

**STATE OF ALASKA**

**DEPARTMENT OF LABOR AND  
WORKFORCE DEVELOPMENT**

**DIVISION OF WORKERS' COMPENSATION**

**2021 ANNUAL REPORT**

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# Division of Workers' Compensation 2021 Annual Report Information on the 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.

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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://Workers' Compensation (state.ak.us))

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# Division of Workers' Compensation 2021 Annual Report

## FROM THE DIRECTOR

Alaska Workers' Compensation like all entities was impacted by the pandemic. We adapted, we worked together, we overcame, and now we are stronger for it.

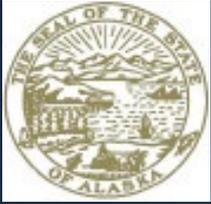
2021 was a transition year of returning to a more normal workplace and workforce. One thing that became apparent when looking at the data, was that workplace injuries still occur. While Alaskan workplaces are safer than ever, accidents still happen. In 2021 we had an increase of reported injuries and an increase in time loss injuries. With returning workers, new to the workforce members, and job changes, the focus on safety must be intensified. Injured workers hurt production, raise training costs, and impact businesses bottom line.

The great news is that Alaska is more competitive than ever on workers' compensation costs. Total compensation benefits paid out were the lowest in over a decade. At the same time, premiums for workers' compensation insurance have been lowered once again. Making 2021 the sixth year in a row of lowered premium costs to employers.

The average cost of workers' compensation by each \$100 of payroll in Alaska has never been lower and continues a downward trend. This trend is due in large part to the work of the Alaska Workers' Compensation Board and their Medical Services Review Committee. By adjusting the medical fee schedule and working in partnership with medical providers the cost and access to medical services has never been more competitive. Injured workers in Alaska have access to excellent care and Alaskan businesses benefit from reduced costs.

There are improvements that can be made, improving reemployment of injured workers must be our focus for the future. Returning workers to the workplace allows Alaskans to prosper both financially and emotionally as many of us depend on the work we do for support. The limit set on retraining plans and inability to assist an injured worker in gaining the skills needed to be a part of the workforce hurts all of us. Investing in upskilling workers is expensive, but the return on investment for both business and Alaska makes this endeavor worth investing in.

Lastly, let me just thank my staff and the Alaska Workers' Compensation Board for another successful year and a bright future for the Workers' Compensation System.



# Division of Workers' Compensation 2021 Annual Report

## Analysis of Workers' Compensation Claims Data

In 2021, there were 16,470 reports of injury and occupational illness filed with the Workers' Compensation Division, a 9.9 % increase from 14,985 reports filed in 2020.

Of the case files established in 2021, claim type filings and distribution to total claims filed was:

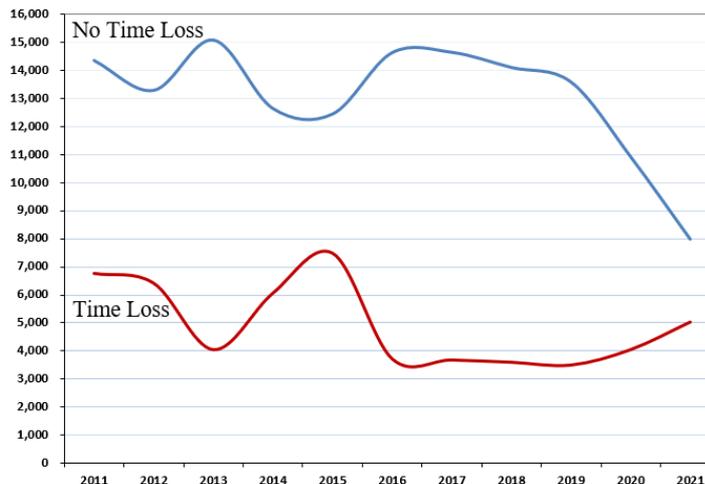
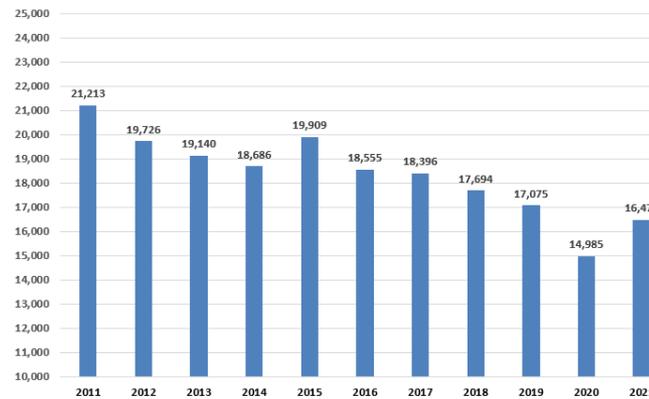
- No-time-loss cases: 7,979 cases, 48%.
- Time-loss cases: 5,018 cases, 30%.
- Notification only cases: 3,436 cases, 21%.
- Fatalities: 37 cases, 0.22%.

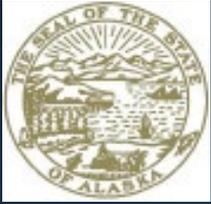
The Alaska Workers' Compensation Board held 161 hearings in 2021, compared to 188 hearings in 2020, and 225, in 2019.

2021

- 135 regular hearings
- 26 written record hearings

Total Injury Notices Received





## Division of Workers' Compensation 2021 Annual Report

### Analysis of Workers' Compensation Claims Data

The Alaska Workers' Compensation Board held 161 hearings in 2021, compared to 188 hearings in 2020, and 225, in 2019.

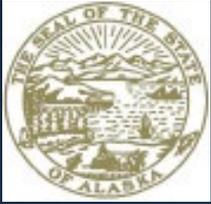
2021

- 135 regular hearings
- 26 written record hearings

The Alaska Workers' Compensation Appeals Commission held 9 hearings and oral arguments in 2021, compared to 10 hearings in 2020 and 14 in 2019.

2021

- 7 merits of appeals
- 2 motions for stay



## Division of Workers' Compensation 2021 Annual Report

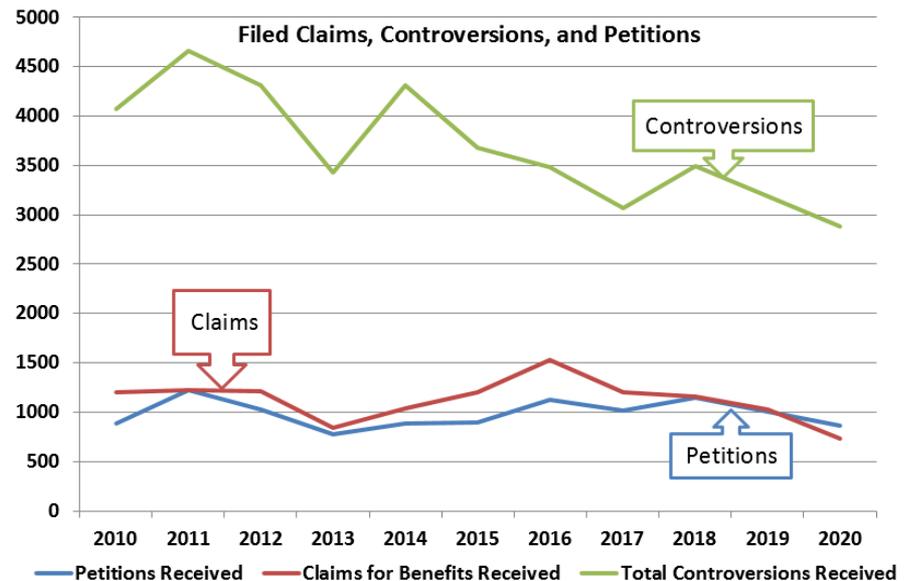
### Analysis of Workers' Compensation Claims Data

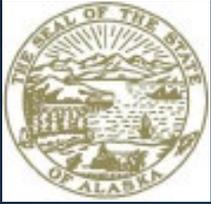
In 2021, there were 678 claims for benefits filed for 551 cases, a 6.7% decrease from 727 claims filed in 2020.

There were 723 petitions filed for 461 cases in 2021, a 16.2% decrease from 863 petitions filed in 2020.

There were 3,605 total controversy received in 2021, a 24.9% increase from 2,886 in 2020.

The number of injury cases controverted in 2021 totaled 2,694, a 20.2% increase from 2,241 cases in 2020.





## Division of Workers' Compensation 2021 Annual Report

### 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, 2021 to December 31, 2021

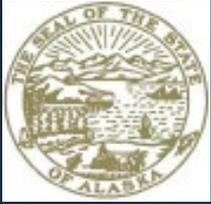
FY = Fiscal Period from July 1, 2021 to June 30, 2022

#### Notes:

**Medical Costs Totals for CY 2021 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**

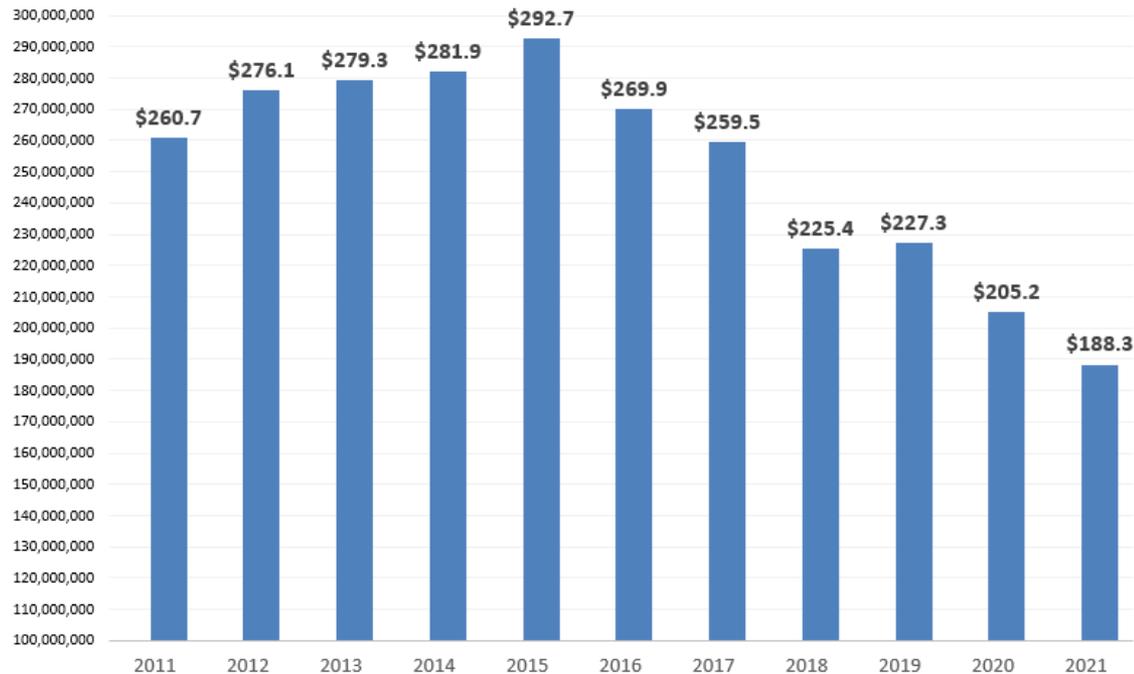
**Other Costs for CY 2021 include: Unspecified Lump Sum Payment/Settlement, interest, penalty and SIF Contribution Fee.**

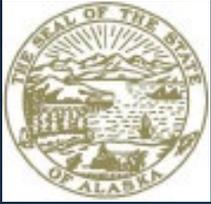


## Division of Workers' Compensation 2021 Annual Report

### Annual Reporting of Total Compensation Benefits

A total of \$188.3 million was paid in workers' compensation benefits during calendar year 2021 by market-insured employers and self-insured employers. This is a decrease of 8.21% from \$205.2 million in 2020.

