FISCAL YEAR 2005

REPORT

Prepared by
Department of Administration
DIVISION OF RISK MANAGEMENT

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Exhibits

Mission Statement

"To effectively mitigate the State of Alaska's risk of financial loss by educating, protecting and defending state employees, assets and operations from injury and physical damage caused by fortuitous loss."

Objective

To protect the financial assets and operations of the State of Alaska from accidental loss through a comprehensive self-insurance program for normal and expected property and casualty claims of high frequency and low severity combined with high limit broad form excess insurance protection for catastrophic loss exposures.

Operations

Risk Management administers the self-insurance program for each State agency, covering all sudden and accidental property and casualty claims. Annual assessments allocated by Risk Management are the maximum each agency is called upon to pay, forestalling the need for supplemental appropriation or disruption of vital state services after a major property loss, adverse civil jury award, or significant workers' compensation claim.

With a present staff of five—Risk Management operates from the State Office building in Juneau—serving a statewide constituency that includes all departments of the executive, legislative and judicial branches of state government; all state boards and commissions; their respective employees and members. The state risk management program affects many Alaskans, from the injured state employee, to those who contract with state agencies (construction, purchase, professional service and lease agreements), and all Alaskans that claim the state is legally liable for their individual property damage or personal injury.

By effectively managing the state's property and liability exposures through a comprehensive self insurance program — Risk Management expends less public funds than would be paid to private insurance companies — providing streamlined claims services utilizing professional adjusting firms located throughout Alaska and when necessary, in house defense counsel assigned from the special litigation (torts) section of the Department of Law.

<u>PROGRAMS</u>

1) Insurance Administration

Property insurance with broad form all risk coverage (including earthquake and flood) is provided on a replacement cost basis covering all state owned or leased real property (buildings and its equipment) and personal property (business equipment and office contents including State Museum fine arts), as well as all owned and non-owned aircraft, watercraft (Alaska Marine Highway System ferries and other agency vessels), and a schedule of large highway bridges.

Casualty coverages protect each state agency and their personnel from third party civil (tort) liability claims alleged to have arisen from combined liability; general (premises/operations), automobile, professional (errors and omissions), medical malpractice, aviation (aircraft and airport) or marine (crew and passenger injuries).

Specialty coverages — blanket public employee faithful performance and custom bonding, accidental death and disability (including medical expenses) for volunteers, computer and telephone fraud and foreign liability, etc. The State's excess insurance programs continually evolve — responding to new State activities, policy form offerings and current condition in world reinsurance markets.

In FY2005 the state is completely self-insured on all statutory workers' compensation claims and the state is self insuring all of its comprehensive casualty exposures; general liability (premises and operations), professional liability (medical and legal malpractice) and automobile liability. The following policies have Self-Insured Retention (SIR) levels. SIR's are the funds Risk Management contributes to a claim prior to excess policies taking effect, $1 million per claim for property and marine risks; and $250,000 per incident for airport and aircraft liability exposures. Policy limits of excess insurance vary by risk; $50 million for marine; $100 million for property and $500 million for airport. The following **exhibit** provides a brief overview of the FY2005 excess insurance program.

Many diverse domestic and international insurance companies and various Lloyd's of London underwriting syndicates and companies participate in the State of Alaska's excess insurance program. In renewal of its excess insurance program for FY2005 the State again participated as a small percentage co-insurer in the upper underwriting layers in order to limit premium expenditures.

Marketing of the State's insurance program is provided by Willis, one of the largest independent brokers in the world market. The State obtained the independent actuarial assessment of the state insurance program required by *AS 37.05.287 (b)* from Advanced Risk Management Techniques, Inc (ARM Tech). Specialty computer software programs were supported by CSC Consultants. All Risk Management professional service contracts are solicited through formal request for proposals issued every three to five years.

For the Ted Stevens Anchorage International Airport terminal redevelopment project Risk Management arranged a project specific owner controlled insurance project (OCIP) insuring all participant contractors. This program has saved significant premium costs over conventional manual rates for workers' compensation with far greater savings on other casualty and property coverage protected in this 5 year program - avoiding the 50 to 100 % premium rate hikes incurred in the general construction industry since the 9-11 impact on world wide re-insurance markets.

FY2005 PROPERTY/CASUALTY PROGRAM

COVERAGE	SELF-INSURED RETENTION	LIMITS OF INSURANCE
PROPERTY — all risk owned/leased buildings incl. contents and museum fine arts	$1,000,000 each loss	$100,000,000
replacement cost coverage (EARTHQUAKE & FLOOD)	5% subject to min, $1,000,000	$100,000,000
BOILER & MACHINERY	$50,000	$25,000,000
COMBINED LIABILITY (including general liability, auto, professional liability, medical malpractice, director & officers etc.)	Self insured	
WORKERS' COMPENSATION	Authorized Self Insured Employer	Statutory Benefit
MARINE		
Vessel Hull & Machinery	$1,000,000	Declared Values
Marine P&I Legal Liabilities	$1,000,000	$50,000,000
Marine Pollution	$25,000	
FOREIGN LIABILITY	NIL	$1,000,000
AVIATION LIABILITY		
Airports	$250,000	$500,000,000
Aircraft	$250,000	$25,000,000
EMPLOYEE FIDELITY BOND incl. blanket faithful performance and statutory bond coverage	$250,000	$25,000,000

This list is not detailed and does not include all policies for special exposures — there are policy extensions and limitations not included in this statement — additional information concerning specific areas of coverage are available from Risk Management on request. The policies extend to cover all State Departments except those specifically excluded such as the Alaska Railroad and University of Alaska, who administer their own insurance program.

2) Claims Adjusting and Litigation Management

By assuming all normal expected accidental loss, the State is able to optimize the cost efficiencies of a self-insurance program and to directly control the defense and settlement of its claims. Using independent insurance adjusting firms located throughout the state, Risk Management is able to provide prompt investigation and fair settlement of liability claims filed by the public and to give all injured state employees and their dependent's timely receipt of any benefits owed under workers' compensation statutes. Replacement cost funding is immediately arranged for prompt repair or renewal of state property and equipment that is damaged or destroyed.

Northern Adjusters, Inc., with offices in Anchorage, Fairbanks, and Kenai, responds to all automobile and general liability claims and when assigned investigates aviation and airport liability cases. Harbor Adjustment Services determines and pays all benefits owed injured state employees under Alaska Workers' Compensation statutes and adjusts all maritime employee injury claims arising prior to July 1, 2003 on the Alaska Marine Highway System ferries and other agency vessels.

