

Division of Workers' Compensation

Table of Contents						
About the Division	Page 3	Alaska Injury Frequency	Page 29 - 30			
From the Director	Page 4	Time Loss Rate	Page 31			
Analysis of Claims Data	Page 5 - 8	Fatality Rate	Page 32			
Reporting of Claims Data	Page 9	Direct Written Premiums	Page 33 - 35			
Total Compensation Payments	Page 10 - 11	Special Funds Report - Benefits Guaranty Fund	Page 37 - 45			
Payments Distribution	Page 12	Special Funds Report - Second Injury Fund	Page 46 - 51			
Self-Insured Employers	Page 15	Reemployment Unit Annual Report	Page 52 - 64			
Loss Cost Distribution	Page 16 - 19	Special Investigations Unit Annual Report	Page 65 - 77			
Benefit Payments Data	Page 20 - 27	Second Independent Medical Evaluations Annual Report	Page 78 - 86			
Injuries By Body Part	Page 28					

Division of Workers' Compensation

Workers' Compensation is a system which requires an employer to pay an injured employee's work-related medical and disability benefits. Workers' Compensation also requires the payment of benefits to dependents in the case of work-related death.

The Division of Workers' Compensation is the agency charged with the administration of the Alaska Workers' Compensation Act (Act). The Act provides for the payment by employers or their insurance carriers of medical, disability and reemployment benefits to injured workers.

The Division is required to administer the Act in a manner that is both fair and efficient to all parties.

In addition to its administrative function, the Division also houses the Alaska Workers' Compensation Board which hears disputes arising between employees and employers or their insurance carriers regarding the payment of benefits under the Act.

Thank you to the staff at the Division of Workers' Compensation for their contributions collecting these important data.

For more information about the workers' compensation process, click the following links:

Workers' Compensation (state.ak.us)

Anchorage Office	Fairbanks Office	Juneau Office
3301 Eagle Street, Suite 304 Anchorage, AK 99503	675 Seventh Ave., Station K Fairbanks, AK 99701-4531	1111 West 8 th St., Room 305 Juneau, AK 99801
Tel: (907) 269-4980	Tel: (907) 451-2889	Tel: (907) 465-2790
Fax: (907) 269-4975	Fax: (907) 451-2928	Fax: (907) 465-2797

Director's Report

2022 Rebound – Back to Work

In 2022, Alaska continued to rebound in business growth and employment opportunities in most industries after two years in the largest drop in global Gross Domestic Product (GDP) history. GDP is the total monetary or market value of all finished goods and services produced in a country at a specific period of time. Continued economic growth gains are expected in smaller increments varied by industry for 2023. Alaska also continues to address issues of worker shortages that affected many industries and countries in the aftermath of the COVID-19 pandemic.

The good news is this was the 6th year of lower employer premium costs for workers' compensation coverage. The premium costs ranking guide published by the Oregon Department of Consumer and Business Services listed Alaska 21 out of 51 jurisdictions in the country. Prior to 2022, Alaska was listed in the top ten states with the highest workers' compensation premium costs.

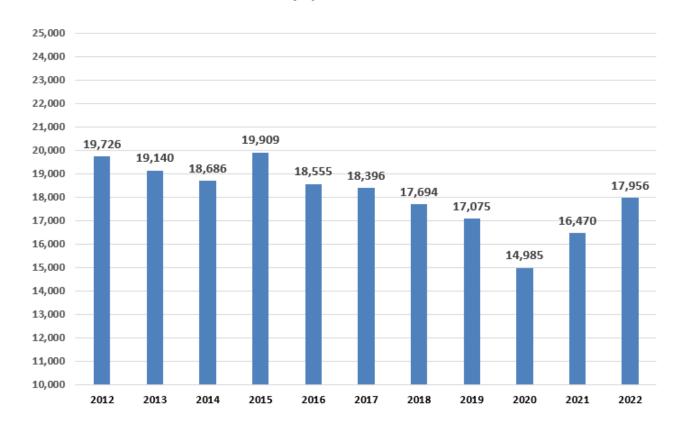
The Alaska Workers' Compensation Board, Medical Services Review Committee, and the hard-working staff at the Division continue to collaborate with stakeholders in providing accurate data and quality services to insurers, employers, and employees to ensure efficient adjudication of benefits in Alaska.

Charles Collins

Director Workers' Compensation

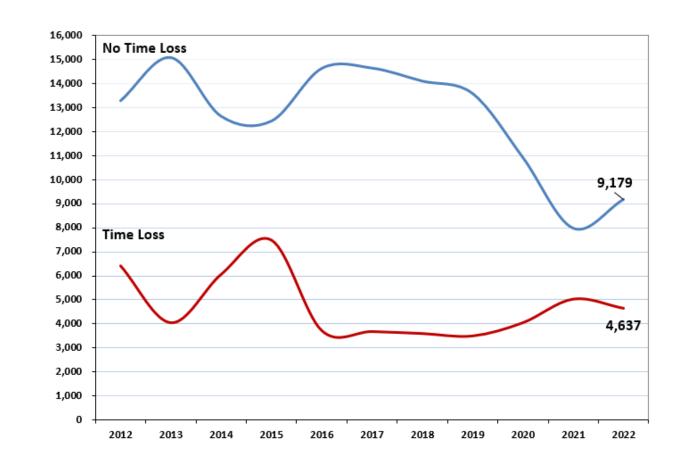
Total Injury Notices Received

In 2022, there were 17,956 reports of injury and occupational illness filed with the Workers' Compensation Division, a 9.0% increase from 16,470 reports filed in 2021.



Of the case files established in 2022, claim type filings and distribution to total claims filed was:

- No-time-loss cases: 9,179 cases, 51% of total claims.
- Time-loss cases: 4,637 cases, 26% of total claims.
- Notification only cases: 4,107 cases, 23% of total claims.
- Fatalities: 33 cases, 0.18% of total claims.



The Alaska Workers' Compensation Board held 99 hearings in 2022, compared to 161 hearings in 2021, and 188, in 2020.

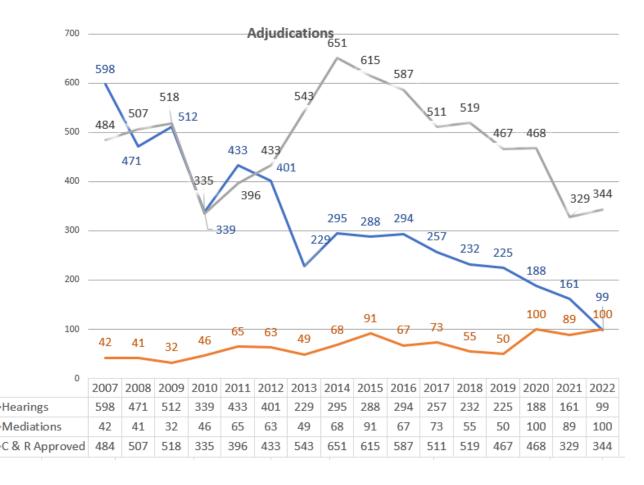
- 1,464 Prehearings were conducted.
- 76 decisions were issued.
- 344 compromise and release agreements were approved.

The Alaska Workers' Compensation Appeals Commission hearing data for CY 2022:

- Hearings: 8
- Oral arguments on the merit of appeals: 6
- Motions for stays of Board orders: 2

AWCAC comparative data for CY 2021:

- Hearings: 9
- Oral arguments on the merit of appeals: 7
- Motions for stays of Board orders: 2

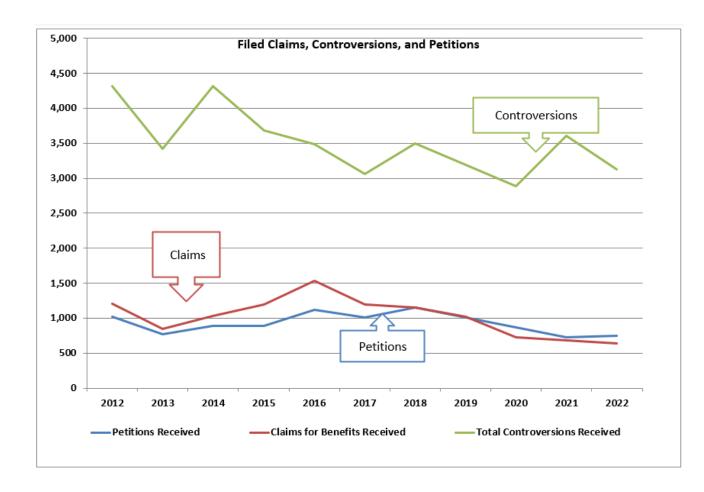


In 2022, there were 643 claims for benefits filed for 512 cases, a 5.2% decrease from 678 claims filed in 2021.

There were 747 petitions filed for 493 cases in 2022, a 3.3% increase from 723 petitions filed in 2021.

There were 3,126 total controversion received in 2022, a 13.3% decrease from 3,605 in 2021.

The number of injury cases controverted in 2022 totaled 2,546, a 5.5% decrease from 2,694 cases in 2021.



Annual Reporting of Total Compensation Benefits

Financial Reports and Audits

MONITORING: This section of the report provides information from the prior calendar year.

Under Alaska Statute 23.30.155(m), each insurer, providing workers' compensation coverage in Alaska or their adjuster must file an annual report with the Alaska Workers' Compensation Board providing number of claims filed, the type of claims filed, total dollars spent on medical, lost wages compensation, death benefits, rehabilitation costs and claim litigation costs. The annual report requirement also applies to self-insured employers and uninsured employers.

Along with the annual report, each insurer, adjuster, self-insured employer, or uninsured employer must submit payment of their Second Injury Fund (SIF) contribution and their Workers' Safety and Compensation Administration Account fee (WSCAA). These fees fund reimbursements from the SIF and help support the Division's operations.

This report covers activity from:

CY = Calendar Year Period from January 1, 2022 to December 31, 2022

FY = Fiscal Period from July 1, 2022 to June 30, 2023

Notes:

Medical Costs Totals for CY 2022 include the following Medical Costs: Physical Therapy, Chiropractic Fees, Durable Medical expenses, Medical Travel, Employee Medical-Legal Costs. These costs were previously captured in the other category for CY 2014 through CY2017.

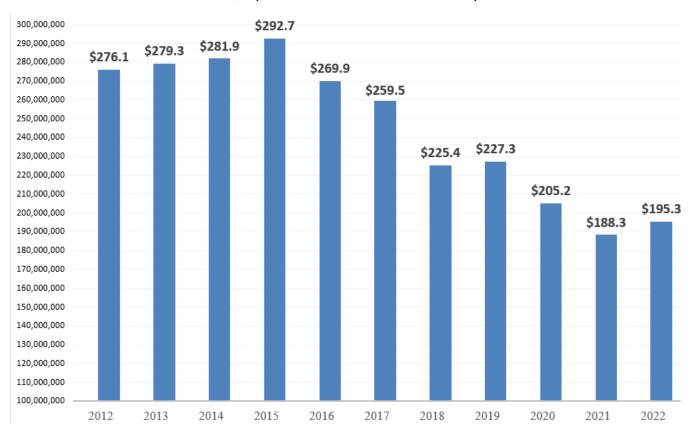
PPI benefit type code transferred from 030/530 to 040/540 under EDI Claims R3.1

Other Costs for CY 2022 include: Unspecified Lump Sum Payment/Settlement, interest, penalty and SIF Contribution Fee.