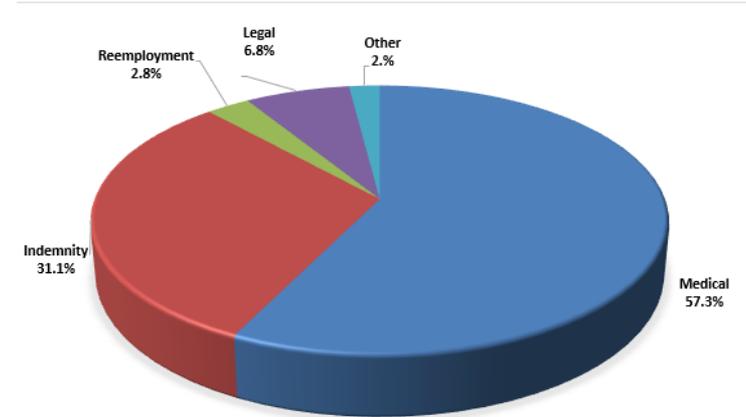




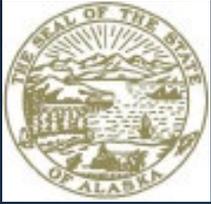
## Division of Workers' Compensation 2021 Annual Report

### Total Compensation Payments Distribution

Benefit Type	Amount Paid	% of Cost to Total Cost
Medical	\$107,875,457	57.3%
Indemnity	\$58,520,722	31.1%
Reemployment	\$5,363,228	2.8%
Legal	\$12,850,074	6.8%
Other*	\$3,765,904	2.0
<b>Total</b>	<b>\$188,375,386</b>	



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



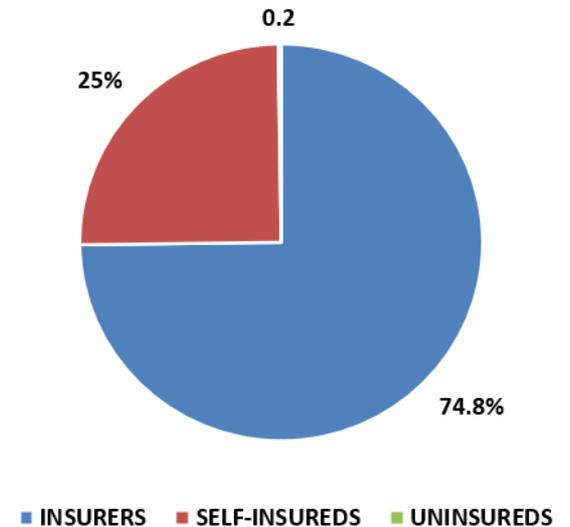
## Division of Workers' Compensation 2021 Annual Report

### Total Benefits Paid by Top Twenty Insurers/Self-Insured Employers

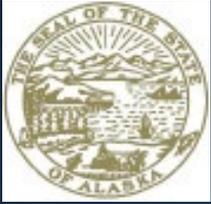
Of total benefits paid, market-insured employers paid \$140.7 million (74.8%), self-insured employers paid \$46.9 million (25.0%).

Compared to 2020, market-insured employers paid \$154.9 million (75.5%) and self-insured employers paid \$49.9 million (24.3%).

Insurer Type	Total Benefits Pd	% of Cost to Total Cost
Market Insurers	\$140,798,572	74.8%
Self-Insured Employers	\$46,987,181	25.0%
Uninsured Employer Fund	\$437,231	0.2%
<b>Total</b>	<b>\$188,222,984</b>	



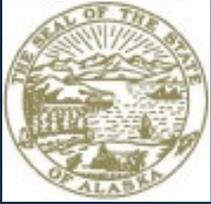
\*Other costs include interest, penalty, Second Injury Fund contribution.



## Division of Workers' Compensation 2021 Annual Report

The top twenty insurers and self-insured employers paid \$127.4 million, or 67.7% of total workers' compensation benefits paid in 2021. This compares to \$138.4 million, or 67.5%, in 2020.

Rank	Insurer	Benefits Paid	Rank	Insurer	Benefits Paid
1.	ALASKA NATIONAL INS CO	\$ 37,665,413	11.	AMERICAN ZURICH INS CO	\$ 4,186,436
2.	ALASKA, STATE OF	\$ 13,854,760	12.	ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOC	\$ 4,144,921
3.	ANCHORAGE, MUNICIPALITY OF	\$ 7,260,204	13.	BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY	\$ 3,779,563
4.	AMERICAN INTERSTATE INSURANCE CO	\$ 5,493,730	14.	PROVIDENCE HEALTH SYSTEM - WASHINGTON	\$ 3,374,405
5.	LIBERTY INSURANCE CORP	\$ 5,222,965	15.	TRAVELERS PROPERTY CASUALTY CO OF AMERICA	\$ 3,251,190
6.	INDEMNITY INS CO OF NORTH AMERICA	\$ 5,206,157	16.	ARCTIC SLOPE REGIONAL CORP	\$ 3,224,192
7.	ACE AMERICAN INSURANCE COMPANY	\$ 4,876,209	17.	NEW HAMPSHIRE INSURANCE CO	\$ 3,206,685
8.	REPUBLIC INDEMNITY CO OF AMERICA	\$ 4,763,686	18.	EMPLOYERS INS CO OF WAUSAU	\$ 3,205,247
9.	EVEREST NATIONAL INS CO	\$ 4,529,372	19.	ALASKA AIRLINES, INC.	\$ 2,866,895
10.	UMIALIK INSURANCE CO	\$ 4,397,944	20.	LIBERTY NORTHWEST INSURANCE CORP	\$ 2,859,290
				<b>TOTAL</b>	<b>\$127,369,267</b>

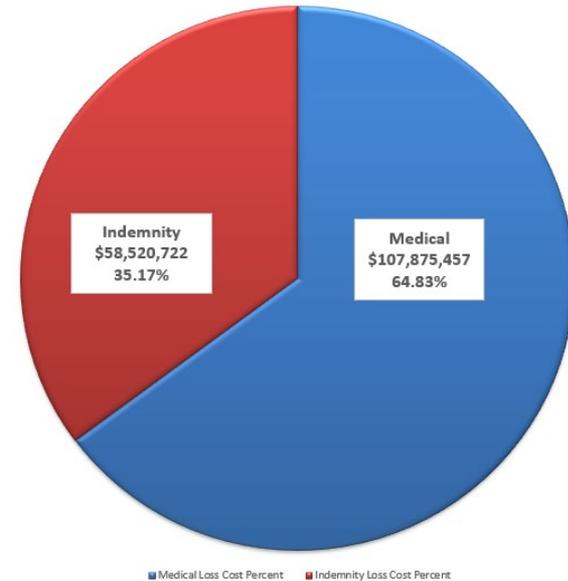


## Division of Workers' Compensation 2021 Annual Report

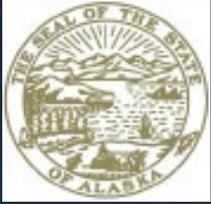
### Loss Cost Distribution

Total loss costs were \$166.3 million in 2021 compared to \$180.5 million in 2020, a decrease of 7.86%. Indemnity costs were \$58.5 million in 2021, compared to \$57.1 million in 2020. Medical costs were \$107.8 million in 2021, compared to \$123.3 million in 2020.

Year	Total Loss Costs	% Change
2021	\$166,346,671	-7.86%
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.

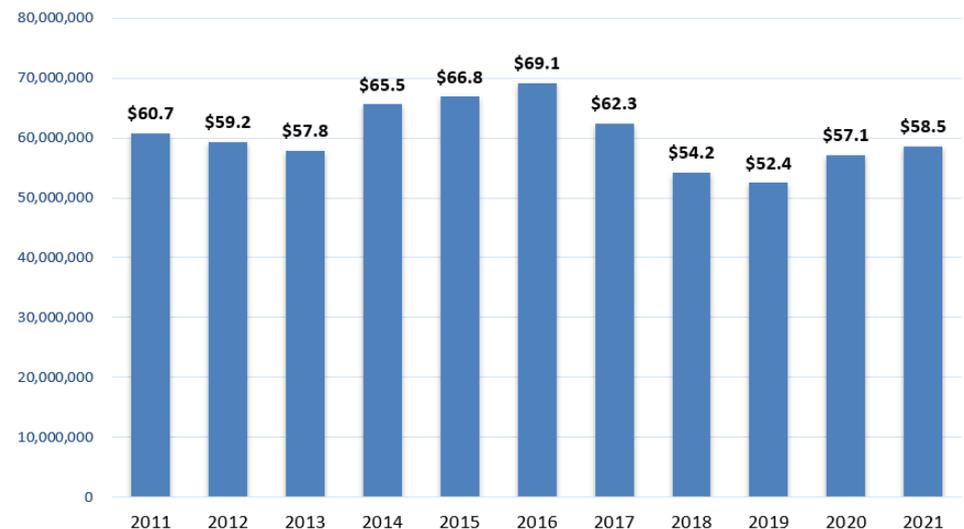


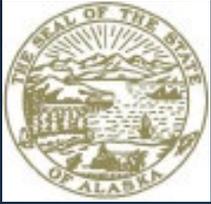
## Division of Workers' Compensation 2021 Annual Report

### Indemnity Benefits

For calendar year 2021 indemnity benefits (TTD, TPD, PPI, PTD & Death Benefits) totaled \$58.5 million, a 2.38% increase from \$57.1 million in 2020.

- TTD benefits totaled \$29.6 million in 2021, a 5.4% decrease from \$31.3 million in 2020.
- TPD benefits totaled \$1.1 million in 2021, a 13.8% decrease from \$1.3 in 2020.
- PPI benefits totaled \$8.5 million in 2021, a 17.5% decrease from \$7.3 million in 2020.
- PTD benefits totaled \$9.2 million in 2021, a 13.9% decrease from \$10.7 million in 2020.
- Death benefits totaled \$9.8 million in 2021, a 54.5% increase from \$6.3 million in 2020.