Risk Management claims administrators oversee and manage the day-to-day activities of these independent professionals handling state claims. Through an on-line interactive claims information system they are able to immediately determine the current status of any case and view all payment and reserve transactions. Large or precedental claims are closely monitored through detailed narrative status reports with direct supervision and control by the state. Risk Management performs on-site claim audits, sampling randomly selected claim files to ensure prompt professional and cost effective claims services are continually provided.

For litigation cases, Risk Management funds the Special Litigation (Torts) Section within the Department of Law, presently fourteen assistant attorneys general, six paralegals, and six legal secretary positions. Using State-employed defense attorneys is clearly the most cost effective and operationally efficient method to handle the civil litigation and workers' compensation caseload protected by the Risk Management program. When a conflict of interest arises or if the current caseload demands it, a private defense counsel is retained by individual professional service contract with the assistance and authority of the Department of Law.

Risk Management claims staff works closely with Department of Law legal staff on defense or settlement decisions in all complex claims and litigation cases.

3) Contract Review

A vital and basic cornerstone in any comprehensive Risk Management program is the transfer of the risk through careful consideration of terms and conditions used in all State contract agreements (supply, service, lease, construction, and professional) to identify just a few. Indemnification (hold-harmless) and specifically relevant insurance requirements are necessary to protect the State from being held legally responsible to pay for the negligent acts of independent contractors and other parties with whom the State has written contracts. Due to the wide variety of contract forms, it is not possible to adopt a single standard or uniform format. Risk Management has developed boilerplate forms (Appendix B1 and B2) to be used by State contracting officers as guidelines in professional service agreements. Modifications are made on an individual request basis, tailoring the final terms to the unique activities of that agreement, considering availability and affordability of the requested insurance coverage.

4) Cost of Risk Allocation

Risk Management's budget is funded entirely through inter-agency receipts annually billed each agency through a "Cost of Risk" premium allocation system (CORA). The Risk Management information system generates the annual cost of risk allocation to each agency reflecting their proportionate share of the State's overall cost of risk. Designed to achieve equitable distribution of the self-insurance program costs — it factors exposure values subject to loss and considers the past 5 years actual claims experience incurred by each department. For most cost of risk allocations, 80% of the premium billing is based on the average of the past 5 years-actual claims experience. Thus provides a direct fiscal incentive to each agency to reduce or control their claim costs.

The program compiles a property inventory schedule of all owned or leased buildings used or occupied by State agencies; recording age and type of building construction, occupancy, fire protection services and sprinkler systems and projected replacement cost value. Individual premiums are then determined and in cases of multiple occupancy — allocated to each department on the basis of square footage used.

The following exhibits detail FY2005 premium allocations for general liability and workers' compensation billed to each department. Additional breakouts to a second tier divisional or institutional level are now being generated. This demonstrates to each agency those units generating claims costs and assists in accurate and equitable distribution of the RM annual cost of risk allocation within each department. For greatest accuracy, exposure component detail (payrolls, personnel, vehicles etc.) needs to be configured to the same locations or divisional units used for claim location identification. Risk Management continues to work with each agency to develop this information to improve the value of these reports to better assist management comparisons of similar units and operations.

The "cost of risk" premium is collected through two methods from individual state agency operating budgets. Reimbursable Services Agreements (RSA's) are used for all categories of insurance other than Workers' Compensation and Combined Liability (general, auto and professional) which are assessed on a rate per $100 payroll applied monthly to each agencies actual payroll until the allocated premium is paid. As each agencies payroll generates the premium owed the assessment is individually shut off.

The FY2005 actual rates used for payroll deductions are presented showing variation to FY03 and FY04 rates.

FY 2005 CORA
GENERAL LIABILITY

	General Liability	Exposure Based Calculation 20%			Experienced Based Calculation 80%				
#	DEPARTMENT	Payroll	Percent of Total	Exposure Based Premium Amount Charged	Total Incurred Losses FY00 thru FY04	Incurred Losses (Prior 5-Yrs) After Limiting Factors Applied	Percent of Total Limited Losses	Experience Based Premium Amount	Total Premium
1	Office of the Governor	12,015,700	1.04%	11,951	0	0	0.000000%	0	11,951
2	Administration	65,602,300	5.68%	65,249	265,785	265,785	3.306331%	152,028	217,277
3	Law	39,179,500	3.39%	38,969	36,156	33,802	0.420489%	19,334	58,303
4	Revenue	31,921,300	2.76%	31,750	32,093	19,995	0.248736%	11,437	43,187
5	Education	20,870,000	1.81%	20,758	23,101	23,101	0.287377%	13,214	33,972
6	Health and Social Services	204,531,800	17.70%	203,432	2,878,925	1,658,325	20.629319%	948,553	1,151,984
7	Labor	62,001,000	5.36%	61,668	5,000	5,000	0.062199%	2,860	64,527
8	Commerce and Econ. Dev.	34,512,300	2.99%	34,327	65,213	47,384	0.589446%	27,103	61,430
9	Military and Veterans Affairs	16,437,800	1.42%	16,349	0	0	0.000000%	0	16,349
10	Natural Resources	62,024,000	5.37%	61,690	557,561	266,561	3.315977%	152,471	214,162
11	Fish and Game	81,119,000	7.02%	80,683	79,434	79,434	0.988152%	45,436	126,119
12	Public Safety	66,659,300	5.77%	66,301	1,106,753	1,079,253	13.425743%	617,326	683,627
13	Environ. Conservation	33,169,100	2.87%	32,991	8,849	8,849	0.110079%	5,061	38,052
14	Corrections	101,181,100	8.75%	100,637	2,173,555	2,138,555	26.603316%	1,223,242	1,323,879
16	Transp. and Pub. Facilities	250,393,900	21.67%	249,047	5,246,948	2,375,825	29.554916%	1,358,959	1,608,006
18	Legislative Affairs	25,776,900	2.23%	25,638	0	0	0.000000%	0	25,638
19	Legislative Audit	2,877,600	0.25%	2,862	0	0	0.000000%	0	2,862
21	Court System	45,463,800	3.93%	45,219	36,811	36,811	0.457922%	21,056	66,275
	SUB TOTALS	**1,155,736,400**	**100.00%**	**1,149,520**	**12,516,183**	**8,038,680**	**100%**	**4,598,080**	**5,747,600**

