



2023 Annual Report

Alaska Department of Labor and Workforce Development
Workers' Compensation Division



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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 \(state.ak.us\)](http://state.ak.us/workers-compensation)

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Director's Report



End of a recession, the debate continues? U.S. unemployment rate peaked at 14.7% in April 2020 and at the end of 2023, unemployment rate returned to pre-COVID 19 levels in early 2022. This significant change of rising unemployment eroded payrolls and workers' compensation exposure base. Labor markets will continue to grapple with: teleworkers and the call to come back to the office, increase in work absences due to illness, quite quitting & discouraged workers and wage growth.

In 2023, Alaska continued to experience lower workers' compensation premium costs (7th consecutive year) , as a result of fewer claim filings and lower loss costs. This decline is expected to continue. According to the National Council on Compensation Insurance (NCCI), for CY 2023, the final WC written premium volume net of reinsurance for private carriers (all states) has also continued to decline.

Several legislation issues were presented and passed to improve Alaska's reemployment business process for injured workers, increase fatal benefits, and increase benefits for workers with permanent partial impairments.

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,

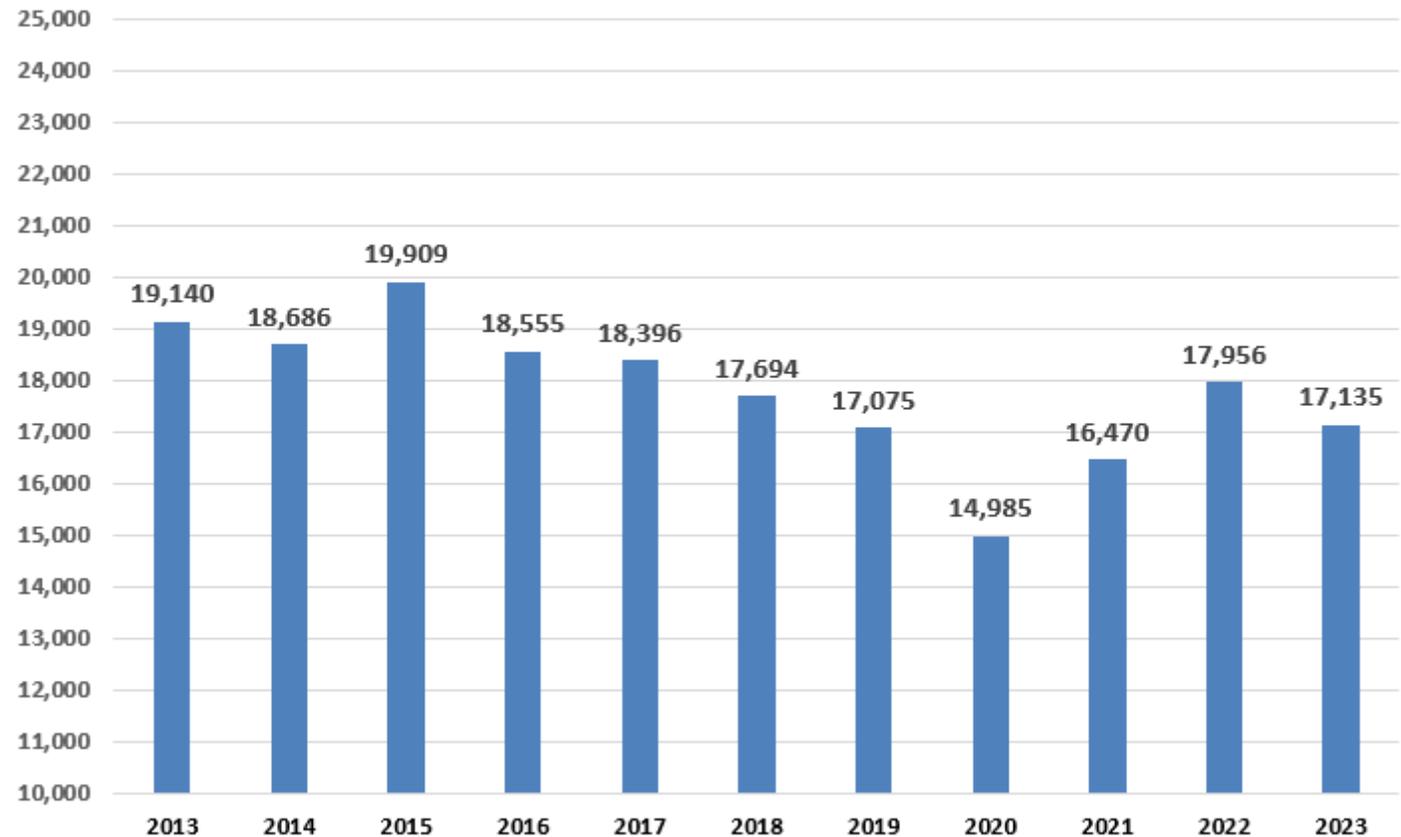
Director Workers' Compensation



Analysis of Workers' Compensation Claims Data

Total Injury Notices Received

In 2023, there were 17,135 reports of injury and occupational illness filed with the Workers' Compensation Division, a 4.6% decrease from 17,956 reports filed in 2022.





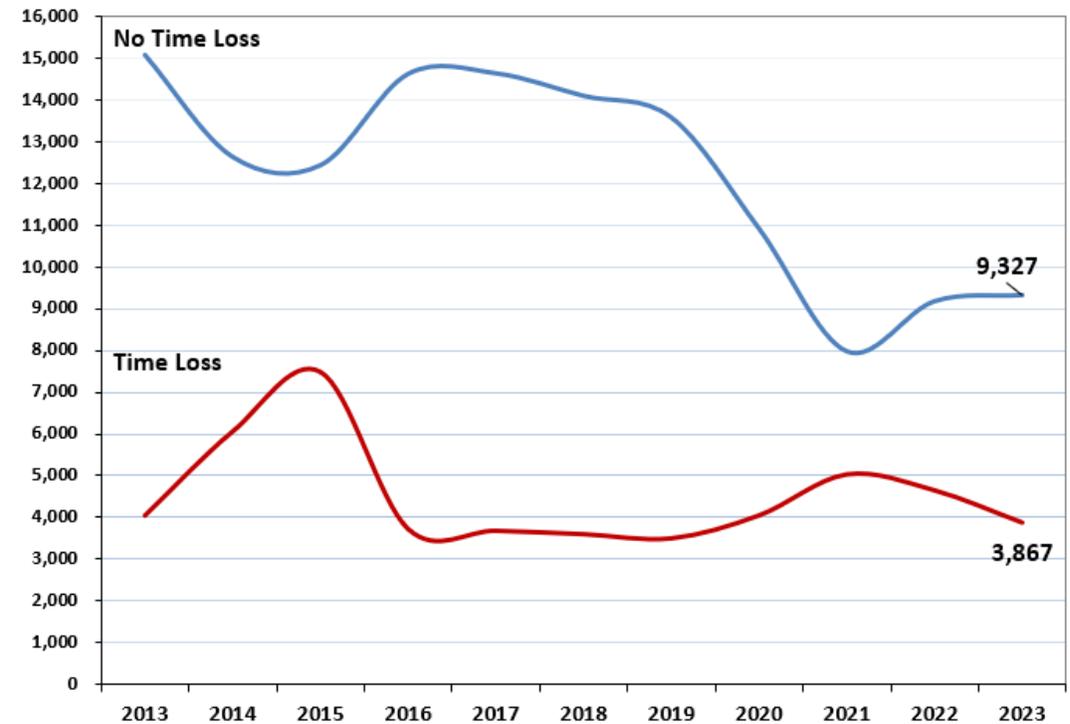
Analysis of Workers' Compensation Claims Data

Case Distribution by Type

Of the 17,135 case files established in 2023, claim type filings and distribution to total claims filed was:

- No Time Loss cases: 9,327, 54% of total claims.
- Time Loss cases: 3,867, 22.6% of total claims.
- Notification Only: 3,906, 22.8% of total claims.
- Fatality cases: 35, 0.20% of total claims.

Type of Claims Filed





Analysis of Workers' Compensation Claims Data

Adjudications

The Alaska Workers' Compensation Board

The board held or processed the following in 2023.

Held

- Prehearings: 1,204, compared to 1,187 in 2022.
- Hearings: 123, compared to 99 in 2022.
- Mediations: 68, compared to 69 in 2022.

Compromise & Release Agreements

- Board approved 417, compared to 344 in 2022.
- Board denied 39, compared to 43 in 2022.

Issued

- 84 Decision & Order Decisions, compared to 76 in 2022.

The Alaska Workers' Compensation Appeals Commission

The Commission hearing data for 2023

Hearings

- The Commission held 2 hearings, compared to 8 in 2022.

Oral Arguments on the Merit of Appeals

- The Commission held one oral argument, compared to 6 in 2022.

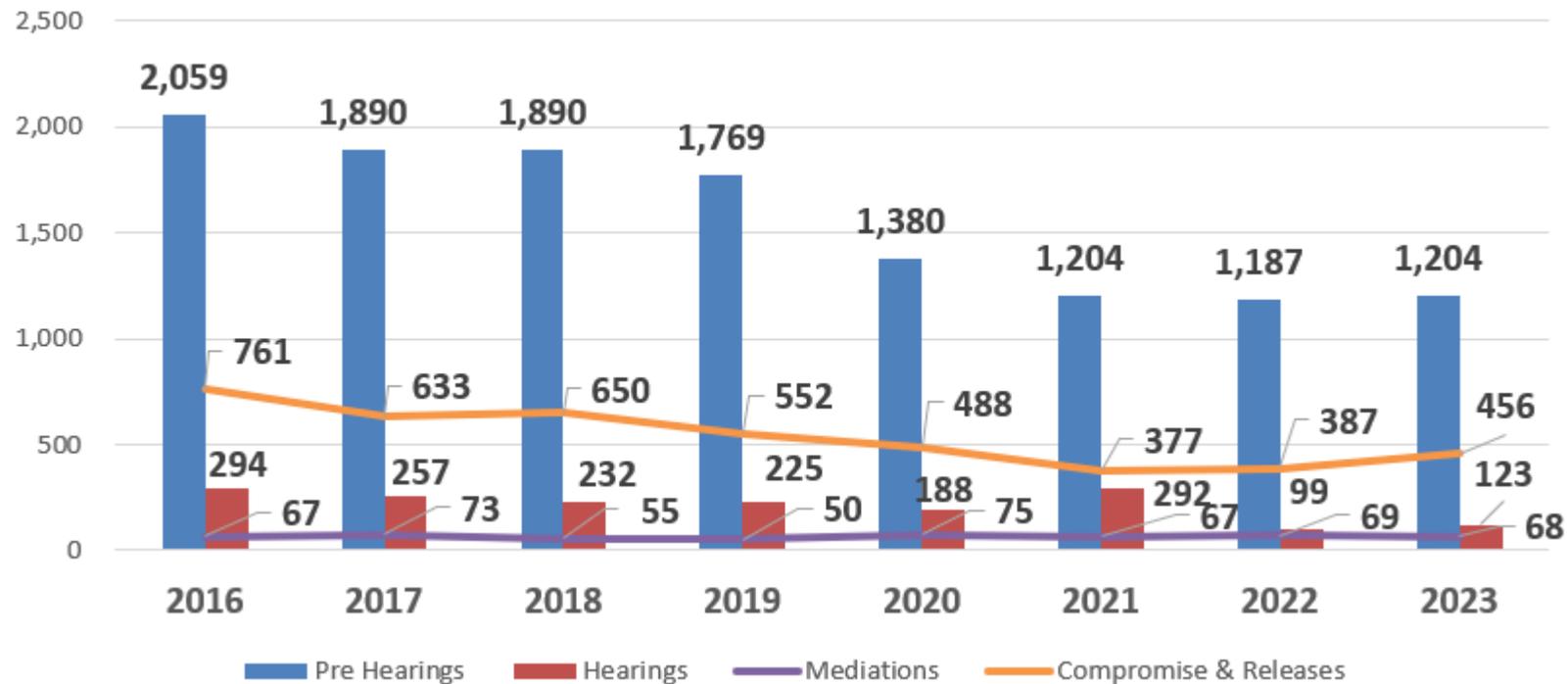
Motion For Stays of Board Orders

- The Commission held one hearing on a motion for stay, compared to 2 in 2022.



Analysis of Workers' Compensation Claims Data

Adjudications: Hearings, Mediations & C&R's: 8 -Year History





Analysis of Workers' Compensation Claims Data

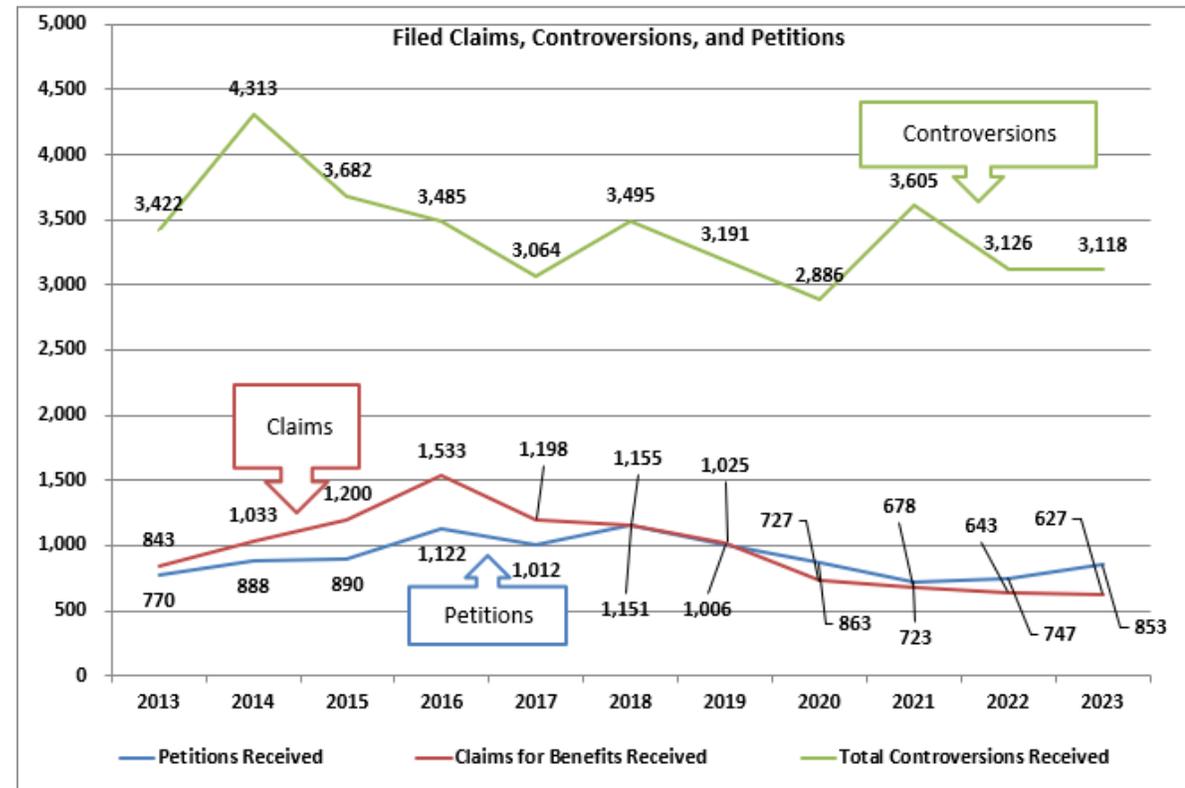
Filed Claims, Controversions and Petitions

In 2023, there were 627 claims for benefits filed, a 2.5% decrease from 643 claims filed in 2022.

There were 853 petitions filed in 2023, a 14.2% increase from 747 petitions filed in 2022.

There were 3,118 total controversions received in 2023, a 0.3% decrease from 3,126 in 2022.

The number of injury cases controverted in 2023 totaled 2,871, a 12.8% increase from 2,546 cases in 2022.





Annual Reporting of Total Compensation Benefits

Financial Reports and Audits

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, 2023 to December 31, 2023.

FY = Fiscal Period from July 1, 2023 to June 30, 2024.

Notes:

Medical Costs Totals 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.

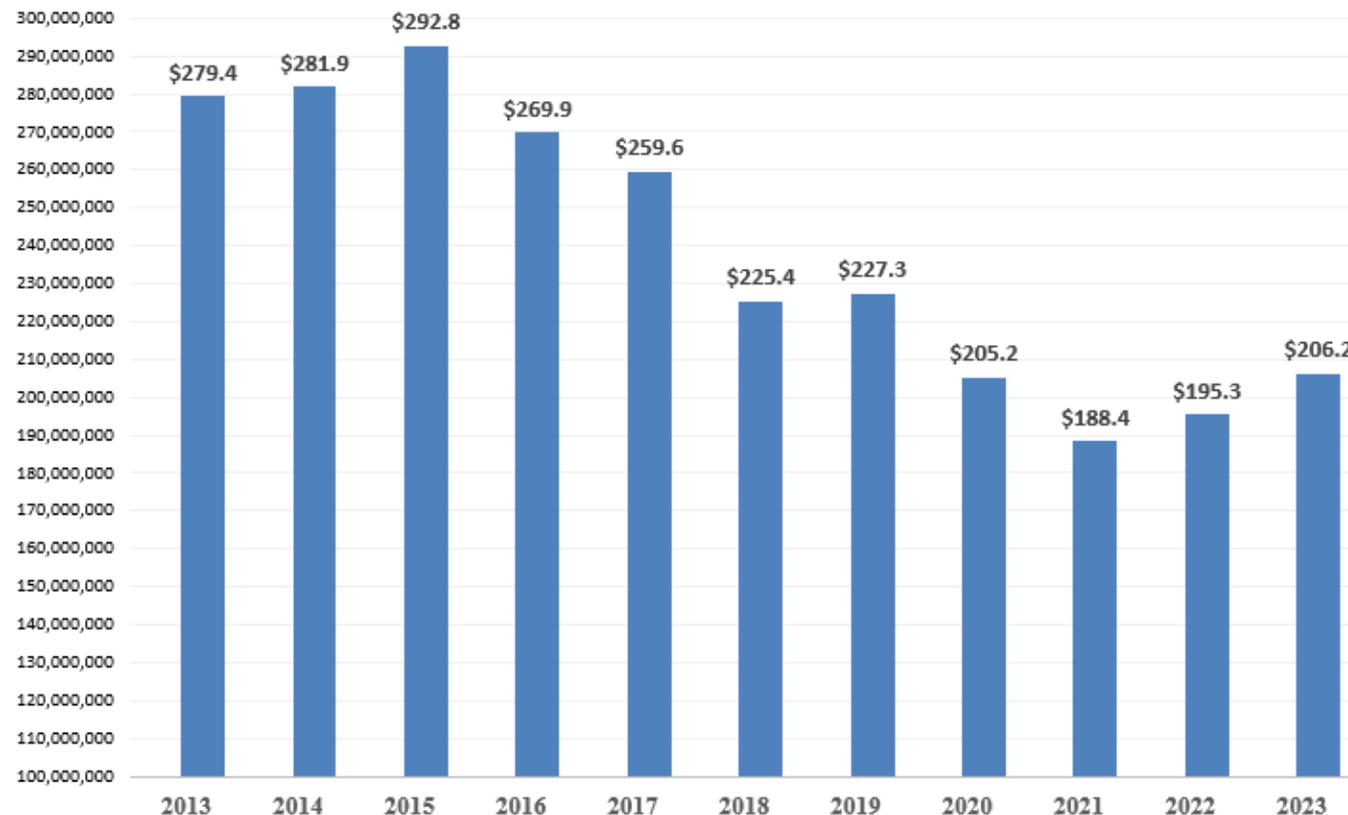
PPI benefit type code transferred from 030/530 to 040/540 under EDI Claims R3.1.

