	40.4	41.7	41.7

CAPITAL EXPENDITURES

CHANGE IN REVENUES/operating	(40.0)	(47.0)	(47.0)	(47.0)	(47.0)	(47.0)
Loss in premium tax/unrestricted	(135.0)	(270.0)	(270.0)	(270.0)	(270.0)	(270.0)

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund	72.0	39.0	40.4	40.4	41.7	41.7
1005 GF Program Receipts						
1006 GF/MHTIA						
1007 Designated Program Receipts	10.0	0.0	0.0	0.0	0.0	0.0
TOTAL	82.0	39.0	40.4	40.4	41.7	41.7

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS

FULL-TIME	1					
PART-TIME		1	1	1	1	1
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared by: Marianne K. Burke, Director Phone: 465-2515
 Division: Insurance Date: 2-24-97
 Approved by Commissioner: William L. Hensley Date: 2-25-97
 Agency: Commerce and Economic Development

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
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Loss in Operating Revenue/Premium Tax (unrestricted)

The loss in revenue for an estimated 20 self insurance groups is \$175,000 in FY98 and \$317,000 in subsequent years. These loss amounts are calculated as follows. (Fees support operating costs and premium taxes are unrestricted revenues)

FY98	AK Domestic/Foreign	AK Self Insurance Group
Application Fee	\$2,500.00	\$500.00
Estimated Premium Tax on \$250,000 minimum premium	<u>6,750.00</u>	<u>0.00</u>
	\$9,250.00	\$500.00
Each Subsequent Year		
Annual Continuation fee	\$2,250.00	0.00
Annual Statement filing fee	100.00	0.00
Estimated Premium Tax on \$500,000 minimum premium*	<u>13,500.00</u>	<u>0.00</u>
	\$15,850.00	0.00

FY98
 $\$6,750 \times 20 = \$135,000$ tax loss
 $\$2,000 \times 20 = \underline{40,000}$ fees loss
\$175,000

Each Subsequent Year
 $\$13,500 \times 20 = \$270,000$ tax loss
 $\$ 2,350 \times 20 = \underline{47,000}$ fees loss
\$317,000

* Per the 1995 Division of Insurance Annual Report, 156 companies are licensed to write workers' compensation insurance in Alaska. Average annual direct premium per company is \$1,141,692.00. Annual premium tax (2.7%) on this premium amount would be \$30,826.00. Substituting the estimated premium tax in the calculation above shows the tax loss for an estimated 20 self insurance groups would be :

FY98 and each subsequent year **\$616,520.00**

CORRECTION

THE FOLLOWING DOCUMENT(S)
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Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

FISCAL NOTE

Bill Version: CSEB 116/18C

(H) Publish Date: 4/25/97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date: _____ Department: Commerce and Economic Development
 Title: An Act relating to workers' compensation BRU: Insurance
 If-insurance _____ Component: Insurance
 Sponsor: Kott
 Requestor: _____ COMPONENT SERIAL NO. 324

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY01	FY 02	FY 03
PERSONAL SERVICES	72.0	36.0	37.0	37.0	38.0	38.0
TRAVEL	1.5	1.5	1.6	1.6	1.7	1.7
CONTRACTUAL	2.0	1.0	1.1	1.1	1.2	1.2
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HB 116 Fiscal Note Analysis

The Division of Insurance assumes that approximately 20 proposed groups will file applications for certificates of approval along with the \$500.00 filing fee. The division anticipates that proposed groups may include homebuilders/contractors, the aviation industry, liquor distributors and a host of others. Assuming that 20 applications will be filed in the first year and each of these groups need only have 5 members, we could possibly have many groups within the same industry.

The first year impact on the division will be primarily the application process. The first year would also include review and development of standard forms and wording for trust documents, the indemnity agreement, and the fidelity bond amount for the administrator and service company, the minimum aggregate excess insurance form and amount. The complexity of this work and the level of expertise needed to perform these functions would require the duties of one full time Financial Examiner II. Additionally, an Examiner II is necessary because these are domestic insurers and not foreign insurers under jurisdiction of another state.

In subsequent years, items would include the general review of financial statement filings and other requests by these groups. The security amount may be reviewed and adjusted; and the aggregate excess insurance may be adjusted. If a self insurance group becomes insolvent, additional staff time will be needed in making that evaluation and in coordinating the wrap up of the group. Termination of a certificate of approval requires review by staff to verify that obligations are taken care of and to assist in hearings if hearings are requested. The director may be called on to approve an administrative fund account of more than 30% or, conversely, approve a claim fund account of less than 70%. These duties would require the services of a permanent part time Financial Examiner II. The responsibilities for review of rates and producer licensing would not result in increase in staff.

FY98

Pers Svcs: 1 PFT Financial Examiner II, Range 21, Anchorage
Travel: Statewide 2 trips \$ 50 each trip
Contractual: Usual and customary costs, ie: rent, equipment contracts, risk mgmt.
Supplies: Start up supplies
Equipment: Computer, software, desk and related start up items

FY99 and subsequent years*

Pers Svcs: 1 PPT Financial Examiner II, Range 21, Anchorage
Travel: Statewide 2 trips \$750 each trip
Contractual: Usual and customary costs, ie: rent, equipment rent, risk mgmt, etc.
Supplies: Maintenance supplies

**Slight increases are due to inflation factored into costs for later years.*

Loss in Operating Revenue/Premium Tax (unrestricted)

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FY98 and each subsequent year **\$616,520.00**

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HB 116

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self-insurance Component: Insurance
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(Thousands of Dollars)

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TEMPORARY						

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 Division: Insurance
 Approved by Commissioner: William L. Hensley
 Agency: Commerce and Economic Development

Phone: 465-2515
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(Thousands of Dollars)

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LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	48.5	38.5	38.5	38.5	38.5	38.5

CAPITAL						
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CHANGE IN REVENUE FUND SOURCE #						
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(Thousands of Dollars)

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PART-TIME						
TEMPORARY						

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 Approved by Commissioner: Tom Cashen, Commissioner *Tom Cashen*
 Agency: Department of Labor Date: 2/14/97

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One staff month of programming time will be required to develop computerized programs to interface with the Division of Insurance and to track self insurer and individual changes within each self insurance group.