FY 2005 CORA
WORKERS COMPENSATION

	Workers Compensation	Exposure Based Calculation 20%			Experienced Based Calculation 80%				
#	DEPARTMENT	Payroll	Percent of Total	Exposure Based Premium Amount Charged	Total Incurred Losses FY00 thru FY04	Incurred Losses (Prior 5-Yrs) After Limiting Factors Applied	Percent of Total Limited Losses	Experience Based Premium Amount	Total Premium
1	Office of the Governor	12,015,700	1.03%	22,038	42,495	37,300	0.085240%	7,261	29,299
2	Administration	65,602,300	5.65%	120,321	847,669	847,669	1.937108%	165,020	285,341
3	Law	39,179,500	3.37%	71,859	422,042	170,257	0.389073%	33,145	105,004
4	Revenue	31,921,300	2.75%	58,547	812,230	286,049	0.653684%	55,687	114,233
5	Education	20,870,000	1.80%	38,278	584,197	275,319	0.629165%	53,598	91,875
6	Health and Social Services	210,591,000	18.14%	386,243	14,642,617	14,163,282	32.366189%	2,757,237	3,143,480
7	Labor	62,001,000	5.34%	113,716	1,767,708	930,671	2.126786%	181,178	294,894
8	Commerce and Econ. Dev.	34,512,300	2.97%	63,299	2,323,586	168,397	0.384823%	32,783	96,081
9	Military and Veterans Affairs	16,437,800	1.42%	30,148	383,547	383,547	0.876488%	74,667	104,815
10	Natural Resources	61,413,000	5.29%	112,637	2,868,603	2,477,027	5.660548%	482,215	594,852
11	Fish and Game	81,119,000	6.99%	148,780	2,080,194	1,869,224	4.271584%	363,891	512,671
12	Public Safety	66,659,300	5.74%	122,259	4,126,848	3,441,949	7.865605%	670,061	792,321
13	Environ. Conservation	33,169,100	2.86%	60,835	670,556	216,706	0.495221%	42,187	103,022
14	Corrections	101,181,100	8.71%	185,575	5,872,105	5,425,730	12.398977%	1,056,254	1,241,829
16	Transp. and Pub. Facilities	250,393,900	21.56%	459,246	12,634,489	12,496,484	28.557193%	2,432,753	2,891,999
18	Legislative Affairs	25,776,900	2.22%	47,277	223,336	84,274	0.192585%	16,406	63,683
19	Legislative Audit	2,877,600	0.25%	5,278	143,961	10,000	0.022852%	1,947	7,225
21	Court System	45,463,800	3.92%	83,385	659,052	475,613	1.086881%	92,590	175,975
	SUB TOTALS	**1,161,184,600**	**100.00%**	**2,129,720**	**51,105,236**	**43,759,498**	**100%**	**8,518,880**	**10,648,600**

FY2003 Thru FY2005
Payroll Rates Comparison

DEPARTMENT	FY 03 Payroll Deduction Premium	FY 03 Rate	FY 04 Payroll Deduction Premium	FY 04 Rate	FY 05 Payroll Deduction Premium	FY 05 Rate
Office of the Governor	55,051.30	0.77%	39,174.74	0.67%	41,697.93	0.69%
Administration	2,055,469.68	4.30%	468,755.52	1.59%	509,463.87	1.55%
Law	162,503.34	0.85%	167,480.03	0.86%	164,303.47	0.84%
Revenue	178,178.87	1.08%	176,441.60	1.06%	158,159.72	0.99%
Education & Early Development	184,380.68	1.10%	139,355.57	1.26%	133,254.14	1.28%
Health and Social Services	2,493,516.76	2.93%	4,225,918.86	3.90%	4,329,505.15	4.26%
Labor & Workforce Development	319,885.42	1.08%	351,143.94	1.06%	365,833.81	1.18%
Community & Economic Development	187,439.61	1.04%	165,712.31	0.90%	161,478.78	0.94%
Military and Veterans Affairs	123,240.99	1.48%	200,097.27	2.25%	131,170.01	1.60%
Natural Resources	688,679.91	2.52%	653,525.28	2.00%	848,946.57	2.74%
Fish and Game	744,267.77	1.69%	689,287.32	1.60%	676,501.43	1.67%
Public Safety	1,430,734.66	4.33%	1,466,090.55	4.23%	1,618,252.36	4.86%
Environmental Conservation	221,805.98	1.24%	192,512.39	1.06%	148,262.45	0.89%
Corrections	2,150,394.78	4.05%	2,255,881.22	4.15%	2,687,161.00	5.32%
Transportation and Public Facilities	5,707,167.30	5.61%	5,614,496.45	4.16%	5,279,608.42	4.22%
Legislative Affairs/Finance/Ombudsma	98,745.42	0.71%	98,071.63	0.71%	89,944.01	0.70%
Legislative Audit	11,047.63	0.72%	10,671.96	0.69%	10,315.07	0.72%
Court System	351,989.90	1.52%	299,883.74	1.28%	242,341.81	1.07%
SUB TOTALS	**17,164,500**		**17,214,500**		**17,596,200**	
Alaska Marine Highway System	50,000.00		0.00		0.00	
TOTALS	**$17,214,500**		**$17,214,500**		**$17,596,200**	

FY2005 Issues

Risk Financing:

Obtaining adequate financing to meet the ongoing demands of the State's comprehensive self-insurance program remains the highest and most prominent issue for Risk Management. Exclusively funded by interagency receipts, Risk Management needs to pay all claim settlements and defense costs as they are due and payable, drawing from the Catastrophic Reserve Account (CRA) whenever there is insufficient appropriation to meet ongoing claim obligations.

Financing of the state's comprehensive self-insurance program continues to be dependent on the CRA to meet the actual cost of risk each year. This account is annually refilled by a year-end "sweep" of unexpended general funds from other state operating budgets. Over the last five fiscal years, RM has averaged total cost of risk expenditures greater than $8.8 million beyond authorized appropriations. In FY04 $7.5 million was expended beyond RM's appropriation.

As was the case last year, continued increased premiums were experienced at FY05 coverage renewals. Without available funding to meet these increased market rates, the state was again forced to make difficult decisions on which reinsurance policies were not affordable - thereby exposing state agency activities and operations to catastrophic liability exposure.