Other Costs includes: Unspecified Lump Sum Payment/Settlement, interest, penalty and SIF Contribution Fee.



Total Compensation Benefits Paid by Alaska Employers

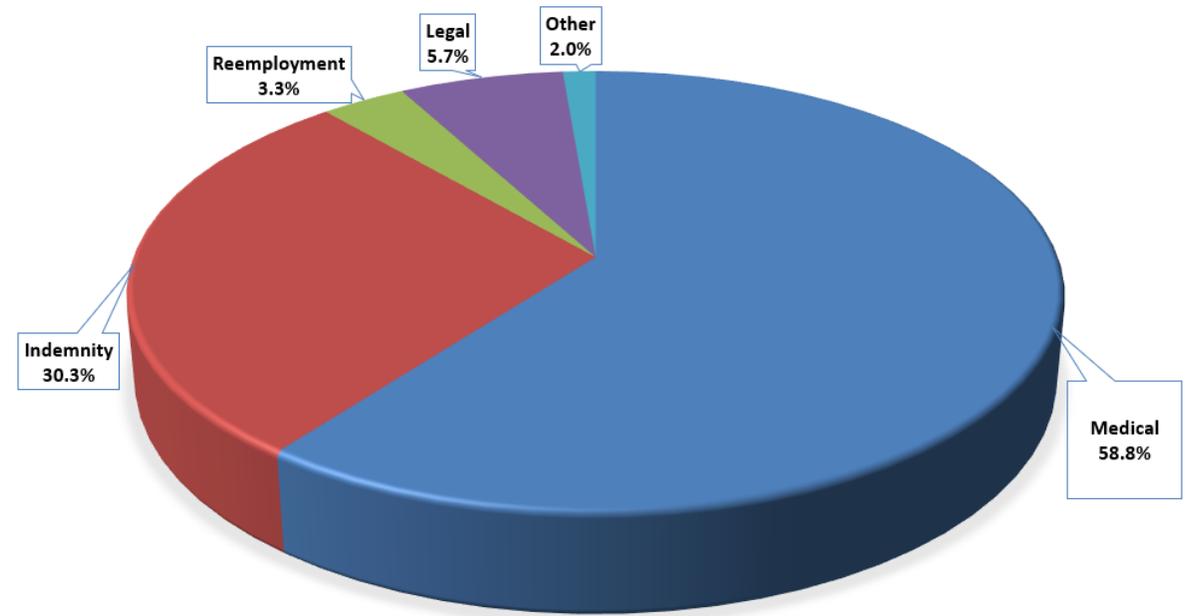
A total of \$206.2 million was paid in workers' compensation benefits during calendar year 2023 by market-insured employers and self-insured employers. This is an increase of 10.9 million, up 5.57% from \$195.3 million paid in 2022.





Total Compensation Benefits Payment Distribution

Benefit Type	Amount Paid	% of Cost to Total Cost
Medical	\$124,434,334	58.8%
Indemnity	\$58,408,249	30.3%
Reemployment	\$7,045,289	3.3%
Legal	\$13,615,736	5.7%
Other*	\$2,710,556	2.0%
Total	\$206,214,165	



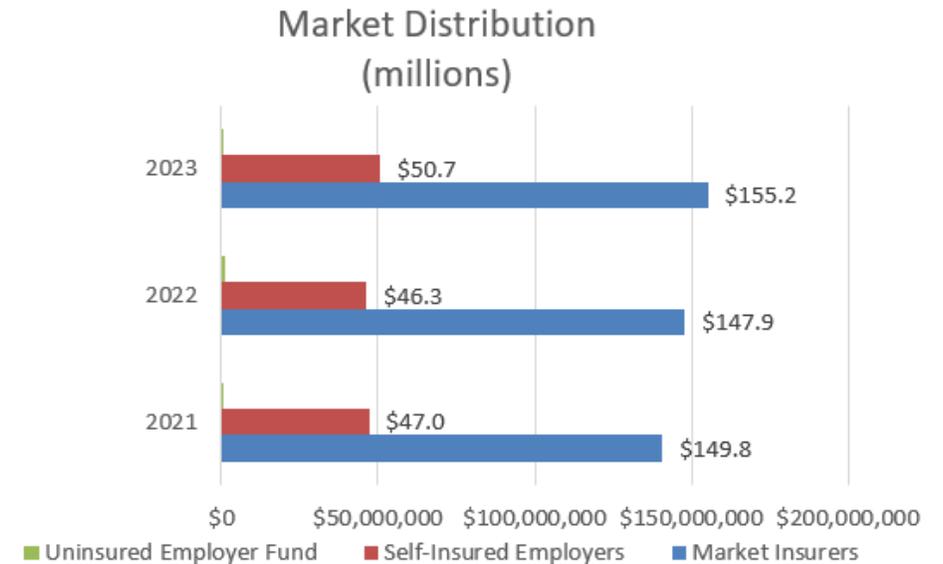
*Other costs include interest, penalty, and Second Injury Fund contribution.



Total Compensation Benefits Paid by Market Distribution

Of the \$206.2 million in total benefits paid, market-insured employers paid \$155.2 million and self-insured employers paid \$50.7 million. This compares to 2022, market-insured employers paid \$147.9 million (75.7%) and self-insured employers paid \$46.3 million (23.7%).

Insurer Type	Total Benefits Pd	% of Cost to Total Cost
Market Insurers	\$155,248,264	75.28%
Self-Insured Employers	\$50,656,309	24.56%
Uninsured Employer Fund	309,592	0.15%
Total	\$206,214,165	





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

The top twenty insurers and self-insured employers paid \$133.2 million, or 64.6% of total workers' compensation benefits paid in 2023. This compares to \$130.8 million, or 67.0%, of total workers' compensation benefits in 2022.

Rank	Insurer	Benefits Paid	Rank	Insurer	Benefits Paid
1.	ALASKA NATIONAL INS CO	\$ 31,012,304	11.	LM INSURANCE CORP	\$ 4,639,898
2.	ALASKA, STATE OF	\$ 16,397,612	12.	ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOC	\$ 4,632,424
3.	UMIALIK INSURANCE CO	\$ 8,228,973	13.	ARCTIC SLOPE REGIONAL CORP	\$ 4,396,974
4.	ACE AMERICAN INSURANCE COMPANY	\$ 7,772,935	14.	BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY	\$ 3,491,366
5.	MUNICIPALITY OF ANCHORAGE	\$ 7,270,314	15.	PROVIDENCE HEALTH SERVICES	\$ 3,360,638
6.	AMERICAN ZURICH INS CO	\$ 5,951,209	16.	ZURICH AMERICAN INSURANCE CO OF ILLINOIS	\$ 3,296,863
7.	INDEMNITY INS CO OF NORTH AMERICA	\$ 5,551,693	17.	LIBERTY INSURANCE CORP	\$ 3,143,075
8.	REPUBLIC INDEMNITY CO OF AMERICA	\$ 5,389,832	18.	OHIO CASUALTY INS CO, The	\$ 3,142,320
9.	AMERICAN INTERSTATE INSURANCE CO	\$ 4,854,449	19.	ANCHORAGE SCHOOL DISTRICT	\$ 2,986,150
10.	EVEREST NATIONAL INS CO	\$ 4,738,605	20.	ALASKA AIRLINES GROUP	\$ 2,980,004
				TOTAL	\$133,237,637



Active Alaska Self-Insured Employers

Active Alaska Self-Insured Employers	Start Date of Self-Insurance	Active Alaska Self-Insured Employers	Start Date of Self-Insurance
Alaska Air Group, Inc.	5/1/1980	Fred Meyer Stores, Inc.	10/1/1996
Alaska Railroad Corp.	7/1/1996	GCI Holdings, LLC	12/31/2017
Alyeska Pipeline Service Co.	7/1/1983	Harnish Group Inc.	5/1/2005
Anchorage School District	6/1/2004	Kenai Peninsula Borough & School District	2/16/1992
Arctic Slope Regional Corp.	6/1/2005	Matanuska-Susitna Borough	8/15/2008
Bristol Bay Area Health Corporation	2/1/2005	Matanuska-Susitna School District	7/1/1994
Chevron Corporation	5/12/1999	Municipality of Anchorage	1/1/2004
Chugach Electric Assn. Inc.	1/1/2014	PeaceHealth Networks	7/2/2020
City & Borough of Juneau	4/1/2004	Providence Health System – WA	4/1/1995
Costco Wholesale Corp.	9/3/1999	State of Alaska	11/24/2003
Fairbanks North Star Borough & School District	7/1/1977	University of Alaska	2/1/2004
Federal Express Corp.	10/10/1990		



Total Benefits Paid by Top Ten Self-Insured Employers

Self-Insured Employer	Medical	Indemnity (TTD, TPD, PPI, PTD)	Death	Reemp	Legal	Other	Total	% To Total Benefits
ALASKA, STATE OF	\$ 6,482,098	\$ 5,813,132	\$ 689,454	\$ 532,780	\$ 2,529,880	\$ 350,269	\$ 16,397,612	8.0%
MUNICIPALITY OF ANCHORAGE	\$ 4,107,935	\$ 2,437,285	\$ 174,351	\$ 113,194	\$ 327,094	\$ 110,455	\$ 7,270,314	3.5%
ARCTIC SLOPE REGIONAL CORP	\$ 1,523,819	\$ 1,653,512	\$ 603,009	\$ 205,199	\$ 309,638	\$ 101,797	\$ 4,396,974	2.1%
PROVIDENCE HEALTH SERVICES	\$ 1,859,904	\$ 839,667	\$ 34,375	\$ 211,542	\$ 388,979	\$ 26,172	\$ 3,360,638	1.6%
ANCHORAGE SCHOOL DISTRICT	\$ 1,966,984	\$ 696,093	\$ -	\$ 97,058	\$ 203,610	\$ 22,405	\$ 2,986,150	1.4%
ALASKA AIRLINES GROUP	\$ 1,258,290	\$ 983,370	\$ 107,300	\$ 281,808	\$ 259,876	\$ 89,360	\$ 2,980,004	1.4%
FAIRBANKS NORTH STAR BORO & SD	\$ 1,082,556	\$ 542,758	\$ -	\$ 59,552	\$ 151,557	\$ 21,254	\$ 1,857,678	0.9%
FRED MEYERS STORES/KROGER CO	\$ 906,279	\$ 306,894	\$ -	\$ 55,723	\$ 82,992	\$ 11,473	\$ 1,363,362	0.7%
COSTCO WHOLESALE	\$ 926,811	\$ 309,264	\$ -	\$ 7,847	\$ 82,440	\$ 11,037	\$ 1,337,399	0.6%
KENAI PENINSULA BORO & SD	\$ 800,268	\$ 282,840	\$ -	\$ -	\$ 76,968	\$ 8,667	\$ 1,168,743	0.6%
Total							\$ 43,118,875	

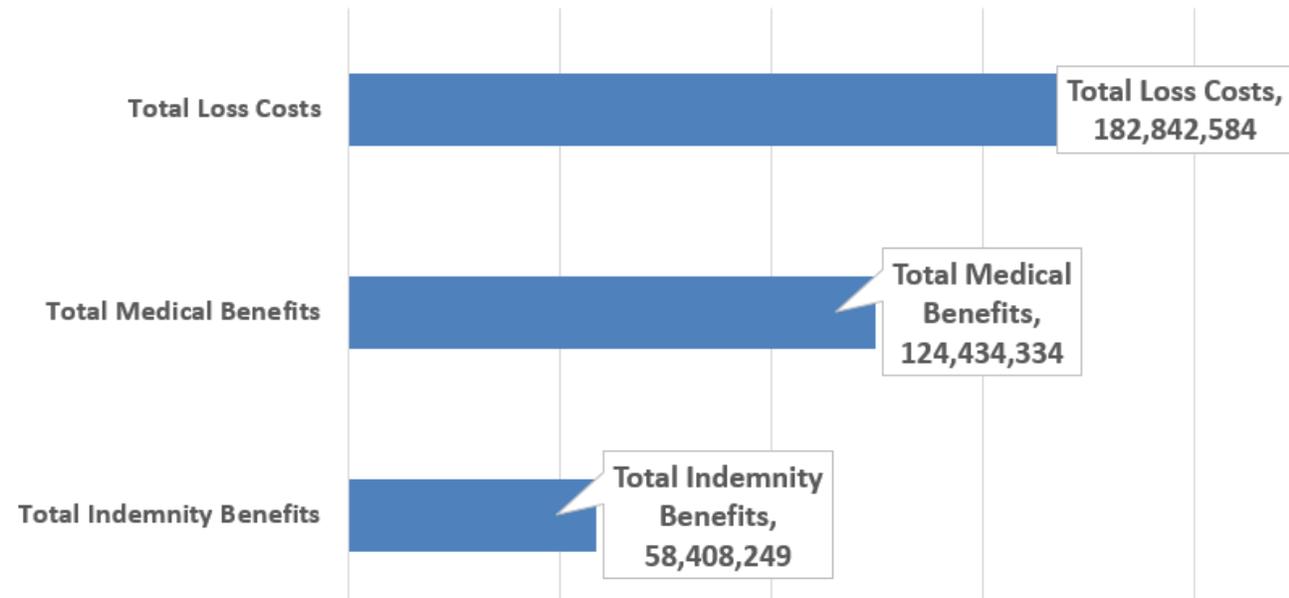


Loss Cost Distribution

Total loss costs were \$182.8 million in 2023 compared to \$173.9 million in 2022, an increase of 5.14%.

Indemnity loss costs were \$58.4 million in 2023 which was % 31.94 of total loss costs, compared to \$59.1 million in 2022, and 34% of total loss costs. Medical loss costs were \$124.4 million in 2023 which was 68.06% of total loss costs, compared to \$114.8 million in 2022, and 66.01% of total loss costs.

Year	Total Loss Costs	% Change
2023	\$182,842,584	5.14%
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%

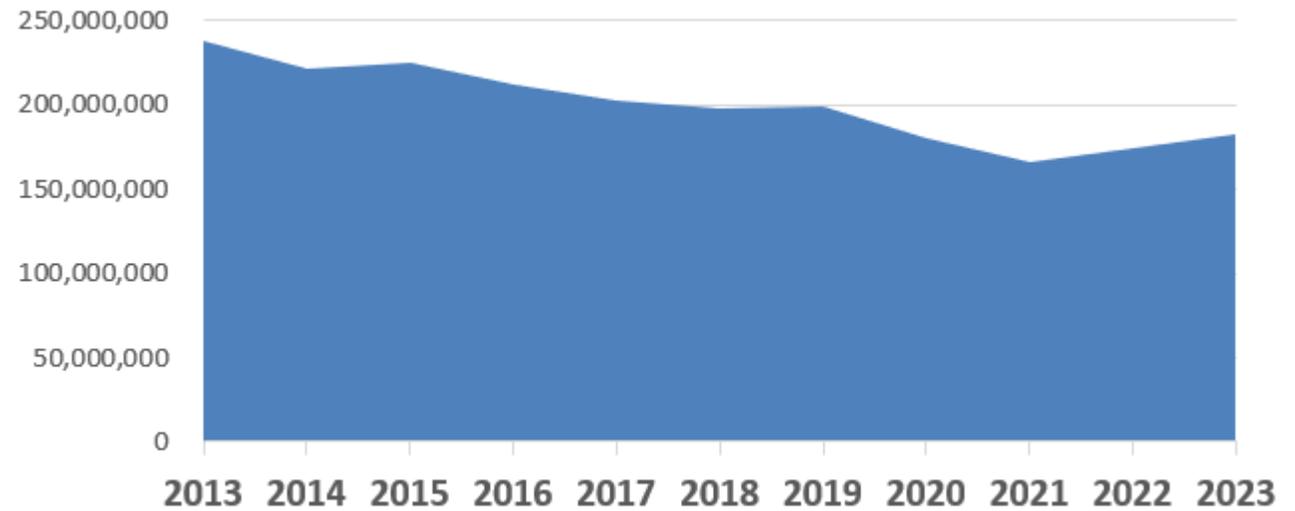


“Loss Costs” = medical and indemnity benefit costs only.



Loss Cost Distribution – 10-year Review

Year	Total Loss Costs	% Change
2023	\$182,842,584	5.14%
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	-7.0%
2013	\$237,559,679	0.97%



“Loss Costs” = medical and indemnity benefit costs only.



NCCI's Residual Market Management Summary 2023

- NCCI provides plan or pool services, including both reinsurance pools and direct assignment experience for 26 states.
- Total residual market calendar year 2023 premium was reported at \$1.1 billion representing a 5.3% market share. Lowest market share level since 2011.
- Similarly for the 21 states where NCCI is the Plan Administrator, calendar year 2023 residual market premium volumes continue to decrease.
- Premium volumes decreased from policy years 2015 to 2020, remained relatively flat for policy years 2021 and 2022, then continued to decrease in policy year 2023.