Line 100 Personal Services

1 Administrative Clerk III

Salary & Benefits \$37.4

Line 300 Contractual Services

DP Programming (FY98 one time) 5.0

Postage 0.5

DP Operations 0.4

Printing form letters 0.2

\$6.1

Line 500 Equipment

(One time set up costs)

Computer 3.5

Office Furniture 1.5

5.0

Total \$48.5

POSITION INFORMATION HAS BEEN UPDATED

02/14/97

Position information Inquiry/Update

Prior

11:52:11

Yr Actual

Budgeted

Position: New Position	Project: 0_____	Salary:	23,953	25,480.56
Comp: 07-06-07-10-01-00	Region: _	Benefits:	9,756	11,917.56
Scenario: 1	FY: 98	COLA %: 1.500	Total:	33,709
				37,398.12

 Actuals from Payroll (Status: FILLED) FLSA: N | Retirement Code: A

A		Step: A for 12.0 months & Step: B for _0.0 months (total: 12.00)
97/05/16		Merit Date; use merit defaults? N (10.5 @ B & 1.5 @ C)
2		Class/Sched Prefix: 2 Schedule: 2A (actual: 2A)
GG		Bargaining Unit: GG Range: 10 (actual: 10)
EBA ?		Location Code: AWA Place: JUNEAU
P1135		Job Class Code: P1135 Title: ADMINISTRATIVE CLERK III_____
F		Seasonal Indic.: F Type: FACL - FULL TIME / OMB AUTH

 Optional Override Salary Rates:

Monthly Rate: 0.00_____ for _0.0 months & rate of 0.00_____ for _0.0 months
 Hourly Rate: 0.00_____ for _0.0 months Frozen at this rate? (Y/N): N

Press ENTER to update record; enter # or use PF key to go to another screen:
 1=Premium pay info 2=Funding info 4=Code Translations 6=Calculations
 8=Detail Report 12=Exit w/o update Selection: 0_



ALASKA STATE HOMEBUILDERS ASSOCIATION

February 26, 1997

Representative Norman Rokeberg
State of Alaska
Juneau, AK 99801-1182

Dear Representative Norman Rokeberg,

We need your help to pass the new Workers Compensation Insurance legislation (HB 116) in Alaska! **THIS IS AN IMPORTANT REQUEST!** We are interested in reducing the cost of Workers Compensation Insurance in Alaska.

Representative Norman Rokeberg, as you know, the Alaska State Home Builders Association has been working with the state legislature and Governor to pass legislation that will allow our association and other associations in the state to cover workers compensation insurance through pooling arrangements.

The attached letters are from members of our association that support this legislation. They represent a wide cross section of our industry, the state and the business community in general. The association represents over 850 companies and individuals that employ over 15,000 Alaskan workers. They all are asking for your support in easing this obstruction to affordable housing.

This type of legislation has been enacted in over forty other states with fourteen of these utilizing the pooling arrangement. As a consequence, workers compensation costs have decreased dramatically for those members of the associations that have taken advantage of this type of legislation. Experience has shown that when an association pools its workers compensation the members of the association tend to focus on fraud and safety issues much more closely than their previous for profit insurance companies, causing rates to dramatically decrease.

Thank you for your help and support on this issue.

Sincerely,

Steve R Wisdom
President, Alaska State Home Builders Association



8301 SCHOON ST • SUITE 200 • ANCHORAGE, ALASKA • 99518
(907) 522-3931 • FAX (907) 522-3757



SUMMIT TITLE
INSURANCE AGENCY, LTD.

341 W. TUDOR RD., SUITE 102
ANCHORAGE, ALASKA 99503
PHONE: 907-562-3770
FAX: 907-562-1236

February 20, 1997

Representative Norman Rokeberg
Chairman of the House Labor and Commerce Committee
State of Alaska
Juneau, AK 99801-1182

Dear Representative Rokeberg,

The Alaska State Homebuilders Association has been working with the state legislature and the governor to pass legislation that will allow our association and other associations in the state to self insure through pooling arrangements for workers compensation insurance.

This type of legislation has been enacted in fourteen other states. As a consequence of this legislation, workers compensation costs have decreased dramatically for the members of state homebuilders associations in almost every state that has enacted this type of legislation. Experience has shown that when an association self insures for workers compensation the members of the association focus on fraud and safety issues much more closely than their previous for profit insurance companies. Fraud goes down and safety goes up. Consequently, workers compensation insurance rates go dramatically down.

Workers compensation costs are a substantial portion of the costs of building a new house in Alaska: the average workers compensation cost for a new home in Alaska is \$4,000 to \$6,000. This cost places a burden on both the consumer of that house and the builder of that house. New housing is already expensive in Alaska. Anything we can do to reduce the cost of new housing in Alaska will benefit both the consumer and the new homebuilders in Alaska. The workers compensation pooling legislation we support has been shown in other states to decreasing fraud in the workers compensation system.