As noted by the Legislative Finance Division in their annual budget analysis report–

"If these funds were not available, two opportunities would remain for meeting catastrophic situations:
1) *supplemental appropriation by the legislature; and*
2) *judgment legislation.*

Delays that could occur with legislative remedies would create difficult financial situations in situations that require immediate action."

Due to limited balances in the CRA, recent large pending tort claims have been settled with small portions paid at resolution combined with larger portions stipulated to be funded as part of annual judgment bill submitted to the Legislature.

As required by Alaska Statute 37.05.287 (b) an independent casualty actuary annually estimates future payments of loss and allocated loss adjustment expense for the State of Alaska's self-insurance program. In their report dated June 30, 2004, ARMTech estimate expected claim payments in FY2004 to be $31,940,925 and predict the state will ultimately pay $85,285,780 (using Expected Confidence Level) for outstanding losses as of 6/30/06– see attached Exhibit C1 and C2. These projected future payment obligations are reported as un-funded liabilities in the state's comprehensive annual financial report filed by the Division of Finance.

Actual claims payments are subject to significant variability due to the state's large self insured retentions combined with the possibility of a catastrophic loss or large single claim consuming all or a substantial part of the catastrophe fund.

From FY90 through FY2004, over $96 million has been withdrawn from the catastrophe reserve fund to pay claim settlements — see **Exhibit A1-A6**. **Exhibit B** shows the authorized budget and actual expenditure detail for FY90 -FY2004.

State Catastrophe Insurance Reserve Account

This fund, authorized under *AS 37.05.289*, is limited to a maximum of $5 million, is first replenished by any lapsing Risk Management funds, and then by other agency lapsing general fund appropriation. When enacted in 1987, this fund was intended to pay only the rare large loss. More recently, this account has been used to pay the more frequent smaller claims when the Risk Management appropriation has been depleted.

Should the catastrophe reserve account not be fully refilled, the state's self insurance program will be in jeopardy and an immediate supplemental appropriation would then be required to meet that day's self-insured claim payment obligation to avoid interrupting state agency operations and services provided to the people of Alaska.

Exhibits D thru **H** pie charts with graph data show a breakout by department of the last 5 year (by fiscal year) cumulative loss history in workers' compensation, general liability marine protection & indemnity (employee), and auto liability.

Exhibits J1 and **J2**, broken down by Department, show the frequency and severity per 100 full time employees (FTE). For FY2002 the frequency has gone down per 100 FTE's but the cost per claim or severity is on the rise. As noted, AMHS employees are not included in Department of Transportation figures.

Exhibits K1 & **K2** show the frequency and severity of AMHS claims in comparison to other state departments. The cost or severity of marine claims per 100 FTE's are greater than all other departments due to Jones Act and other traditional maritime remedies compared to Alaska Workers Compensation Law. As of July 1, 2003 all maritime claims will be covered under Workers Compensation. This should further reduce the frequency and severity of AMHS claims.

Exhibit L will show the cost per hundred to insure the State of Alaska property. This exhibit shows Risk Management has been able, through our broker Willis of Seattle, to reduce the cost per/$100 while the total value of buildings insured has steadily increased in the past 5 years.

The Risk Management information system is capable of many varied forms of analytical report forms to demonstrate loss patterns, cause of accidents or injury trends. The staff would be glad to respond to any request for customized reports or specific information for any individual agencies claims experience.

Risk Management Catastrophe Fund FU 11133
Expenditure/Revenue/Sweep Data

	6/30 Balance	Amount Needed for $ 5 mil on 7/1	Lapse Sweep from Risk Mgt Appn.	Lapse Sweep - Other Agencies	Amount Short	3rd Party Recoveries and Misc. Receipts	Total Expended
FY88			3,421,253.00				
FY89		1,578,747.00	1,578,747.00	-			
FY90		3,300,000.00	2,464,374.00	-			836,000.00
FY91	1,631,171.00	3,368,829.00	no avail. lapse	3,368,829.00		2,464,373.00	4,792,812.00
FY92	2,423.00	4,997,577.00	no avail. lapse	4,997,577.00			7,586,187.00
FY93	894,418.00	9,105,582.00	no avail. lapse	9,105,582.00		1,721,248.00	10,615,110.00
FY94	1,761,431.95	3,238,568.05	no avail. lapse	3,238,568.00		1,680,732.00	3,520,177.00
FY95	0.55	4,999,999.45	no avail. lapse	4,999,999.00		2,419,468.00	6,503,231.00
FY96	76,348.83	4,923,651.17	no avail. lapse	4,923,651.00		1,060,724.00	6,004,651.00
FY97	2,248,119.65	2,751,880.35	no avail. lapse	2,751,880.00		1,649,588.00	3,349,144.00
FY98	25,316.03	4,974,683.97	no avail. lapse	4,974,684.00		641,028.56	4,326,865.00
FY99	1,923,003.72	3,076,996.28	no avail. lapse	1,194,473.68	1,882,523	3,675,408.71	5,173,490.00
FY00	595,234.11	4,404,765.89	no avail. lapse	2,747,201.00	1,657,565	1,881,227.00	2,739,654.00
FY01	1,262,902.40	3,737,097.60	no avail. lapse	3,737,098.00		2,401,937.59	8,164,040.24
FY02	91,155.45	4,908,844.55	no avail. lapse	4,908,845.55		654,010.44	8,253,712.00
FY03	31,367.00	4,968,633.00	no avail. lapse	4,968,633.00		2,209,797.00	9,460,362.00
FY04	29,344.00	4,970,656.11	no avail. lapse	4,970,656.11		1,505,030.57	6,872,626.95