Courtesy of NCCI, Residual Market Management Summary 2023



Exhibit A

Written Premium#

All Pools Serviced by NCCI, as of December 31, 2023



Projected to Ultimate; Tennessee Reinsurance Mechanism premium is not included in policy years prior to 2016.

* Incomplete Policy Year.

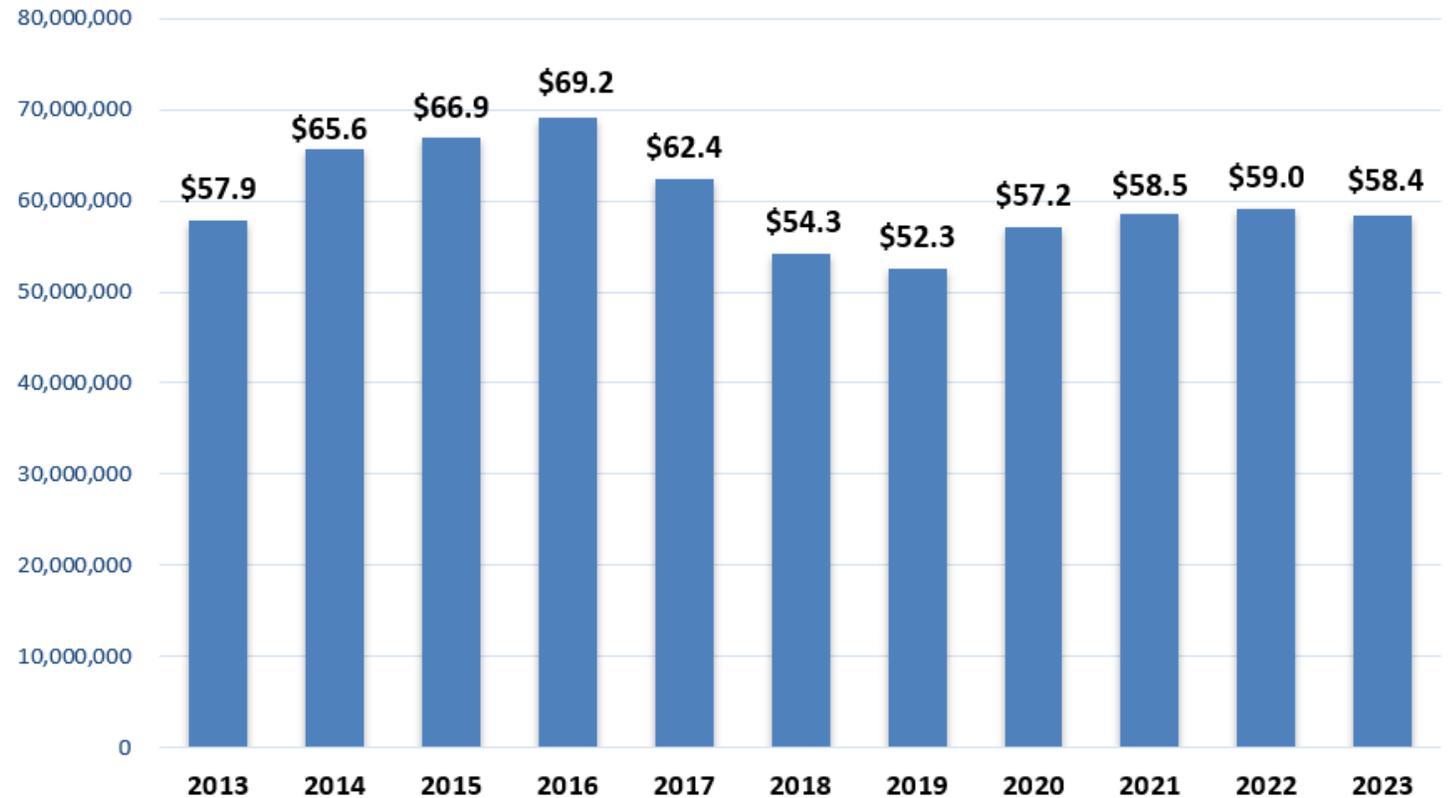
Courtesy of NCCI, Residual Market Management Summary 2023



Indemnity Benefit Payments

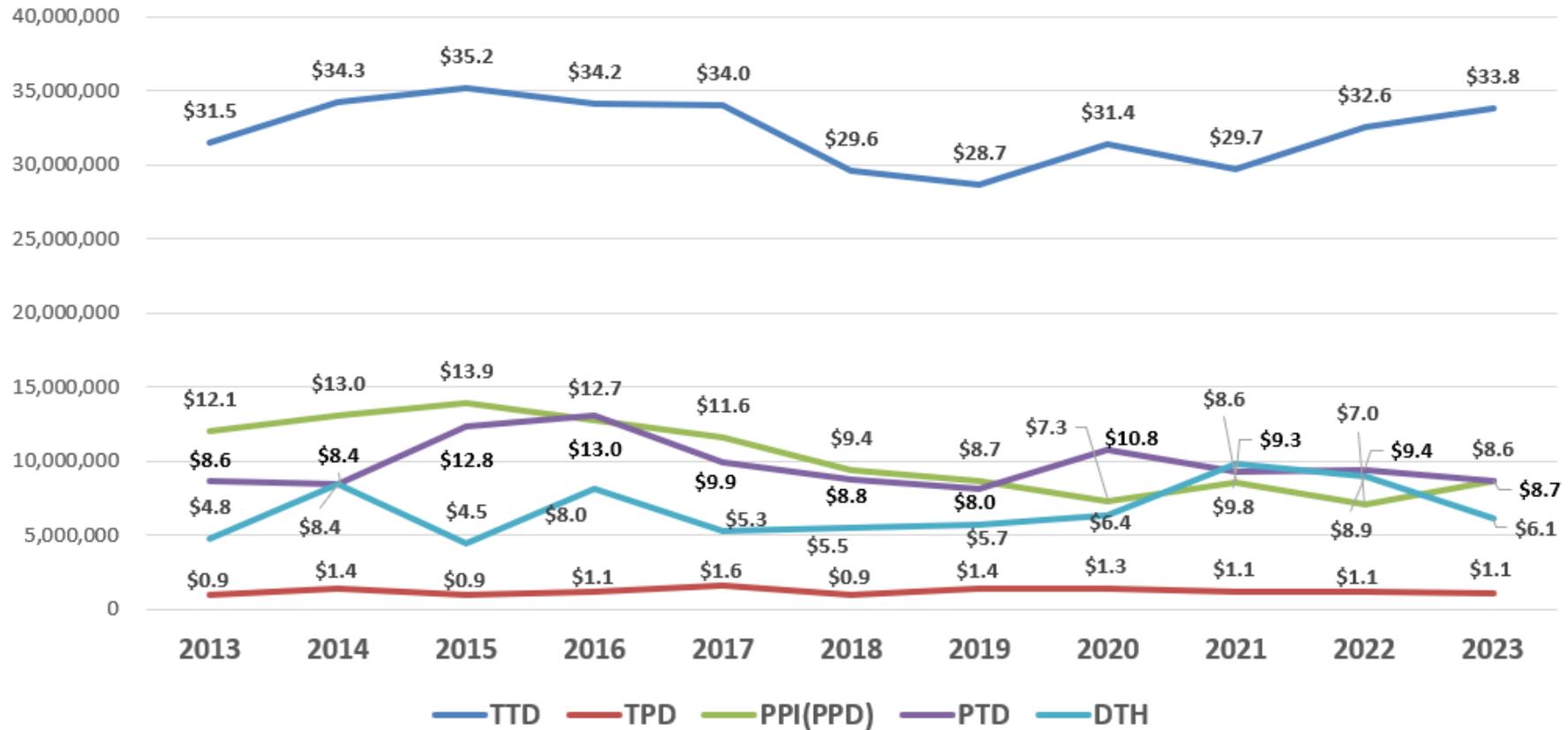
For calendar year 2021 indemnity benefits (TTD, TPD, PPI, PTD & Death Benefits) totaled \$58.4 million, a 1.17% decrease from \$59.1 million in 2022.

- TTD benefits totaled \$33.8 million in 2023, a 3.8% increase from \$32.6 million in 2022.
- TPD benefits totaled \$1.09 million in 2023, a 5.0% decrease from \$1.14 in 2022.
- PPI benefits totaled \$8.7 million in 2023, a 23.3% increase from \$7.0 million in 2022.
- PTD benefits totaled \$8.7 million in 2023, a 7.8% decrease from \$9.4 million in 2022.
- Death benefits totaled \$6.1 million in 2023, a 31.1% decrease from \$8.9 million in 2022.





Indemnity Benefit Payments Distribution and 10-Year Review

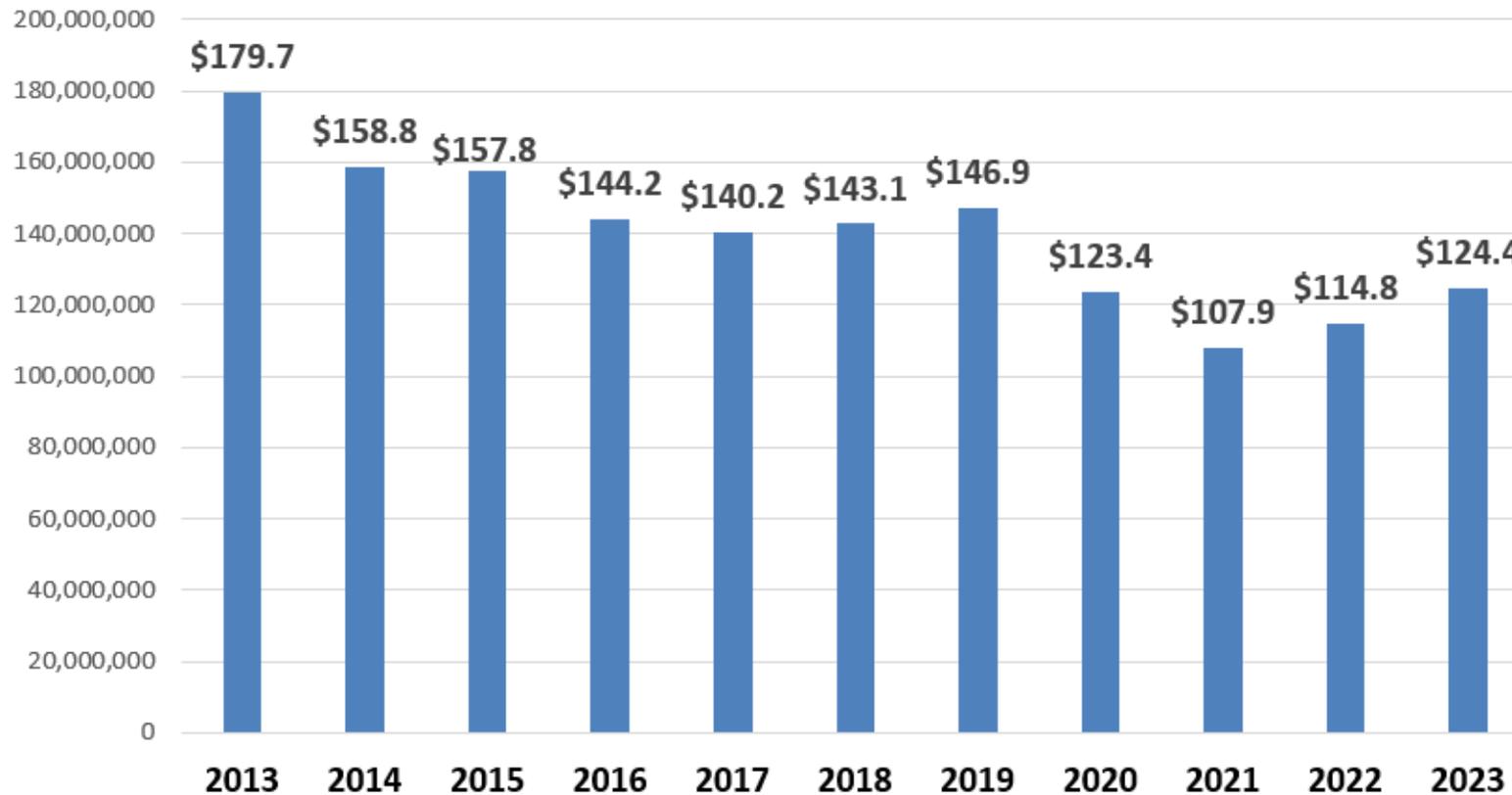




Medical Benefit Payments

In the calendar year 2023, medical benefits totaled \$124.4 million, an 8.4% increase from \$114.8 million in 2022.

Medical benefits were 60.34% of total benefits paid and 68.06% of loss costs in 2023, compared to 58.8% of total benefits paid and 66.01% of loss costs in 2022.





Legal Costs

For calendar year 2023, legal expenses totaled \$13.6 million, a 22.9% increase from \$11.1 million in 2022.

- Employee attorney fees were \$5.3 million in 2023, an 32.3% increase from \$4.0 million in 2021.
- Employer attorney fees were \$6.8 million in 2023, a 9.8% decrease from \$6.2 million in 2022.
- Litigation costs totaled \$1.6 in 2023, a 69.5% increase from \$0.9 million in 2022.
- Litigation costs include:
 - Total Expert Witness Fees
 - Total Court Reporter Fees
 - Total Private Investigator Fees

*Some Legal costs may have been previously reported under medical-legal claim expenses.

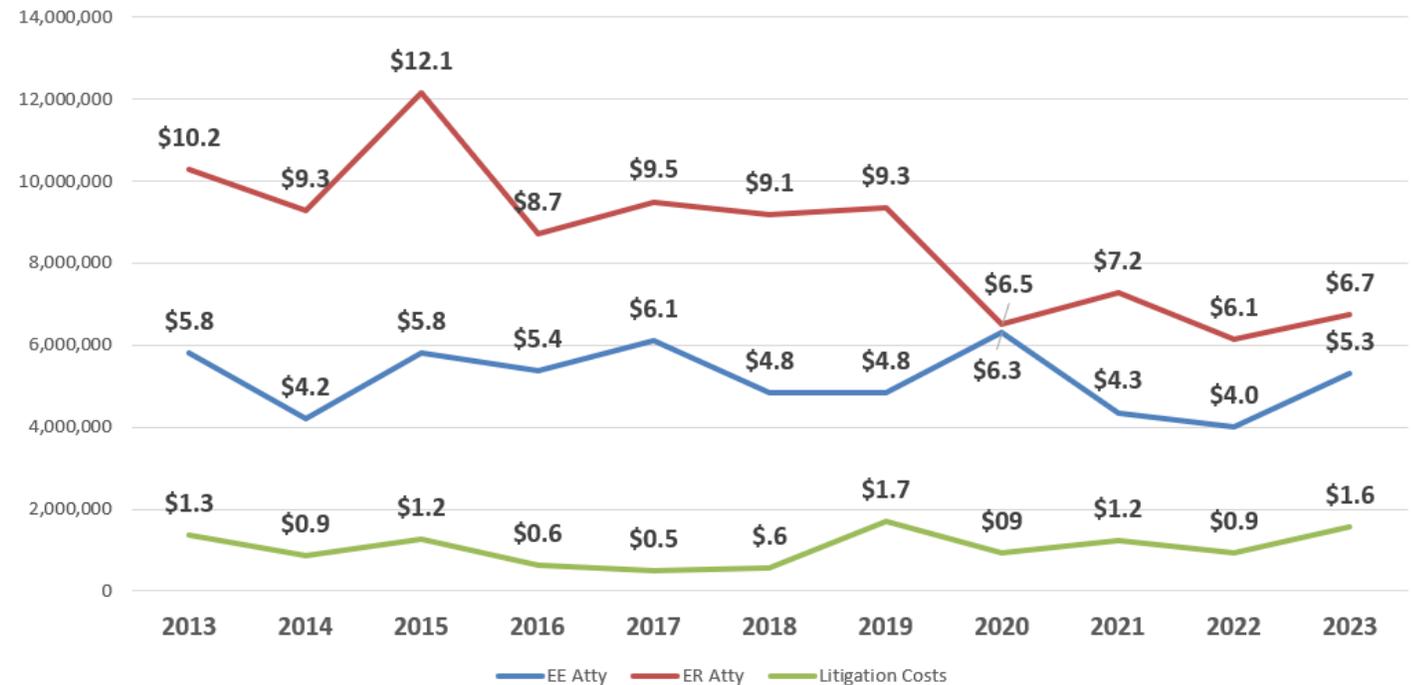




Legal Costs Payment Distribution

Legal Costs - 2023	Payment Amount	%
Employee Attorney	\$5,295,206	38.9
Employer Attorney	\$6,751,814	49.6%
Litigation	\$1,568,715	11.5%
Total	\$13,615,736	

- Litigation costs include:
 - Total Expert Witness Fees
 - Total Court Reporter Fees
 - Total Private Investigator Fees

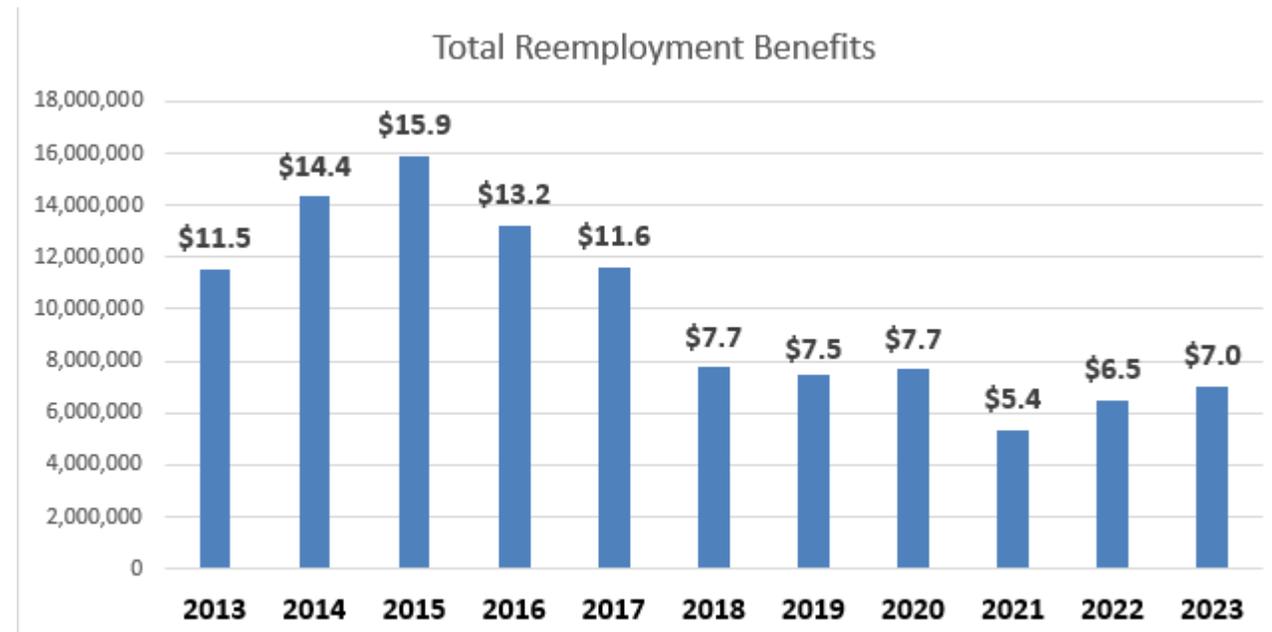




Reemployment Benefit Payments

Total reemployment benefit payments totaled \$7.0 million in 2023, an 8.6% increase from \$6.5 million in 2022.