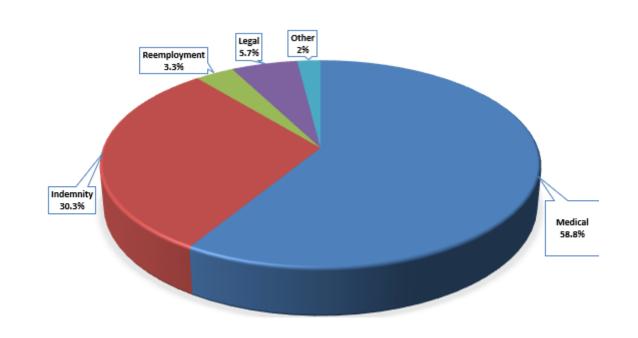
Total Compensation Benefits Paid By Alaska Employers

A total of \$195.3 million was paid in workers' compensation benefits during calendar year 2022 by market-insured employers and self-insured employers. This is an increase of \$7.0 million, up 3.72% from \$188.3 million paid in 2021.



Total Compensation Payments Distribution

Benefit Type	Amount Paid	% of Cost to Total Cost
Medical	\$114,571,200	58.8%
Indemnity	\$59,099,913	30.3%
Reemployment	\$6,489,018	3.3%
Legal	\$11,080,538	5.7%
Other*	\$3,861,634	2.0
Total	\$195,339,238	



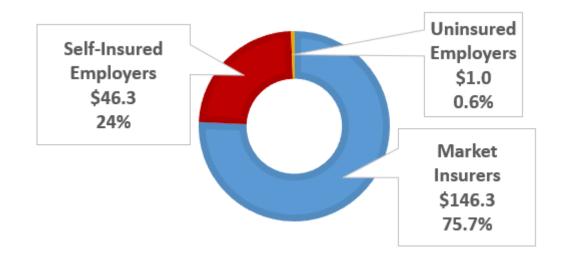
^{*}Other costs include interest, penalty, Second Injury Fund contribution.

Total Benefits Paid by Market Distribution

Of total benefits paid, market-insured employers paid \$146.3 million (75.7%) and self-insured employers paid \$46.3 million (23.7%).

Compared to 2021, market-insured employers paid \$140.7 million (74.8%) and self-insured employers paid \$46.9 million (25.0%).

Insurer Type	Total Benefits Pd	% of Cost to Total Cost
Market Insurers	\$146,330,666	75.7%
Self-Insured Employers	\$46,311,869	23.7%
Uninsured Employer Fund	1,077,844	0.6%
Total	\$195,339,238	



Total Benefits Paid by Top Twenty Insurers & Self-Insured Employers

The top twenty insurers and self-insured employers paid \$130.8 million, or 67.0% of total workers' compensation benefits paid in 2022. This compares to \$127.3 million, or 67.7%, in 2021.

Rank	Insurer	Benefits Paid	Rank	Insurer	Benefits Paid
1.	ALASKA NATIONAL INS CO	\$ 34,527,005	11.	ACE AMERICAN INSURANCE COMPANY	\$ 4,552,035
2.	ALASKA, STATE OF	\$ 13,180,199	12.	LM INSURANCE CORP	\$ 4,337,969
3.	AMERICAN ZURICH INS CO	\$ 7,910,643	13.	EVEREST NATIONAL INS CO	\$ 4,299,480
4.	ANCHORAGE, MUNICIPALITY OF	\$ 6,789,549	14.	ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOC	\$ 4,084,626
5.	UMIALIK INSURANCE CO	\$ 6,587,460	15.	ALASKA TIMBER INS EXCHANGE	\$ 3,577,921
6.	INDEMNITY INS CO OF NORTH AMERICA	\$ 5,526,912	16.	ANCHORAGE SCHOOL DISTRICT	\$ 3,527,163
7.	REPUBLIC INDEMNITY CO OF AMERICA	\$ 4,950,868	17.	ALASKA AIRLINES, INC.	\$ 3,324,927
8.	AMERICAN INTERSTATE INSURANCE CO	\$ 4,850,917	18.	BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY	\$ 3,233,608
9.	LIBERTY INSURANCE CORP	\$ 4,681,248	19.	PROVIDENCE HEALTH SYSTEM – WASHINGTON	\$ 3,174,466
10.	ARCTIC SLOPE REGIONAL CORP	\$ 4,642,528	20.	EMPLOYERS INS CO OF WAUSAU	\$ 3,073,652
				TOTAL	\$130,833,178

Total Benefits Paid by Top Ten Self-Insured Employers

Self-Insured Employer	Medical	(Т	Indemnity TD, TPD, PPI, PTD)	Death	Reemp	Legal	Other	Total	% To Total Benefits
ALASKA, STATE OF	\$ 5,310,981	\$	4,519,334	\$ 485,376	\$ 313,729	\$ 2,018,787	\$ 531,992	\$ 13,180,199	7%
ANCHORAGE, MUNICIPALITY OF	\$ 3,973,410	\$	1,889,922	\$ 204,667	\$ 306,232	\$ 323 <i>,</i> 578	\$ 91,741	\$ 6,789,549	3%
ARCTIC SLOPE REGIONAL CORP	\$ 1,681,540	\$	1,790,632	\$ 627,461	\$ 235,424	\$ 235,366	\$ 72,106	\$ 4,642,528	2%
ANCHORAGE SCHOOL DISTRICT	\$ 2,238,812	\$	856,869	\$ -	\$ 165,190	\$ 170,631	\$ 95,662	\$ 3,527,163	2%
ALASKA AIRLINES, INC.	\$ 1,773,090	\$	1,111,375	\$ 136,110	\$ 158,023	\$ 31,422	\$ 114,907	\$ 3,324,927	2%
PROVIDENCE HEALTH SYSTEM - WASHINGTON	\$ 1,800,395	\$	883,866	\$ 34,375	\$ 45,776	\$ 140,852	\$ 269,202	\$ 3,174,466	2%
FRED MEYER STORES, INC. (Kroger)	\$ 763,573	\$	337,562	\$ <u>-</u>	\$ 35,380	\$ 156,723	\$ 106,583	\$ 1,399,821	1%
FEDERAL EXPRESS CORP.	\$ 675,774	\$	478,177	\$ 51,324	\$ 41,556	\$ 46,502	\$ 39,991	\$ 1,333,323	1%
FAIRBANKS, NORTH STAR BOROUGH & SD	\$ 840,740	\$	242,380	\$ -	\$ 72,885	\$ 81,565	\$ 11,128	\$ 1,248,697	1%
KENAI PENINSULA BOROUGH	\$ 653,083	\$	265,322	\$ -	\$ -	\$ -	\$ 67,657	\$ 986,062	1%
Total								\$ 39,606,738	

Active Self-Insured Employers

Active Alaska Self-Insured	Start Date of Self-	Active Alaska Self-Insure
Employers	Insurance	
Alaska Air Group, Inc.	5/1/1980	Fred Meyer Stores, Inc.
Alaska Railroad Corp.	7/1/1996	GCI Holdings, LLC
Alyeska Pipeline Service Co.	7/1/1983	Harnish Group Inc.
Anchorage School District	6/1/2004	Kenai Peninsula Borough 8
Arctic Slope Regional Corp.	6/1/2005	Matanuska-Susitna Boroug
Bristol Bay Area Health Corporation	2/1/2005	Matanuska-Susitna School
Chevron Corporation	5/12/1999	Municipality of Anchorage
Chugach Electric Assn. Inc.	1/1/2014	PeaceHealth Networks
City & Borough of Juneau	4/1/2004	Providence Health System
Costco Wholesale Corp.	9/3/1999	State of Alaska
Fairbanks North Star Borough & School District	7/1/1977	University of Alaska
ederal Express Corp.	10/10/1990	

Active Alaska Self-Insured Employers	Start Date of Self- Insurance
Fred Meyer Stores, Inc.	10/1/1996
GCI Holdings, LLC	12/31/2017
Harnish Group Inc.	5/1/2005
Kenai Peninsula Borough & School District	2/16/1992
Matanuska-Susitna Borough	8/15/2008
Matanuska-Susitna School District	7/1/1994
Municipality of Anchorage	1/1/2004
PeaceHealth Networks	7/2/2020
Providence Health System – WA	4/1/1995
State of Alaska	11/24/2003
University of Alaska	2/1/2004

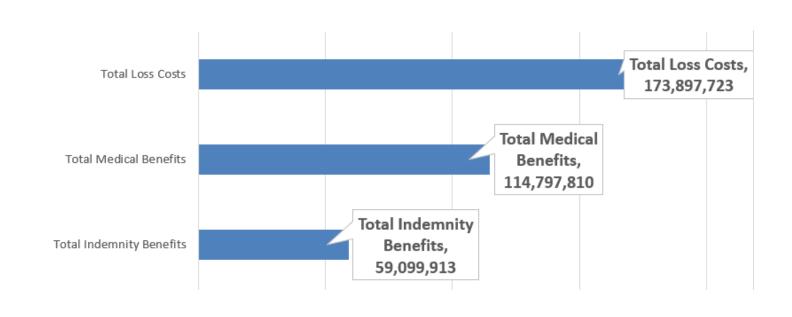
Loss Cost Distribution

Total loss costs were \$173.8 million in 2022 compared to \$166.3 million in 2021, an increase of 4.51%.

Indemnity costs were \$59.0 million in 2022 which was 66.01% of total costs, compared to \$58.5 million in 2021, 64.83% of total costs.

Medical costs were \$114.7 million in 2022 which was 33.99% of total costs, compared to \$107.8 million in 2021, 35.17% of total costs.

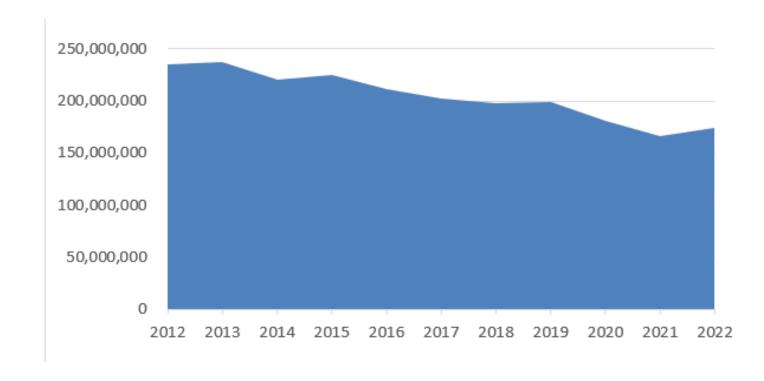
Year	Total Loss Costs	% Change
2022	\$173,897,723	4.51%
2021	\$166,396,179	-7.83%
2020	\$180,527,315	-9.49%
2019	\$199,464,202	1.05%
2018	\$197,391,502	-2.56%
2017	\$202,583,520	-4.28%
2016	\$211,644,587	-5.79%
2015	\$224,645,071	1.68%



"Loss Costs" = medical and indemnity benefit costs only.