FY 2000
AUTHORIZED BUDGET v ACTUAL EXPENDITURES

FY 2000 BUDGET	AUTO (AU)	AVIATION (AV)	BONDS (BO)	GENERAL (GL)	MALPRACTICE (MA)	MARINE (PI)	PROPERTY (PR)	WORK COMP (WC)	AIRPORT (AP)	MUSEUM (MF)	TOTAL
Authorized Budget:											
Component Detail											
Insurance Premiums	$250,000	$100,000	$100,000	850,000	$100,000	$2,000,000	$870,000	$0	$450,000	$25,000	$4,745,000
Brokerage	$18,000	$16,000	$7,000	54,000	$0	$87,000	$39,000	$0	$44,000	$0	$265,000
Actuarial	$750	$0	$0	5,000	$0	$1,500	$750	$7,500	$0	$0	$15,500
Data Processing	$2,000	$0	$0	7,500	$0	$2,000	$2,500	$10,500	$0	$0	$24,500
Defense	$250,000	$50,000	$0	1,375,000	$50,000	$250,000	$0	$300,000	$25,000	$0	$2,300,000
Claim Adjusters	$40,000	$10,000	$0	199,000	$0	$89,000	$5,000	$700,000	$5,000	$0	$1,048,000
Loss Payments	$439,250	$106,750	$0	3,152,100	$50,000	$1,546,000	$300,000	$7,685,400	$232,000	$0	$13,511,500
Subtotal:	$1,000,000	$282,750	$107,000	5,642,600	$200,000	$3,975,500	$1,217,250	$8,703,400	$756,000	$25,000	**$21,909,500**
Administration:	$22,616	$6,395	$2,420	127,612	$4,523	$89,909	$27,529	$196,834	$17,098	$565	$495,500
Total Revenue:	**$1,022,616**	**$289,145**	**$109,420**	**5,770,212**	**$204,523**	**$4,065,409**	**$1,244,779**	**$8,900,234**	**$773,098**	**$25,565**	**$22,405,000**
Actual Expenditure:											
Component Detail											
Insurance Premiums	$250,000	$100,000	$100,000	850,000	$100,000	$2,000,000	$870,000	$0	$450,000	$25,000	$4,745,000
Brokerage	$18,000	$16,000	$7,000	54,000	$0	$87,000	$39,000	$0	$44,000	$0	$265,000
Actuarial	$387	$0	$0	2,581	$0	$774	$387	$3,871	$0	$0	$8,000
Data Processing	$776	$0	$0	2,912	$0	$776	$971	$4,077	$0	$0	$9,512
Defense	$233,598	$46,720	$0	1,284,788	$46,720	$233,598	$0	$280,317	$23,360	$0	$2,149,100
Claim Adjusters	$38,062	$9,515	$0	189,356	$0	$84,687	$4,758	$666,077	$4,758	$0	$997,212
Loss Payments	$1,317,874	$6,454	$209,138	2,127,283	$144,590	$1,986,172	$678,331	$9,208,102	$1,000	$0	$15,678,944
Subtotal:	**$1,858,697**	**$178,689**	**$316,138**	**4,510,920**	**$291,310**	**$4,393,007**	**$1,593,446**	**$10,162,444**	**$523,117**	**$25,000**	**$23,852,768**
Administration:	$22,826	$6,454	$2,442	$128,796	$4,565	$90,744	$27,785	$198,661	$17,256	$571	$500,100
Total Expenditures:	**$1,881,523**	**$185,143**	**$318,580**	**$4,639,716**	**$295,875**	**$4,483,751**	**$1,621,231**	**$10,361,105**	**$540,374**	**$25,571**	**$24,352,868**
	($858,907)	**$104,002**	**($209,160)**	**1,130,496**	**($91,352)**	**($418,342)**	**($376,452)**	**($1,460,871)**	**$232,724**	**($5)**	**($1,947,868)**

FY2001
AUTHORIZED BUDGET v ACTUAL EXPENDITURES

FY2001	AUTO (AU)	AVIATION (AV)	BONDS (BO)	GENERAL (GL)	MALPRACTICE (MA)	MARINE (PI)	PROPERTY (PR)	WORK COMP (WC)	AIRPORT (AP)	MUSEUM (MF)	TOTAL
Authorized Budget:											
Component Detail											
Insurance Premiums	$250,000	$100,000	$100,000	850,000	$100,000	$2,000,000	$870,000		$450,000	$25,000	$4,745,000
Brokerage	$18,000	$16,000	$7,000	59,000	$10,000	$92,000	$39,000		$44,000		$285,000
Actuarial	$750			3,400		$1,500	$750	$5,500			$11,900
Data Processing	$2,000			7,500		$2,000	$2,500	$10,500			$24,500
Defense	$250,000	$50,000		1,375,000	$50,000	$250,000		$300,000	$25,000		$2,300,000
Claim Adjusters	$40,000	$10,000		199,000		$89,000	$5,000	$700,000	$5,000		$1,048,000
Loss Payments	$439,250	$106,750		3,153,700	$50,000	$1,546,000	$300,000	$7,667,400	$232,000		$13,495,100
HB 378 & 419 fiscal note								$845,600			$845,600
Subtotal:	$1,000,000	$282,750	$107,000	5,647,600	$210,000	$3,980,500	$1,217,250	$9,529,000	$756,000	$25,000	**$22,755,100**
Administration:	$21,775	$6,157	$2,330	122,978	$4,573	$86,677	$26,506	$207,497	$16,462	$544	$495,500
Lease Space	$1,314	$372	$141	$7,421	$276	$5,230	$1,599	$12,521	$993	$33	$29,900
Total Revenue:	**$1,023,089**	**$289,279**	**$109,471**	**$5,777,999**	**$214,849**	**$4,072,407**	**$1,245,355**	**$9,749,018**	**$773,456**	**$25,577**	**$23,280,500**
Cat Fund Draw											8,164,040
FY01 Lapse											($37,260)
Aggregate Revenue:											$31,407,280
Actual Expenditure:											
Component Detail											
Insurance Premiums	$236,195	$94,478	$94,478	803,065	$94,478	$1,889,564	$821,960	$0	$425,152	$23,620	$4,482,990
Brokerage	$16,737	$14,877	$6,509	54,860	$9,298	$85,544	$36,263	$0	$40,912	$0	$265,000
Actuarial	$504	$0	$0	2,286	$0	$1,008	$504	$3,697	$0	$0	$8,000
Data Processing	$4,963	$0	$0	18,611	$0	$4,963	$6,204	$26,055	$0	$0	$60,795
Defense	$244,717	$48,943	$0	1,345,946	$48,943	$244,717	$0	$293,661	$24,472	$0	$2,251,400
Claim Adjusters	$35,069	$8,767	$0	174,467	$0	$78,028	$4,384	$613,704	$4,384	$0	$918,803
Loss Payments	$3,901,157	$318,506	$0	4,842,766	$116,901	$2,666,485	$1,537,386	$9,429,836	$75,636	$0	$22,888,674
Second Injury Fund (SIF) Pymt								$179,275.00			$179,275
Self-Insured Employer fee								$64,427			$64,427
Injured worker account								$15,000			$15,000
Subtotal:	$4,439,342.26	$485,572.34	$100,986.96	$7,241,999.64	$269,621.21	$4,970,309.67	$2,406,701.15	$10,625,655.04	$570,555.57	$23,619.55	$31,134,363.39
Administration	$121,089	$13,245	$2,755	$197,535	$7,354	$135,571	$65,646	$289,828	$15,563	$644	849,229
Lease Space	$4,263	$466	$97	$6,955	$259	$4,773	$2,311	$10,204	$548	$23	29,900
Total Expenditures:	**$4,439,342**	**$485,572**	**$100,987**	**$7,242,000**	**$269,621**	**$4,970,310**	**$2,406,701**	**$10,366,953**	**$570,556**	**$23,620**	**$32,013,492**
											($8,732,992)