- Rehabilitation benefit costs under AS 23.30.041(k) totaled \$3.1 million in 2023, a 24.4% increase from \$2.5 million in 2022.
- Rehabilitation benefit costs under AS 23.30.041(g) totaled \$1.3 million in 2023, an 24.5% decrease from \$1.7 in 2022.
- Employee evaluation costs totaled \$1.6 million in 2023, a 18.0% increase from \$1.4 million in 2022.
- Rehabilitation specialist fees/plan monitoring fees totaled \$615,759 in 2023, a 5.9% increase from \$581,264 in 2022.
- Plan development costs totaled \$435,966 in 2023, a 21.2% increase from \$359,799 in 2022.

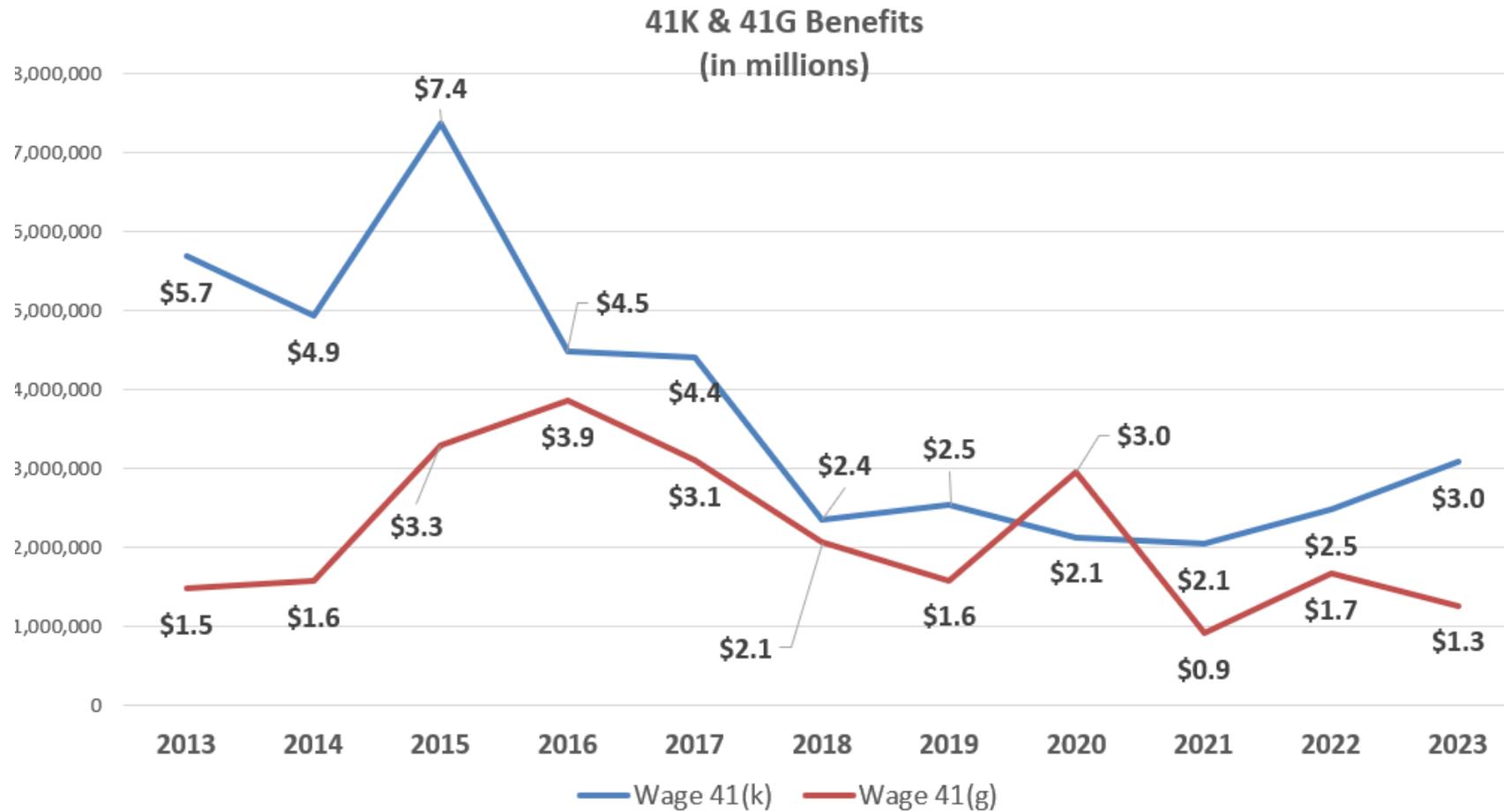


Note:

- .041(k) captures weekly scheduled payments only.
- .041(g) includes dislocation lump sum payments and .041(k) lump sum payments.

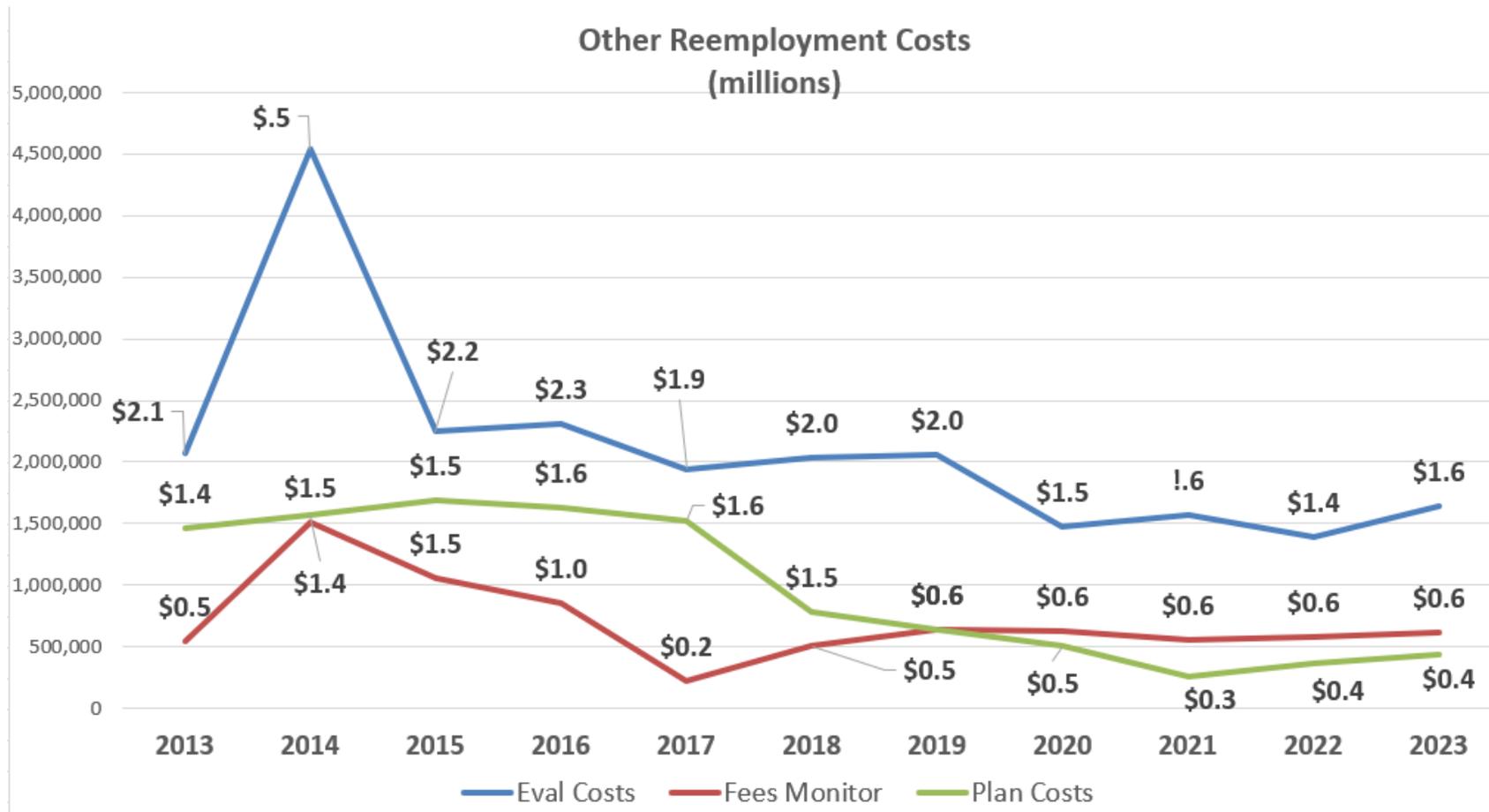


Reemployment Benefit Cost Distribution





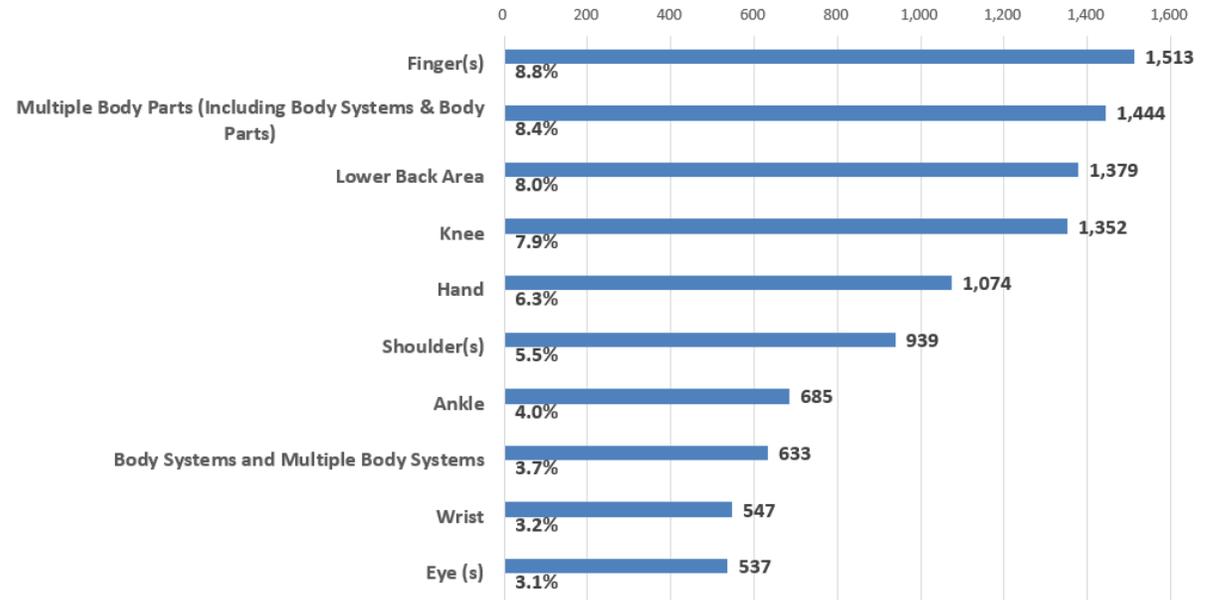
Reemployment Benefit Cost Distribution





Top Ten Injuries by Body Part

	Body Part Injured	Cases	%*
1.	Finger(s)	1,513	8.8%
2.	Multiple Body Parts (Including Body Systems & Body Parts)	1,444	8.4%
3.	Lower Back Area	1,379	8.0%
4.	Knee	1,352	7.9%
5.	Hand	1,074	6.3%
6.	Shoulder(s)	939	5.5%
7.	Ankle	685	4.0%
8.	Body Systems and Multiple Body Systems	633	3.7%
9.	Wrist	547	3.2%
10.	Eye (s)	537	3.1%
	Total	10,103	59.0%



*Percentage to total injury cases reported in 2023 of 17,135.



Alaska Injury Frequency

Year	Reported Injuries	Average Monthly Employment	Injury Frequency Rate
2023	17,135	307,926	5.6
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

In 2023, 17,135 injury cases were reported resulting in an Alaska injury frequency rate per 100 employees of 5.6%.

Based on Department of Labor & Workforce Development, Research and Analysis Section data of estimated statewide average monthly employment totaled 323,129 in 2023, compared to 313,765 in 2022, and 305,004 in 2021.

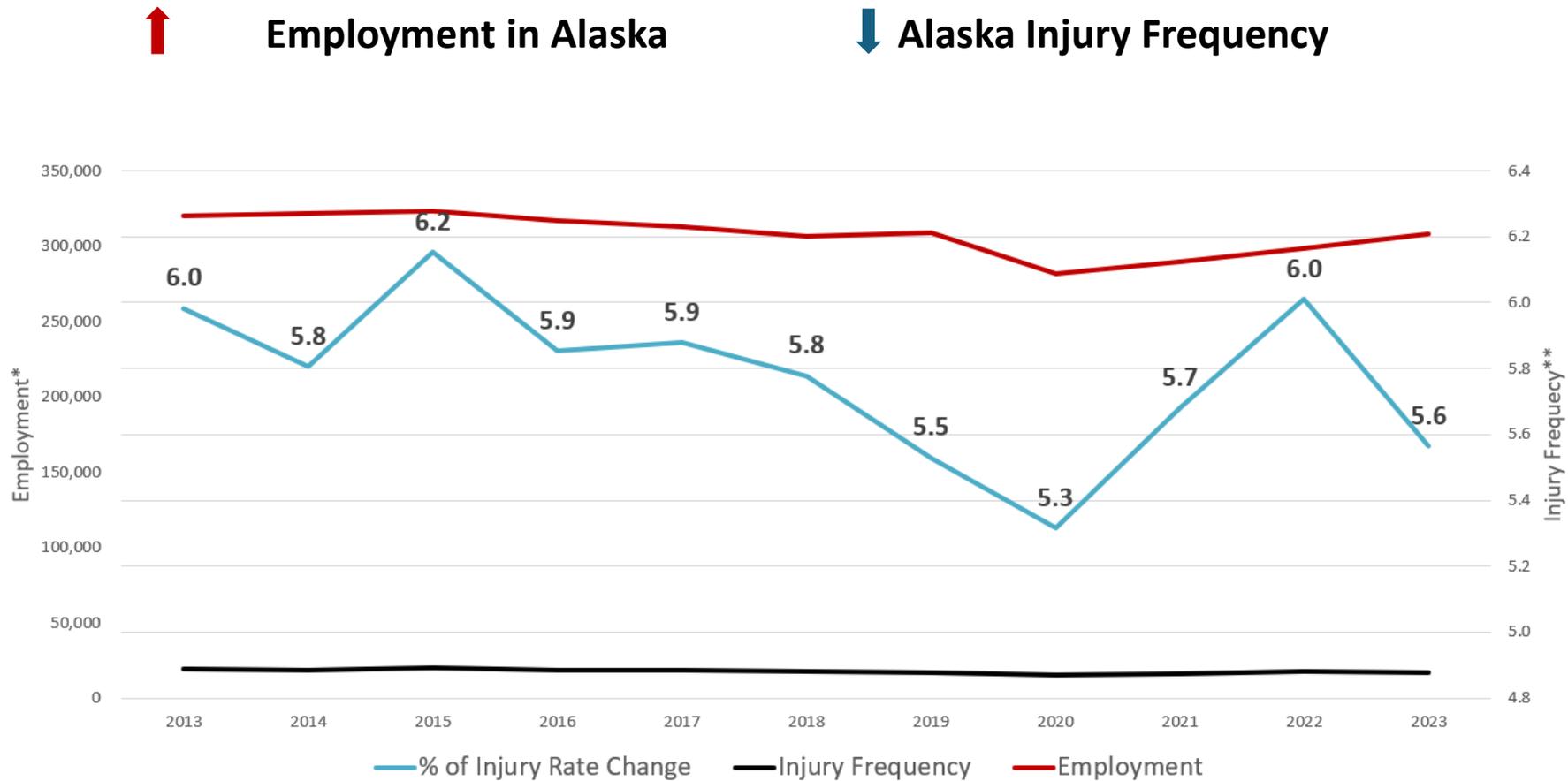
Excluding federal employees, the number of workers covered under the Alaska Workers' Compensation Act in 2023 was approximately 307,926, an 3.07% increase from 298,762 in 2022.

Reports of injuries decreased by 4.6% in 2023, from 17,956 reported cases in 2022 to 17,135 reported cases in 2023.

Injury frequency rate = Reported Cases of Injury/ Statewide Average Monthly Employment (less Federal wages)*100.