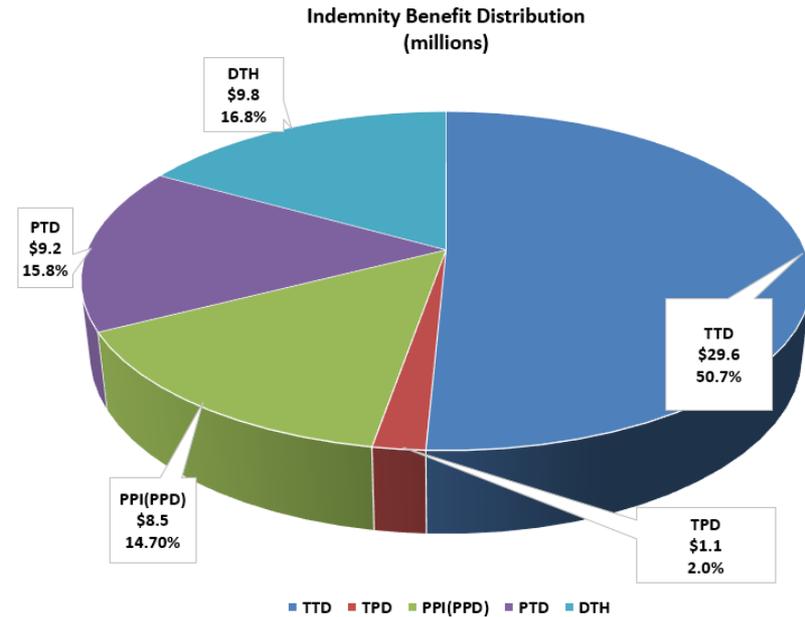


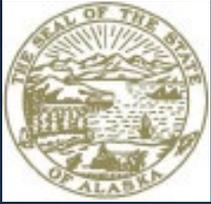


## Division of Workers' Compensation 2021 Annual Report

### Indemnity Benefits Distribution

Indemnity Benefit Type	Payment Amount
TTD – Temporary Total	\$29,689,970
TPD – Temporary Partial	\$1,154,083
PPI – Permanent Partial Impairment	\$8,585,167
PTD – Permanent Total	\$9,272,265
Death Benefits	\$9,819,237
<b>Total</b>	<b>\$58,520,722</b>



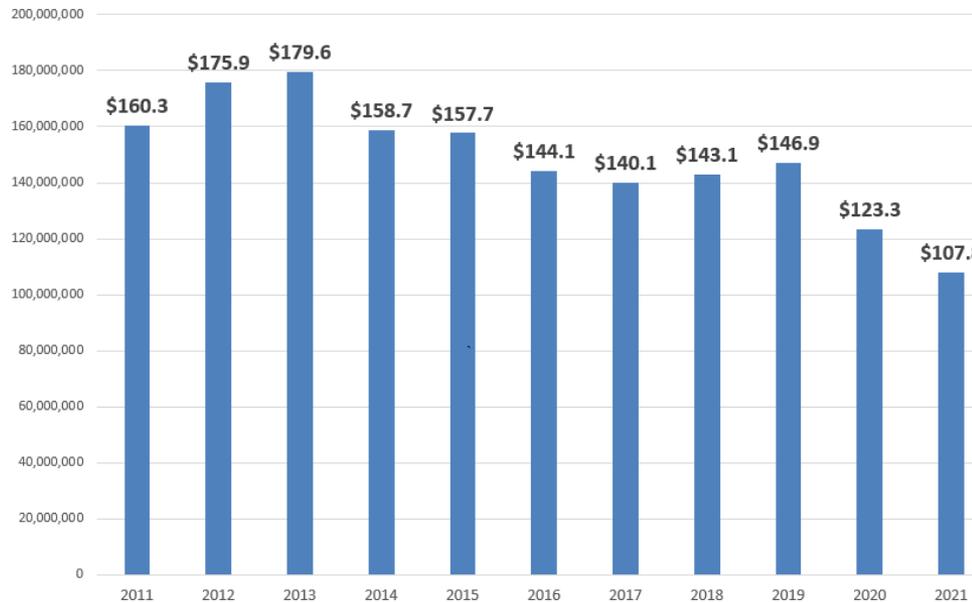


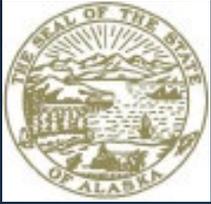
## Division of Workers' Compensation 2021 Annual Report

### Medical Payments

In the calendar year 2021, medical benefits totaled \$107.8 million, a 12.56% decrease from \$123.3 million in 2020.

Medical benefits were 57.3% of total benefits paid and 64.83% of loss costs in 2021, compared to 60.12% of total benefits paid and 68.34% of loss costs in 2020.





## Division of Workers' Compensation 2021 Annual Report

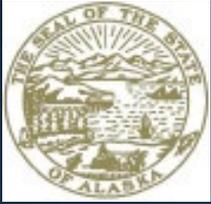
### Legal Costs

For calendar year 2021, legal expenses totaled \$12.8 million, a 6.6% decrease from \$13.7 million in 2020.

- Employee attorney fees were \$4.3 million in 2021, a 31.05% decrease from \$6.3 million in 2020.
- Employer attorney fees were \$7.2 million in 2021, a 11.87% increase from \$6.5 million in 2020.
- Litigation costs totaled \$1.2 million in 2021, a 29% increase from \$976,125 in 2020.
- 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.

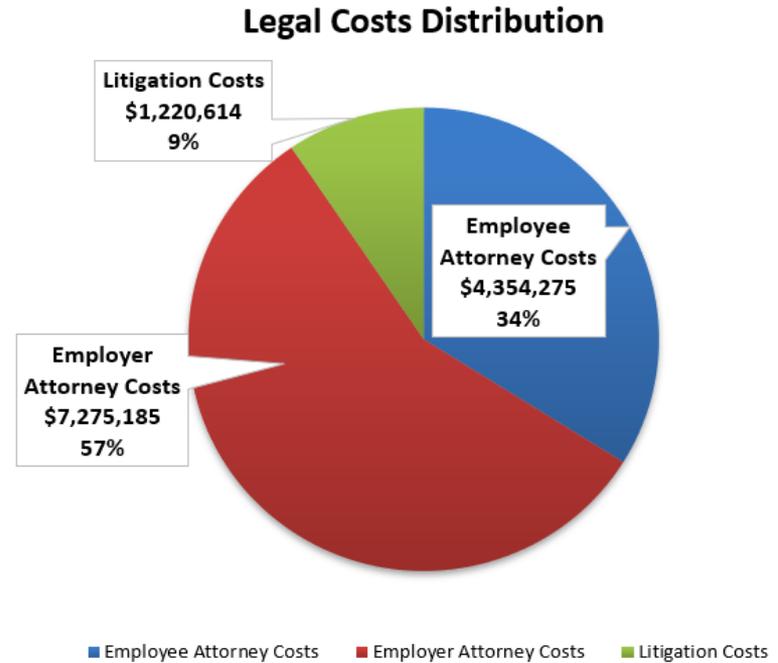


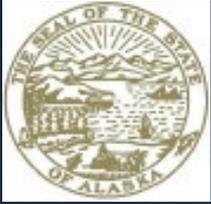


# Division of Workers' Compensation 2021 Annual Report

## Legal Costs Distribution

Legal Costs	Payment Amount	%
Employee Attorney Costs	\$4,354,275	34%
Employer Attorney Costs	\$7,272,185	57%
Litigation Costs	\$1,220,614	9.5%
Total	\$12,850,074	



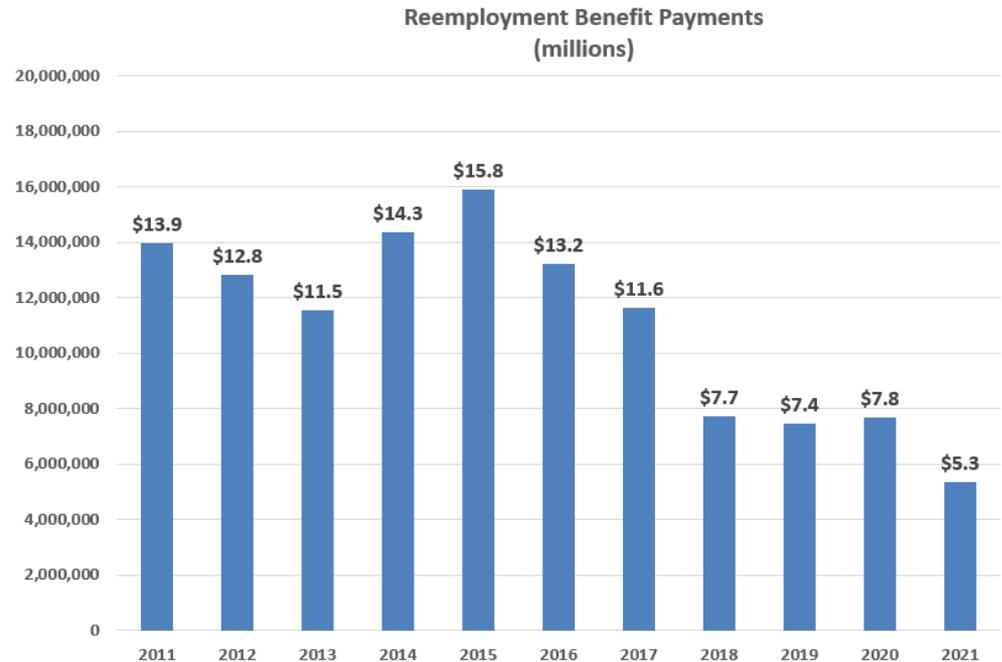


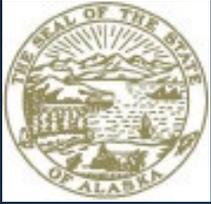
## Division of Workers' Compensation 2021 Annual Report

### Reemployment Benefits

Total reemployment benefit payments totaled \$5.3 million in 2021, a 30.4% decrease from \$7.6 million in 2020.

- Rehabilitation benefit costs under AS 23.30.041(k) totaled \$2.05 million in 2021, a 3.83% decrease from \$2.1 million in 2020.
- Rehabilitation benefit costs under AS 23.30.041(g) totaled \$917,890 in 2021, a 69% decrease from \$2.9 million in 2020.
- Employee evaluation costs totaled \$1.5 million in 2021, a 6.8% increase from \$1.4 million in 2020.
- Rehabilitation specialist fees/plan monitoring fees totaled \$555,366 in 2021, a 11.36% decrease from \$626,545 in 2020.
- Plan development costs totaled \$263,607 in 2021, a 47.6% decrease from \$503,629 in 2020.