FY 2002
AUTHORIZED BUDGET v ACTUAL EXPENDITURES

Insurance Type Code	AUTO (AU)	AVIATION (AV)	BONDS (BO)	GENERAL (GL)	MALPRACTICE (MA)	MARINE (PI)	PROPERTY (PR)	WORK COMP (WC)	AIRPORT (AP)	MUSEUM (MF)	TOTAL
Authorized Budget:											
Component Detail											
Insurance Premiums	$250,000	$100,000	$100,000	850,000	$100,000	$2,000,000	$870,000		$450,000	$25,000	$4,745,000
Brokerage	$18,000	$16,000	$7,000	59,000	$10,000	$92,000	$39,000		$44,000		$285,000
Actuarial	$750			3,400		$1,500	$750	$5,500			$11,900
Data Processing	$2,000			7,500		$2,000	$2,500	$10,500			$24,500
Defense	$250,000	$50,000		1,375,000	$50,000	$250,000		$300,000	$25,000		$2,300,000
Claim Adjusters	$40,000	$10,000		199,000		$89,000	$5,000	$700,000	$5,000		$1,048,000
Loss Payments	$439,250	$106,750		3,153,700	$50,000	$1,546,000	$300,000	$8,586,500	$232,000		$14,414,200
Subtotal:	$1,000,000	$282,750	$107,000	5,647,600	$210,000	$3,980,500	$1,217,250	$9,602,500	$756,000	$25,000	**$22,828,600**
Administration:	$21,705	$6,137	$2,322	122,582	$4,558	$86,398	$26,421	$208,424	$16,409	$543	$495,500
Lease Space	$1,310	$370	$140	$7,397	$275	$5,214	$1,594	$12,577	$990	$33	$29,900
Total Revenue:	**$1,023,015**	**$289,257**	**$109,463**	**$5,777,579**	**$214,833**	**$4,072,111**	**$1,245,265**	**$9,823,501**	**$773,399**	**$25,575**	**$23,354,000**
Cat Fund Draw											$8,253,712
FY02 Lapse											($33,148)
Aggregate Revenue:											
Actual Expenditure:											
Component Detail											
Insurance Premiums	$264,856	$105,942	$105,942	900,509	$105,942	$2,118,846	$921,698	$0	$476,740	$26,486	$5,026,961
Brokerage	$16,737	$14,877	$6,509	54,860	$9,298	$85,544	$36,263	$0	$40,912	$0	$265,000
Actuarial	$504	$0	$0	2,286	$0	$1,008	$504	$3,697	$0	$0	$8,000
Data Processing	$4,963	$0	$0	18,611	$0	$4,963	$6,204	$26,055	$0	$0	$60,795
Defense	$255,902	$51,180	$0	$1,407,462	$51,180	$255,902	$0	$307,083	$25,590	$0	$2,354,300
Claim Adjusters	$40,466	$10,117	$0	$201,319	$0	$90,037	$5,058	$708,158	$5,058	$0	$1,060,214
Loss Payments	$328,969	$624,092	$0	5,790,045	$64,100	$2,358,672	$543,748	$11,942,017	$746	$0	$21,652,389
Second Injury Fund (SIF) Pymt								$219,921			$242,339
Self-Insured Employer fee								$189,805			$189,805
Injured worker account								$15,000			$15,000
Subtotal:	$912,397	$806,208	$112,451	$8,375,091	$230,520	$4,914,972	$1,513,475	$13,411,736	$549,047	$26,486	$30,874,802
Administration	$20,074	$17,737	$2,474	$184,260	$5,072	$108,134	$33,298	$295,072	$12,080	$583	679,277
Lease Space	$605	$535	$75	$5,557	$153	$3,261	$1,004	$8,898	$364	$18	20,485
Total Expenditures:	**$89,939**	**($535,223)**	**($5,537)**	**($2,787,329)**	**($20,912)**	**($954,256)**	**($302,512)**	**($3,892,204)**	**$211,908**	**($1,510)**	**$31,574,564**
											($8,220,564)