Alaska Injury Frequency

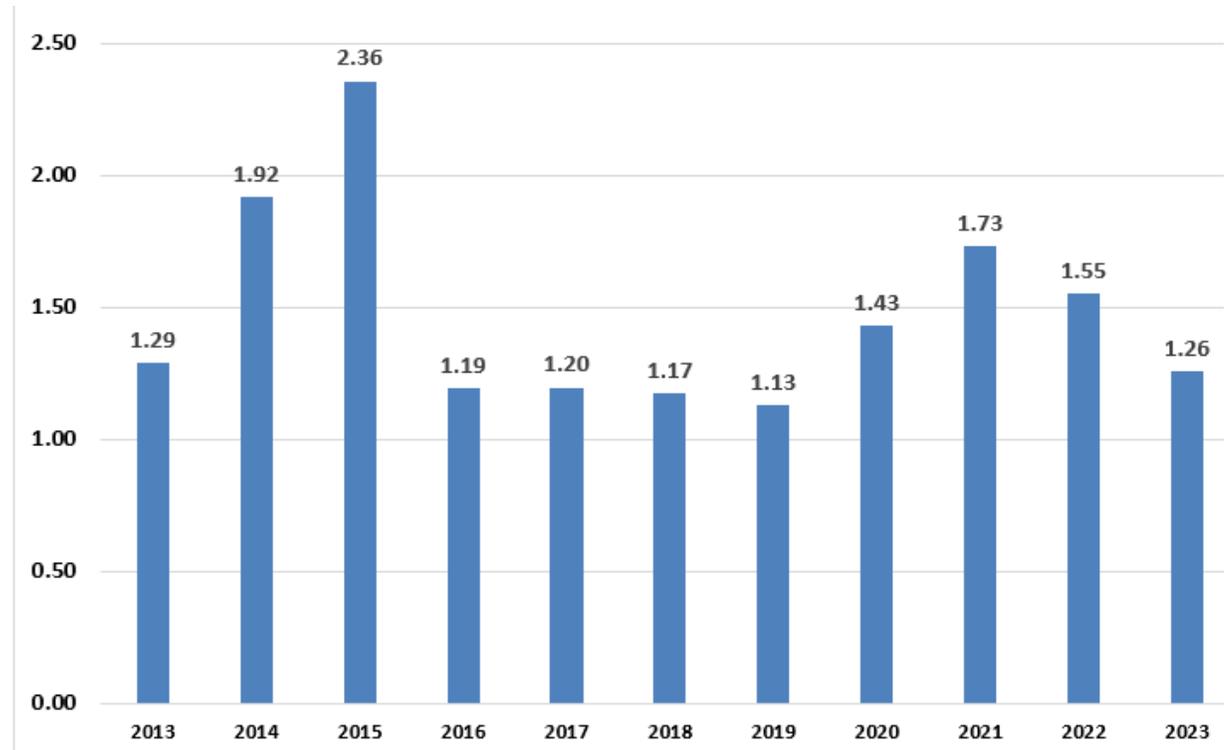




Time Loss Rate

The time loss rate per 100 employees in 2023 was 1.26, a 19.1% decrease from a time loss rate of 1.55 in 2022.

Year	Alaska Average Employment	Time Loss Cases	Rate
2023	307,926	3,867	1.26
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	3,589	1.17
2017	312,886	3,670	1.20
2016	316,979	3,711	1.19
2015	323,619	7,467	2.36
2014	321,874	6,046	1.92
2013	319,893	4,036	1.29



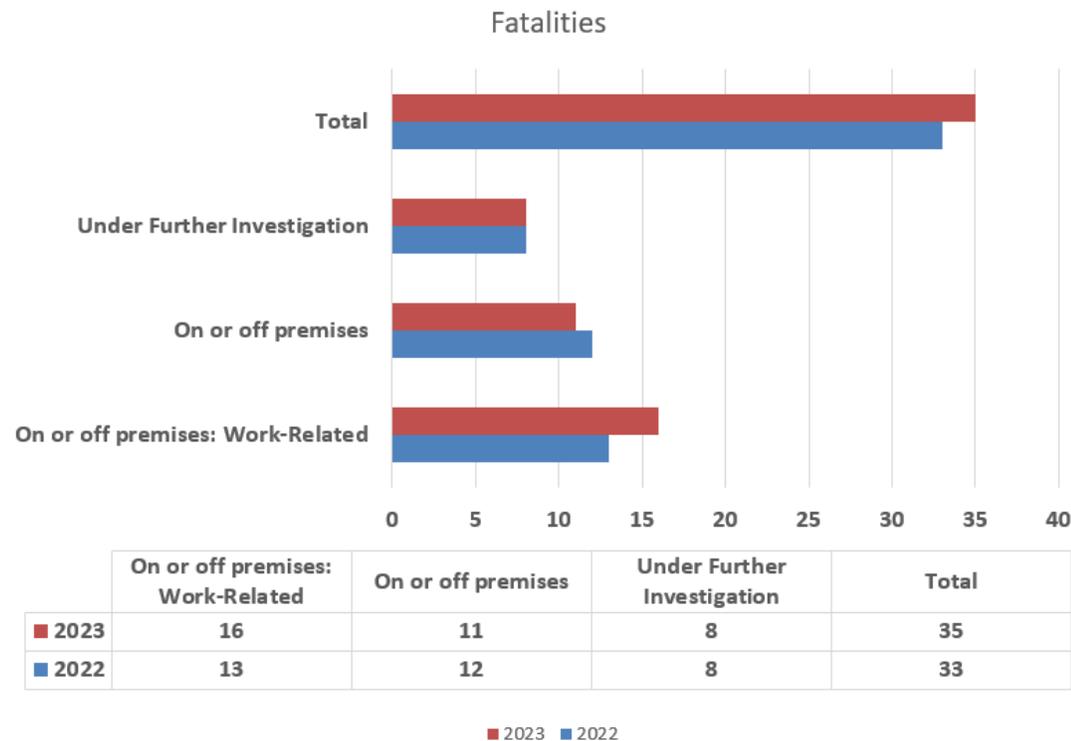
Time Loss Rate Formula:

Reported Time Loss claims divided by the average Alaska wage times 100.



Workplace Fatalities and Workplace Fatalities as a Result of Injury

Each year, a small number of workplace accidents result in the tragic death of workers. The number of workplace fatalities was computed using data submitted by trading partners through initial electronic data submissions to the agency.



Accident/Injury Description	Top 20 Causes
Found Unresponsive	8
Crash of Airplane/Helicopter	6
Person in Act of a Crime	3
Motor Vehicle Accident	3

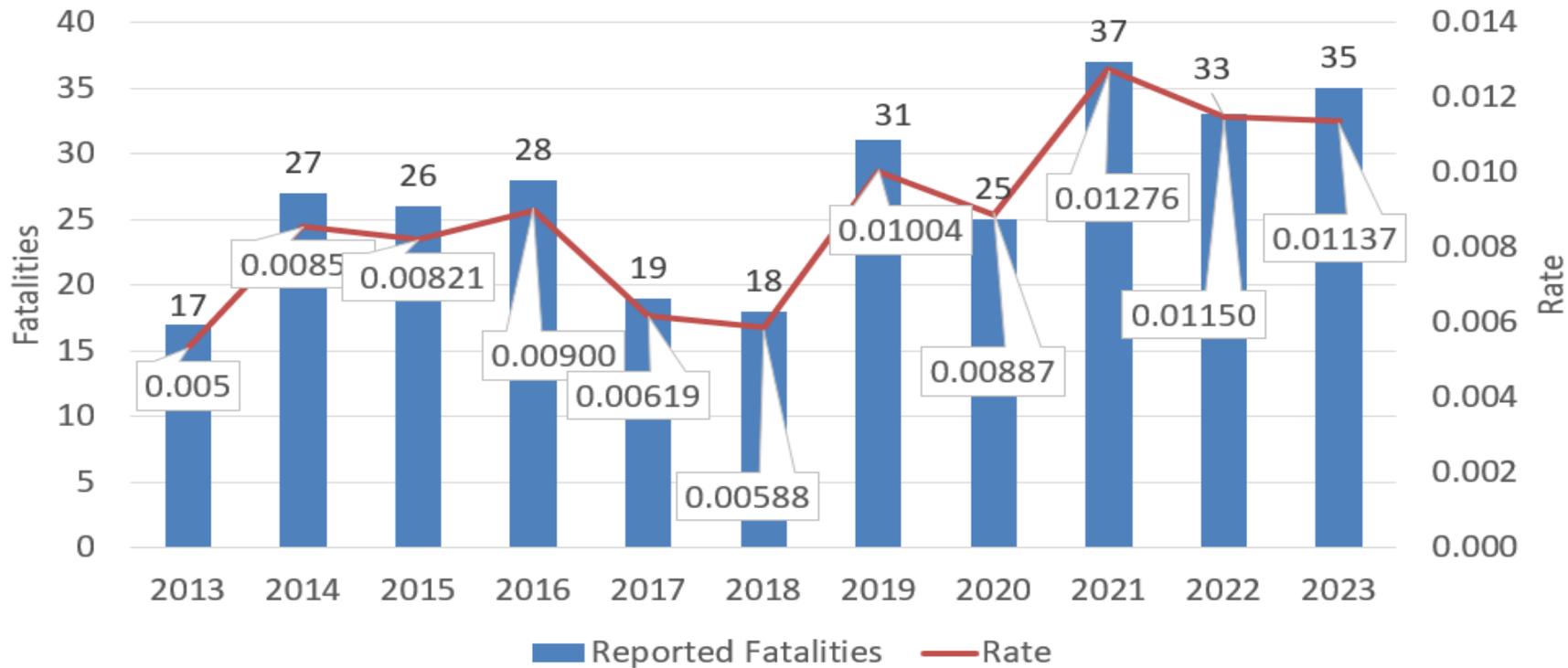
Revisions may occur after further FROI/SROI investigations with trading partners.



Fatality Rate

$$\text{Fatality Rate} = \text{Fatalities} / (\text{average Alaska employment wage less Federal wages}) * 100$$

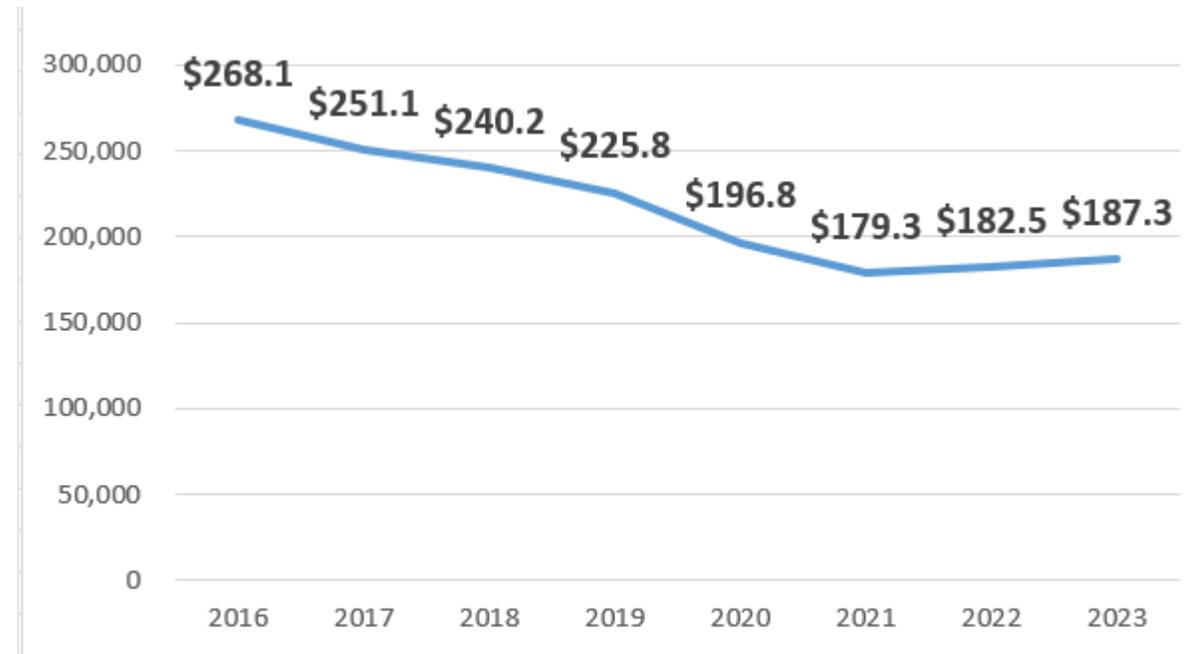
There were 35 workplace fatalities reported in 2023, a 6.1% increase from 33 fatalities reported in 2022. The fatality rate per 100 employees in 2023 was 0.01137, a 2.9% increase from 0.01105 in 2022.





Direct Written Premiums

Calendar Year	Direct Written Premiums * (000s)
2023	\$187,269
2022	\$182,520
2021	\$179,252
2020	\$196,813
2019	\$225,779
2018	\$240,150
2017	\$251,110
2016	\$268,052



*Based on The Division of Insurance calendar year reconciliation reports for Workers' Compensation Service Fee collection.



Legislation

Passed Regulations

2023, May 12, effective date 6/11/2023

- Procedures
- 8 AAC 45.025. Amended. Forms.
- 8 AAC 45.040. Amended. Parties.
- 8 AAC 45.050. Amended. Pleadings. Claims and Petitions.
- 8 AAC 45.070. Amended. Hearings. Venue.
- 8 AAC 45.072. Amended. Venue.

2023, October 30, effective date 11/29/2023

- Rehabilitation Specialists
 - 8 AAC 45.410. Amended.
 - 8 AAC 45.420. Amended.
 - 8 AAC 45.435. Amended and new section added. Review of rehabilitation specialists.
 - 8 AAC 45.440. Repealed and readopted. Removal of rehabilitation specialists.
 - 8 AAC 45.500. Amended.



Legislation

Passed Regulations

2023, November 9, effective date 01/01/2024

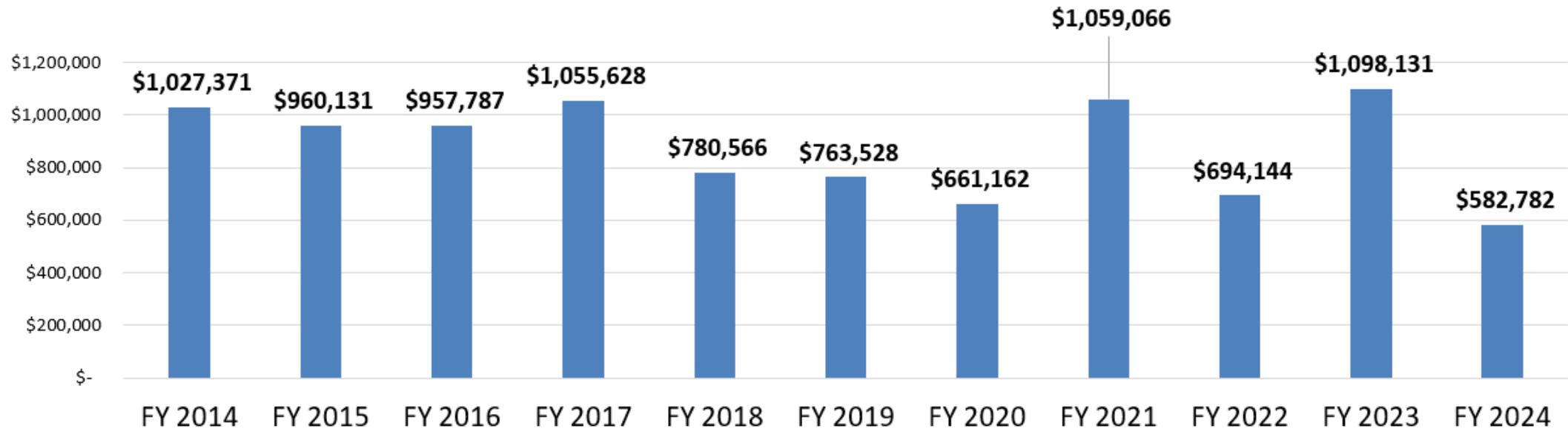
- 8 AAC 45.083(a)(m). Fees for Medical Treatment.



Alaska Workers' Compensation Benefits Guaranty Fund

Revenues

For FY 2023, total revenues generated by collections activity decreased by 34%, or \$293,251, from \$860,986 in FY2023 to \$567,735 in FY2024. FY2024 revenues consisted of \$15,047 in financial adjustments. FY2023 revenues consisted of adjustments of \$237,144 that includes a supplemental increase of \$221,400 to the grant benefit line increasing revenues of \$1.1 million.