Loss Costs: 10-year review (in millions)

Year	Total Loss Costs	% Change
2022	\$173,897,723	4.51%
2021	\$166,396,179	-7.83%
2020	\$180,527,315	-9.49%
2019	\$199,464,202	1.05%
2018	\$197,391,502	-2.56%
2017	\$202,583,520	-4.28%
2016	\$211,644,587	-5.79%
2015	\$224,645,071	1.68%
2014	\$220,938,561	-7%
2013	\$237,559,679	0.97%
2012	\$235,277,679	6.38%



"Loss Costs" = medical and indemnity benefit costs only.

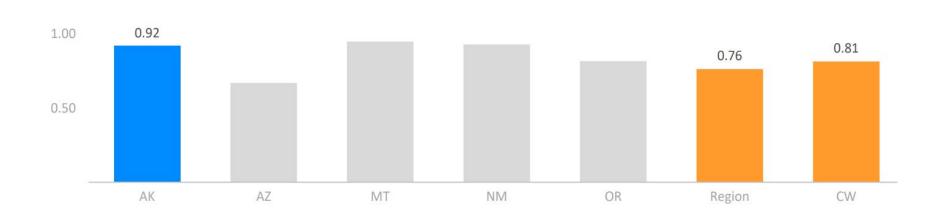


Average Voluntary Pure Loss Costs

Using Alaska Payroll Distribution

2.00

1.50



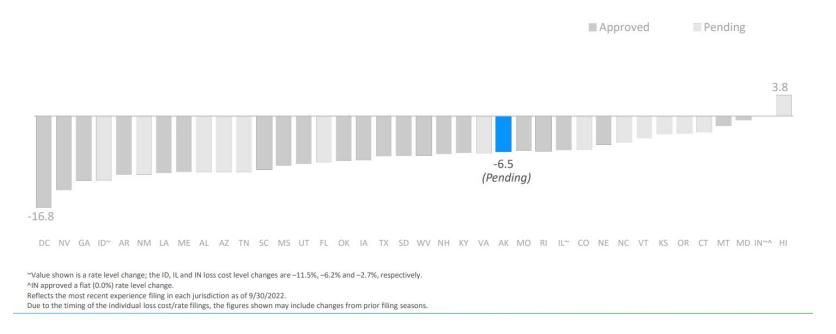
Based on approved rates and loss costs in various jurisdictions from filings using data valued as of 12/31/2020.

Courtesy of NCCI, Alaska State Advisory Resources, Alaska Workers Compensation System Overview, October 2022

National Loss Cost Comparison

Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings



Courtesy of NCCI, Alaska State Advisory Resources, Alaska Workers Compensation System Overview, October 2022

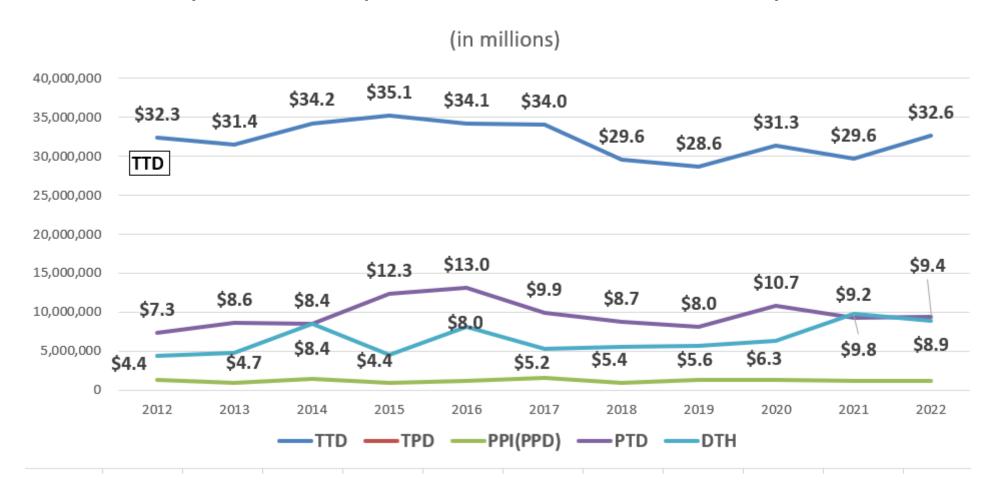
Indemnity Benefit Payments

For calendar year 2021 indemnity benefits (TTD, TPD, PPI, PTD & Death Benefits) totaled \$59.0 million, a 0.99% increase from \$58.5 million in 2021.

- TTD benefits totaled \$32.6 million in 2022, a 9.81% increase from \$29.6 million in 2021.
- TPD benefits totaled \$1.14 million in 2022, a 0.50% decrease from \$1.15 in 2021.
- PPI benefits totaled \$7.02 million in 2022, a 18.19% decrease from \$8.5 million in 2021.
- PTD benefits totaled \$9.4 million in 2022, a 1.46% increase from \$9.2 million in 2021.
- Death benefits totaled \$8.9 million in 2022, a 9.17% decrease from \$9.8 million in 2021.



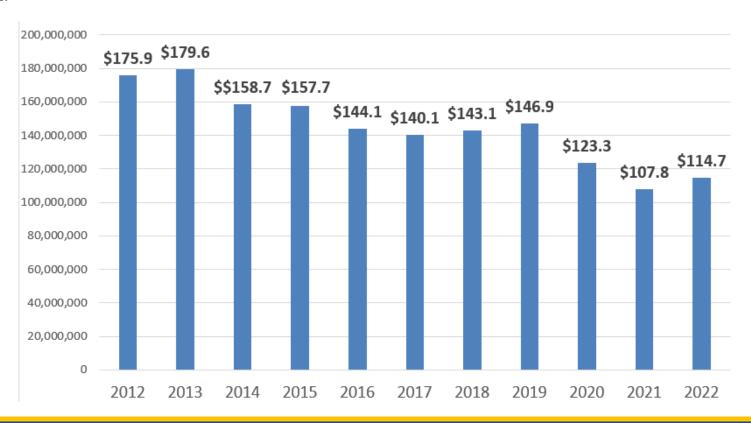
Indemnity Benefit Payments Distribution and 10-year review



Medical Benefit Payments

In the calendar year 2022, medical benefits totaled \$114.7 million, a 6.4% increase from \$107.8 million in 2021.

Medical benefits were 58.8% of total benefits paid and 66.01% of loss costs in 2022, compared to 57.2% of total benefits paid and 64.83% of loss costs in 2021.



Legal Costs

For calendar year 2022, legal expenses totaled \$11.0 million, a 13.77% decrease from \$12.8 million in 2021.

- Employee attorney fees were \$4.0 million in 2022, an 8.07% decrease from \$4.3 million in 2021.
- Employer attorney fees were \$6.1 million in 2022, a 15.44% decrease from \$7.2 million in 2021.
- Litigation costs totaled \$925,688 in 2022, a 24.16% decrease from \$1.2 million in 2021.
- Litigation costs include:
 - Total Expert Witness Fees
 - Total Court Reporter Fees
 - Total Private Investigator Fees

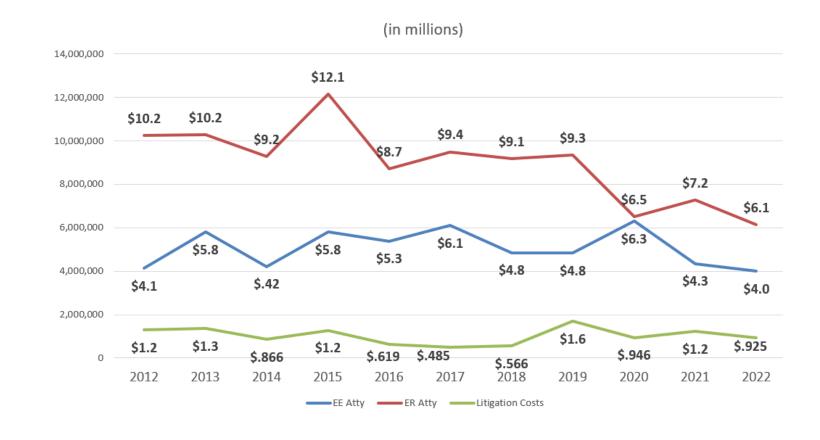
^{*}Some Legal costs may have been reported in lump sum settlements as a total benefit payment.





Legal Costs Distribution

Legal Costs for 2022	Payment Amount	%
Employee Attorney Costs	\$4,002,876	36%
Employer Attorney Costs	\$6,151,974	56%
Litigation Costs	925,688	8.4%
Total	\$11,080,538	



Reemployment Benefits

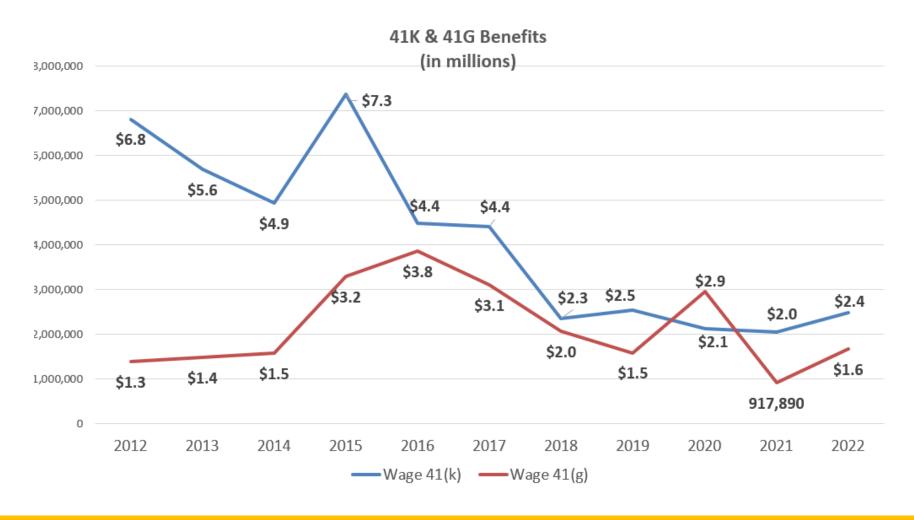
Total reemployment benefit payments totaled \$6.4 million in 2022, a 20.9% increase from \$5.3 million in 2021.

- Rehabilitation benefit costs under AS
 23.30.041(k) totaled \$2.4 million in 2022, a
 20.74% increase from \$2.0 million in 2021.
- Rehabilitation benefit costs under AS 23.30.041(g) totaled \$1.6 million in 2022, an 82.4% increase from \$917,890 in 2021.
- Employee evaluation costs totaled \$1.3 million in 2022, a 11.34% decrease from \$1.5 million in 2021.
- Rehabilitation specialist fees/plan monitoring fees totaled \$581,264 in 2022, a 4.66% increase from \$555,366 in 2021.
- Plan development costs totaled \$359,799 in 2022, a 36.49% increase from \$263,607 in 2021.

