



May 1, 2019

House Finance Committee
Alaska State House
State Capitol Building
Juneau, AK 99801

RE: House Bill 30, WORKERS' COMP: DEATH; PERM PARTIAL IMPAIR

Dear House Finance Committee Members:

The Alaska Chamber has serious concerns with House Bill 30, which would significantly expand the state's workers' compensation program beyond its long-standing and intended purpose while increasing costs on Alaska's employers.

The Chamber is a non-profit founded in 1953 working to promote a positive business environment in Alaska. The Chamber is the voice of small and large business representing more than 700 businesses, manufacturers, and local chambers from across Alaska. Our member companies employ over 100,000 hard-working Alaskans.

Under current law, the employer's liability under the workers compensation system is the exclusive liability for death or injury to its employees. It provides a guaranteed benefit while avoiding costly and unpredictable litigation after each injury or death.

HB 30 would circumvent the long-standing intent of workers' compensation and allow for an employee to sue for damages if they allege "willful disregard" against the employer. The term "willful disregard" does not appear in the workers' compensation statute, and its meaning in HB 30 is unclear. This will lead to significant costs to employers if they are forced to defend themselves in court over an allegation of "willful disregard."

There are already remedies outside the workers' compensation program for clearly negligible behavior by an employer or violations of safety regulations. The workers' compensation system is not the place to enact measures that go beyond compensating injured workers and their dependents.

The Chamber likewise, has concern about the increase in Permanent Partial Impairment (PPI) in HB 30. The PPI increase with no counterbalancing reforms to workers' compensation to reduce cost would significantly increase the cost of workers' compensation insurance policies.

HB 30 also establishes a new death benefit for non-dependent family members of an employee who is killed on the job. This creates what is essentially a statutorily mandated life insurance policy — again, not the intent of workers' compensation.



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Workers' compensation death benefits to dependents are meant to replace the lost wages that would have supported the dependents, but for the death of the employee.

Extending monetary death benefits to non-dependents would increase workers' compensation costs and clearly break with the intent of providing compensation to dependents who were relying on it.

Alaska has the fifth highest workers' compensation insurance premiums in the country and before enacting any potential changes to the workers' compensation system, lawmakers must look at the financial impact on employers.

The Chamber cannot support any workers' compensation legislation that raises costs on Alaska employers while at the same time disrupting the long-standing and dependable purpose of the workers' compensation program.

Best Regards,

A handwritten signature in black ink that reads "Kati Capozzi". The signature is written in a cursive, flowing style.

Kati Capozzi
President and CEO