I and hundreds of others in the building and other industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,

Robin E. Ward
Chief Executive Officer



WARD

CONSTRUCTION

February 20, 1997

Representative Norman Rokeberg
Chairman of the House Labor and Commerce Committee
State of Alaska
Juneau, AK 99801-1182

Dear Representative Rokeberg,

The Alaska State Homebuilders Association has been working with the state legislature and the governor to pass legislation that will allow our association and other associations in the state to self insure through pooling arrangements for workers compensation insurance.

This type of legislation has been enacted in fourteen other states. As a consequence of this legislation, workers compensation costs have decreased dramatically for the members of state homebuilders associations in almost every state that has enacted this type of legislation. Experience has shown that when an association self insures for workers compensation the members of the association focus on fraud and safety issues much more closely than their previous for profit insurance companies. Fraud goes down and safety goes up. Consequently, workers compensation insurance rates go dramatically down.

Workers compensation costs are a substantial portion of the costs of building a new house in Alaska: the average workers compensation cost for a new home in Alaska is \$4,000 to \$6,000. This cost places a burden on both the consumer of that house and the builder of that house. New housing is already expensive in Alaska. Anything we can do to reduce the cost of new housing in Alaska will benefit both the consumer and the new homebuilders in Alaska. The workers compensation pooling legislation we support has been shown in other states to decreasing fraud in the workers compensation system.

I and hundreds of others in the building and other industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,

Jimmy L. Ward
President



February 18, 1997

Carleson Custom Homes
PO Box 230334
Anchorage, AK 99523-0334

Dear Chairman of the House (Senate) Labor and Commerce Committee:

The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other association in the state to self insure for workers compensation insurance through pooling arrangements.

This type of legislation has been enacted in over forty other states with fourteen of these states utilizing the pooling process. As a consequence, workers compensation costs have decreased dramatically for those members of state home builders utilizing this type of legislation. Experience has shown that when an association self insures for workers compensation the members of the association tend to focus on fraud and safety issues much more closely than their previous for profit insurance companies causing rates to dramatically decrease.

Workers compensation casts are a substantial portion of doing business in Alaska. As an example, the average workers compensation cost for a new home in Alaska is in the area of \$4000 to \$6000. These costs places a burden on both the consumer and the supplier. The costs of living in Alaska is much higher than the lower forty-eight, anything we can do to reduce the cost will benefit both the consumer and businesses in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and many others in non-profit associations management and other associated industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,

A handwritten signature in cursive script that reads 'Cora L. Carleson'. The signature is written in dark ink and is positioned above the printed name.

Cora L. Carleson

02-18-1997 03:29H FROM HARDRIEVES INC

TO

156127E991 P.03

HARDRIEVES, INC.

PAVING - EXCAVATION

February 18, 1997

8000 Petersburg, Anchorage, AK 99507
Telephone (907) 344-7578
FAX (907) 349-1730

Dear Chairman of the House (Senate) Labor and Commerce Committee:

The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other manufacturers in the state to self insure for workers compensation insurance through pooling arrangements.

This type of legislation has been enacted in over forty other states with the result that the rates utilizing the pooling process. As a consequence, workers compensation pools have decreased dramatically. For those members of state home builders associations utilizing this type of legislation. Experience has shown that when an association self insures for workers compensation, the members of the association tend to focus on 'load and safety' issues much more closely than their previous for profit insurance companies, causing rates to dramatically decrease.

Workers compensation costs are a substantial portion of doing business in Alaska. As an example, the average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$8,000. These costs place a burden on both the consumer and the builder. The cost of living in Alaska is high. Anything we can do to reduce the cost will benefit both the consumer and businesses in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease those costs through reduction in fraud, improved safety, ethics and poor practices.

I and many others in non-profit associations management and other associated industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,

Barbara A. Webb

Barbara A. Webb
Secretary/Treasurer

TOTAL P.03

TOTAL P.02



2605 Denali, Suite 100
Anchorage, Alaska 99503
(907) 274-5150 □ Fax: (907) 277-4081

Dear Chairman of the House (Senate) Labor and Commerce Committee:

The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other association in the state to self insure for workers compensation insurance through pooling arrangements.

This type of legislation has been enacted in over forty other states with fourteen of these states utilizing the pooling process. As a consequence, workers compensation costs have decreased dramatically for those members of state home builders associations utilizing this type of legislation. Experience has shown that when an association self insures for workers compensation the members of the association tend to focus on fraud and safety issues much more closely than their previous for profit insurance companies causing rates to dramatically decrease.

Workers compensation costs are a substantial portion of doing business in Alaska. As an example, the average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. These costs place a burden on both the consumer and the supplier. The costs of living in Alaska is , anything we can do to reduce the cost will benefit both the consumer and businesses in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and many others in non-profit associations management and other associated industries support this legislation. I'm writing to ask that you also support this legislation, Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,



BRANCH MANAGER



**BHP Steel Building Products
USA Inc.**

Dear Chairman of the House (Senate) Labor and Commerce Committee.

The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other association in the state to self insure for workers compensation insurance through pooling arrangements.

This type of legislation has been enacted in over forty other states with fourteen of these states utilizing the pooling process. As a consequence, workers compensation costs have decreased dramatically for those members of state home builders associations utilizing this type of legislation. Experience has shown that when an association self insures for workers compensation the members of the association tend to focus on fraud and safety issues much more closely than their previous for profit insurance companies causing rates to dramatically decrease.