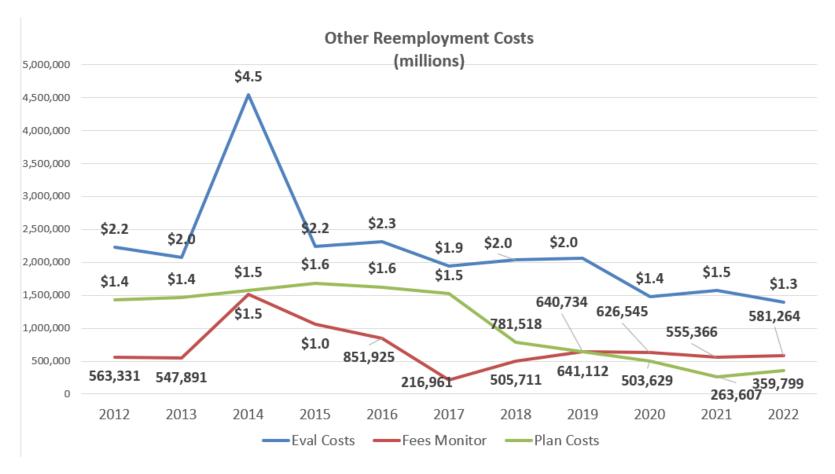


Note: .041k benefit is the weekly payment and .041g costs includes lump sum payments of .041k.

Reemployment Benefit Costs Distribution

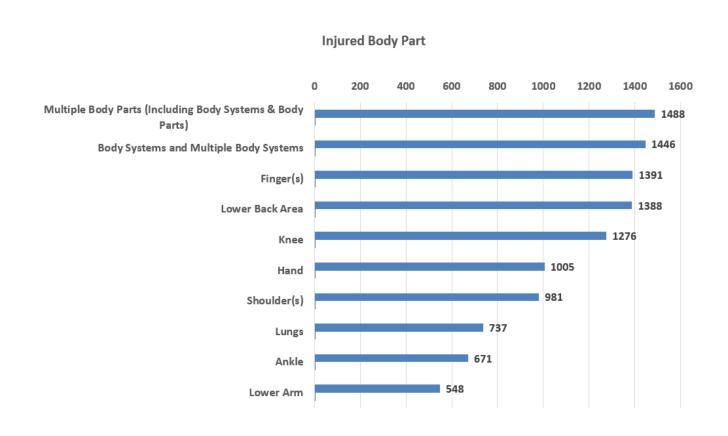


Reemployment Benefit Costs Distribution



Top Ten Injuries by Body Part

	Body Part Injured	Cases	% *
1.	Multiple Body Parts	1,488	8.3%
2.	Body Systems & Multiple Body Systems	1,446	8.1%
3.	Finger(s)	1,391	7.7%
4.	Lower Back	1,388	7.7%
5.	Knee	1,276	7.1%
6.	Hand	1,005	5.6%
7.	Shoulder(s)	981	5.5%
8.	Lungs	737	4.1%
9.	Ankle	671	3.7%
10.	Lower Arm	548	33.1%
	Total	10,931	60.9%



^{*}Percentage to total injury cases reported in 2022 of 17,956.



Alaska Injury Frequency

In 2022, 17,956 injury cases were reported resulting in an Alaska injury frequency rate per 100 employees is 6.0%.

- In 2021, 16,470 injury cases were reported resulting in an Alaska injury frequency rate per 100 employees is 5.7%.
- In 2020, 14,985 injury cases were reported resulting in an Alaska injury frequency rate per 100 employees is 5.3%.

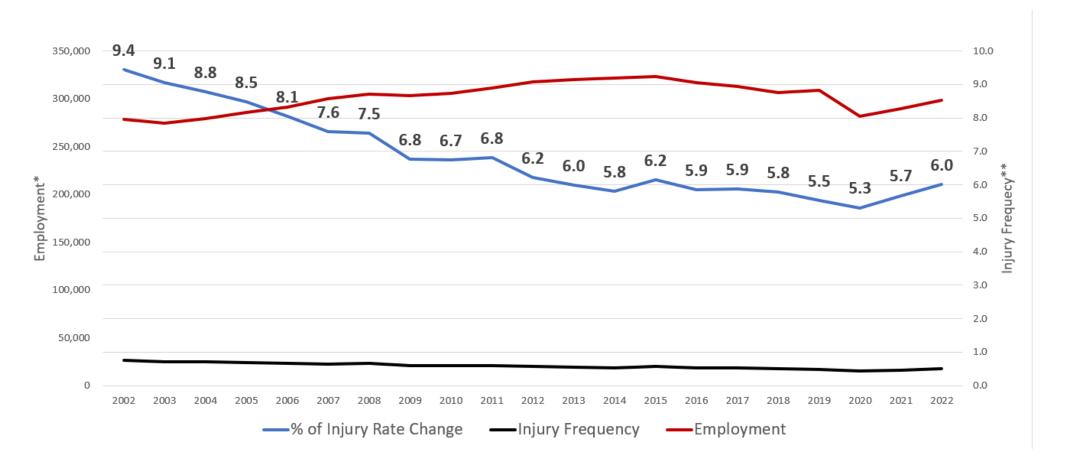
Based on Department of Labor & Workforce Development, Research and Analysis Section data of estimated statewide average monthly employment, Statewide totaled 313,765 in 2022, 305,004 in 2021, and 297,389 in 2020. Excluding federal employees, the number of workers covered under the Alaska Workers' Compensation Act in 2022 was approximately 298,762 an 3.04% increase from 289,946 in 2021 which was a 2.56% increase from 281,976 in 2020.

Year	Reported Injuries	Employment	Frequency Rate
2022	17,956	298,762	6.0
2021	16,470	289,946	5.7
2020	14,985	281,976	5.3
2019	17,075	308,796	5.5
2018	17,694	306,211	5.8
2017	18,396	312,886	6.0
2016	18,555	316,979	6.0
2015	19,909	323,619	6.3
2014	18,686	321,874	5.9
2013	19,140	319,893	6.1
2012	19,726	317,562	6.3
2011	21,213	311,529	7.0
2010	20,628	305,852	6.9
2009	20,516	303,200	6.9

Alaska Injury Frequency

1 Employment in Alaska

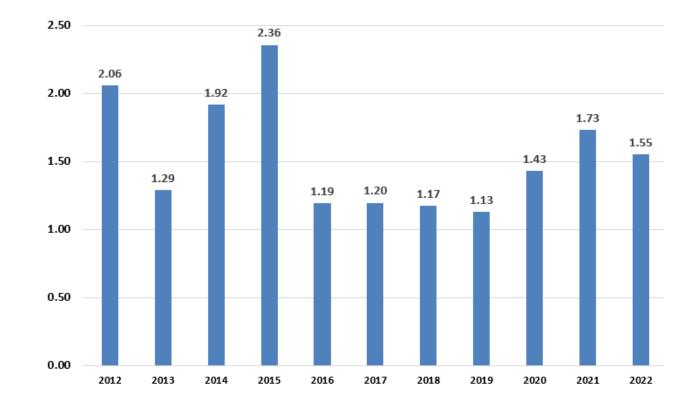
Alaska Injury Frequency



Time Loss Rate

Using the number of 4,637 time-loss claims reported in 2022 divided by average monthly employment statewide of 298,762 (Total Alaska average employment less Federal Government employment (313,765 -15,003 = 298,762) multiplied by 100. The time loss rate per 100 employees in 2022 was 1.55, a 10.32% decrease from a time loss rate of 1.73 in 2021.

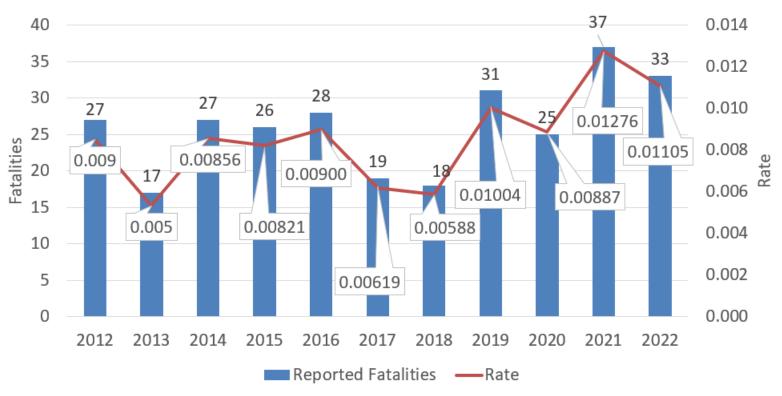
Year	Alaska Average Employment	Time Loss Cases	Rate
2022	298,762	4,637	1.55
2021	289,946	5,018	1.73
2020	281,976	4,037	1.43
2019	308,796	3,488	1.13
2018	306,211	3,573	1.17
2017	312,886	3,750	1.2
2015	316,979	3,688	1.19
2014	323,619	7,467	2.36
2013	319,893	6,046	1.92
2012	317,562	4,036	1.29



Fatality Rate

There were 33 fatalities reported in 2022, a 10.8% decrease from 37 fatalities reported in 2021. The fatality rate per 100 employees in 2022 was 0.01105, a 13.44% decrease from 0.01276 in 2021.





Note: The agency received a total of 33 reports of injured workers that passed away in 2022. Trading partners reported that 12 deaths were not work-place injuries.

Direct Written Premiums

Calendar Year	Direct Written Premiums * (000s)
2022	\$182,520
2021	\$179,252
2020	\$196,813
2019	\$225,779
2018	\$240,150
2017	\$251,110
2016	\$268,052

Under regulatory order no. R22-04, on August 23, 2022, the Division of Insurance received and approved the 2023 Alaska Workers' Compensation Filing for Voluntary Loss Costs and Assigned Risk Rates from the National Council on Compensation Insurance, Inc. (NCCI). The filing proposed an overall 6.5% decrease in voluntary loss costs and an overall 4.1% decrease in assigned risk rates from current approved levels.

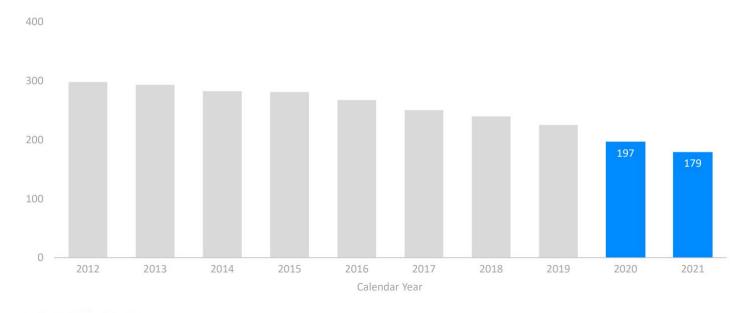
*Based on The Division of Insurance Calendar Year reconciliation reports for Workers' Compensation Service Fee.

Direct Written Premiums

Under regulatory order no. R22-04, on August 23, 2022, the Division of Insurance received and approved the 2023 Alaska Workers' Compensation Filing for Voluntary Loss Costs and Assigned Risk Rates from the National Council on Compensation Insurance, Inc. (NCCI). The filing proposed an overall 6.5% decrease in voluntary loss costs and an overall 4.1% decrease in assigned risk rates from current approved levels.

Alaska Premium Volume

Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.