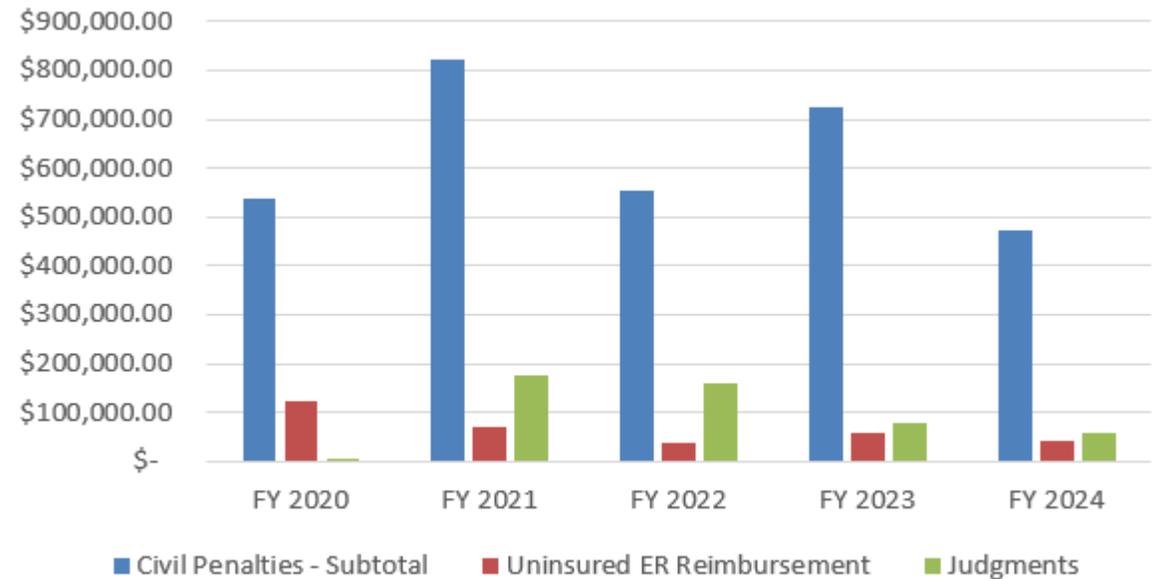




Alaska Workers' Compensation Benefits Guaranty Fund

Revenues – Before Adjustments

Fiscal Year	Revenue
FY 2024	\$567,735
FY 2023	\$860,986
FY 2022	\$750,436
FY 2021	\$1,068,508
FY 2020	\$666,844





Alaska Workers' Compensation Benefits Guaranty Fund

Revenues Distribution by Type with Adjustments

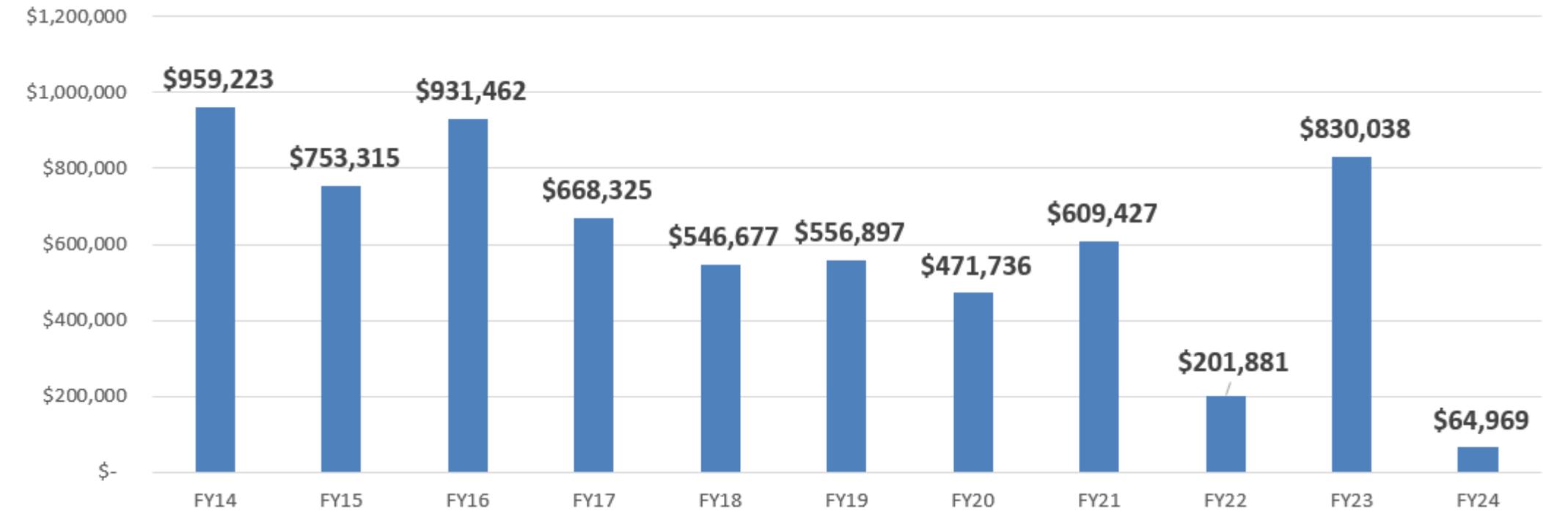
Fiscal Year	2021	2022	2023	2024
Civil Penalty - Stipulation	\$179,460	\$143,730	\$104,451	\$56,787
Civil Penalty - Settlement	\$464,936	\$335,200	\$593,388	\$280,211
Civil Penalty – D&O	\$177,231	\$73,952	\$27,157	\$134,724
Uninsured Employer Reimbursements (scheduled payments)	\$70,317	\$36,729	\$58,105	\$40,200
Judgments	\$176,564	\$160,825	\$77,886	\$55,813
Less Adjustments: Investment - income/loss, NSF's, Refunds	\$(9,442)	\$(56,291)	\$237,144*	\$15,047
Total Revenues	\$1,059,066	\$694,144	\$1,098,130	\$582,782
% from Civil Penalties – Before Adjustments	77%	74%	84%	83%
% from Uninsured Employer Reimbursements – Before Adjustments	7%	5%	7%	7%
% from Judgements – Before Adjustments	17%	21%	9%	10%

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



Alaska Workers' Compensation Benefits Guaranty Fund

Total Fund Expenditures



*In Fiscal Year 2023, The Fund began paying PTD benefits to an injured worker for a 2012 claim filing.



Alaska Workers' Compensation Benefits Guaranty Fund

Fund Expenditures Distribution by Type – Employee Benefits

Fiscal Year Expenditure Details	2019	2020	2021	2022	2023	2024
<i># of Employees Receiving Benefits</i>	6	8	11	5	8	5
<i>Benefit Payments by Type</i>						
Indemnity Costs	\$56,525	\$40,356	\$97,111	\$17,264	\$293,316	\$34,168
Medical Costs	\$244,681	\$120,066	\$169,215	\$13,815	\$163,728	\$28,926
Reemployment Costs	\$55,621	\$14,089	\$4,542	\$22,237	\$14,778	\$1,875
Employee Legal Costs	\$9,856	\$61,578	\$82,343	\$0.00	\$169,456	\$0.00
Total EE Benefits	\$336,684	\$236,088	\$362,257	\$62,642	\$728,741	\$64,969
<i>Administration Costs</i>	\$190,298	\$235,648	\$247,170	\$139,239	\$184,739	\$181,682
Total Expenses	\$556,897	\$471,736	\$609,427	\$201,881	\$830,039*	\$246,652
% of Benefit Payments to Total Costs	65.8%	50%	59%	31%	88%	26%
% of Admin. Costs to Total Costs	34.1%	50%	41%	69%	22%	74%

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

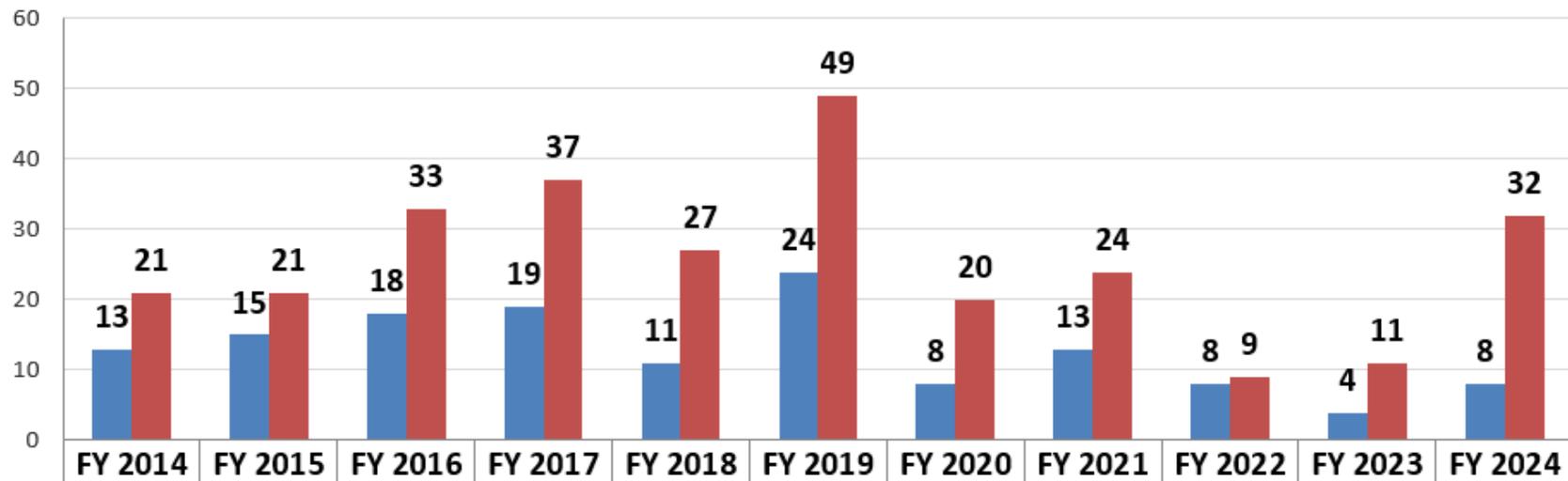


Alaska Workers' Compensation Benefits Guaranty Fund

In FY 2024, there were 8 claims for benefits filed against the fund compared to 4 claim filings against the fund in FY 2023.

In FY 2024, there were 32 reports of uninsured injuries, this compares to 11 reports of uninsured injuries in FY 2023.

Claims Filed Against the Fund & Reported Uninsured Injuries



No of Claims Filed Against Fund	13	15	18	19	11	24	8	13	8	4	8
Reported Uninsured Injuries	21	21	33	37	27	49	20	24	9	11	32



Alaska Workers' Compensation Benefits Guaranty Fund

Potential Liability Expenses for Open and Pending Claims Only

Report reflects potential liability for open & pending claims.

1. Fund paying death benefits.
2. Fund paying one award of PTD benefits.
3. Active litigation, possible PTD benefits on one claim.

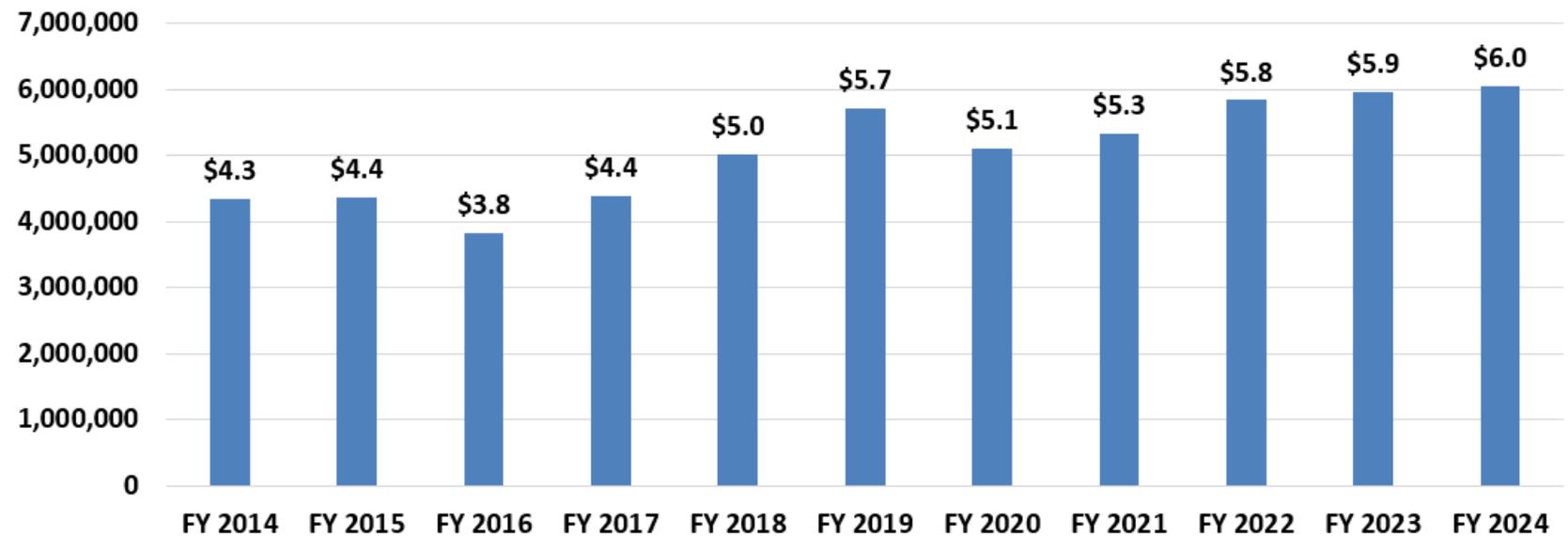
Fiscal Year	Liability	Paid by Fund	Potential Liability (reserve)	Open/ Pending	Closed / Inactive
FY 2010 ₁	\$ 482,000	\$ 256,887	\$ 225,113	1	13
FY 2012 ₂	\$ 2,523,300	\$ 1,399,398	\$ 1,123,903	1	32
FY 2020 ₃	\$ 350,000	\$ 8,949	\$ 341,051	1	7
FY 2021	\$ 350,000	\$ 1,495	\$ 348,505	1	12
FY 2022	\$ 145,000	\$ 10,789	\$ 134,211	7	1
FY 2023	\$ 1,092,500	\$ -	\$ 1,092,500	4	0
FY 2024	\$ 1,010,000	\$ -	\$ 1,010,000	6	2
Total	\$ 5,952,800	\$ 1,677,517	\$ 4,275,284	21	67



Second Injury Fund Fund Balance

Fiscal Year	Balance
2024	\$6,048,876
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

Second Injury Fund balance increased by \$97,839 in FY2023, a 1.6% increase from \$5.95 million to \$6.05 million.





Second Injury Fund Revenues

Fiscal Year	Revenues
2024	\$1,999,079
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

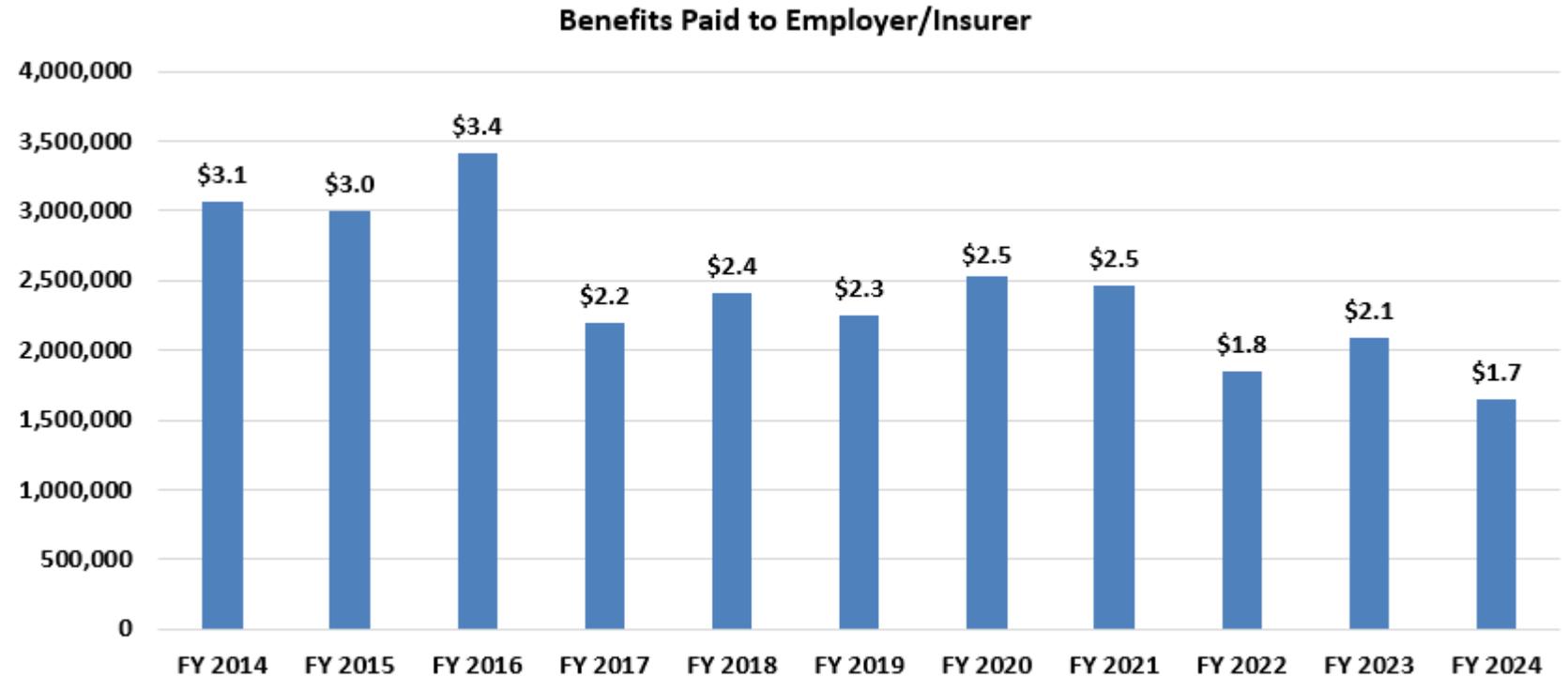
Second Injury Fund revenues decreased by \$457,001 in FY2024, an 18.6% decrease from \$2.5 million to \$1.9 million.





Second Injury Fund Claim Data

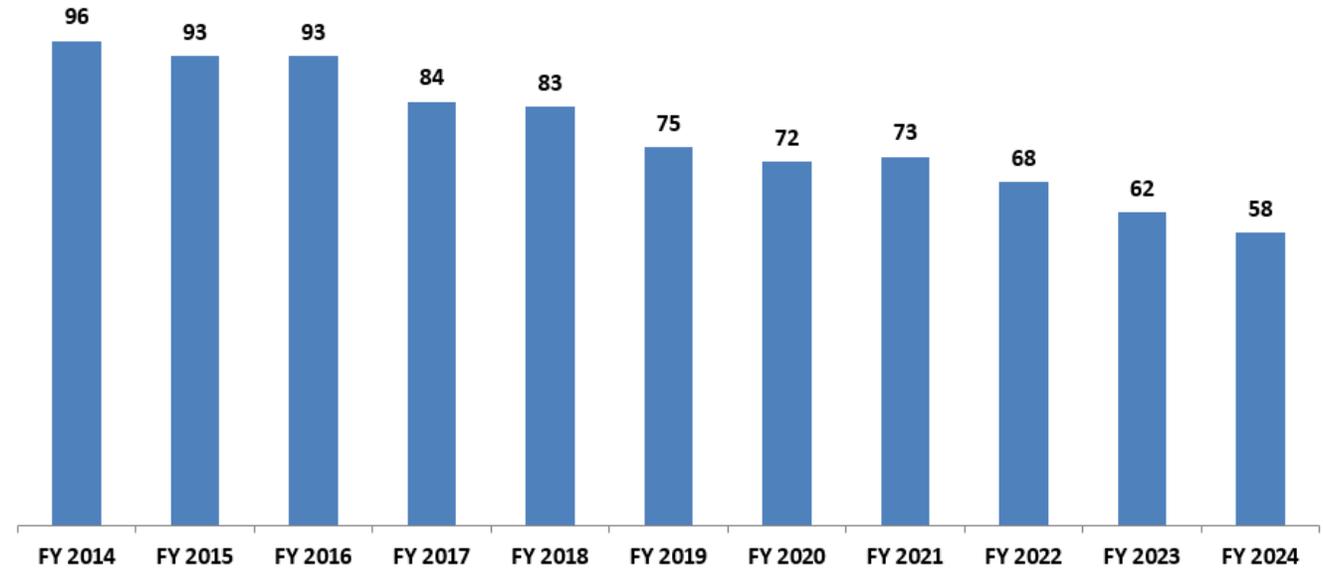
Fiscal Year	Grant Payments
2024	\$1,650,008
2023	\$2,093,519
2022	\$1,845,461
2021	\$2,467,064
2020	\$2,526,796
2019	\$2,256,245
2018	\$2,408,649
2017	\$2,195,316
2016	\$3,412,273
2015	\$3,001,912
2014	\$3,064,978





Second Injury Fund Claim Data

Ongoing Claims



At the start of FY 2024, there were 58 on going claims. Benefits were paid on 56 claims.