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I and many others in non-profit associations management and other associated industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,

A handwritten signature in cursive script, appearing to read 'John A. King'. Below the signature, there is a faint, illegible line of text, possibly a name or title.



CALIFORNIA CLOSETS.

February 18, 1997

Dear Chairman of the House (Senate) Labor and Commerce Committee:

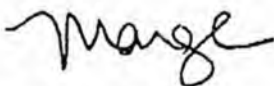
The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other association in the state to self insure for workers compensation insurance through pooling arrangements.

This type of legislation has been enacted in over forty other states with fourteen of these states utilizing the pooling process. As a consequence, workers compensation costs have decreased dramatically for those members of the state home builders associations utilizing this type of legislation. Experience has shown that when an association self insures for workers compensation the members of the association tend to focus on fraud and safety issues much more closely than their previous for profit insurance companies causing rates to dramatically decrease.

Workers compensation costs are a substantial portion of doing business in Alaska. As an example, the average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. These costs places a burden on both the consumer and supplier. The costs of living in Alaska is high, and anything we can do to reduce the cost will benefit both the consumer and business. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and many others in non-profit associations management and other associated industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification for our great state.

Sincerely,



Marge White
owner: California Closets

12001 Industry Way, Bldg. B Anchorage, Alaska 99515 Phone (907) 345-1122 Fax (907) 345 6029

Simplify Your Life

**B-LINE CONSTRUCTION INC
GENERAL CONTRACTORS**

P.O. Box 80525 • Fairbanks, Alaska 99708
Ph. 474-0200 Fax 474-9636

2-20-97

Chair of the Senate
Labor and Commerce Committee

Dear Loren Leman,

The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other associations in the state to self insure for worker's compensation insurance through pooling arrangements.

This type of legislation has been enacted in over forty other states with fourteen of these states utilizing the pooling process. As a consequence, workers compensation costs have decreased dramatically for those members of state home builders associations utilizing this type of legislation. Experience has shown that when an association self insures for workers compensation the members of the association tend to focus on fraud and safety issues much more closely than their previous 'for profit' insurance companies causing rates to dramatically decrease.

Workers compensation costs are a substantial portion of the costs of building a new house in Alaska. The average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. This cost places a burden on both the consumer of that house and the builder of the house. New housing is expensive in Alaska, anything we can do to reduce the cost will benefit both the consumer and the new home builders. As mentioned, the worker's compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I, and hundreds of others in the home building and other associated industries, support this legislation. I'm writing to ask that you also support it.

Thank you for your help on this issue of *critical importance* to the economic health and diversification of our great state.

Sincerely,



President B-LineConst, Inc.

WASHINGTON

H O M E Mortgage

Dear Chairman of the House (Senate) Labor and Commerce Committee:

The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other association in the state to self insure for workers compensation insurance through pooling arrangements.

This type of legislation has been enacted in over forty other states with fourteen of these states utilizing the pooling process. As a consequence, workers compensation costs have decreased dramatically for those members of state home builders associations utilizing this type of legislation. Experience has shown that when an association self insures for workers compensation the members of the association tend to focus on fraud and safety issues much more closely than their previous for profit insurance companies causing rates to dramatically decrease.

Workers compensation costs are a substantial portion of doing business in Alaska. As an example, the average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. These costs places a burden on both the consumer and the supplier. The costs of living in Alaska is , anything we can do to reduce the cost will benefit both the consumer and businesses in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and many others in non-profit associations management and other associated industries support this legislation. I'm writing to ask that you also support this legislation, Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,



Suiter Construction, Inc.
P.O. Box 701
Palmer, Alaska 99645

Phone (907)746-7804

Fax (907)746-7805

February 24, 1997

Dear Chairman of the House Labor and Commerce Committee:

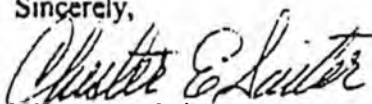
The Alaska State Homebuilders Association had been working with the state legislature and governor to pass legislation that will allow our association and other associations in the state to self insure for workers compensation insurance through pooling arrangements.

This type of legislation has been enacted in over forty states with fourteen of these states utilizing the pooling process. As a consequence, workers compensation costs have decreased dramatically for those members of state home builders associations utilizing this type of legislation. Experience has shown that when an association self insures for workers compensation, the members of the association tend to focus on fraud and safety issues much more closely causing rates to dramatically decrease.

Workers compensation costs are a substantial portion of doing business in Alaska. As an example, the average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. These costs put a burden on both the consumer and the supplier. The cost of new construction in Alaska is substantially higher than housing in other parts of the country; therefore, anything we can do to reduce the cost will benefit both the consumer and business in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

Along with others in our industry, I support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,



Chester E. Suiter,
President

ALASKA KITCHEN DISTRIBUTORS, INC.
704 W. 26TH. AVE.
ANCHORAGE, AK 99503-2532

February 20, 1997

Dear Chairman of the House (Senate) Labor and Commerce Committee:

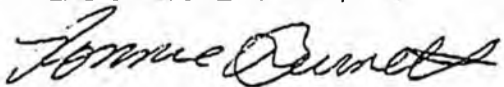
The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other associations in the state to self insure for workers compensation insurance through pooling arrangements.

