A total of $223.0 million was paid in workers' compensation benefits during calendar year 2003. This is an increase of 7.01% over 2002's total of $208.4 million.

Of this amount, $174.4 million, 78.22%, was paid by insurance companies, and $48.6 million, 21.78%, was paid by self-insured employers.

This compares to $162.1 million, 77.7%, paid by insurance companies and $46.4 million, 22.27%, paid by self-insured employers in 2002. Benefits reported by uninsured employers in 2003 totaled $24,891, compared to $33,123 in 2002.

In the past 10 years $1.63 billion has been paid out in workers' compensation benefits. Of this amount, benefits by insurance companies totaled $1.27 billion or 78.12% of total benefits paid, while self-insured employers paid $355.3 million, or 27.97% of total benefits paid. Benefits reported by Uninsured Employers totaled $521,062, or 0.15% of total benefits paid.

**MEDICAL BENEFITS**

In 2003, medical benefits totaled $115.2 million, up 8.1% from $106.6 million in 2002. Medical benefits were 51.65% of total benefits paid, compared to 50.08% in 2002.
INDEMNITY BENEFITS

Year 2003 indemnity benefits (TTD, TPD, PPI, and PTD) totaled $68.5 million, up 4.95% from $65.3 million in 2002. TTD benefits increased 4.23% to $38.2 million from $36.7 million in 2002; TPD benefits decreased 3.72% to $1.43 million from $1.49 million in 2002; PPI benefits increased 5.95% to $23.7 million from $22.4 million in 2002; and PTD benefits increased 8.58% to $5.1 million from $4.7 million in 2002.

LEGAL EXPENSES

Legal expenses decreased 1.94%, to $10.7 million in 2003 from $11.0 million in 2002. Employee attorney fees decreased 10.34% to $2.4 million from $2.7 million; employer attorney fees rose 1.98%, to $7.2 million from $7.1 million; and litigation costs decreased 6.21%, to $1.1 million from $1.2 million.

REEMPLOYMENT BENEFITS

Reemployment benefit payments decreased .26% in 2003, to $15.71 million from $15.75 million in 2002. Wages paid while under rehabilitation, 041K wages, were the largest rehabilitation expense. 041K wages decreased 3.31%, from $10.7 million in 2002 to $10.3 million in 2003. Employee evaluation costs decreased 24.4%, to $1.3 million from $1.7 million. Rehabilitation specialist fees increased 36.8%, to $1.2 million from $843,839. Plan development costs increased 4.51%, to $1.9 million from
$1.8 million. Plan monitoring fees increased 47.11%, from $706,684 to $1.0 million.

ANALYSIS OF WORKERS’ COMP CLAIMS

During calendar year 2003, the number of injuries and/or illness reported to the Workers’ Compensation Division declined 5.53%, to 24,544, from 25,981 in 2002.

Of the case files set up by the Division in 2003, 16,032 were no-time loss cases, 8,472 were time-loss cases, 17 were fatalities, and 20 were jurisdictional claims.

For the year, the number of claims filed increased 15.9%, from 1,333 in 2002 to 1,545 in 2003. The number of petitions filed increased 46.0%, from 685 to 1,000, and the total number of controversies filed increased 22.6%, from 4,654 to 5,708.
The top 10 injuries by body part injured are

- back injuries (16.0%)
- finger injuries (11.5%)
- multiple part injuries (10.9%)
- leg injuries (10.0%)
- hand injuries (6.9%)
- arm injuries (6.2%)
- eye injuries (5.0%)
- shoulder injuries (4.5%)
- foot injuries (3.7%)
- wrist injuries (3.5%)

Based on Department of Labor, Research and Analysis Section data, total average employment in 2003 was estimated at 299,600 up 2.51% from 292,237 in 2002. Excluding 17,200 federal employees, the number of workers covered under the Alaska Workers’ Compensation Act in 2002 would be approximately 282,400.
Using the number of time-loss claims established by the Workers' Compensation Division, the time loss rate per 100 employees in 2003 was 3.0, compared to a loss rate of 3.13 in 2002.

Using the number of fatalities established by the Workers’ Compensation Division, the fatality rate per 100 employees in 2003 was .0006, compared to .0008 in 2002, and the lowest rate in the past 10 years.

**OTHER**

The top twenty insurers paid $163.2 million, or 73.2% of total workers’ compensation benefits paid in 2003. This compares to $147.0 million or 70.5% in 2002.

The top five insurers by benefits paid in 2003 were Alaska National Insurance Co. at $51.8 million, up 17.8% from $44.0 million in 2002; State of Alaska at $16.1 million, up 20.0% from $13.4 million in 2002; Alaska Insurance Guaranty Association at $14.0 million, up 258.1% from $3.9 million in 2002, Commerce & Industry Ins Co (AIG) at $9.5 million, up 177.6% from $3.4 million in 2002, and Liberty Northwest Insurance Co at $7.0 million, up 107.1% from $3.4 million in 2002.

For fiscal year 2003, the Division of Insurance reported 157 companies writing workers’ compensation insurance in Alaska, with total net premiums written totaling $238.2 million. This compares to 197 admitted insurers writing $156.3 million in direct premiums in 2002. During the year, voluntary market premiums increases averaged 3.5%, and assigned risk pool premiums increased 7.6%.

During calendar year 2003, there were several major insolvencies – Fremont Industrial Indemnity Co., Home Insurance Co., and Legion Insurance Co.