FY 2003
AUTHORIZED BUDGET v ACTUAL EXPENDITURES

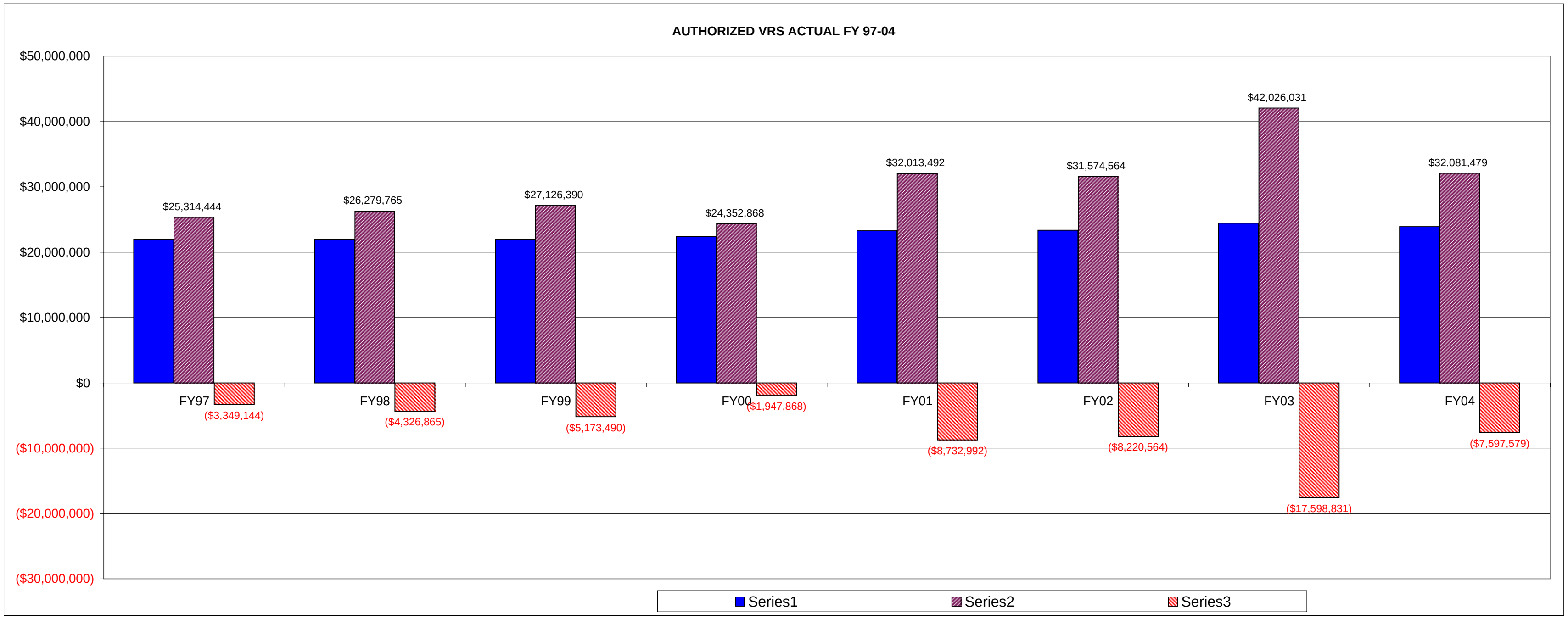
FY2003											
Insurance Type	AUTO	AVIATION	BONDS	GENERAL	MALPRACTICE	MARINE	PROPERTY	WORK COMP	AIRPORT	MUSEUM	
Code	(AU)	(AV)	(BO)	(GL)	(MA)	(PI)	(PR)	(WC)	(AP)	(MF)	TOTAL
Authorized Budget:											
Component Detail											
Insurance Premiums	$250,000	$100,000	$100,000	850,000	$100,000	$2,000,000	$870,000		$450,000	$25,000	$4,745,000
Brokerage	$18,000	$16,000	$7,000	59,000	$10,000	$92,000	$39,000		$44,000		$285,000
Actuarial	$750			3,400		$1,500	$750	$5,500			$11,900
Data Processing	$2,000			7,500		$2,000	$2,500	$10,500			$24,500
AG Defense	$250,000	$50,000		1,375,000	$50,000	$250,000		$300,000	$25,000		$2,300,000
Claim Adjusters	$40,000	$10,000		199,000		$89,000	$5,000	$700,000	$5,000		$1,048,000
Loss Payments	$639,250	$206,750		3,253,700	$50,000	$1,546,000	$300,000	$9,250,900	$232,000		$15,478,600
Subtotal:	$1,200,000	$382,750	$107,000	5,747,600	$210,000	$3,980,500	$1,217,250	$10,266,900	$756,000	$25,000	**$23,893,000**
Administration:	$25,328	$8,079	$2,258	$121,312	$4,432	$84,015	$25,692	$216,699	$15,957	$528	$504,300
Lease Space	$1,502	$479	$134	$7,193	$263	$4,981	$1,523	$12,848	$946	$31	$29,900
Total Revenue:	**$1,226,830**	**$391,308**	**$109,392**	**$5,876,105**	**$214,695**	**$4,069,496**	**$1,244,465**	**$10,496,447**	**$772,903**	**$25,559**	**$24,427,200**
Supplemental/Captial Appn.											**$7,535,000**
Cat Fund Draw											$9,460,362
FY03 Lapse											$0
Workers Comp Fees											FY
											$41,422,562
Expected Expenditure:											
Insurance Premiums	$0	$490,000	$77,525	$0	$0	$1,944,362	$1,568,398	$0	$490,000	$0	$4,570,285
Brokerage	$0	$28,412	$4,495	$0	$0	$112,740	$90,941	$0	$28,412	$0	$265,000
Actuarial	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$0	$9,900
Data Processing	$9,435	$0	$0	$35,382	$0	$9,435	$11,794	$49,535	$0	$0	$115,581
AG Defense	$213,886	$314,335	$90	$566,168	$326	$239,988	-$973	$1,026,656	$3,066	$0	$2,363,543
Claim Adjusters	$10,686	$0	$0	$95,892	$0	$242,000	$0	$756,000	$15,579	$0	$1,120,157
Loss Payments	$2,920,884	$4,292,642	$1,230	7,731,734	$4,449	$3,277,340	($13,281)	$14,020,267	$41,864	$0	$32,277,129
Second Injury Fund (SIF) Pymt								$272,483			$272,483
Self-Insured Employer fee								$315,986			$315,986
Injured worker account								$15,000			$15,000
Subtotal:	**$3,155,992**	**$5,126,489**	**$84,440**	**$8,430,275**	**$5,875**	**$5,826,966**	**$1,657,979**	**$16,457,027**	**$580,020**	**$0**	**$41,325,064**
Administration:	$51,907	$84,316	$1,389	$138,653	$97	$95,836	$27,269	$270,670	$9,540	$0	$679,676
Lease Space	$1,626	$2,641	$44	$4,343	$3	$3,002	$854	$8,479	$299	$0	$21,291
Total Expenditures:											$42,026,031
Over/Under Appropriation	**(1,982,695)**	**(4,822,139)**	**23,520**	**(2,697,167)**	**208,721**	**(1,856,309)**	**(441,637)**	**(6,239,728)**	**183,044**	**25,559**	**(17,598,831)**