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Workers compensation costs are a substantial portion of doing business in Alaska. As an example, the average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. These costs place a burden on both the consumer and the supplier. The cost of living in Alaska is expensive, anything we can do to reduce the cost will benefit both the consumer and businesses in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and many others in non-profit associations management and other associated industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,
ALASKA KITCHEN DISTR., INC



Ronnie Burnett
President



STEVE RICH GENERAL CONTRACTOR

Lic. #20926
P.O. Box 4146
Soldotna, AK 99669
(907) 260-5930 Fax (907) 260-5940

Dear Senator Leman;

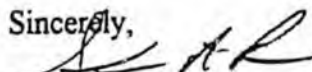
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Workers compensation costs are a substantial portion of the costs of building a new house in Alaska: the average workers compensation cost for a new home in Alaska of that house and the builder of that house. New housing is expensive in Alaska, anything we can do to reduce the cost will benefit both the consumer and the new Home Builders in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

Myself along with hundreds of others in the home building and other associated industries support this legislation. I am writing to ask that you also support this legislation, Thank you for your help on this issue of critical importance to the economic health of our great state.

Sincerely,



Steven A. Rich,



STEVE RICH GENERAL CONTRACTOR

Lic. #20926
P.O. Box 4146
Soldotna, AK 99669
(907) 260-5930 Fax (907) 260-5940

Dear Senator Torgerson,

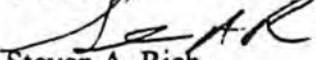
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Sincerely,


Steven A. Rich,



STEVE RICH GENERAL CONTRACTOR

Lic. #20926
P.O. Box 4146
Soldotna, AK 99669
(907) 260-5930 Fax (907) 260-5940

Dear Senator Ward;

The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other association in the state to self insure fro workers compensation insurance through pooling arrangements.

This type of legislation has been enacted in over forty other states with fourteen of these states utilizing the pooling process. As a consequence, workers compensation costs have decreased dramatically for those members of state home builders associations utilizing this type of legislation. Experience has shown that when an association self insures for workers compensation the members of the association tend to focus on fraud and safety issues much more closely than their previous for profit insurance companies causing rates to dramatically decrease.

Workers compensation costs are a substantial portion of the costs of building a new house in Alaska: the average workers compensation cost for a new home in Alaska of that house and the builder of that house. New housing is expensive in Alaska, anything we can do to reduce the cost will benefit both the consumer and the new Home Builders in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

Myself along with hundreds of others in the home building and other associated industries support this legislation. I am writing to ask that you also support this legislation, Thank you for your help on this issue of critical importance to the economic health of our great state.

Sincerely,

Steven A. Rich,

Wisdom & Associates

PO Box 4184
Homer, Alaska
(907) 235 6045

February 12, 1997

Senator Loren Leman, Chairman Senate Labor & Commerce
Room 113, State Capitol
Juneau, Alaska

Dear Senator Leman And Committee Members,

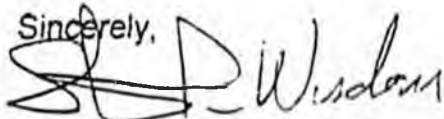
The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other association in the state to self insure for workers compensation insurance through *pooling arrangements*.

This type of legislation has been enacted in over forty other states with fourteen of these states utilizing the pooling process. As a consequence, workers compensation costs have decreased dramatically for those members of state home builders associations utilizing this type of legislation. Experience has shown that when an association self insures for workers compensation the members of the association tend to focus on fraud and safety issues much more closely than their previous for profit insurance companies causing rates to dramatically decrease.

Workers compensation costs are a substantial portion of doing business in Alaska. As an example, the average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. *These costs places a burden on both the consumer and the builder. New housing is expensive in Alaska. anything we can do to reduce the cost will benefit both the consumer and businesses in Alaska.* As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and many others in non-profit associations management and other associated industries support this legislation. I'm writing to ask that you also support this legislation, Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,



Steven R. Wisdom

Wisdom & Associates

PO Box 4184
Homer, Alaska
(907) 233 6045

February 12, 1997

Senator Jerry Ward
Room 423, State Capitol
Juneau, Alaska

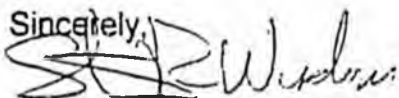
Dear Senator Ward,

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Workers compensation costs are a substantial portion of doing business in Alaska. As an example, the average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. These costs places a burden on *both the consumer and the builder. New housing is expensive in Alaska, anything we can do to reduce the cost will benefit both the consumer and builder of that new house. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.*

I and many others in non-profit associations management and other associated industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,


Steven R. Wisdom

Wisdom & Associates

PO Box 4184
Homer, Alaska
(907) 233 6045

February 12, 1997

Representative Norman Rokenberg, Chairman House Labor & Commerce
Room 24, State Capitol
Juneau, Alaska

Dear Representative Rokenberg,

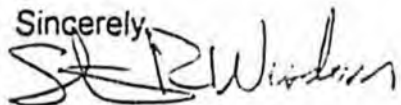
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Sincerely,



Steven R. Wisdom

Wisdom & Associates

PO Box 4184
Homer, Alaska
(907) 233 6045

February 12, 1997

Representative Gail Phillips, Speaker of the House
Room 208 State Capitol
Juneau, Alaska

Dear Representative Phillips,

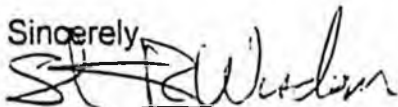
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Sincerely,