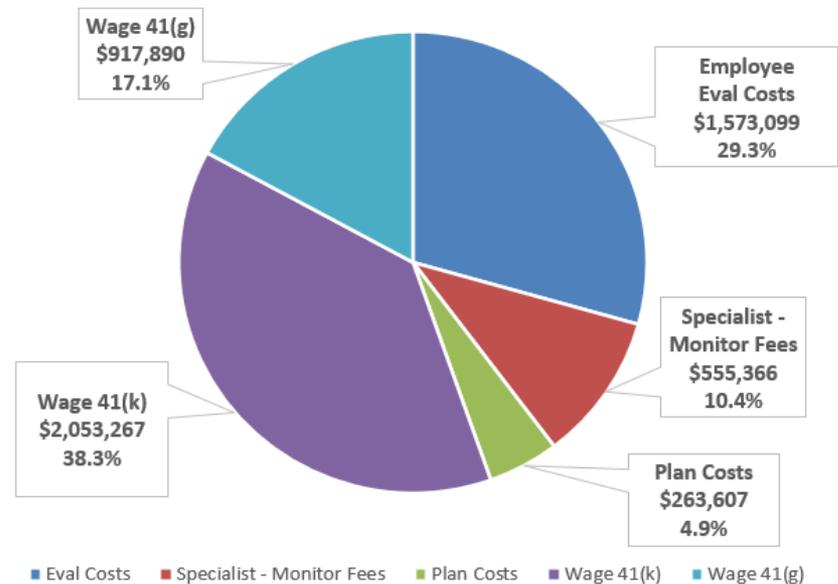


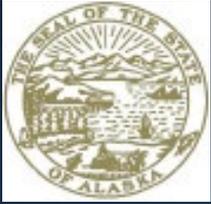


## Division of Workers' Compensation 2021 Annual Report

### 2021 Reemployment Benefit Costs Distribution

Type of Benefit	Benefit Payments	%
Evaluation Costs	\$1,573,099	29.3%
Specialist/Monitor Fees	\$555,366	10.4%
Plan Costs	\$263,607	4.9%
Wage 41(k)	\$2,053,267	38.3%
Wage 41(g) & 41(k) Lump Sum Payments	\$917,890	17.1%
<b>Total Payments</b>	<b>\$5,363,228</b>	

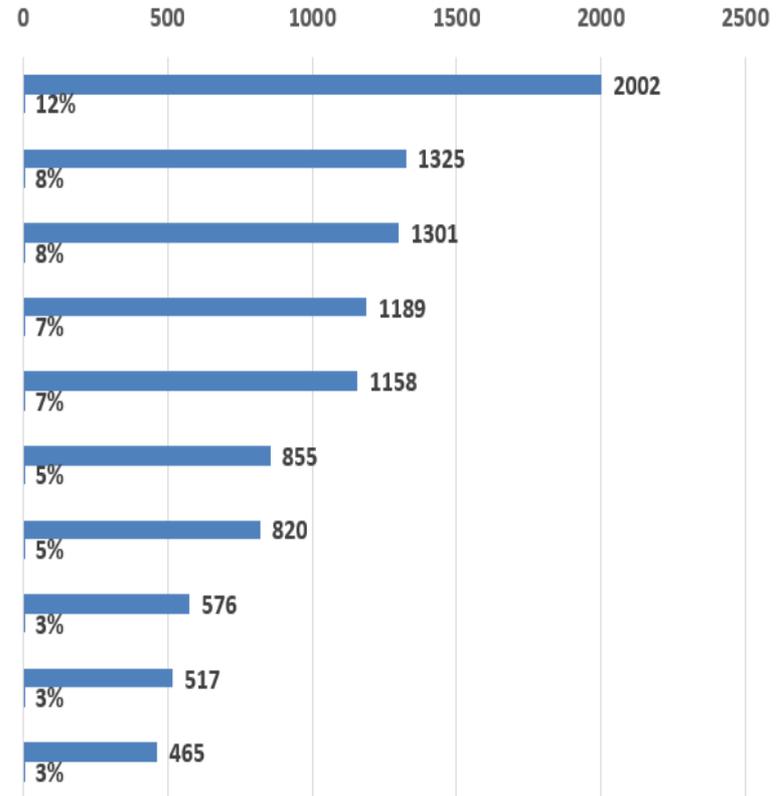




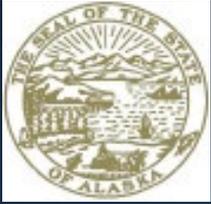
## Division of Workers' Compensation 2021 Annual Report

### Top Ten Injuries by Body Part Injured

	Body Part Injured	Cases	%*
1.	Body Systems and Multiple Body Systems	2,002	12%
2.	Lower Back Area	1,325	8%
3.	Multiple Body Parts (Including Body Systems & Body Parts)	1,301	8%
4.	Fingers(s)	1,189	7%
5.	Knee	1,158	7%
6.	Shoulder(s)	855	5%
7.	Hand	820	5%
8.	Ankle	576	3%
9.	Eye(s)	517	3%
10.	Wrist	465	3%



\*Percentage to total injury cases reported in 2021 of 16,470.



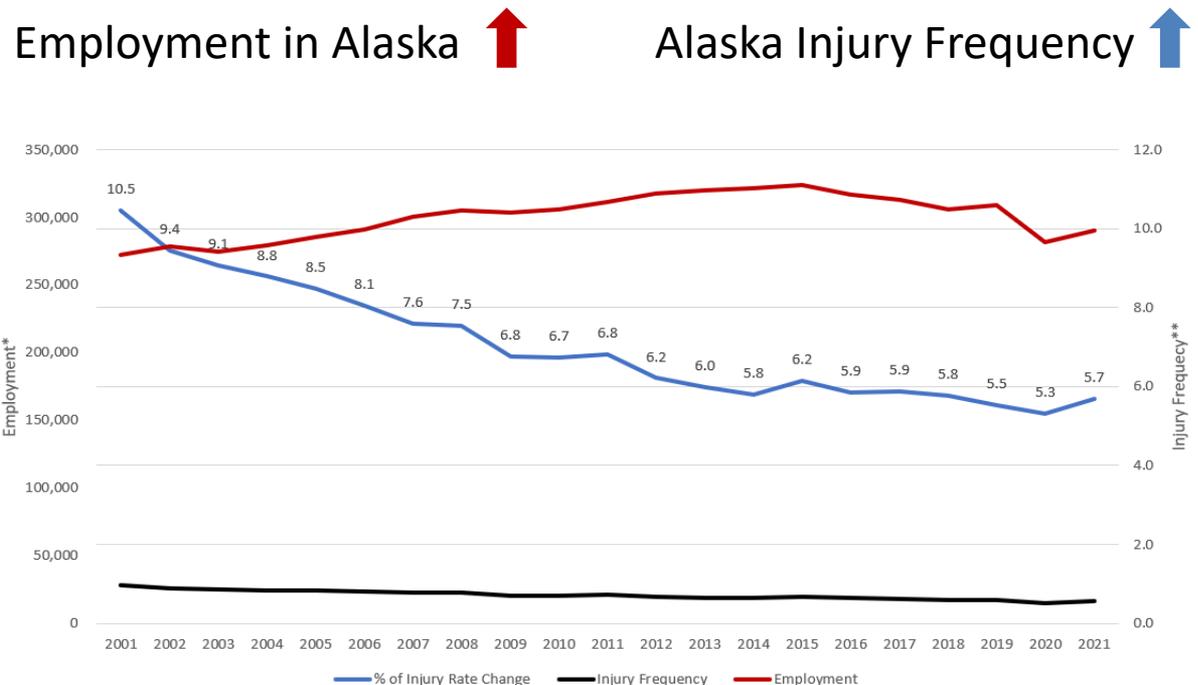
# Division of Workers' Compensation 2021 Annual Report

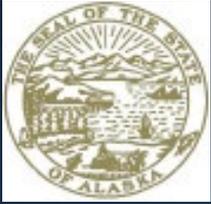
## Alaska Injury Frequency

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 305,004 in 2021, an increase from 297,389 in 2020. Excluding 15,058 federal employees, the number of workers covered under the Alaska Workers' Compensation Act in 2021 was approximately 289,946 an 2.83% increase from 281,976 in 2020.

Year	Injury Frequency	Employment
2021	16,470	289,946
2020	14,985	281,976
2019	17,075	308,796
2018	17,694	306,211
2017	18,396	312,886
2016	18,555	316,979
2015	19,909	323,619
2014	18,686	321,874
2013	19,140	319,893

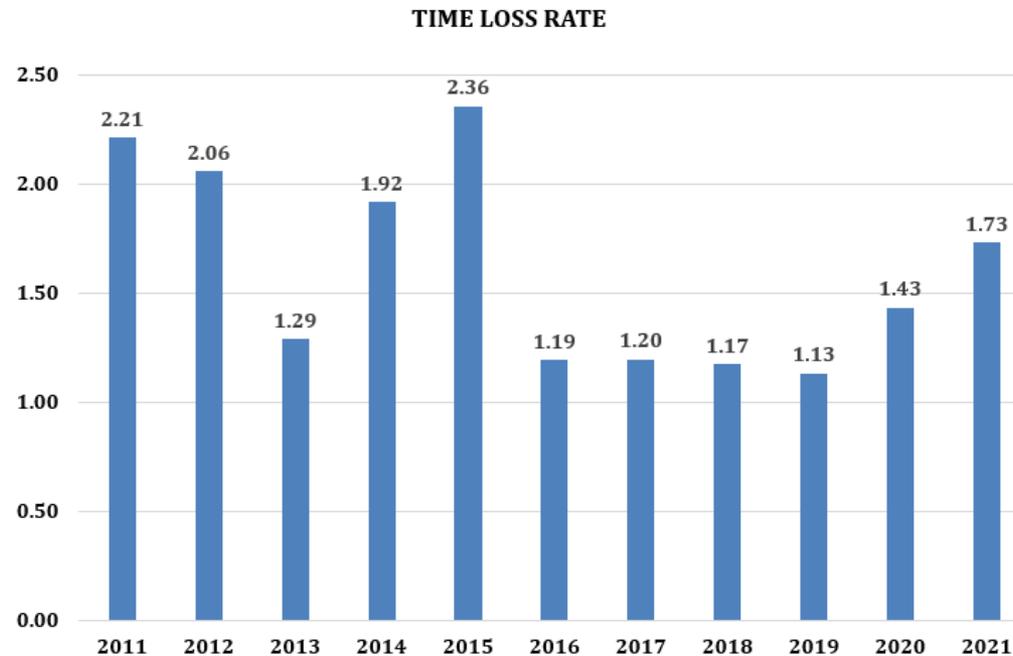




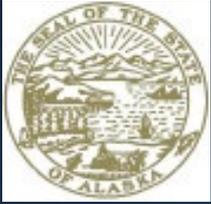
## Division of Workers' Compensation 2021 Annual Report

### Time Loss Rate

Using the number of time-loss claims (5,018) established by the Workers' Compensation Division divided by average monthly employment statewide (less Federal Government employment (305,004-15,058 = 289,946), the time loss rate per 100 employees in 2021 was 1.73, a 20.88% increase from a time loss rate of 1.43 in 2020.