Closed Claims:
Death of Employee: 2
Settlement Liquidations: 2



Second Injury Fund Claim Data

Top Ten Reimbursement Recipients

Rank	Market Insurer/Self-Insurer	Amount	# of Open Claims
1.	Municipality of Anchorage	\$ 239,604*	4
2.	State of Alaska	\$ 165,684	8
3.	Indemnity Insurance Co of NA	\$ 130,000*	1
4.	Alaska National Insurance	\$ 105,287	6
5.	Alaska Timber Insurance Exchange	\$ 94,547	7
6.	Arctic Slope Regional Corporations	\$ 91,330	2
7.	Ace American Insurance Co	\$ 89,257	3
8.	National Union Fire Insurance Co	\$ 69,780	2
9.	Commerce & Industry Insurance Co	\$ 67,944	2
10.	Anchorage School District	\$ 59,295	3
	Total	\$1,112,728	38

Benefits Paid to Market Insurer or Self-Insured Employer

Of the \$1.6 payments for FY 2024, the top ten employer/insurer reimbursement payments totaled \$1.1 million compared to \$1.6 million of the \$2.0 million total payments in FY 2023.

*Compromise and Release settlements to liquidate claim.

- MOA – One claim for \$92,500
- Indemnity Insurance Co of NA – One claim for \$130,000

Total Reimbursement Recipients by Type

#	Type	Amount	% of Total
35	Market Insurer	\$879,263	60.3%
23	Self-Insureds	\$770,745	39.7
	Total	\$1,650,008	



REEMPLOYMENT BENEFITS ANNUAL REPORT Calendar Year 2023

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



2023 By the Numbers



- 601 injured workers were referred for evaluations for eligibility for reemployment benefits.
- 1300 eligibility evaluation reports were reviewed.
- 153 suspension letters were issued.
- 566 eligibility determinations were made.
- 73 injured workers were found eligible for reemployment benefits.
- 25 injured workers elected to receive a job dislocation benefit.



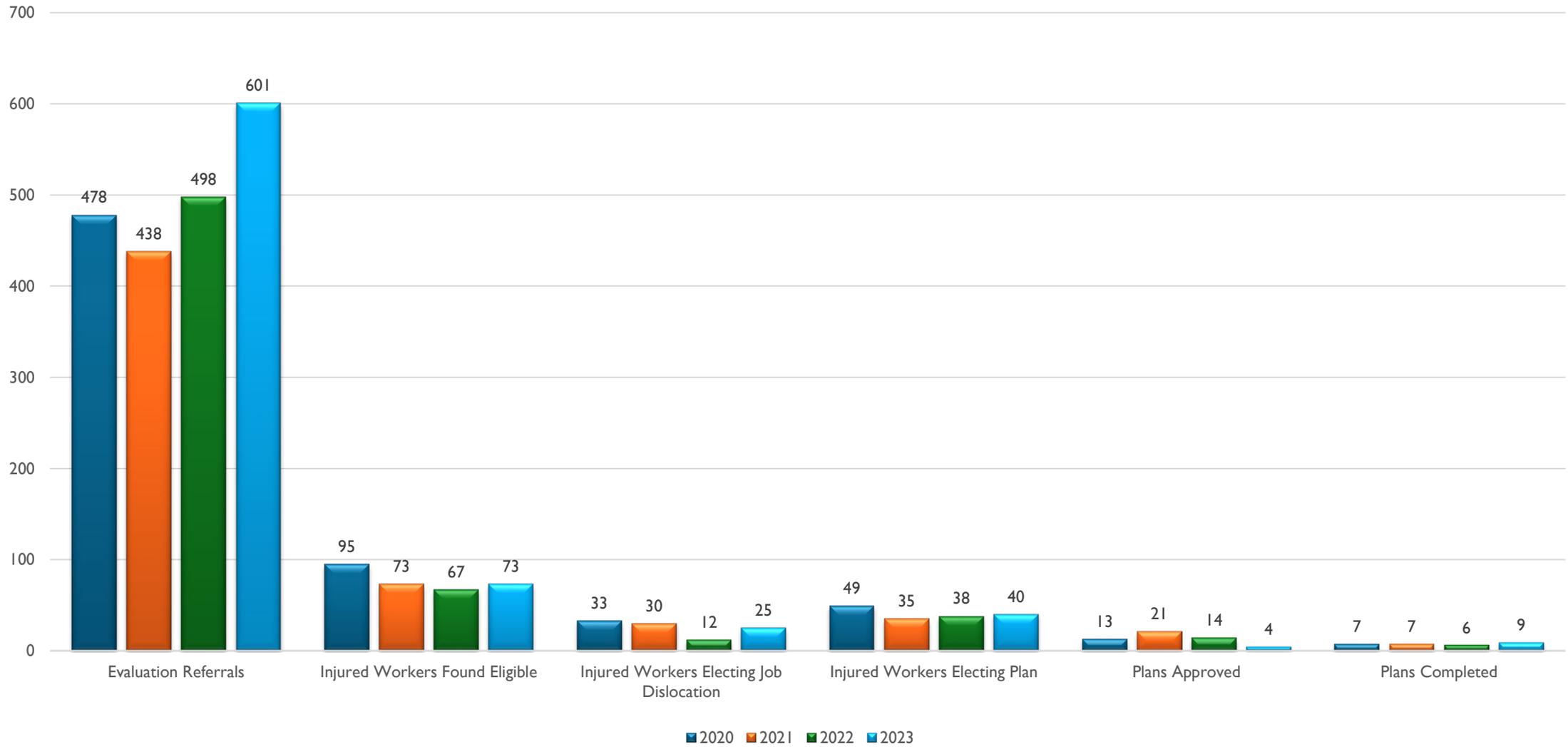
2023 By the Numbers, cont.



- 40 elected to pursue reemployment benefits.
- 30 reemployment plans were submitted.
- 4 plans were signed by all parties and moved forward as agreed upon plans.
- 5 plan reviews were completed.
- 7 informal rehabilitation conferences were held to assist the parties in moving forward with reemployment benefits.
- 9 injured workers completed reemployment plans.
 - start dates of completed plans range from 1/11/2021 – 8/1/2022



2023 By the Numbers, cont.





Reemployment Benefit Plans



- 104 injured workers were in the plan process at some point during 2023.
- 36 injured workers were referred for plan development in 2023.
- 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.
- 24 injured workers were in plan development and 20 plans were pending approval at year end.
- 9 injured workers successfully completed plans with an average plan length of 17 months from plan approval to plan completion.



Reemployment Benefit Plans, cont.



- 45 plans were stalled or exited for various reasons.
 - 3 injured workers' plan process was medically suspended.
 - 32 injured workers exited through a Compromise and Release agreement.
 - 7 plans were controverted or a petition to terminate reemployment benefits was filed.
 - 3 plan processes were halted because the injured worker was non-participatory.



Outcomes for Workers Completing Plans



- The Reemployment Benefits Section attempted to contact 22 injured workers that had completed plans between 2021 and 2023.
- 4 injured workers responded.
- 2 injured workers had returned to the workforce.
- 2 injured workers reported they had not returned to work.
 - 1 reported they were medically disabled
 - 1 reported they are continuing their education



Reemployment Benefit Costs



	2021	2022	2023
Evaluation Costs	\$1,573,099	\$1,394,704	\$1,646,132
Reemployment Specialist Plan Fees	\$555,366	\$581,264	\$615,758
Plan Costs	\$263,607	\$359,799	\$435,966
Wage Benefits (AS 23.30.041(k))	\$2,053,267	\$2,479,056	\$3,083,339
Job Dislocation Benefits (AS 23.30.041(g))	\$917,890	\$1,674,193	\$1,264,092
TOTALS	\$5,359,016	\$6,489,016	\$7,045,287
% Change	-38.85%	19.07%	8.22%



Reemployment Benefits in Settlements



Impact of settlements on reemployment benefits in 2023

- 47 injured workers exited the reemployment benefits process through Compromise and Release agreements during the reemployment benefits process.
- 50 injured workers had funds designated for reemployment benefits included in settlements approved in 2023, increasing reemployment benefit costs.
 - 29 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.
- 43 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 470 referrals for eligibility evaluations; 125 evaluations were referred to 38 specialists out of state.
- For Alaska Based Specialists:
 - 377 or 80% of the first reports were submitted within 60 days of the referral.
 - 194 or 41% of the evaluations were completed on the first report submission.
 - 306 or 65% of the evaluations were completed prior to a suspension letter from a Reemployment Benefits Administrator Designee.
 - 321 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 2023 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 1 st reports	# 90 day gaps in reporting	# reports not meeting stat/reg	Median # days to determ
L. Cortis	22	50	45%	23%	0	5	70
J. Cranston	23	29	43%	4%	0	39	82
K. Davis	21	41	57%	19%	0	17	64
J. Doerner	35	31	71%	2%	0	2	41
R. Hoover	38	29	71%	5%	7	2	29
T. Hutto	35	34	62%	29%	1	16	34
N. Kates (Richardson)	38	40	84%	13%	0	20	40
S. Krier	36	27	78%	2%	0	24	39



Alaska Rehabilitation Specialist Performance 2023 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 1 st reports	# 90 day gaps in reporting	# reports not meeting stat/reg	Median # days to determ
D. LaBrosse	36	37	46%	19%	0	56	71
C. Robbins	38	39	97%	30%	3	12	35
B. Roberts	27	55	45%	44%	0	64	73
F. Sakata	36	53	56%	36%	4	35	55
J. Shipman	21	24	81%	0%	0	0	29
N. Silta	20	27	65%	0%	0	7	34
P. Vargas	41	55	80%	51%	8	22	43



SPECIAL INVESTIGATION UNIT ANNUAL REPORT

Michele Wall-Rood
Chief Investigator



Mission and Core Values



- **SIU – Dedicated, Responsible, Diligent, and Resilient**
- **Mission Statement:** The SIU is dedicated to enforcing compliance with the Alaska Workers' Compensation Act. The SIU conducts thorough and fair fraud investigations, holds violators accountable, and strives to prevent uninsured injuries through proactive public education.
- **Core Values:**
 - **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.
 - **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 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 (Quantity, not Quality)
 - Recruited Investigator 2 and a WC Technician (2 PCNs)
 - Recruiting Issues



Achievements



- 61 Settlements, Five 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, Municipality of Anchorage Development Services, and the 42nd Annual Governor's Safety Conference
- 485 FTI Investigations worked – 380 Opened/313 Closed



Fraud Hotline and Email Tips



	FY2022	FY2023	FY2024	YTD 1st Quarter FY2024 (7/1/2024 -9/30/2024)
Total Fraud Tip Calls and Emails	116	152	105	33
Claimant/Injured Worker Tips	18	19	16	1
Employer Tips	41	73	25	1
Care Providers	2	2	0	2
Attorneys/Non-Attorney Reps	1	1	1	0
Insurance Companies/Agents	2	3	6	0
Fish Fund Claimants	0	0	0	0
Law Enforcement Agency Assist Requests	51	52	57	28
Other/Non-Related	1	2	0	0



Failure to Insure Fraud Investigations



ACTIVITY	FY2022	FY2023	FY2024	Year-to-Date First Quarter FY2024
Pending Cases Carried Forward	87	105	107	175
New Cases Opened	254	388	380	118
Cases Closed	257	386	313	129
Total Cases Worked	363	493	487	127
Petitions	101	114	95	25
Pre-Hearings Attended	116	125	124	34
Compliance Reviews	350	307	420	59
Compliance Checks	n/a	2359	4200	1050
Public Inquiries	254	259	332	114
Formal Hearings	5	4	5	4
Stop Work Orders	1	1	5	0
Warning Letters	43	44	37	18
Investigation Only	125	205	197	73
Settlements Paid in Full	59	112	58	21
Settlements with Payment Plans	11	3	3	5
Percentage Closed in 6 Months	76.65% (197 of 257)	83% (321 of 386)	77.036% (242 of 313)	82.17% (106 of 129)
Total Penalties	\$4,535,255	\$1,081,037.96	\$924,922.74	\$303,239.66
Total Discounts	\$164,586	\$183,697.40	\$74,326.70	\$36,629.25
Total Suspensions	\$3,757,865	\$279,988.72	\$284,222.71	\$33,177.48
Total Payable	\$612804	\$617,351.84	\$566,373.33	\$233,439.93
Uninsured Injuries	9	11	33	3
Interagency Referrals	18	24	17	9



Failure to Insure FY2024



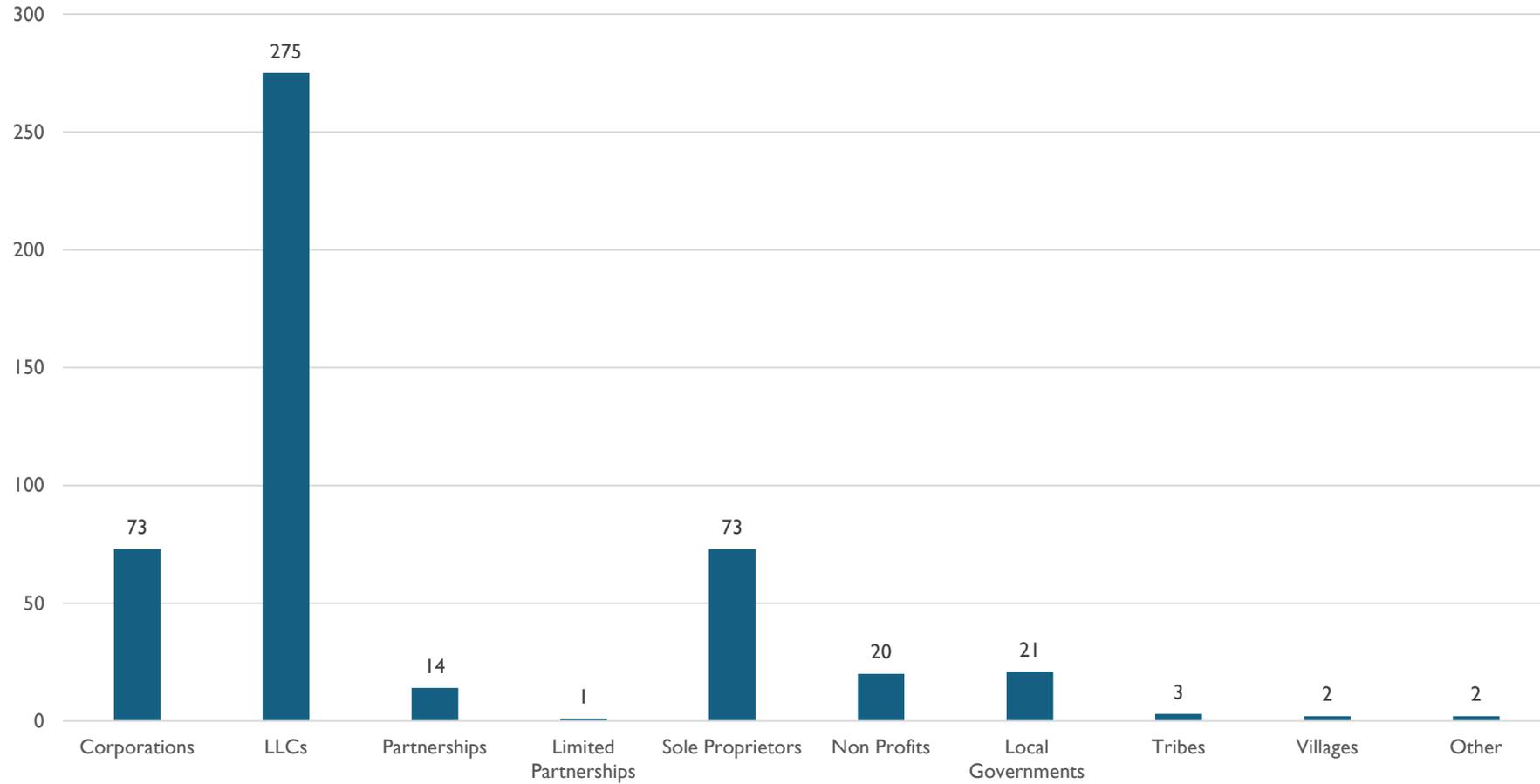
Investigations Opened/Re-Opened	Investigations Closed	Uninsured Injury Referrals Received	Uninsured Injuries Confirmed	Employers With Uninsured Injuries Petitioned	
380	313	32	8	10	
FY2024	Assessed By	Total Assessed	Discounted	Suspended	Ordered to Pay
	61 Settlements (3 with payment plans)	\$497,278.68	\$74,326.70	\$102,884.38	\$320,067.60
	5 Decisions & Orders (All Final)	\$427,644.06	n/a	\$181,338.33	\$246,305.73
	TOTALS	\$924,922.74	\$74,326.70	\$284,222.71	\$566,373.33