Steven R. Wisdom

Wisdom & Associates

PO Box 4184
Homer, Alaska
(907) 235 6045

February 12, 1997

Representative Mark Hodgins
Room 110, State Capitol
Juneau, Alaska

Dear Representative Hodgins,

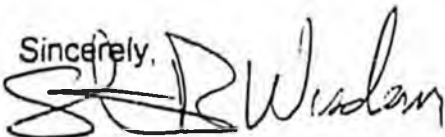
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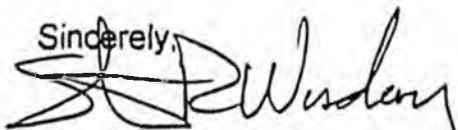
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**BATIR CONSTRUCTION
P.O. BOX 2377
SOLDOTNA, AK 99669**

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Room 24, State Capitol
Juneau, Alaska

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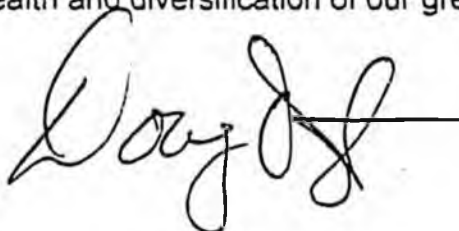
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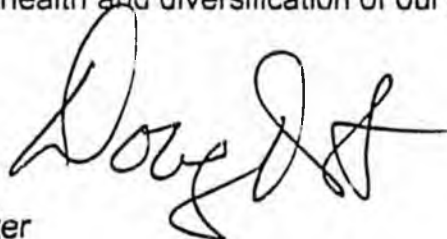
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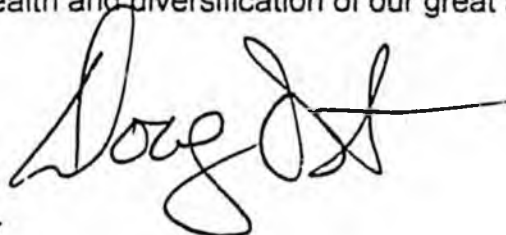
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Western Hills Construction

Specializing in Custom Homes

Dave Petersen (907) 262-5739

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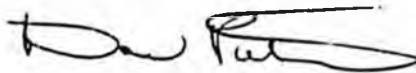
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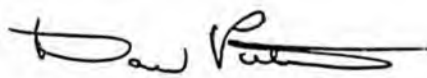
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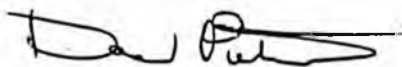
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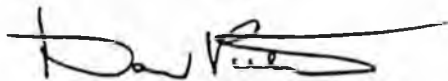
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DIX MASONRY, INC.

PO BOX 533
36180 SPUR HWY. STE. B
SOLDOTNA, AK. 99669

PHONE (907)262-5745
FAX (907)262-9452

February 5, 1997

Representative Norman Rokeberg, Chairman House Labor & Commerce
Room 24, State Capitol
Juneau, Alaska 99801-1182

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Moerlein General Contracting

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P.O. BOX 298
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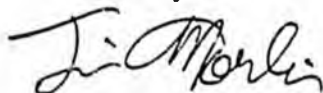
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I and many others in non-profit associations management and other associated industries support this legislation. I'm writing to ask that you also support this legislation, Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,



Tim Moerlein

P.O. Box 298, Kasilof, Alaska 99610 • (907) 262-3943

**MOERLEIN GENERAL CONTRACTING
P.O. BOX 298
KASILOF, AK 99610**

February 12, 1997

Representative Gail Phillips, Speaker of the House
Room 208 State Capitol
Juneau, Alaska

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Tim Moerlein

C & C GLASS AND MILLWORK, INC.

36180 SPUR HWY.
SOLDOTNA, AK 99669
(907) 262-9413 FAX 262-6699



February 5, 1997

Representative Norman Rokeberg, Chairman House Labor & Commerce
Room 24, State Capitol
Juneau, Alaska 99801-1182

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Don Carson

C & C GLASS AND MILLWORK, INC.

36180 SPUR HWY.
SOLDOTNA, AK 99669
(907) 262-9413 FAX 262-6699



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DENNY'S CONSTRUCTION

36180 SPUR HWY. STE. B
SOLDOTNA, AK. 99669

PHONE (907)262-1552
FAX (907)262-9452

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Sincerely,

Dennis Downs

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Annis Downs

ALASKA FILTRATION EQUIPMENT & SERVICES, INC.

PO BOX 533
36180 SPUR HWY. STE. B
SOLDOTNA, AK. 99669

PHONE (907)262-6778
FAX (907)262-9452

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Dennis Day



SHILOH CONSTRUCTION INC.

Specializing in Fire & Flood Restoration & Remodeling

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Sincerely,

Nick Pirone, President
SHILOH CONSTRUCTION, INC.



9040 Glacier Highway, Juneau, AK 99801 TELEPHONE (907) 789-3888
FAX (907) 789-7038

February 18, 1997

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Sincerely,

A handwritten signature in cursive script that reads "Janie Bee Powell".

Janie Bee Powell
Associate Member
Home Builders Association of Juneau, Inc.



R. DAY**CUSTOM BUILDER**

P.O. Box 210165, Auke Bay, AK 99821

(907) 790-4244

Lic. #22406

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Sincerely,

A handwritten signature in cursive script, appearing to read "R. Day".

Builder Member

Home Builders Association of Juneau, Inc.