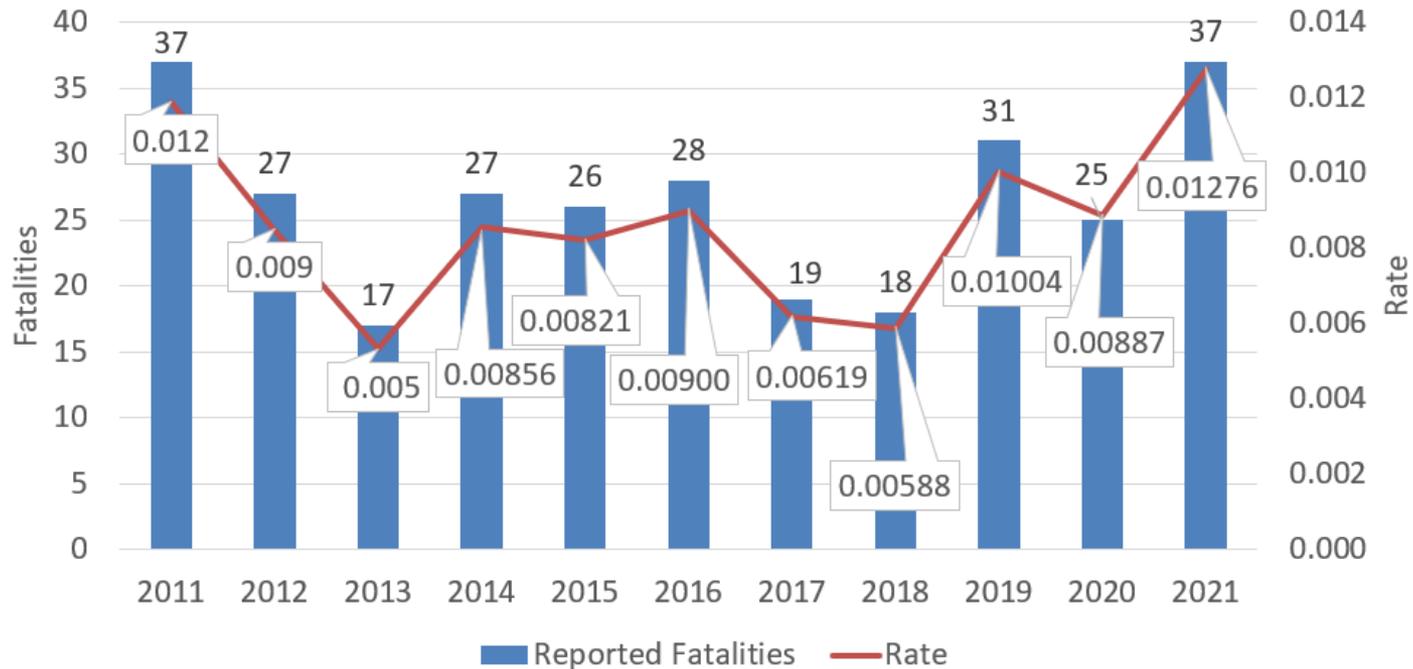
A lost time claim is the compensation (financial, leave, other benefits) that is paid to a worker who remains absent for 3 days or more because of a work-related injury.



## Division of Workers' Compensation 2021 Annual Report

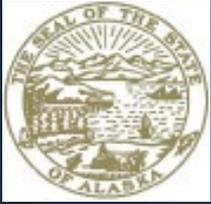
### Fatality Rate

There were 37 fatalities reported in 2021, a 20.88% increase from 25 fatalities reported in 2020. The fatality rate per 100 employees in 2020 was 0.00887, compared to 0.01004 in 2019.



Note: The agency received a total of 60 reports of injured workers that passed away in 2021. Trading partners reported that 23 deaths were not work-place injuries.

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

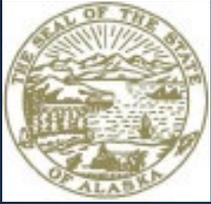


## Division of Workers' Compensation 2021 Annual Report

### Direct Written Premiums

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

\*Estimate based on The Division of Insurance Calendar Year 2021 reconciliation report for Workers' Compensation Service Fee.

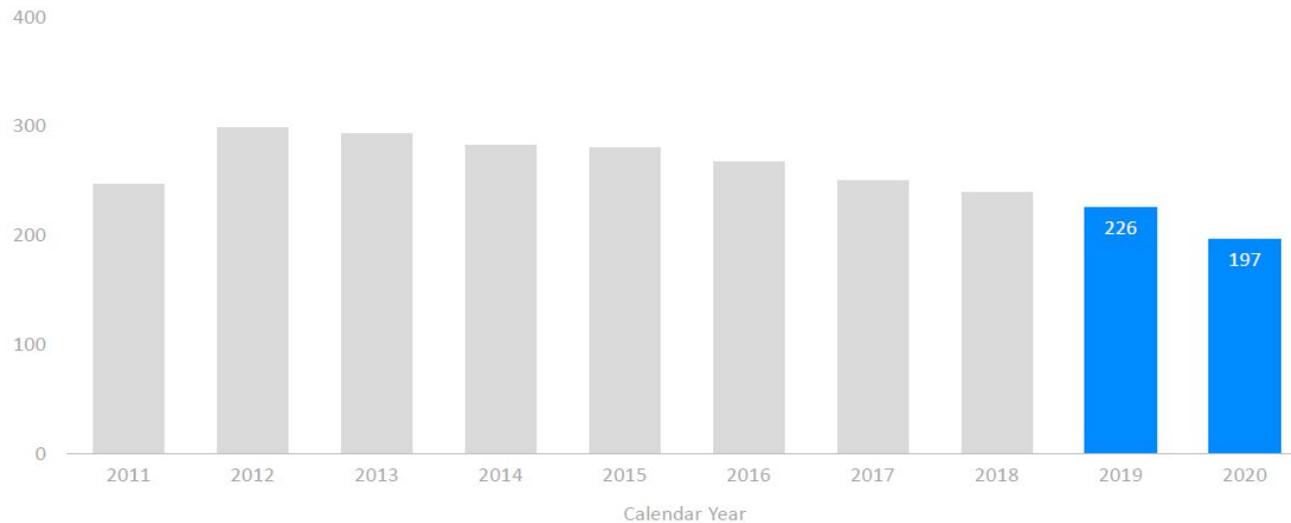


## Division of Workers' Compensation 2021 Annual Report

### Direct Written Premiums

#### Alaska Premium Volume

Direct Written Premium in \$ Millions

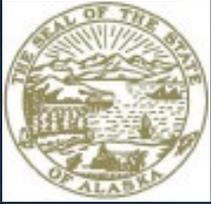


Source: NAIC's Annual Statement data.

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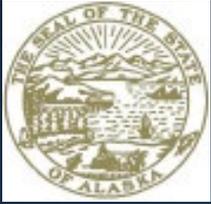
Courtesy of NCCI, Alaska State Advisory Resources, Alaska Workers Compensation System Overview, October 2021



## Division of Workers' Compensation 2021 Annual Report

### Active Self-Insured Employers

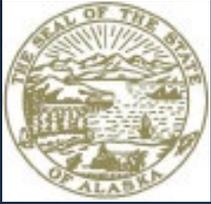
Active Alaska Self-Insured Employers	Start Date of Self-Insurance	Active Alaska Self-Insured Employers	Start Date of Self-Insurance
Alaska Air Group, Inc.	5/1/1980	Fred Meyer Stores, Inc.	10/1/1996
Alaska Railroad Corp.	7/1/1996	GCI Holdings, LLC	12/31/2017
Alyeska Pipeline Service Co.	7/1/1983	Harnish 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		



## Division of Workers' Compensation 2021 Annual Report

### Total Benefits Paid by Top 10 Self-Insured Employers

Self-Insured Employer	Medical	Indemnity (TTD, TPD, PPI, PTD)	Death	Voc Rehab	Legal	Other	Total	% To Total Benefits
STATE OF ALASKA	\$ 5,726,559	\$ 4,603,803	\$ 494,709	\$ 495,489	\$ 2,018,433	\$ 515,768	\$ 13,854,760	7%
ANCHORAGE, MUNICIPALITY OF	\$ 3,901,458	\$ 2,528,542	\$ 215,452	\$ 136,836	\$ 337,483	\$ 140,433	\$ 7,260,204	4%
PROVIDENCE HEALTH SYSTEM - WASHINGTON	\$ 1,813,059	\$ 1,201,663	\$ 34,375	\$ 37,620	\$ 105,215	\$ 182,473	\$ 3,374,405	2%
ARCTIC SLOPE REGIONAL CORP	\$ 1,400,464	\$ 1,247,057	\$ 45,586	\$ 147,007	\$ 271,205	\$ 112,873	\$ 3,224,192	2%
ALASKA AIRLINES, INC.	\$ 1,753,613	\$ 851,303	\$ 37,081	\$ 22,327	\$ 33,504	\$ 169,067	\$ 2,866,895	2%
ANCHORAGE SCHOOL DISTRICT	\$ 1,742,689	\$ 484,414	\$ -	\$ 82,122	\$ 268,491	\$ 98,282	\$ 2,675,998	1%
ALASKA, UNIVERSITY OF	\$ 1,196,839	\$ 361,672	\$ -	\$ 15,670	\$ 53,796	\$ 20,803	\$ 1,648,780	1%
FRED MEYER STORES, INC. (Kroger)	\$ 847,872	\$ 321,775	\$ -	\$ 153,989	\$ 130,526	\$ 95,049	\$ 1,549,211	1%
KENAI PENINSULA BOROUGH	\$ 994,563	\$ 331,231	\$ -	\$ 32,772	\$ -	\$ 17,384	\$ 1,375,950	1%
CH2M HILL ENERGY LTD	\$ 215,040	\$ 842,556	\$ -	\$ -	\$ 187,435	\$ 53,710	\$ 1,298,741	1%



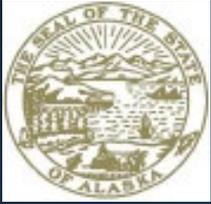
# Division of Workers' Compensation 2021 Annual Report