Courtesy of NCCI, Alaska State Advisory Resources, Alaska Workers Compensation System Overview, October 2022

Direct Written Premiums

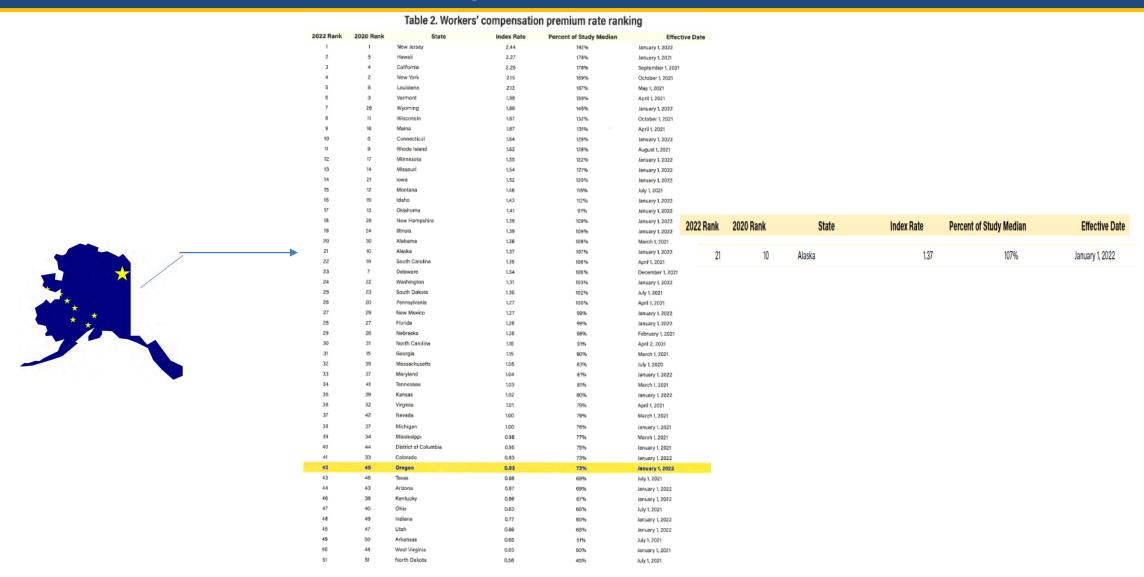
Under regulatory order no. R22-04, on August 23, 2022, the Division of Insurance received and approved the 2023 Alaska Workers' Compensation Filing for Voluntary Loss Costs and Assigned Risk Rates from the National Council on Compensation Insurance, Inc. (NCCI). The filing proposed an overall 6.5% decrease in voluntary loss costs and an overall 4.1% decrease in assigned risk rates from current approved levels.

Alaska Filing Activity

Voluntary Loss Cost and Assigned Risk Rate Changes



Courtesy of NCCI, Alaska State Advisory Resources, Alaska Workers Compensation System Overview, October 2022



Special Funds Reports – Fiscal Year

Special Funds and Staff

Velma Thomas – Program Coordinator II

Administrator for the following:

- Benefits Guaranty Fund
- Fishermen's Fund
- Second Injury Fund
- Self Insured Employers Program
- Assist with IT programs (ICERs, IRIS, Proof of Coverage)

Supervise direct report staff positions:

- Ted Burkhart, Workers' Compensation Officer I
- Dawn Wilson, Collections/Loan Officer I
- Nanette Ferrer, Fishermen's Fund WC Technician I
- Vacant, Fishermen's Fund WC Technician I

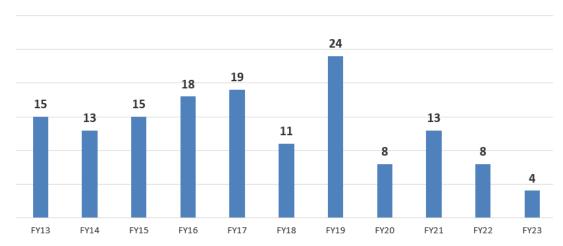
Benefits Guaranty Fund

- The Alaska Workers' Compensation Benefits Guaranty Fund was established by the Alaska Legislature in 2005 and is applicable to injuries occurring on or after November 7, 2005. The Fund was created to assist injured workers who were injured while working for an uninsured employer.
- Fund revenues comes from civil penalties assessed against uninsured employers.
- Requirements:
 - 1. The injured worker must be an employee of the uninsured employer at the time of injury.
 - 2. The employee's work for the employer must be the substantial factor in the cause of the injury or illness.
 - 3. The injured worker must file a claim for benefits against the employer and a separate claim against the Fund. Must be in 2 years of injury or knowledge that the injury/illness was work related.
 - 4. Claim must result in an order by the Board to pay benefits.
 - 5. Employer must be in default of paying employee's compensable benefits.

Benefits Guaranty Fund Claim Data

For FY2023, there were 9 reports of uninsured injuries. This compares to 9 reports of uninsured injuries in 2022. In FY2023, 4 employees filed claims for benefits against the fund compared to 8 in FY2022.



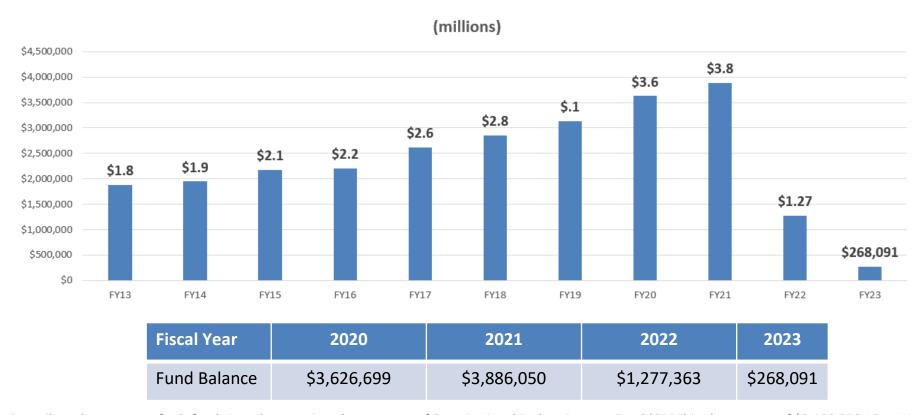


Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Uninsured Injury Reports	40	17	15	21	21	16	27	38	38	21	9	9
New Claims Filed	33	15	13	15	18	19	12	24	8	13	8	4

Benefits Guaranty Fund

Fund Balance

For FY2023, the fund ending balance was \$268,091, a 79% decrease, down \$1.0 million from a FY2022 fund balance of \$1.27 million.



^{*}Decrease is attributed to sweeps of sub-funds into the unassigned repayment of Constitutional Budget Reserve Fund (CBRF) in the amount of \$3,100,950.10 on November 9, 2021, \$1,277,363.53 on December 10, 2022, and \$268,91 on December 4, 2023. There are no provisions to move funds back into designated accounts.



Benefits Guaranty Fund Revenue

For FY2023, total revenues generated by collections activity increased by 14.7%, \$110,550 from \$750,436 in FY2022 to \$860,986. FY2023 revenues consisted of adjustments of \$237,144 that includes a supplemental increase of \$221,400 to the grant benefit line increasing revenues of \$1.09 million.



Benefits Guaranty Fund

Revenue – by Type

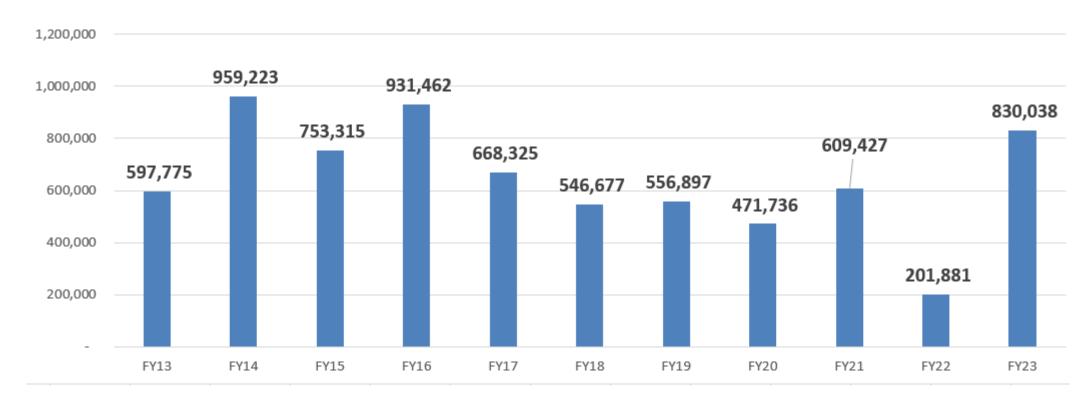
Fiscal Year	2021	2022	2023
Civil Penalty - Stipulation	\$179,460	\$143,730	\$104,451
Civil Penalty - Settlement	\$464,936	\$335,200	\$593,388
Civil Penalty – D&O	\$177,231	\$73,952	\$27,157
BGF- Uninsured Employer Reimbursements	\$70,317	\$36,729	\$58,105
Judgments	\$176,564	\$160,825	\$77,886
Less Adjustments (NSF Checks)	\$(9,442)	\$8,6667	\$237,144*
Total Revenues	\$1,059,113	\$759,103	\$1,098,130
% from Civil Penalties	61%	73.7%	90%
% from Employer Reimbursements	7%	5%	7%
% from Judgements	17%	21%	3%

^{*}Includes \$221,400 supplement grant line increase.



Benefits Guaranty Fund

Total Fund Expenditures



The Fund began paying PTD benefits to an injured worker for a 2012 claim filing.



Benefits Guaranty Fund

Expenditures

Expenditure Details	FY2019	FY2020	FY2021	FY2022	FY2023
# of Employees Receiving Benefits	6	8	11	5	8
Benefit Payments by Type					
Indemnity Costs	\$56,525	\$40,356	\$97,111	\$17,264	293,316
Medical Costs	\$244,681	\$120,066	\$169,215	\$13,815	\$163,728
Reemployment Costs	\$55,621	\$14,089	\$4,542	\$22,237	\$14,778
Employee Legal Costs	\$9,856	\$61,578	\$82,343	\$0.00	\$169,456
Case Costs			\$4,517	\$9,326	\$3,442
Total EE Benefits	\$336,684	\$236,088	\$362,257	\$62,642	\$728,741
Administration Costs	\$190,298	\$235,648	\$247,170	\$139,239	\$184,739
Total Expenses	\$556,897	\$471,736	\$609,427	\$201,881	\$830,038*
% of Benefit Payments to Total Costs	65.8%	50%	59%	31%	81.3%
%of Admin. Costs to Total Costs	34.1%	50%	41%	69%	18.6%

*includes ASD fiscal adjustments of \$83,442.



Benefits Guaranty Fund

Potential Fund Liabilities for Open and Pending Claims Only

Report reflects liability on open & pending claims.

Open claim for 2010 – the fund is paying death benefits to two minors.

Open claim for 2012 – PTD benefits.

Fiscal Year	No. of Claims (open & pending)	Closed Claims	Total Claims Filed	Potential Liability	Paid Expenses	Balance Due (reserve)
2023	4	0	4	\$592,500	\$ -	\$592,500
2022	1	7	8	\$135,000	\$2,218	\$132,782
2021	3	10	13	\$890,272	\$110,764	\$779,508
2020	1	7	8	\$653,852	\$438,226	\$215,626
2019	1	23	24	\$1,926,998	\$106,987	\$1,820,012
2017	1	18	19	\$1,926,998	\$106,987	\$1,820,012
2012	1	32	33	\$2,523,300	\$1,399,398	\$1,123,903
2010	1	13	14	\$1,069,819	\$760,725	\$309,094
Total	13	110	123	\$9,718,740	\$2,925,304	\$6,793,436

Special Funds Report – Second Injury Fund

- Second Injury Fund (Dedicated Fund) is a fund to assist and reimburse compensation payments made by employers, or their insurers or adjusters who hire and/or retain certain injured employees.
- Revenue is collected from each insurer, adjuster, and uninsured employer every March 1st, when they file their annual reports. The must pay a percentage of annual compensation payments.