TURNER CONSTRUCTION CO., INC. OF AK.
P.O. BOX 3489
PALMER ALASKA 99645
(907) 735-8334
FAX: (907) 745-8335

Dear Chairman of the House (Senate) Labor and Commerce Committee:

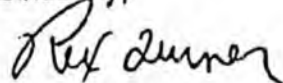
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Workers compensation costs are a substantial portion of doing business in Alaska. As an example, the average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. These costs places a burden on both the consumer and the supplier. The costs of living in Alaska is , anything we can do to reduce the cost will benefit both the consumer and businesses in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and many others in non-profit associations management and other associated industries support this legislation. I'm writing to ask that you also support this legislation, Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,



.....

P.O. BOX 240954
DOUGLAS AK 99824
PH (907) 3642159
FAX (907) 364 2516

ISLAND CARPENTRY SERVICES

February 18, 1997

Dear Members of the House Labor and Commerce Committee.

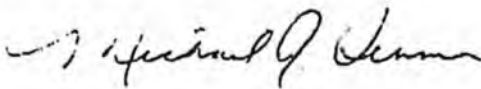
The Alaska State Homebuilders Association has been working with the state legislature and the governor to pass legislation that will allow our association and other associations in the state to self insure for workers compensation insurance through pooling arrangements.

This type of legislation has been enacted in over forty other states with fourteen of these states utilizing this type of legislation. As a consequence, workers compensation costs have decreased dramatically for those members of state homebuilders associations utilizing this type of legislation. Experience has shown that when an association self insures for workers compensation the members of the association tend to focus on fraud and safety issues much more closely than their previous for-profit insurance companies causing rates to dramatically decrease.

Workers compensation costs are a substantial portion of the costs of building a new house in Alaska; the average workers compensation cost for a new home in Alaska is in the area of \$4000 to \$6000. This cost places a burden on both the consumer of that house and the builder of that house. New housing is expensive in Alaska. Anything we can do to reduce the cost will benefit both the consumer and the new home builders in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and hundreds of others in the home building and other association industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,



MICHAEL VENNER
Builder Member
Home Builders Association of Juneau, Inc.

.....



(907) 789-7500
FAX (907) 789-4049
1-800-770-7500

LUMBER & BUILDING SUPPLY COMPANY

8525 OLD DAIRY ROAD
JUNEAU, ALASKA 99801

Dear Members of the House Labor and Commerce Committee,

The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other associations in the state to self insure for workers compensation insurance through pooling arrangements.

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I and hundreds of others in the home building and other association industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,

Brad M. Beaton

Associate Member

Home Builders Association of Juneau, Inc.



WOODWRIGHT CONSTRUCTION

Dear Members of the House Labor and Commerce Committee:

The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other associations in the state to self insure for workers compensation insurance through pooling arrangements.

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Workers compensation costs are a substantial portion of the costs of building a new house in Alaska: the average workers compensation costs for a new home in Alaska is in the area of \$4,000 to \$6,000. This cost places a burden on both the consumer of the home and the builder of the house. New housing is expensive in Alaska, and anything we can do to reduce the cost will benefit both the consumer and the new home builders in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and hundreds of those in the home building and other associated industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,

 1/21/97
Don Loughman

P.O. Box 6235 - Ketchikan, Alaska 99901
Phone/Fax 907-225-9663

◆ General Contractor Lic.# 20316 ◆ Residential Endorsement 567 ◆

COASTAL BUILDERS, INC.
GENERAL BUILDING CONTRACTOR
RESIDENTIAL & COMMERCIAL

BOX 691, WARD COVE, AK 99928

PHONE 907 247 2375

January 14, 1997

To: Members of the House Labor and Commerce Committee

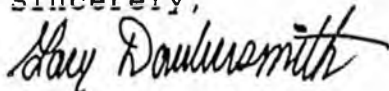
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This type of legislation has been enacted in over forty states with fourteen of them utilizing the process. As a consequence, workers compensation costs have decreased dramatically for those members of state home builders associations utilizing this legislation. Experience has shown that when an association self-insures for workers compensation the members tend to focus on fraud and safety issues much more closely than their previous for-profit insurance companies, causing rates to dramatically decrease.

The average workers compensation cost of building a new home in Alaska is in the area of \$4,000 to \$6,000. This cost places a burden on both the consumer and the home builder. New housing is expensive in Alaska, and anything we can do to reduce the cost will benefit both the consumer and the builder.

I and hundreds of others in the home building and associated industries support this legislation. I'm writing to ask that you also support it. Thank you for your help on this issue of critical importance.

Sincerely,



Gary Daubersmith, President

Channel Builders
Rick Forrester/Owner
P.O. Box 613
Ward Cove, AK 99928
(907)225-2495

Dear Members of the House Labor and Commerce Committee:

The Alaska State Home Builders Association has been working with the state legislature and governor to pass legislation that will allow our association and other associations in the state to self insure for workers compensation insurance through pooling arrangements.

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Workers compensation costs are a substantial portion of the costs of building a new house in Alaska: the average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. This cost places a burden on both the consumer of the house and the builder of that house. New housing is expensive in Alaska, and anything we can do to reduce the cost will benefit both the consumer and the new home builders in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

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Sincerely,

Rick Forrester

BOARDWALK PROPERTIES, INC.