## Workers' Compensation Premium Rate Ranking



2020 Ranking	2018 Ranking	State	Index Rate	Percent of study median	Effective Date	Percent of 2018 study median
1	3	New Jersey	2.52	175%	January 1, 2020	167%
2	1	New York	2.23	155%	October 1, 2019	181%
3	9	Vermont	2.21	153%	April 1, 2019	123%
4	2	California	2.16	150%	January 1, 2020	169%
5	13	Hawaii	2.08	144%	January 1, 2020	118%
6	8	Connecticut	1.99	138%	January 1, 2020	129%
7	4	Delaware	1.97	137%	December 1, 2019	148%
8	10	Louisiana	1.95	135%	January 1, 2019	121%
9	7	Rhode Island	1.93	134%	August 1, 2019	132%
10	5	Alaska	1.86	129%	January 1, 2020	148%
11	12	Wisconsin	1.74	121%	October 1, 2019	119%
12	11	Montana	1.69	117%	July 1, 2019	119%
13	23	Oklahoma	1.66	115%	January 1, 2020	103%
14	25	Missouri	1.65	115%	January 1, 2020	101%
15	6	Georgia	1.64	114%	July 1, 2019	134%
16	19	Maine	1.62	113%	January 1, 2020	108%
17	28	Minnesota	1.61	112%	January 1, 2020	98%
19	21	Idaho	1.56	108%	January 1, 2020	108%
19	14	South Carolina	1.56	108%	April 1, 2019	115%
20	17	Pennsylvania	1.55	108%	April 1, 2019	109%
21	30	Iowa	1.54	107%	January 1, 2020	98%
22	16	Washington	1.53	106%	January 1, 2020	110%
23	24	South Dakota	1.48	103%	July 1, 2019	102%
24	22	Illinois	1.46	101%	January 1, 2020	106%
26	16	Wyoming	1.44	100%	January 1, 2020	110%
26	27	Nebraska	1.44	100%	February 1, 2019	100%
27	21	Florida	1.41	98%	January 1, 2020	106%
28	27	New Hampshire	1.37	95%	January 1, 2020	100%
29	34	New Mexico	1.34	93%	January 1, 2020	88%
30	29	Alabama	1.33	92%	March 1, 2019	87%
31	19	North Carolina	1.31	91%	April 1, 2019	108%
32	41	Virginia	1.28	89%	April 1, 2019	76%
33	35	Colorado	1.25	87%	January 1, 2020	84%
34	31	Mississippi	1.20	83%	March 1, 2019	81%
35	38	Massachusetts	1.17	81%	July 1, 2018	81%
37	37	Michigan	1.14	79%	January 1, 2020	81%
37	39	Maryland	1.14	79%	January 1, 2020	78%
38	33	Kentucky	1.13	78%	October 1, 2019	89%
39	46	Kansas	1.12	78%	January 1, 2020	68%
40	36	Ohio	1.11	77%	July 1, 2019	82%
41	32	Tennessee	1.09	76%	March 1, 2019	89%
42	44	Nevada	1.07	74%	September 1, 2019	70%
43	40	Arizona	1.05	73%	January 1, 2020	78%
44	42	District of Columbia	1.04	72%	November 1, 2019	74%
45	46	Oregon	1.00	69%	January 1, 2020	68%
46	43	Texas	0.98	68%	July 1, 2019	71%
47	47	Utah	0.85	59%	January 1, 2020	62%
48	48	West Virginia	0.79	55%	November 1, 2019	59%
49	50	Indiana	0.77	53%	January 1, 2020	51%
50	49	Arkansas	0.72	50%	July 1, 2019	53%
51	51	North Dakota	0.67	47%	July 1, 2019	48%

Source: Oregon Department of Consumer and Business Services



## Division of Workers' Compensation 2021 Annual Report

### Supplemental

#### 32<sup>nd</sup> LEGISLATURE – 2021 to 2022 (1<sup>st</sup> Session 2021)

HB 30 – An Act relating to the payment of workers' compensation benefits in the case of permanent partial impairment; relating to the payment of workers' compensation death benefits; and providing for an effective date." Introduced 02/15/2021.

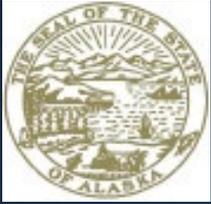
HB 45 – An Act relating to presumption of compensability for workers' compensation claims related to contagious diseases; and providing for an effective date." Introduced 02/18/2021.

HB 57 – An Act relating to the budget reserve fund established under art. IX, sec. 17(d), Constitution of the State of Alaska; relating to money available for appropriation for purposes of applying art. IX, sec. 17, Constitution of the State of Alaska, and providing for an effective date.:

Supplemental appropriations, reappropriations, and other appropriations – passed.

- Constitutional Budget Reserve Fund (CBRF) fund sweep in the amount of \$3,100,950.10 executed on the Benefits Guaranty Fund on 11/9/2021. There are no provisions to move funds back into the designated account.
- Benefits Guaranty Fund will request a supplemental increase.

HB 204 – "An Act relating to the presumption of compensability for a disability resulting from certain cancers in firefighters." Introduced 05/05/2021.



## Division of Workers' Compensation 2021 Annual Report

### Supplemental

#### LOSS COSTS PROJECTIONS

No Regulatory Orders issued in 2021.

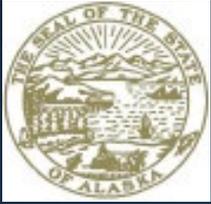
#### Alaska January 1, 2022 Loss Cost Filing

Change in Experience:	-10.4%
Change in Trend:	-3.9%
Change in Benefits:	+0.3%
Change in All Other:	-0.2%
<hr/>	
Overall Loss Cost Level Change:	-13.8%

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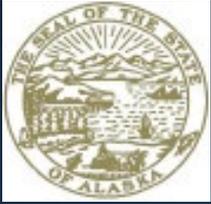
Courtesy of NCCI, Alaska State Advisory Resources, Alaska Workers Compensation System Overview, October 2021



## Division of Workers' Compensation 2021 Annual Report

### Reemployment Benefits Annual Report

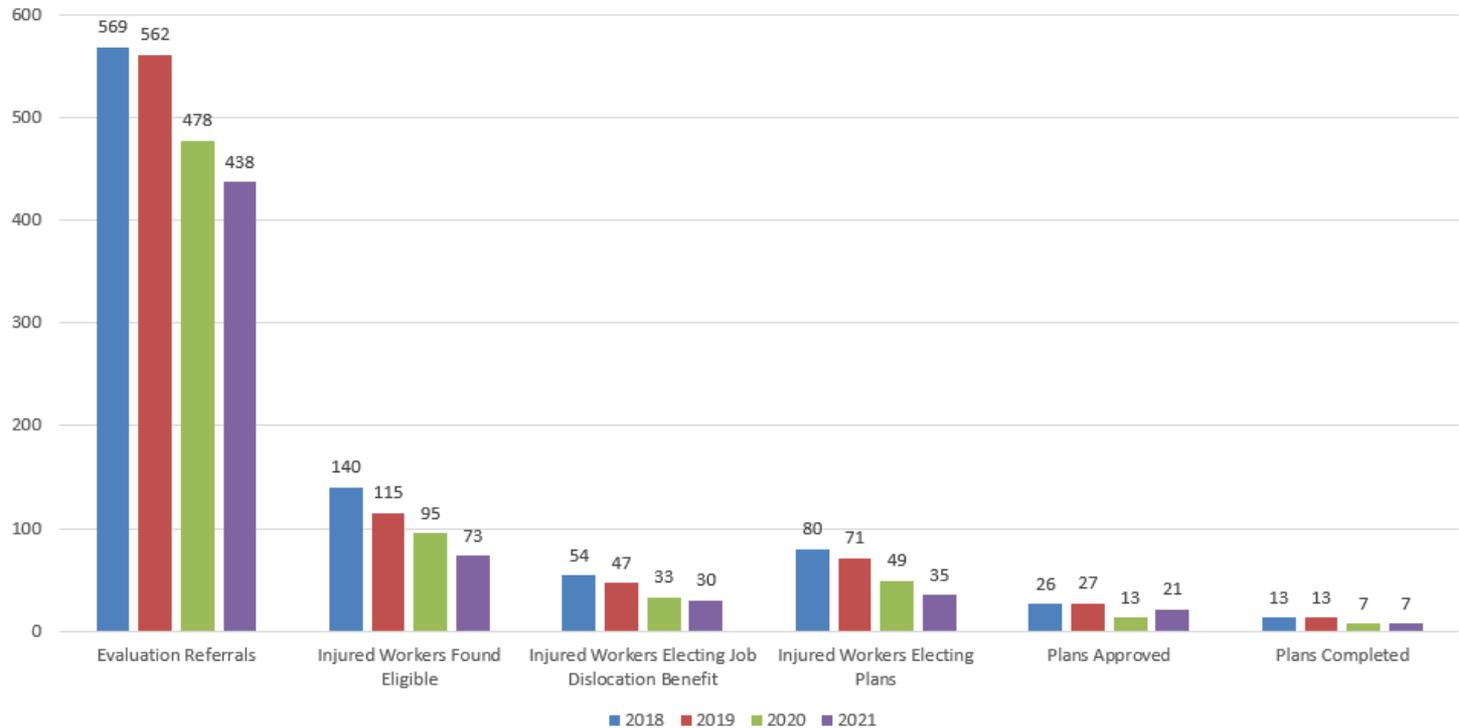
- 438 injured workers were referred for evaluations for eligibility for reemployment benefits.
- 952 eligibility evaluation reports were reviewed.
- 146 suspension letters were issued.
- 341 eligibility determinations were made.
- 73 injured workers were found eligible for reemployment benefits.
- 30 injured workers elected to receive a job dislocation benefit.
- 35 elected to pursue reemployment benefits.
- 39 reemployment plans were submitted.
- 21 plans were signed by all parties and moved forward as agreed upon plans.
- 4 plan reviews were completed.
- 4 informal rehabilitation conferences were held to assist the parties in moving forward with reemployment benefits.
- 7 injured workers completed reemployment plans.

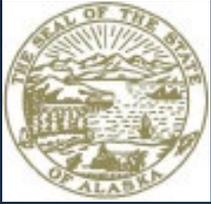


# Division of Workers' Compensation 2021 Annual Report

## Reemployment Benefits Annual Report

### Reemployment Trends

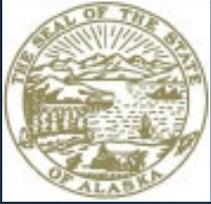




## Division of Workers' Compensation 2021 Annual Report

### Reemployment Benefits Annual Report Benefit Plans

- 95 injured workers were in the plan process at some point during 2021.
- 29 injured workers were referred for plan development in 2021.
- 34 injured workers exited the process through a Compromise and Release after plan referral and before plan completion.
- 21 injured workers were in an approved plan at year end.
- 26 injured workers were in plan development and 15 plans were pending approval at year end.
- 7 injured workers successfully completed plans with an average plan length of 21 months from plan approval to plan completion.
- 55 plans were stalled or exited for various reasons.
- The Reemployment Benefits Section attempted to contact 28 injured workers that had completed plans between 2019 and 2021.
- 17 Alaska Rehabilitation Specialists accepted 357 referrals for eligibility evaluations; 81 evaluations were referred to 35 specialists out of state.