Qualifications:

- Employee has a pre-existing condition
- 2. Employer had a written record establishing knowledge of pre-existing condition before the subsequent injury and the employee was retained.
- 3. The subsequent injury has combined with the pre-existing condition such that the combined effect is greater than the subsequent injury alone.
- 4. A notice was filed with the SIF within 100 weeks (within 2 years) of knowledge of a possible claim.
- 5. 104 weeks of indemnity payments have been paid.
- 6. Claim for injury or death must have occurred before September 1, 2018.
- 7. Claim and all required documentation must be submitted before October 1, 2020.

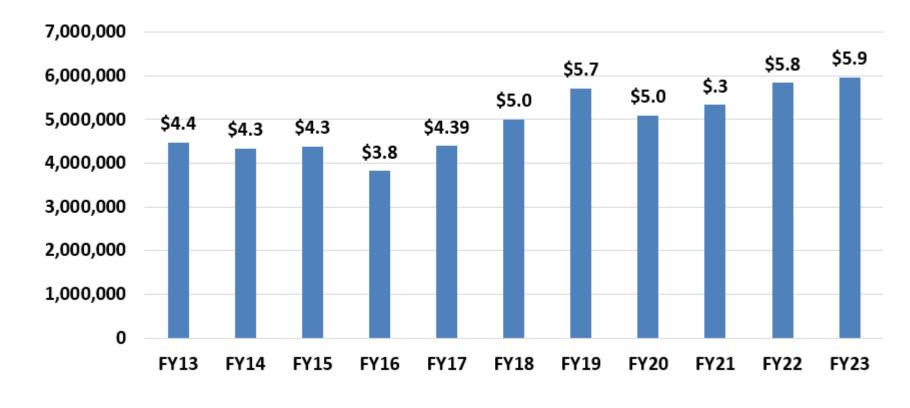
The workers' compensation reforms passed by the State of Alaska Legislature on May 11, 2018 (SCS CSHB 79(FIN)) provided for the closure of the Second Injury Fund. The Department of Labor and Workforce Development shall continue to administer the Second Injury Fund and payment of its remaining liabilities.

Second Injury Fund

Fund Balance

Second Injury Fund balance increased by \$117,607 in FY2022, an 2% increase from \$5.8 million to \$5.95 million.

Fiscal Year	Balance
2023	\$5,951,037
2022	\$5,833,430
2021	\$5,328,646
2020	\$5,092,860
2019	\$5,713,621
2018	\$5,003,206
2017	\$4,390,500
2016	\$3,817,700
2015	\$4,369,141
2014	\$4,468,000
2013	\$4,847,700



Second Injury Fund Revenues

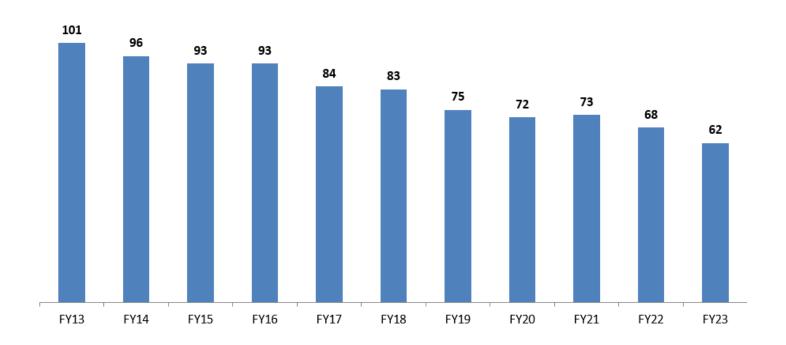
Fiscal Year	Balance
2023	\$2,456,080
2022	\$2,591,282
2021	\$2,593,298
2020	\$2,452,494
2019	\$3,190,588
2018	\$3,257,228
2017	\$2,984,507
2016	\$3,067,905
2015	\$3,274,682
2014	\$3,146,551
2013	\$3,171,694

Second Injury Fund revenues decreased by \$135,202 in FY2023, an 5.2% decrease from \$2.59 million to \$2.45 million.



Second Injury Fund Claim Data

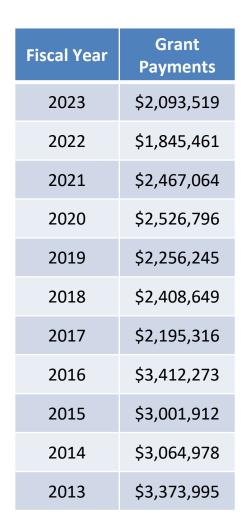
Number of Open Claims Receiving SIF Reimbursement



In FY2023, Trading Partners reported that 7 employees passed away.

Second Injury Fund

Claim Data
Benefits Paid to Employer or Insurer





Second Injury Fund

Claim Data Benefits Paid Insurer/Employer

Top Ten Reimbursement Recipie	nts
Insurer/Self-Insurer	Amount
State of Alaska	\$360,382
Arctic Slope Regional Corporation	\$261,699
Municipality of Anchorage	\$255,004
Alaska National Insurance	\$143,085
Indemnity Insurance Co of NA	\$130,000
Alaska Timber Insurance Exchange	\$120,467
National Union Fire Insurance	\$104,095
Ace American Insurance	\$98,781
Liberty Mutual Insurance	\$82,460
Liberty Insurance Corp	\$65,911
Total	\$1,626,885
	State of Alaska Arctic Slope Regional Corporation Municipality of Anchorage Alaska National Insurance Indemnity Insurance Co of NA Alaska Timber Insurance Exchange National Union Fire Insurance Ace American Insurance Liberty Mutual Insurance Liberty Insurance Corp

For FY2022, top ten employer reimbursement payments totaled \$1.6 million compared to \$1.2 million in FY2022.

Reimbursement Recipients by Type							
#	Туре	Amount	%				
21	Market Insurer	\$1,010,712	48.3%				
11	Self-Insureds	\$1,082,806	51.7%				
32	Total	\$2,093,519					

STATE OF ALASKA DIVISION OF WORKERS' COMPENSATION

REEMPLOYMENT BENEFITS ANNUAL REPORT Calendar Year 2022

Stacy Niwa
Reemployment Benefits Administrator

Reemployment Benefits Section

- Provides information about reemployment benefits
- Notifies employees of their reemployment benefits rights
- Processes requests for, and stipulations to, eligibility evaluations
- Makes eligibility determinations after review of rehabilitation specialist recommendations
- Processes and serves employee elections of reemployment benefits or job dislocation benefits
- Processes assignment of eligible employees to rehabilitation specialists for plan development
- Reviews reemployment benefits plans upon request

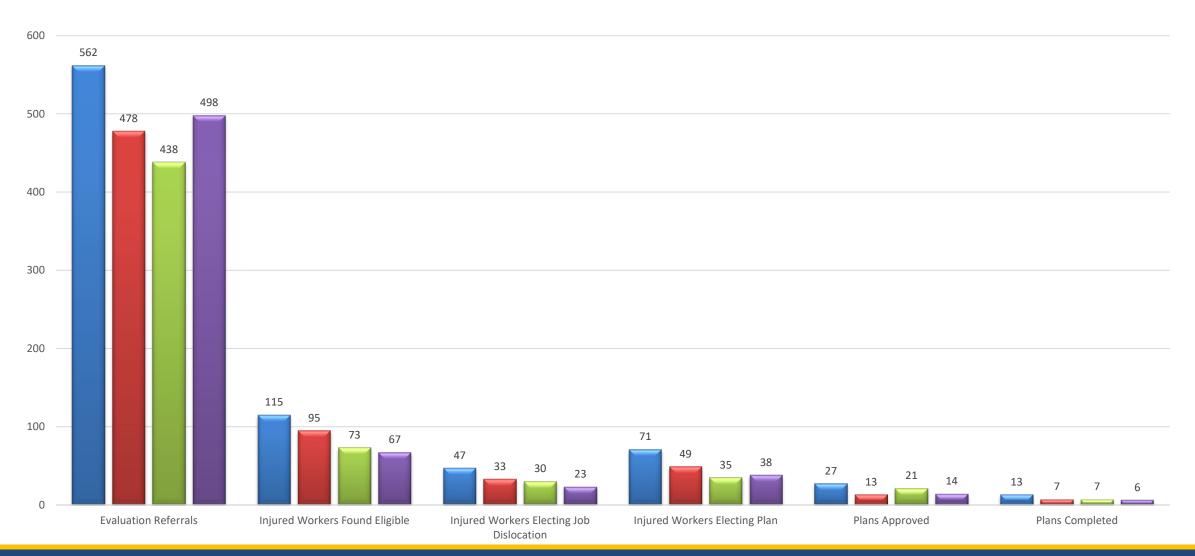
2022 By the Numbers

- 498 injured workers were referred for evaluations for eligibility for reemployment benefits.
- 1020 eligibility evaluation reports were reviewed.
- 146 suspension letters were issued.
- 489 eligibility determinations were made.
- 67 injured workers were found eligible for reemployment benefits.
- 23 injured workers elected to receive a job dislocation benefit.

2022 By the Numbers, Cont.

- 38 elected to pursue reemployment benefits.
- 35 reemployment plans were submitted.
- 14 plans were signed by all parties and moved forward as agreed upon plans.
- 4 plan reviews were completed.
- 6 informal rehabilitation conferences were held to assist the parties in moving forward with reemployment benefits.
- 6 injured workers completed reemployment plans.
 - start dates of completed plans range from 1/6/2020 1/6/2022

2022 By the Numbers, Cont.





Reemployment Benefit Plans

- 109 injured workers were in the plan process at some point during 2022.
- 39 injured workers were referred for plan development in 2022.
- 22 injured workers exited the process through a Compromise and Release after plan referral and before plan completion.
- 14 injured workers were in an approved plan at year end.
- 12 injured workers were in plan development and 20 plans were pending approval at year end.
- 6 injured workers successfully completed plans with an average plan length of 18 months from plan approval to plan completion.

Reemployment Benefit Plans, Cont.

- 48 plans were stalled or exited for various reasons.
 - 5 injured workers' plan process was medically suspended.
 - 23 injured workers exited through a Compromise and Release agreement.
 - 12 plans were controverted or a petition to terminate reemployment benefits was filed.
 - 2 plan was unable to be developed to meet statutory requirements.
 - 5 plan processes were halted because the injured worker was nonparticipatory.
 - 1 plan was unsuccessful because the time had expired.