2506 FIRST AVE.

KETCHIKAN, AK 99901

PHONE (907) 225-6191 FAX (907) 225-4383

Dear Members of the House Labor and Commerce Committee:

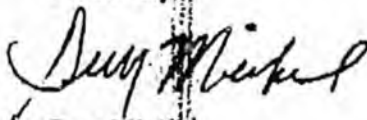
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Workers compensation costs are a substantial portion of the costs of building a new house in Alaska. The average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. This cost places a burden on both the consumer of the house and the builder of that house. New housing is expensive in Alaska, and anything we can do to reduce the cost will benefit both the consumer and the new home builders in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and hundreds of those in the home building and other associated industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,



Guy Mickel

PKBuilders

284 Forest Park DR
Kelchikan, AK
99901
ph. 907 225-4488
fax 907 225-4488

December 30, 1996

House Labor and Commerce Committee

Dear Members of the House Labor and Commerce Committee:

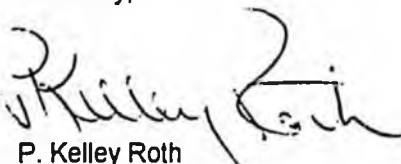
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Workers compensation costs are a substantial portion of the costs of building a new house in Alaska: the average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. This cost places a burden on both the consumer of the house and the builder of that house. New housing is expensive in Alaska, anything we can do to reduce the cost will benefit both the consumer and the new Home builders in Alaska. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and hundreds of those in the home building and other associated industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,



P. Kelley Roth
PKBuilders

**SETTJE CONSTRUCTION
GENERAL CONTRACTOR
P.O. BOX 9255
KETCHIKAN, AK 99901**

DEAR MEMBERS OF THE HOUSE LABOR AND COMMERCE COMMITTEE:

THE ALASKA STATE HOME BUILDERS ASSOCIATION HAS BEEN WORKING WITH THW STATE LEGISLATURE AND GOVERNOR TO PASS LEGISLATION THAT WILL ALLOW OUR ASSOCIATION AND OTHER ASSOCIATIONS IN THE STATE TO SELF INSURE FOR WORKERS COMPENSATION INSURANCE THROUGH POOLING ARRANGEMENTS.

THIS TYPE OF LEGISLATION HAS BEEN ENACTED IN OVER FORTY OTHER STATES WITH FOURTEEN OF THESE STATES UTILIZING THE POOLING PROCESS. AS A CONSEQUENCE, WORKERS COMPENSATION COSTS HAVE DECREASED DRAMATICALLY FOR THOSE MEMBERS OF STATE HOME BUILDERS ASSOCIATION UTILIZING THIS TYPE OF LEGISLATION. EXPERIENCE HAS SHOWN THAT WHEN AN ASSOCIATION SELF-INSURES FOR WORKERS COMPENSATION THE MEMBERS OF THE ASSOCIATION TEND TO FOCUS ON FRAUD AND SAFETY ISSUES MUCH MORE CLOSELY THAN THEIR PREVIOUS FOR-PROFIT INSURANCE COMPANIES, CAUSING RATES TO DRAMATICALLY DECREASE.

WORKERS COMPENSATION COSTS ARE A SUBSTANTIAL PORTION OF THE COSTS OF BUILDING A NEW HOUSE IN ALASKA, THE AVERAGE WORKERS COMPENSATION COST FOR A NEW HOME IN ALASKA IS IN THE AREA OF \$4,000 TO \$6,000. THIS COST PLACES A BURDEN ON BOTH THE CONSUMER OF THE HOUSE AND THE BUILDER OF THAT HOUSE. NEW HOUSING IS EXPENSIVE IN ALASKA, AND ANYTHING WE CAN DO TO REDUCE THE COST WILL BENEFIT BOTH THE CONSUMER AND THE NEW HOME BUILDERS IN ALASKA. AS MENTIONED, THE WORKERS COMPENSATION POOLING LEGISLATION WE SUPPORT HAS BEEN SHOWN TO DECREASE THESE COST THROUGH REDUCTION IN FRAUD, IMPROVED SAFETY EFFORTS AND PEER PRESSURE.

I AND HUNDREDS OF THOSE IN THE HOME BUILDING AND OTHER ASSOCIATED INDUSTRIES SUPPORT THIS LEGISLATION. I'M WRITING TO ASK THAT YOU ALSO SUPPORT THIS LEGISLATION. THANK YOU FOR YOUR HELP ON THIS ISSUE OF CRITICAL IMPORTANCE TO THE ECONOMIC HEALTH AND DIVERSIFICATION OF OUR GREAT STATE.

BEST REGARD,



PHONE (907)225-2962

FAX (907)247-2962

FIRST CITY BUILDERS

P.O. Box 5776
Ketchikan, AK 99901
907-225-5653

Dear Members of the House Labor and Commerce Committee:

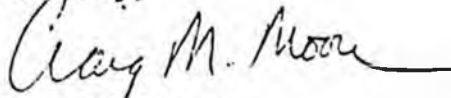
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This type of legislation has been enacted in over forty other states with fourteen of these states utilizing the pooling process. As a consequence, workers compensation costs have decreased dramatically for those members of state home builders associations utilizing this type of legislation. Experience has shown that rates decrease because members of workers compensation self-insurance pools tend to focus on fraud and safety issues much more closely than their previous for-profit insurance companies.

Workers compensation costs are a substantial portion of the costs of building a new house in Alaska. The average workers compensation cost for a new home in Alaska is in the area of \$4,000 to \$6,000. Housing costs are high in Alaska, and reducing these workers compensation costs will benefit both the consumer and builders. As mentioned, the workers compensation pooling legislation we support has been shown to decrease these costs through reduction in fraud, improved safety efforts and peer pressure.

I and hundreds of those in the home building and other associated industries support this legislation. I'm writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance to the economic health and diversification of our great state.

Sincerely,


Craig M. Moore