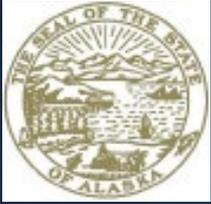
## Division of Workers' Compensation 2021 Annual Report

### Reemployment Benefits Annual Report

#### Reemployment Benefit Costs

	2019	2020	2021
Evaluation Costs	\$2,118,256	\$1,472,595	\$1,573,099
Reemployment Specialist Plan Fees	\$755,065	\$626,545	\$551,153
Plan Costs	\$617,835	\$503,629	\$263,607
Wage Benefits (AS 23.30.041(k))	\$2,635,051	\$2,135,148	\$2,053,267
Job Dislocation Benefits (AS 23.30.041(g))	\$1,601,142	\$2,961,687	\$917,890
<b>TOTALS</b>	<b>\$7,727,349</b>	<b>\$7,699,604</b>	<b>\$5,359,016</b>
<b>% Change</b>	<b>-0.24%</b>	<b>-0.35%</b>	<b>-30.40%</b>

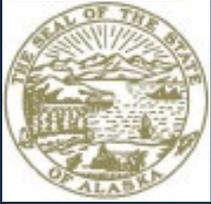
180



## Division of Workers' Compensation 2021 Annual Report

### Special Investigation Unit Annual Report Achievements

- 70 Settlements Despite Reduced Staff
- Continued Multi-Agency Collaboration
  - FBI Healthcare Fraud Task Force
  - FBI Financial Crimes Task Force
  - Local and State Law Enforcement Agencies
  - Labor Standards & Safety (AKOSH, W&H)
- 363 FTI Investigations – 254 Opened/257 Closed
- Increased Percentage of Cases Closed in 6 Months
- Website Update Revised Employer Guide and Podcast



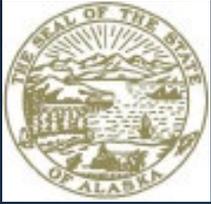
# Division of Workers' Compensation 2021 Annual Report

## Special Investigation Unit Annual Report

### Fraud Hotline and Email Tips

	FY2020	FY2021	FY2022	Year-to-Date First Quarter FY2023 (7/1/2022-9/30/2022)
<b>Total Fraud Tip Calls and Emails</b>	205	143	116	52
<b>Claimant/Injured Worker Tips</b>	21	13	18	3
<b>Employer Tips</b>	82	66	41	20
<b>Care Providers</b>	6	2	2	0
<b>Attorneys/Non-Attorney Reps</b>	0	0	1	1
<b>Insurance Companies/Agents</b>	6	0	2	0
<b>Fish Fund Claimants</b>	1	0	0	0
<b>Law Enforcement Agency Assist Requests</b>	86	60	51	27
<b>Other/Non-Related</b>	3	2	1	1

092



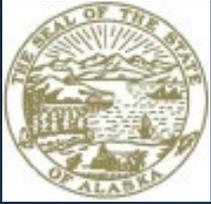
# Division of Workers' Compensation 2021 Annual Report

## Special Investigation Unit Annual Report

### Failure to Insure Fraud Investigations

ACTIVITY	FY2020	FY2021	FY2022	Year-to-Date First Quarter FY2023 (7/1/2022-9/30/2022)
Pending Cases Carried Forward	91	116	87	106
New Cases Opened	253	235	254	130
Cases Closed	229	240	257	93
Total Cases Worked	347	323	363	236
Petitions	71	93	101	32
Pre-Hearings Attended	97	126	116	44
Compliance Checks	412	368	350	115
Public Inquiries	288	255	254	61
Formal Hearings	3	7	5	2
Warning Letters	63	19	43	5
Investigation Only	97	115	125	49
Settlements Paid in Full	48	66	59	38
Settlements with Payment Plans	11	15	11	1
Percentage Closed in 6 Months	74.24% (170 of 229)	67.23% (158 of 235)	76.65% (197 of 257)	83.87% (78 of 93)
Total Penalties	\$684,008	\$1,728,592	\$4,535,255	\$470,503
Total Discounts	\$115,575	\$260,930	\$164,586	\$72,004
Total Suspensions	\$193,082	\$598,928	\$3,757,865	\$126,184
Total Payable	\$375,351	\$868,734	\$612,804	\$272,314
Uninsured Injuries	20	21	9	4
Interagency Referrals	28	27	18	12

093



# Division of Workers' Compensation 2021 Annual Report

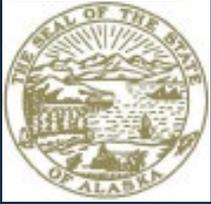
## Special Investigation Unit Annual Report

### Failure to Insure FY2022

Investigations Opened/Re-Opened	Investigations Closed	Uninsured Injury Referrals Received	Uninsured Injuries Confirmed	Employers With Uninsured Injuries Petitioned
254	257	9	9	8

FY2022	Assessed By	Total Assessed	Discounted	Suspended	Ordered to Pay
	70 Settlements <small>(11 with payment plans)</small>	\$1,056,891	\$164,586	\$361,707	\$530,598
	5 Decisions <small>(All Final)</small>	\$3,478,364	N/A	\$3,396,158	\$82,206
	<b>TOTALS</b>	<b>\$4,535,255</b>	<b>\$164,586</b>	<b>\$3,757,865</b>	<b>\$612,804</b>

094



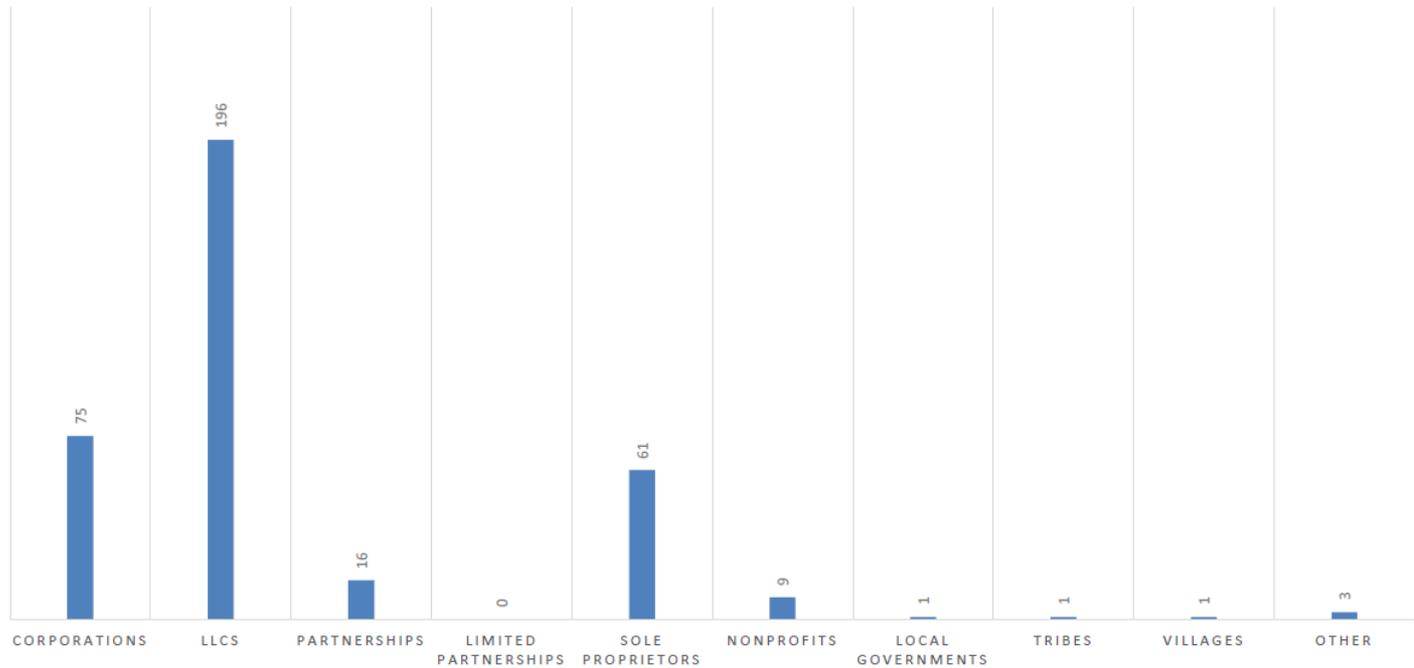
# Division of Workers' Compensation 2021 Annual Report

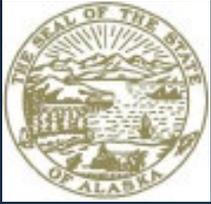
## Special Investigation Unit Annual Report

### Industry Data for FTI Investigations

ENTITY TYPES

560



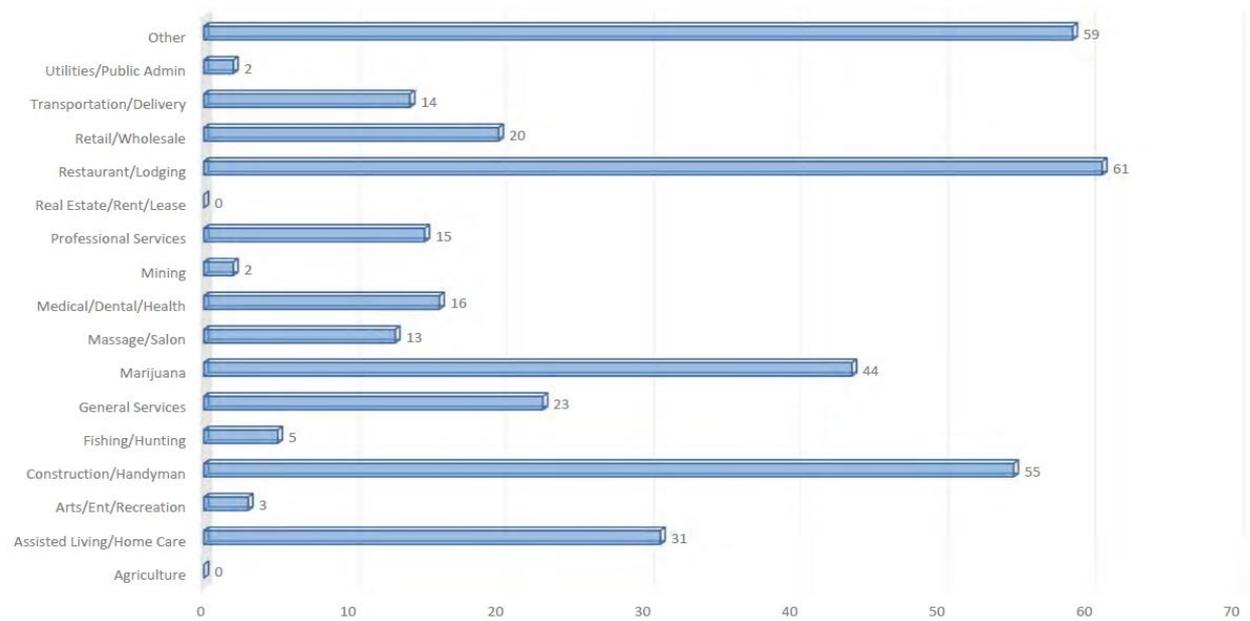


# Division of Workers' Compensation 2021 Annual Report

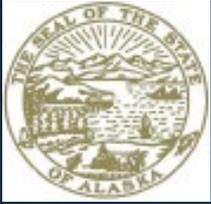
## Special Investigation Unit Annual Report