Outcomes for Workers Completing Plans

- The Reemployment Benefits Section attempted to contact 20 injured workers that had completed plans between 2020 and 2022.
- 5 injured workers responded.
- 0 injured workers had returned to the workforce.
- 5 injured workers reported they had not returned to work.
 - 2 reported they were medically disabled
 - 1 reported they needed additional medical treatment
 - 1 reported the training did not prepare them for the occupational goal
 - 1 reported they are continuing their education

Reemployment Benefit Costs

	2020	2021	2022
Evaluation Costs	\$1,472,596	\$1,573,099	\$1,394,704
Reemployment Specialist Plan Fees	\$626,545	\$551,153	\$581,264
Plan Costs	\$503,629	\$263,607	\$359,799
Wage Benefits	\$2,135,149	\$2,053,267	\$2,479,056
(AS 23.30.041(k))			
	\$2,961,687	\$917,890	\$1,674,193
Job Dislocation Benefits (AS 23.30.041(g))			
TOTALS	\$7,699,606	\$5,359,016	\$6,489,016
% Change	-3.10%	-38.85% 	19.07%



Reemployment Benefits in Settlements

Impact of settlements on reemployment benefits in 2022

- 47 injured workers exited the reemployment benefits process through Compromise and Release agreements during the reemployment benefits process.
- 62 injured workers had funds designated for reemployment benefits included in settlements approved in 2022, increasing reemployment benefit costs.
 - 45 of these injured workers had never been determined eligible for reemployment benefits, many had never entered the reemployment process or had been found not eligible for reemployment benefits.
- 22 injured workers exited the reemployment process through a settlement after a determination of eligibility, significantly reducing the number of injured workers available for plan completion.

Rehabilitation Specialists

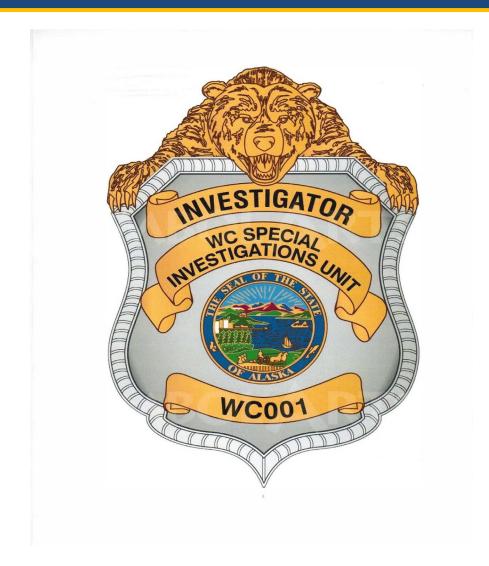
- 15 Alaska Rehabilitation Specialists accepted 372 referrals for eligibility evaluations;
 126 evaluations were referred to 43 specialists out of state.
- 1 Alaska specialist retired
- For Alaska Based Specialists:
 - 306 or 82% of the first reports were submitted within 60 days of the referral.
 - 141 or 38% of the evaluations were completed on the first report submission.
 - 223 or 60% of the evaluations were completed prior to a suspension letter from a Reemployment Benefits Administrator Designee.
 - 159 reports did not meet statutory/regulatory requirements.
- Continued improvements in our process are being made to ensure work is in compliance with statutory and regulatory requirements through suspension letters, discussions, plans of correction and disqualification from providing services under AS 23.30.041.

Alaska Rehabilitation Specialist Performance 2022 Reemployment Benefit Eligibility Evaluations

Rehabilitation Specialist	# of Referrals recv'd	Average # days to 1 st report	% complete on 1 st report or w/o suspension letter	% of late 1st reports	# 90 day gaps in reporting	# reports not meeting stat/reg	Median # days to determ
L. Cortis	22	57	62%	30%	6	3	57
J. Cranston	20	28	42%	10%	5	25	56
K. Davis	22	38	57%	9%	1	6	58
J. Doerner	35	33	75%	0%	0	3	32
R. Hoover	40	29	58%	5%	5	1	30
T. Hutto	18	32	69%	33%	1	2	34
N. Kates	13	30	64%	0%	0	4	41
S. Krier	20	27	72%	0%	0	9	43

Alaska Rehabilitation Specialist Performance 2022 Reemployment Benefit Eligibility Evaluations

Rehabilitation Specialist	# of Referrals recv'd	Average # days to 1 st report	% complete on 1 st report or w/o suspension letter	% of late 1st reports	# 90 day gaps in reporting	# reports not meeting stat/reg	Median # days to determ
D. LaBrosse	19	31	53%	16%	0	24	50
C. Robbins	35	34	78%	17%	1	2	28
B. Roberts	18	43	38%	69%	0	28	131
F. Sakata	35	56	46%	41%	6	38	51
1. Junutu	33	30	+0 /0	71/0	U	30	31
J. Shipman	21	25	90%	0%	0	1	26
N. Silta	19	27	53%	0%	0	13	90
P. Vargas	35	37	81%	16%	0	0	33



SPECIAL INVESTIGATIONS UNIT ANNUAL REPORT

Michele Wall-Rood Chief Investigator

Special Investigations Unit

- Established by Alaska Legislature in 2005 AS 23.30.280
- Part of Overall Division Budget
- Staffing:

Michele Wall-Rood, Chief Inv. – Anchorage (10/2021)

Christine Christensen, Inv. 3 – Anchorage (10/2007)

Wayne Harger, Inv. 3 – Fairbanks (4/2011)

Dave Price, Inv. 3 – Juneau (3/2014)

Julie Milazzo, Inv. 3 – Anchorage (2/2022)

William Keen, Inv. 2 – Anchorage (10/2023)

Mission and Core Values

- SIU Dedicated, Responsible, Diligent and Resilient
- Mission Statement: SIU is dedicated to enforcing compliance with the Alaska Workers' Compensation Act. SIU conducts thorough and fair fraud investigations, holds violators accountable, and strives to prevent uninsured injuries through proactive public education.

Core Values:

- o **Integrity** We do the right thing, for the right reason, even when no one is looking. We act with honesty, honor, impartiality, fairness, and transparency. We never compromise the truth.
- Respect We treat others how we expect to be treated, with dignity and compassion. We
 operate in the spirit of cooperation with our fellow team members, our colleagues inside and
 outside the state, and our community. We embrace diversity and each other's unique talents.
- O **Dedication/Commitment** We serve the people of Alaska by going above and beyond as much as possible, while staying within the scope of our own division duties and program boundaries.
- Accountability We are each responsible for our words, our actions, and our results. We pursue excellence.
- Family We care for each other. We support each other in creating an exceptional work environment, and encourage a healthy work-life balance

Challenges

- Criminal Fraud Prosecution
- Employers Without Records
- Legal Opinions
- Tech Support (ICERS)
- Proactive Outreach
- Caseloads
- Staffing (would benefit from additional staff)
 - Recruited Chief Investigator and Inv. 3
 - Recruiting Issues

Achievements

- 115 Settlements, three Decisions & Orders
- Continued Multi-Agency Collaboration
 - FBI Healthcare & Financial Crimes Fraud Task Force
 - Local and State Law Enforcement Agencies
 - Labor Standards & Safety (AKOSH, W&H)
 - Trainings held for DHSS Assisted Living Home Orientations and the American Payroll System
 - Hosted a Verbal Judo Training for Multiple Agencies
- 493 FTI Investigations worked 388 Opened/386 Closed
- Worked on a pending WC Fraud Indictment under AS 23.30.075 with the Office of Special Prosecutions and the Medicaid Fraud Control Unit.

Fraud Hotline and Email Tips

	FY2021	FY2022	FY2023	Year-to-Date First Quarter FY2024 (7/1/2023-9/30/2023)
Total Fraud Tip Calls and Emails	143	116	152	24
Claimant/Injured Worker Tips	13	18	19	7
Employer Tips	66	41	73	9
Care Providers	2	2	2	0
Attorneys/Non-Attorney Reps	0	1	1	0
Insurance Companies/Agents	0	2	3	1
Fish Fund Claimants	0	0	0	0
Law Enforcement Agency Assist Requests	60	51	52	7
Other/Non-Related	2	1	2	0

Failure to Insure Fraud Investigations

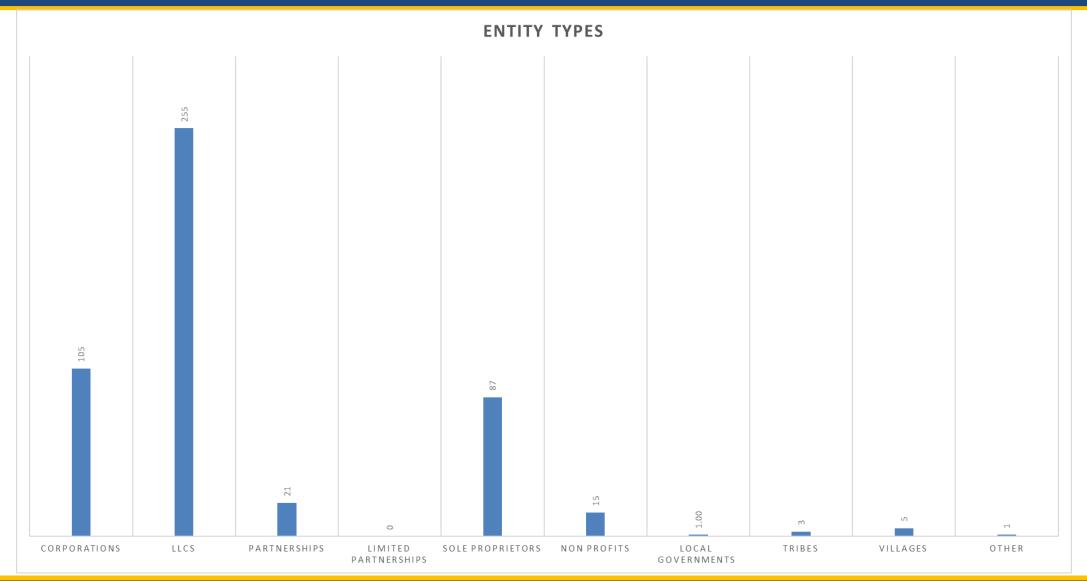
ACTIVITY	FY2021	FY2022	FY2023	Year-to-Date First Quarter FY2024 (7/1/2023-9/30/2023)
Pending Cases Carried Forward	116	87	105	108
New Cases Opened	235	254	388	91
Cases Closed	240	257	386	68
Total Cases Worked	323	363	493	199
Petitions	93	101	114	17
Pre-Hearings Attended	126	116	125	10
Compliance Checks	368	350	307+2359	155 + 1657
Public Inquiries	255	254	259	44
Formal Hearings	7	5	4	0
Warning Letters	19	43	44	2
Investigation Only	115	125	205	50
Settlements Paid in Full	66	59	112	11
Settlements with Payment Plans	15	11	3	1
Percentage Closed in 6 Months	67.23% (158 of 235)	76.65% (197 of 257)	83.1% (321 of 386)	73.5% (50 of 68)
Total Penalties	\$1,728,592	\$4,535,255	\$1,081,037	\$97,931
Total Discounts	\$260,930	\$164,586	\$183,697	\$14,125
Total Suspensions	\$598,928	\$3,757,865	\$279,988	\$19,710
Total Payable	\$868,734	\$612,804	\$617,351	\$64,094
Uninsured Injuries	21	9	9	13
Interagency Referrals	27	18	24	2