Industry Data for FTI Investigations



ENTITY TYPES

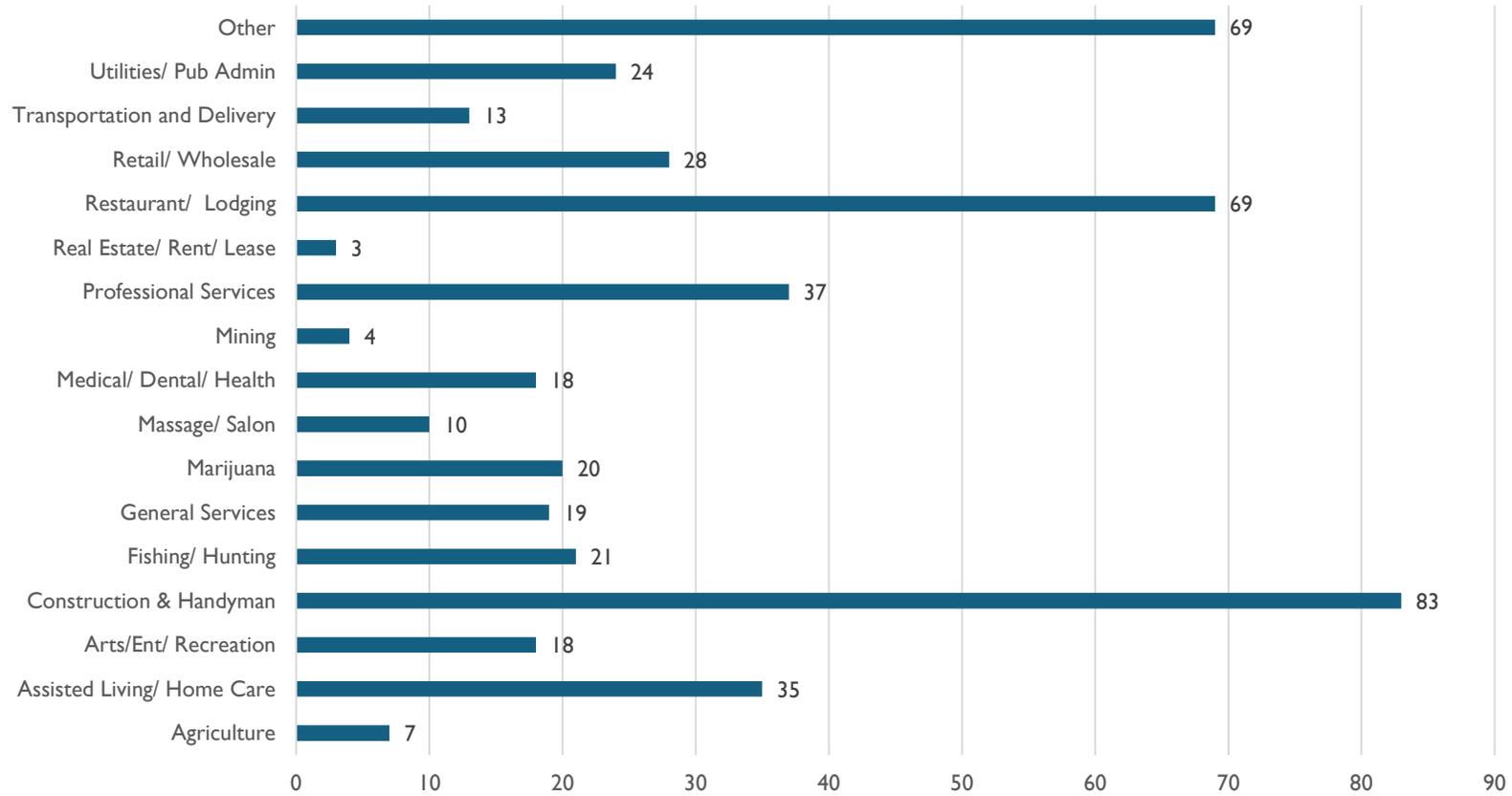




Industry Data for FTI Investigations



REPRESENTED INDUSTRIES

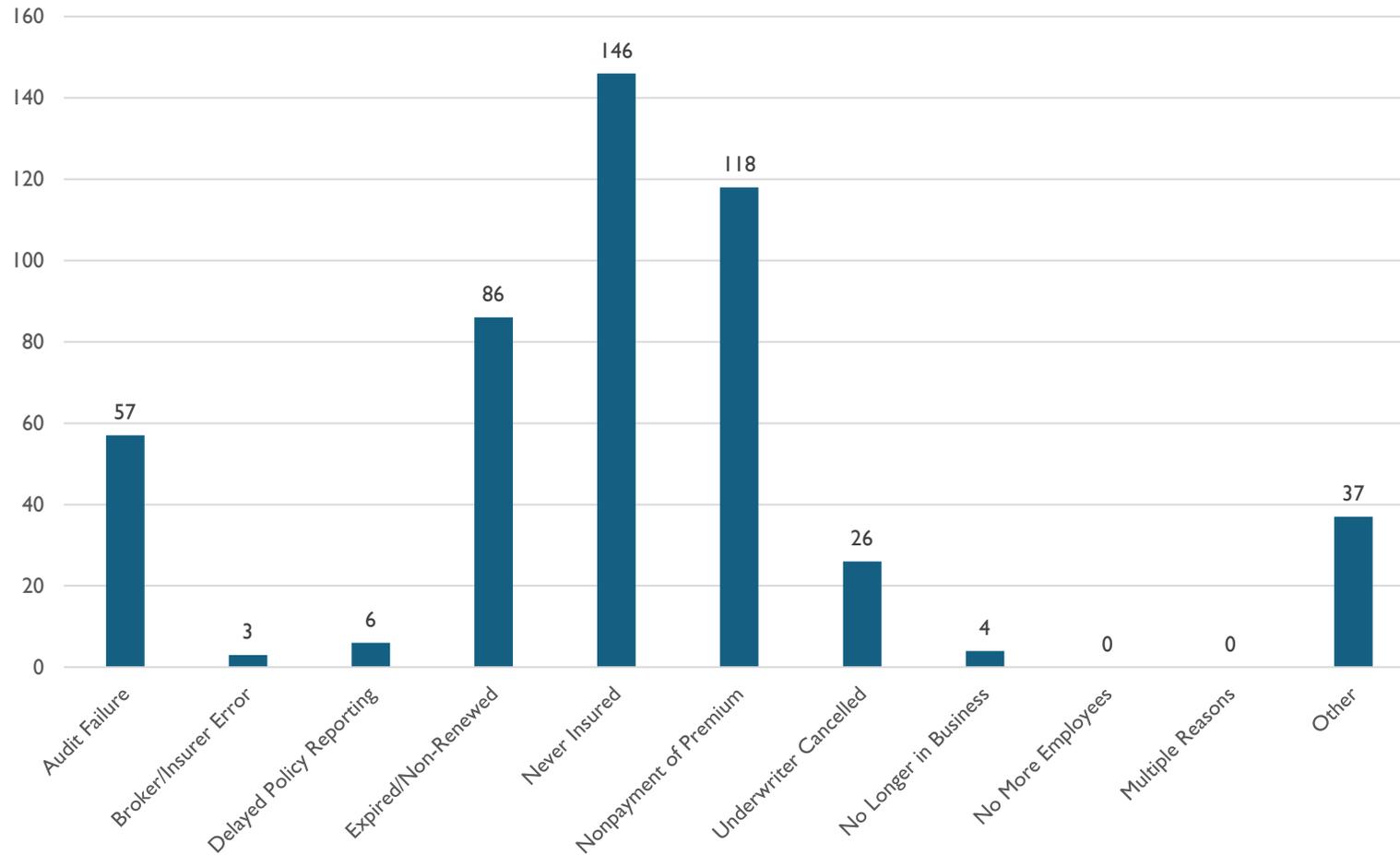




Industry Data for FTI Investigations

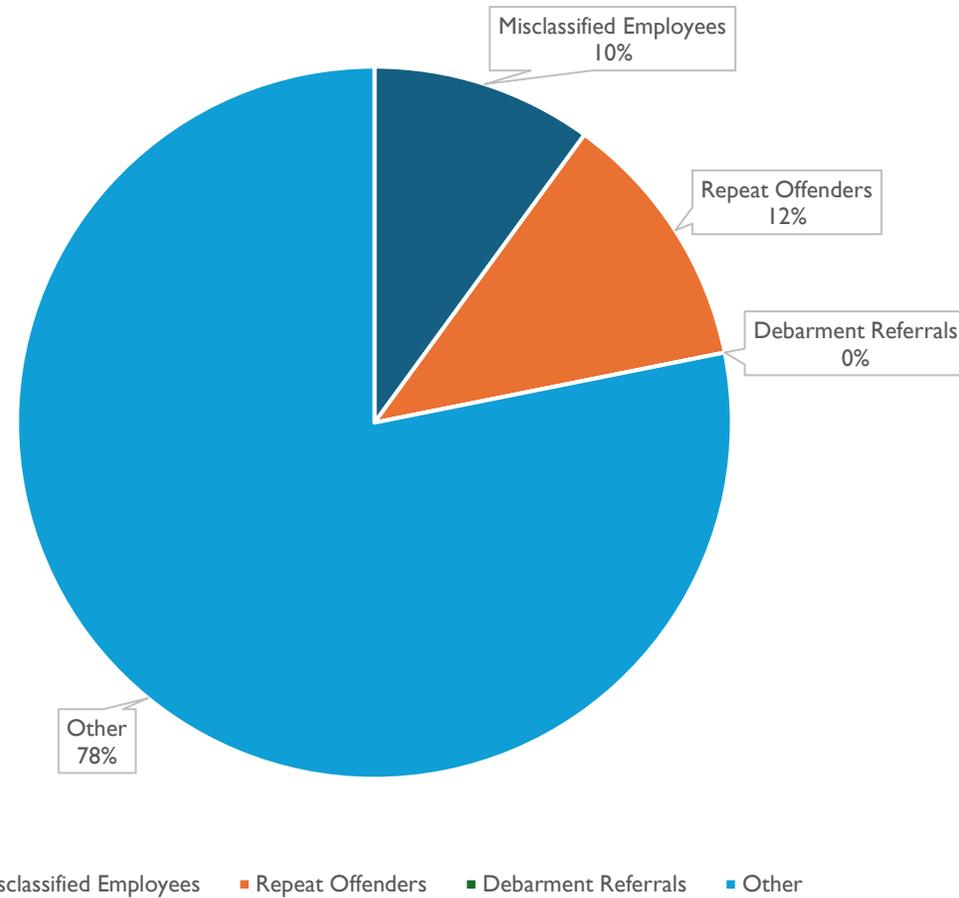


LAPSE REASONS





Industry Data for FTI Investigations





Current Goals/Priorities



- Increased Staffing
- Continued Six-Month Case Resolution
- Continued Collaborative and Multiple-Agency Joint Investigations
- Targeted, Proactive, and Collaborative Education with other Agencies and Employers



Second Independent Medical Evaluations (SIME)

AS 23.30.095
8 AAC 45.092

Dani Byers
Workers' Compensation Officer II



- Panel Members:
 - J. John Franich, Employee Attorney
 - Andrew Wilson, Employee Attorney
 - Jeffrey Holloway, Employer Attorney
 - Rebecca Holdiman Miller, Employer Attorney
-
- Division Support Staff:
 - Janel Wright, Chief of Adjudications
 - Alexis Hildebrand, Administrative Officer II
 - Luma Diaz, Administrative Assistant II
 - Dani Byers, Workers' Compensation Officer II



- New SIME Physicians Effective 11/01/24:

- Ori Levy, DDS
Dentistry & Periodontics
- Liana Palacci, DO
Internal Medicine (General)
- Sushil Sethi, MD
Occupational Medicine
- Peter Lasater, MD
Orthopedic Surgery & Sports Med.
- Blake Nonweiler, MD
Orthopedic Surgery
- Maged Botros, MD
Psychiatry



2021 SIME Physicians Re-Selected:

- None

2021 SIME Physicians NOT Re-Selected:

- Aryeh Levenson, MD
- Gene Charles Roland, MD

Psychiatry

Orthopedic Surgery

SIME Physicians Removed:

- Floyd Pohlman, MD
- Paul Puziss, MD

Orthopedic Surgery

Orthopedic Surgery

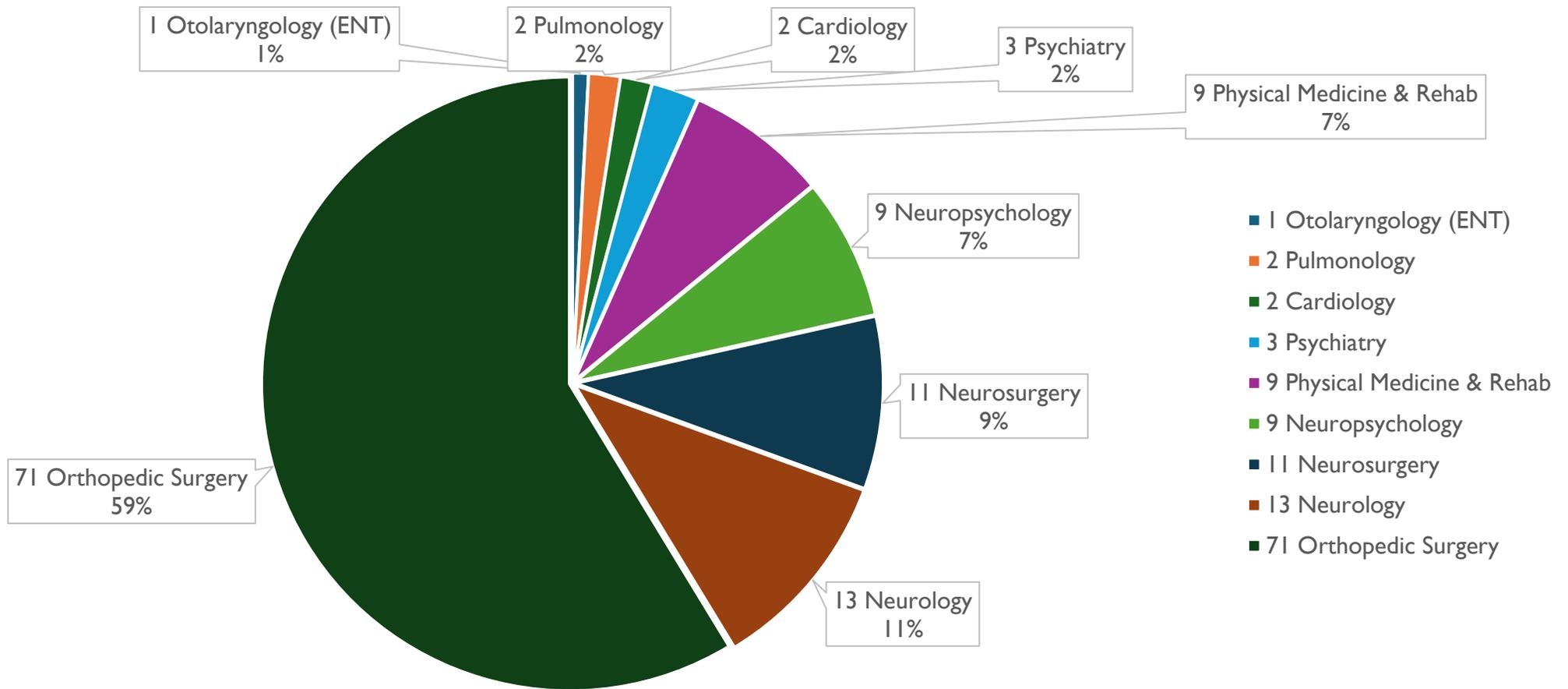


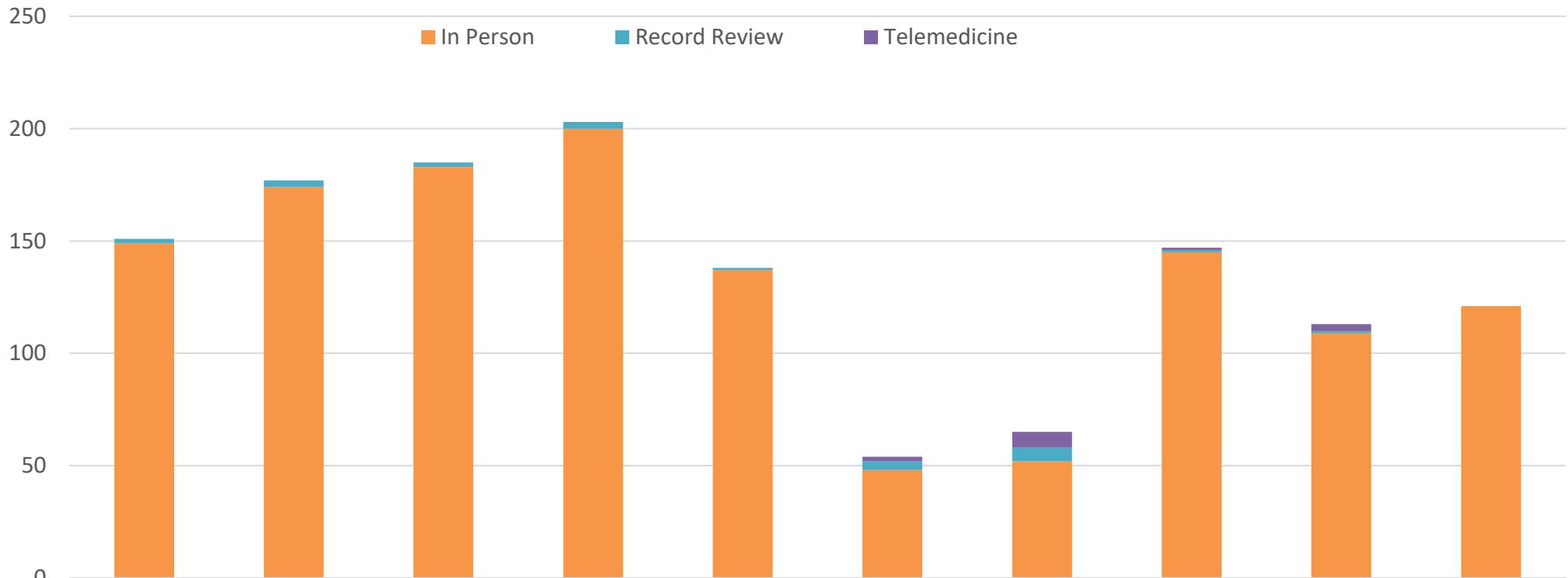
- William Breall, MD
Cardiology (SIME since 1998, retiring)
- David Silver, MD
Neurosurgery (SIME since 2014, retiring)
- Steven Ornish, MD
Psychiatry (SIME since 2020, retiring)
- Boban Joseph, MD
Ophthalmology (SIME since 2020, passed away)

Physicians removed due to failure to complete annual update: None



Total SIME Appointments Requested: 113





	11/1/2014 - 10/31/2015	11/1/2015 - 10/31/2016	11/1/2016 - 10/31/2017	11/1/2017 - 10/31/2018	11/1/2018 - 10/31/2019	11/1/2019 - 10/31/2020	11/1/2020 - 10/31/2021	11/1/2021 - 10/31/2022	11/1/2022 - 10/31/2023	11/1/2023 - 10/31/2024
Telemedicine	0	0	0	0	0	2	7	1	3	0
Record Review	2	3	2	3	1	4	6	1	1	0
In Person	149	174	183	200	137	48	52	145	109	121



California: 52
Hawaii: 12
Illinois (off-list): 1
Iowa (off-list): 1
Oregon: 6
Pennsylvania: 3
Washington: 6

SIME Trips Completed (and pending): 121
Average Distance: 2,679 miles round trip
Total SIME Travel Completed: 324,204 miles