### Industry Data for FTI Investigations

REPRESENTED INDUSTRIES



960

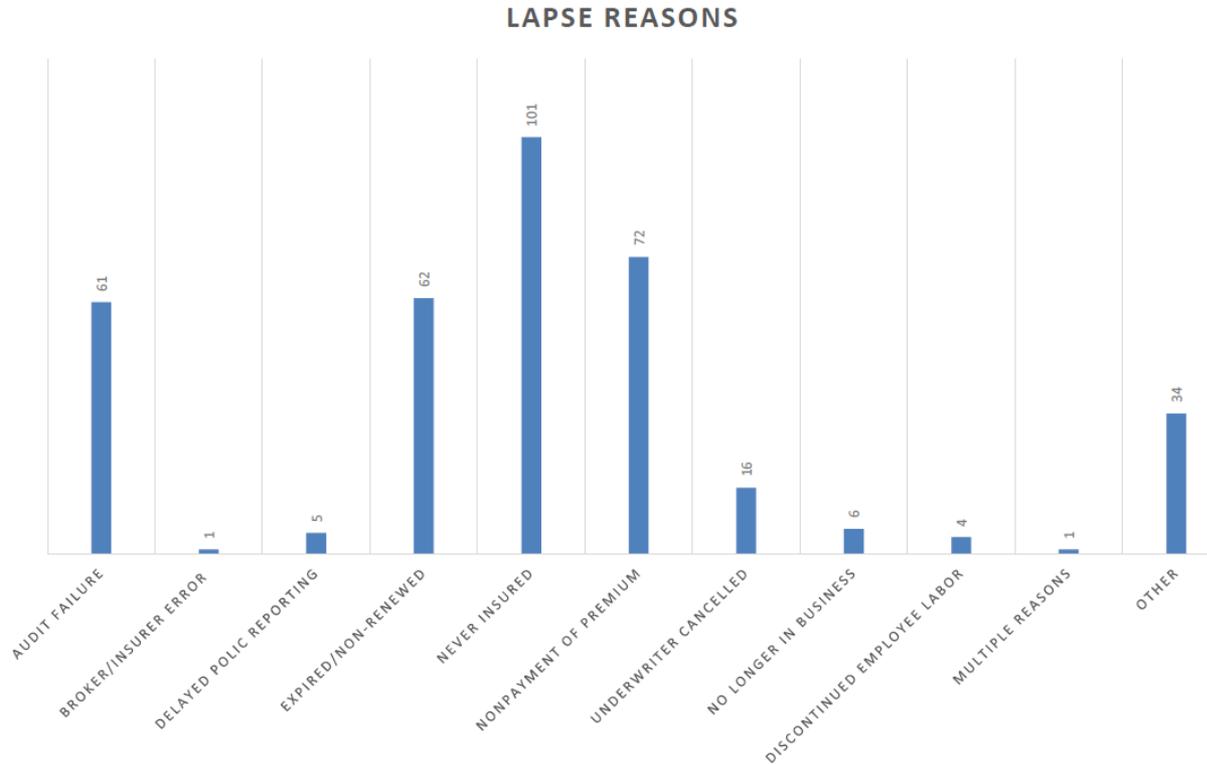


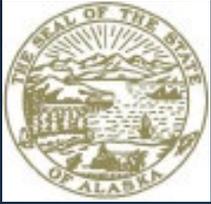
# Division of Workers' Compensation 2021 Annual Report

## Special Investigation Unit Annual Report

### Industry Data for FTI Investigations

760





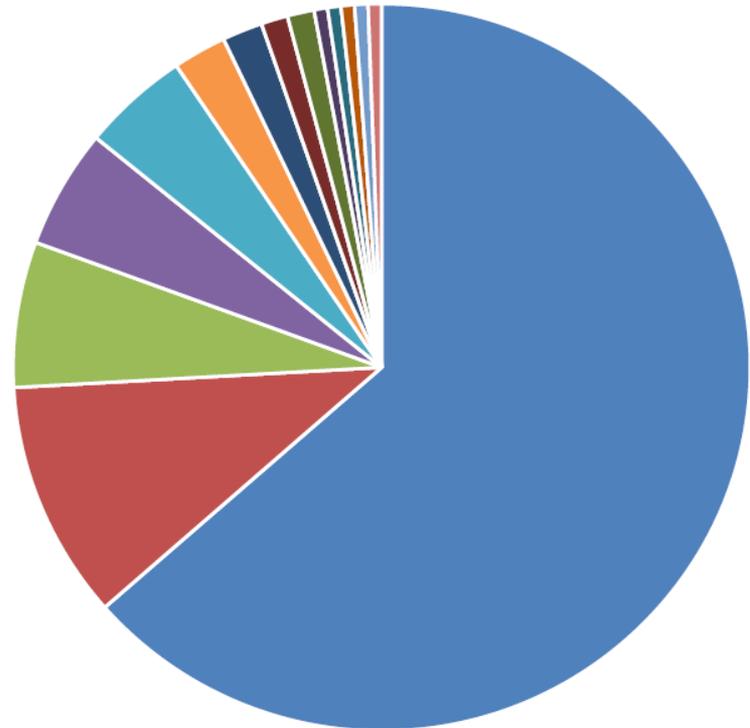
# Division of Workers' Compensation 2021 Annual Report

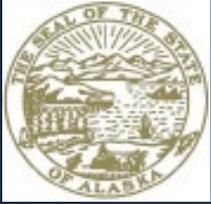
## Second Independent Medical Evaluations (SIME)

### SIMEs by Specialty 11/1/2021 – 10/31/2022

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- 108 Orthopedic
- 18 Neurosurgery
- 11 Physical Medicine & Rehab
- 9 Neurology
- 8 Neuropsychology
- 4 Pulmonology
- 3 Psychiatry
- 2 Toxicology
- 2 Otolaryngology (ENT)
- 1 Cardiology
- 1-Ophthalmology
- 1 Neuro-ophthalmology
- 1 General Surgery
- 1 Chiropractic



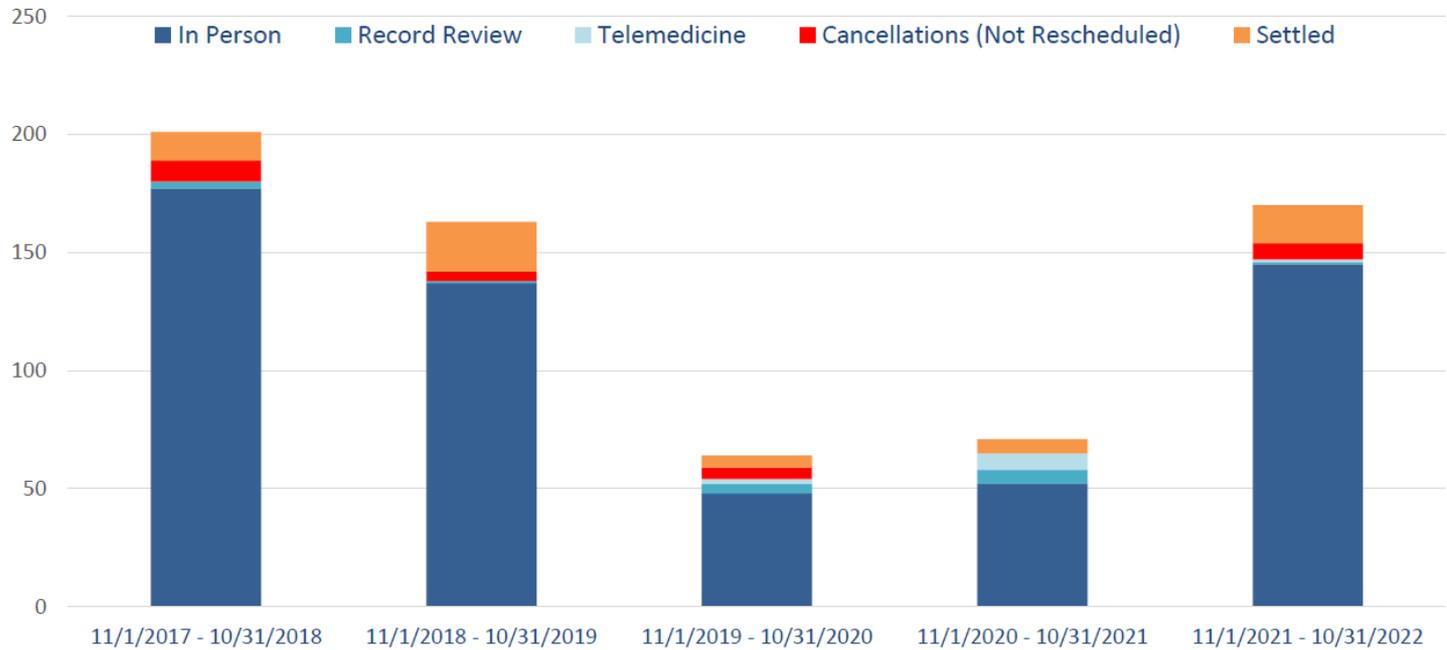


# Division of Workers' Compensation 2021 Annual Report

## Second Independent Medical Evaluations (SIME)

### Number of SIMEs and Methods - 5 Year Comparison

108





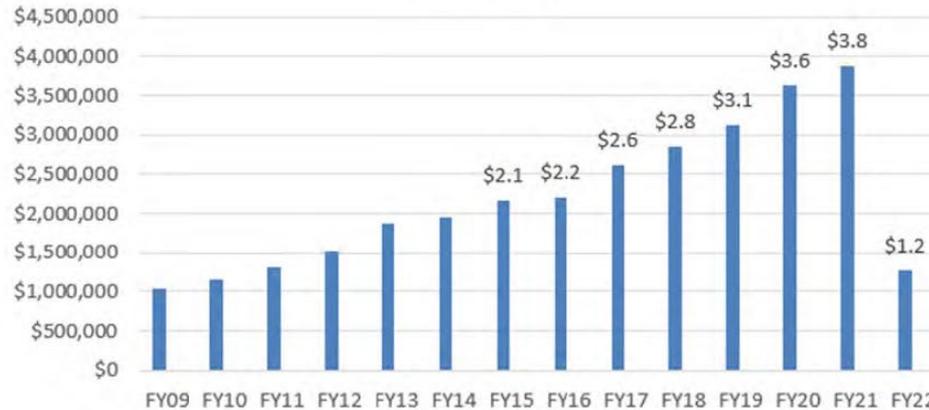
# Division of Workers' Compensation 2021 Annual Report

## Special Funds – Benefits Guaranty Fund

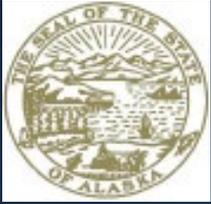
### Fund Balance

The fund balance was approximately \$1.2 million in FY2022, a 67.1% decrease, down \$2.6 million from FY2021 fund balance of \$3.8 million. The decrease is attributed to sweep on 11/9/2021 of sub-funds into the unassigned repayment of the Constitutional Budget Reserve Fund (CBRF) in the amount of \$3,100,950.10. There are no provisions to move funds back into designated accounts.

Fund Balance  
(millions)



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# Division of Workers' Compensation 2021 Annual Report

## Special Funds – Second Injury Fund

### Fiscal Year-End Balance (millions)

Fiscal Year	Balance
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	\$4,336,000
2013	\$4,468,000
2012	\$4,847,700

Second Injury Fund balance increased by \$605,172 in FY2022, an 9% increase from \$5.3 million to \$5.8 million.

