A total of $232.49 million was paid in workers' compensation benefits during calendar year 2004. This is an increase of 4.20% over 2003’s total of $223.03 million.

Of this amount, $175.8 million, 75.60%, was paid by insurance companies, and $56.7 million, 24.38%, was paid by self-insured employers.

This compares to $174.44 million, 78.21%, paid by insurance companies and $48.57 million, 21.78%, paid by self-insured employers in 2003. Benefits reported by uninsured employers in 2004 totaled $37,729, compared to $24,891 in 2003.

In the past 10 years $1.73 billion has been paid out in workers' compensation benefits. Of this amount, benefits by insurance companies totaled $1.34 billion or 77.66% of total benefits paid, while self-insured employers paid $386.15 million, or 22.31% of total benefits paid. Benefits reported by Uninsured Employers totaled $529,312, or 0.03% of total benefits paid.

MEDICAL BENEFITS

In 2004, medical benefits totaled $120.04 million, up 4.21% from $115.19 million in 2003. Medical benefits were 51.63% of total benefits paid, compared to 51.65% in 2003.
INDEMNITY BENEFITS

Year 2004 indemnity benefits (TTD, TPD, PPI, and PTD) totaled $69.04 million, up .60% from $68.58 million in 2003. TTD benefits decreased 4.23% from $38.27 million to $36.99 million; TPD benefits increased .60% from $1.43 million to $1.44 million; PPI benefits increased 4.20% from $23.79 million to $24.81 million; and PTD benefits increased .14% from $5.09 million to $5.80 million.

LEGAL EXPENSES

Legal expenses increased 17.30%, to $12.88 million in 2004 from $10.98 million in 2003. Employee attorney fees increased 12.43% from $2.43 million to $2.73 million; employer attorney fees rose 18.36%, from $7.32 million to $8.67 million; and litigation costs increased 21.22%, from $1.22 million to $1.48 million.

REEMPLOYMENT BENEFITS

Reemployment benefit payments increased 1.28% in 2004, to $16.01 million from $15.80 million in 2003. Wages paid while under rehabilitation, 041K wages, were the largest rehabilitation expense. 041K wages decreased 4.49%, from $10.37 million in 2003 to $9.90 million in 2004. Employee evaluation costs decreased 13.96%, from $1.32 million to $1.14 million. Rehabilitation specialist fees decreased 20.64%, from $1.15 million to $915,966. Plan development costs increased 43.20%, from $1.92 million to $2.75 million. Plan monitoring fees increased 25.26%, from $1.04 million to $1.30 million.
During calendar year 2004, the number of injuries and/or illness reported to the Workers’ Compensation Division declined 2.46%, to 23,939 in 2004 from 24,544 in 2003.

Of the case files set up by the Division in 2004, 15,959 cases, 66.67%, were no-time loss cases; 7,914 cases, 33.06%, were time-loss cases; 27 cases, .11%, were fatalities, and 39 cases, .16%, were jurisdictional claims.

For the year, the number of claims filed decreased 2.27%, from 1,545 in 2003 to 1,510 in 2004. The number of petitions filed decreased 15.10%, from 1,000 to 849, the total number of controversions filed increased .77%, from 5,708 to 5,752, and the total number of cases controverted increased 5.14%, from 4,064 cases to 4,273 cases.
The top 10 injuries by body part injured are

1. back injuries (14.94%)
2. finger injuries (11.39%)
3. multiple part injuries (10.27%)
4. leg injuries (9.68%)
5. hand injuries (5.89%)
6. arm injuries (5.36%)
7. eye injuries (5.06%)
8. shoulder injuries (4.69%)
9. foot injuries (3.58%)
10. ankle injuries (3.48%)

Based on Department of Labor, Research and Analysis Section data, total average employment in 2004 was estimated at 304,000 up 1.40% from 299,600 in 2003. Excluding 17,100 federal employees, the number of workers covered under the Alaska Workers’ Compensation Act in 2004 would be approximately 286,900.
Using the number of time-loss claims established by the Workers' Compensation Division, the time loss rate per 100 employees in 2004 was 2.76, compared to a loss rate of 3.00 in 2003.

Using the number of fatalities established by the Workers’ Compensation Division, the fatality rate per 100 employees in 2004 was .009, compared to .006 in 2003.

**OTHER**

The top twenty insurers paid $166.53 million, or 71.58% of total workers’ compensation benefits paid in 2004. This compares to $163.20 million or 73.20% in 2003.

The top five insurers by benefits paid in 2004 were Alaska National Insurance Co. at $48.13 million, down 7.0% from $51.76 million in 2003; State of Alaska at $17.83 million, up 10.60% from $16.12 million in 2003; Liberty Northwest Insurance Co at $11.83 million, up 69.10% from $7.0 million in 2003; Alaska Insurance Guaranty Association at $10.97 million, down 21.94% from $14.05 million in 2003; and Commerce & Industry Ins Co (AIG) at $9.72 million, up 2.48% from $9.48 million in 2003.

For fiscal year 2004, the Division of Insurance reported 196 insurance companies authorized to write workers’ compensation insurance in Alaska, with direct premiums written totaling $240.92 million. This compares to 193 admitted insurers writing $215.2 million in direct premiums in fiscal year 2003. In calendar year 2004, voluntary market premiums increased 21.2%, and involuntary market (assigned risk pool) premiums increased 22.2%.

During calendar year 2004, there were no new notices of rehabilitation or liquidation received.