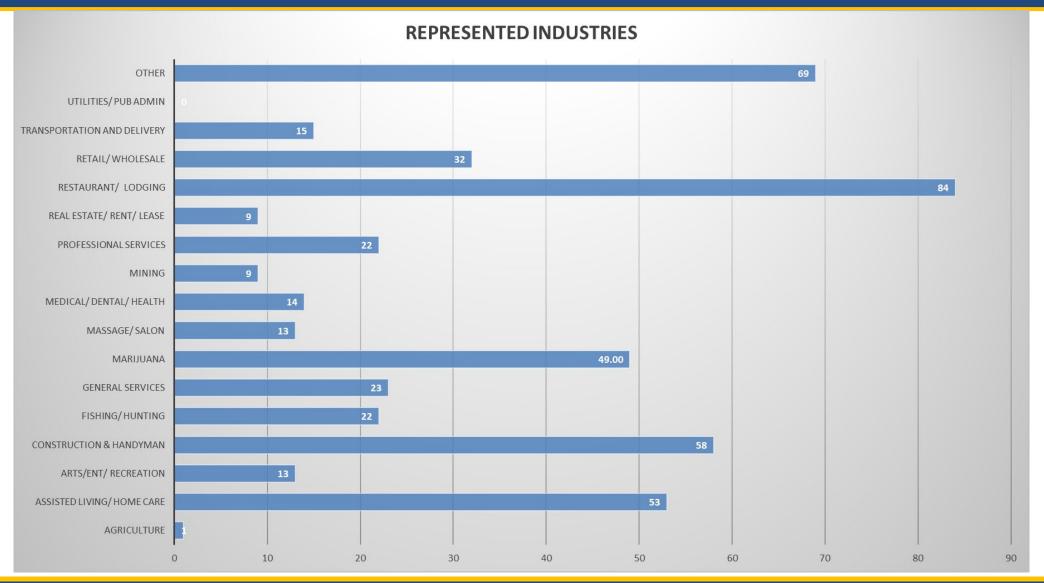


Failure to Insure FY2023

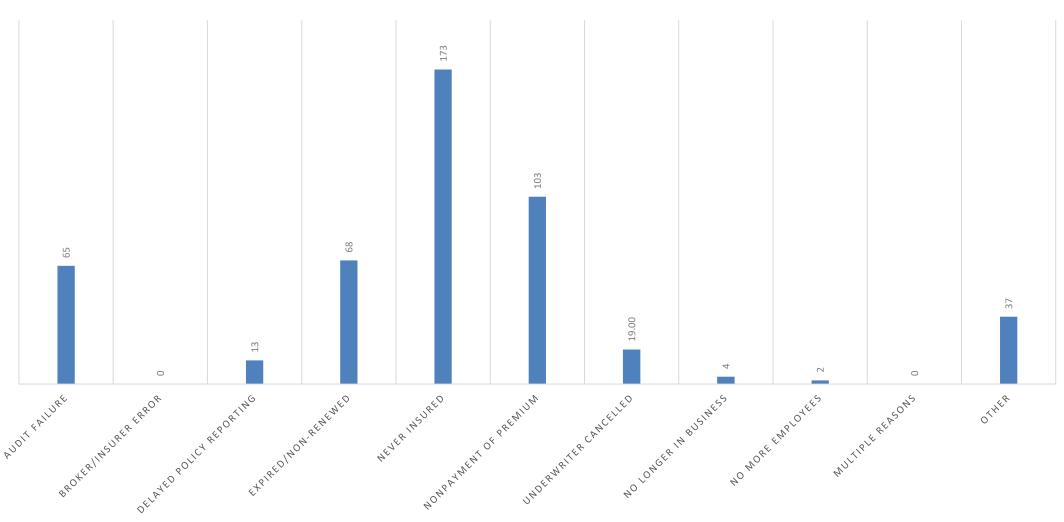
Investigations Opened/Re-Opened	Investigations Closed	Uninsured Injury Referrals Received	Uninsured Injuries Confirmed	Employers With Uninsured Injuries Petitioned
388	386	11	7	3

	Assessed By	Total Assessed	Discounted	Suspended	Ordered to Pay
FY2023 Ser (3 w 3 C Or	115 Settlements (3 with payment plans)	\$1,081,037.96	\$183,697.40	\$279,988.72	\$617,351.84
	3 Decisions & Orders (All Final)	\$148,662.32	n/a	\$38,100.00	\$110,562.32
	TOTALS	\$1,229,700.28	\$183,697.40	\$318,088.72	\$727,914.16

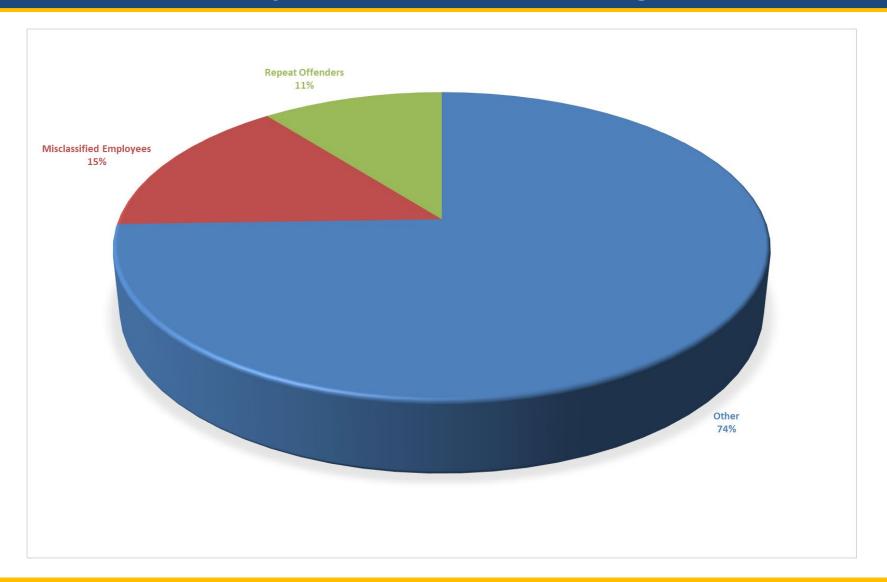












December 2023

Current Goals/Priorities

- Increased Staffing
- Continued Six Month Case Resolution
- Continued Multiple Agency Referrals and Joint Investigations
- Resume Targeted Proactive and Collaborative Education

Second Independent Medical Evaluations (SIME)

AS 23.30.095 8 AAC 45.092

Dani Byers
Workers' Compensation Officer II

2023 SIME Selection Panel

Panel Members:

- Kennan Powell, Employee Attorney
- Joseph Kalamarides, Employee Attorney
 - Jeffrey Holloway, Employer Attorney
 - Aaron Sandone, Employer Attorney

Division Support Staff:

- Z. Kent Sullivan, Chief of Adjudications
- Alexis Hildebrand, Administrative Officer II
- Dani Byers, Workers' Compensation Officer II

2023 SIME Selection Panel Decisions:

New SIME Physicians Effective 11/01/23:

- Kamran Samakar, MD
- Rajeev Saggar, MD
- William W. Faloon Jr., MD
- James F. Scoggin III, MD
- Roger Kasendorf, DO
- Evan Marlowe, MD
- Ryan Davis, MD

General Surgery

Pulmonology & Internal Medicine

Orthopedic Surgery

Orthopedic Surgery

Physical Medicine & Rehabilitation

Physical Medicine & Rehabilitation

Psychiatry

2023 SIME Selection Panel Decisions:

2020 SIME Physicians Re-Selected:

Carla Scheel, DC

Boban Joseph, MD

Steven A. Ornish, MD

Matthew E. Karlovsky, MD

Danny Keiller, MD

Chiropractic Medicine

Ophthalmology

Psychiatry

Urology & Urogynecology

Urology

SIME Physicians Removed:

Rebecca Bay, MD

Psychiatry

2023 SIME Physician Non-Renewals:

Long-time SIME Physicians:

William P. Curran, MD

Lorne Direnfeld, MD

Alan C. Roth, MD

Orthopedic Surgery (since 2011, passed away)

Neurology (since 2012, retiring)

Physiatry (since 2001, retiring)

Other SIME Non-Renewals:

Raj Ahluwalia, MD

Stewart Lonky, MD

Orthopedic Surgery (since 2022)

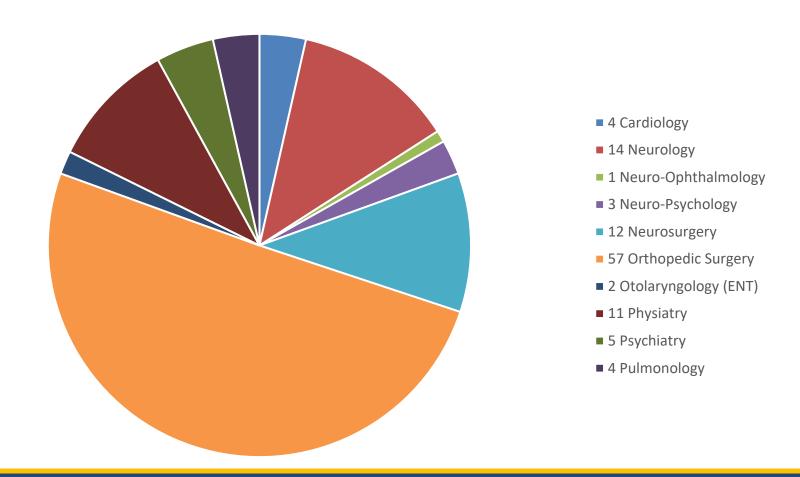
Pulmonology & Internal Medicine (since 2021)

SIME Totals and Methods: 5 Year Comparison:

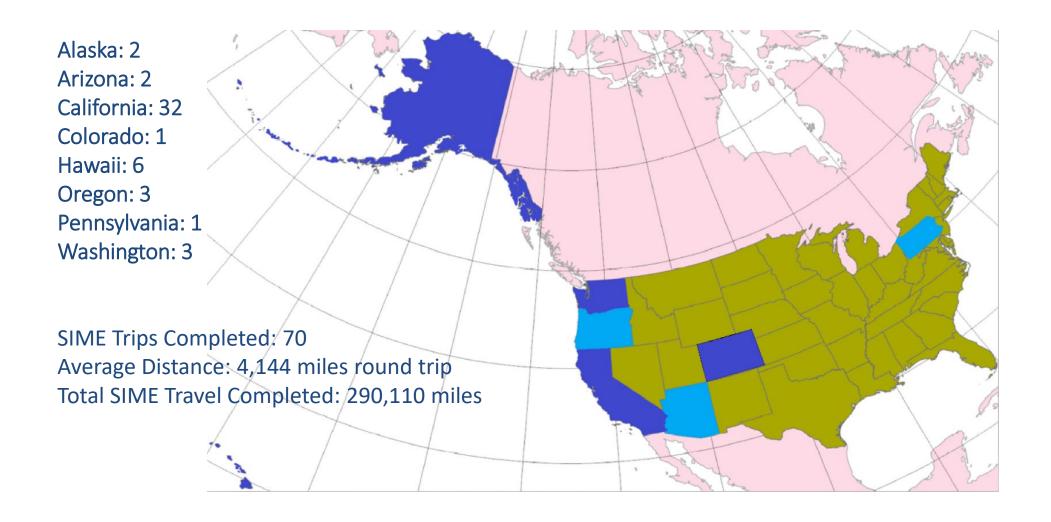


SIME Specialties Used 11/1/22 – 10/31/23:

Total SIME Appointments: 113



SIME Locations 11/1/22 – 10/31/23:



SIME Fees