FY 2004
AUTHORIZED BUDGET v ACTUAL EXPENDITURES

FY2004											
Insurance Type	AUTO	AVIATION	BONDS	GENERAL	MALPRACTICE	MARINE	PROPERTY	WORK COMP	AIRPORT	MUSEUM	
Code	(AU)	(AV)	(BO)	(GL)	(MA)	(PI)	(PR)	(WC)	(AP)	(MF)	TOTAL
Authorized Budget:											
Component Detail											
Insurance Premiums	$250,000	$100,000	$100,000	850,000	$100,000	$2,000,000	$870,000		$450,000	$25,000	$4,745,000
Brokerage	$18,000	$16,000	$7,000	59,000	$10,000	$92,000	$39,000		$44,000		$285,000
Actuarial	$750			3,400		$1,500	$750	$5,500			$11,900
Data Processing	$2,000			7,500		$2,000	$2,500	$10,500			$24,500
AG Defense	$250,000	$50,000		1,375,000	$50,000	$250,000		$300,000	$25,000		$2,300,000
Claim Adjusters	$40,000	$10,000		199,000		$89,000	$5,000	$700,000	$5,000		$1,048,000
Loss Payments	$639,250	$206,750		3,253,700	$50,000	$1,546,000	$300,000	$9,250,900	$232,000		$15,478,600
Subtotal:	$1,200,000	$382,750	$107,000	5,747,600	$210,000	$3,980,500	$1,217,250	$10,266,900	$756,000	$25,000	**$23,893,000**
Administration:	$28,176	$8,987	$2,512	$134,952	$4,931	$93,461	$28,581	$241,064	$17,751	$587	$561,000
Lease Space	$1,502	$479	$134	$7,193	$263	$4,981	$1,523	$12,848	$946	$31	$29,900
Total Revenue:	**$1,229,677**	**$392,216**	**$109,646**	**$5,889,744**	**$215,194**	**$4,078,942**	**$1,247,354**	**$10,520,812**	**$774,697**	**$25,618**	**$24,483,900**
Supplemental/Captial Appn.											**$736,500**
Cat Fund Draw											$6,872,627
FY03 Lapse											($11,549)
Workers Comp Fees											
											$32,081,478
Expected Expenditure:											
Insurance Premiums	$0	$400,000	$83,506	$0	$0	$1,544,000	$2,187,154	$0	$490,000	$0	$4,704,660
Brokerage	$0	$19,555	$4,082	$0	$0	$75,483	$106,925	$0	$23,955	$0	$230,000
Actuarial	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$0	$9,900
Data Processing	$1,278	$1,278	$1,278	$1,278	$1,278	$1,278	$1,278	$1,278	$1,278	$0	$11,500
AG Defense	$69,811	-$61,023	$21	$190,029	$347	$310,693	$13,672	$1,636,866	$2,840	$0	$2,163,255
Claim Adjusters	$100,000	$0	$0	$45,786	$0	$0	$0	$1,200,000	$1,225	$0	$1,347,011
Loss Payments	$714,973	($624,973)	$210	1,946,197	$3,552	$3,181,987	$140,024	$16,764,117	$29,089	$0	$22,155,176
Second Injury Fund (SIF) Pymt								$309,590			$309,590
Self-Insured Employer fee								$458,488			$458,488
Injured worker account								$0			$0
Subtotal:	**$887,162**	**-$264,063**	**$90,197**	**$2,184,389**	**$6,277**	**$5,114,540**	**$2,450,153**	**$20,371,439**	**$549,487**	**$0**	**$31,389,581**
Administration:	$18,953	-$5,641	$1,927	$46,667	$134	$109,267	$52,345	$435,215	$11,739	$0	$670,607
Lease Space	$602	-$179	$61	$1,482	$4	$3,469	$1,662	$13,818	$373	$0	$21,291
Total Expenditures:											$32,081,479
Over/Under Appropriation	**322,961**	**662,100**	**17,461**	**3,657,207**	**208,778**	**(1,148,334)**	**(1,256,806)**	**(10,299,660)**	**213,097**	**25,618**	**(7,597,579)**

YEARLY SUMMARIES

	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	Total Deficits	FY99-04 avg.
AUTHORIZED BUDGET	$20,354,000	$18,568,001	$18,593,900	$18,582,900	$18,582,900	$18,582,900	$18,579,700	$21,965,300	$21,952,900	$21,952,900	$22,405,000	$23,280,500	$23,354,000	$24,427,200	$23,893,000		
ACTUAL EXPENDITURE	$21,190,000	$23,360,813	$26,180,087	$29,198,010	$22,103,077	$25,086,131	$24,584,351	$25,314,444	$26,279,765	$27,126,390	$24,352,868	$32,013,492	$31,574,564	$42,026,031	$32,081,479		
(DEFICIT)	($836,000)	($4,792,812)	($7,586,187)	($10,615,110)	($3,520,177)	($6,503,231)	($6,004,651)	($3,349,144)	($4,326,865)	($5,173,490)	($1,947,868)	($8,732,992)	($8,220,564)	($17,598,831)	($7,597,579)	**($96,805,502)**	($8,819,567)



The present value of the estimated outstanding losses is the estimated outstanding losses discounted to reflect future investment earnings. It is based on a 3% interest rate.

2. Project Ultimate Losses

We project ultimate losses for FY2005, FY2006 and FY2007 to be as shown in Tables III-2A, III-2B and III-2C.

Table III-2A
Projected Ultimate Losses
FY2005

	Program (1)	Projected Ultimate Losses (2)	Present Value of Projected Ultimate Losses (3)
(A)	Workers compensation	$18,738,492	$17,089,504
(B)	General liability	7,355,635	6,612,716
(C)	Marine	3,558,104	3,280,572
(D)	Property	470,240	453,781
(E)	Automobile liability	1,389,532	1,295,044
(F)	Aviation	428,922	399,326
(G)	Total (A) ... (F)	$31,940,925	$29,130,943

Note: (A) is from Exhibit WC-10.
(B) is from Exhibit LI-10.
(C) is from Exhibit MA-10.
(D) is from Exhibit PR-10.
(E) is from Exhibit AL-10.
(F) is from Exhibit AV-10.

Table III-1A-02
Estimated Outstanding Losses
June 30, 2005

	Program (1)	Estimated Outstanding Losses (2)	Present Value of Estimated Outstanding Losses (3)
(A)	Workers compensation	$53,581,044	$48,322,251
(B)	General liability	17,939,955	16,764,338
(C)	Marine	5,749,904	5,425,947
(D)	Property	356,841	349,208
(E)	Automobile liability	2,135,203	2,012,062
(F)	Aviation	644,191	617,016
(G)	Total (A) ... (F)	$80,407,138	$73,490,822

Note: (A) is from Exhibit WC-13.
(B) is from Exhibit LI-13.
(C) is from Exhibit MA-13.
(D) is from Exhibit PR-13.
(E) is from Exhibit AL-13.
(F) is from Exhibit AV-13.

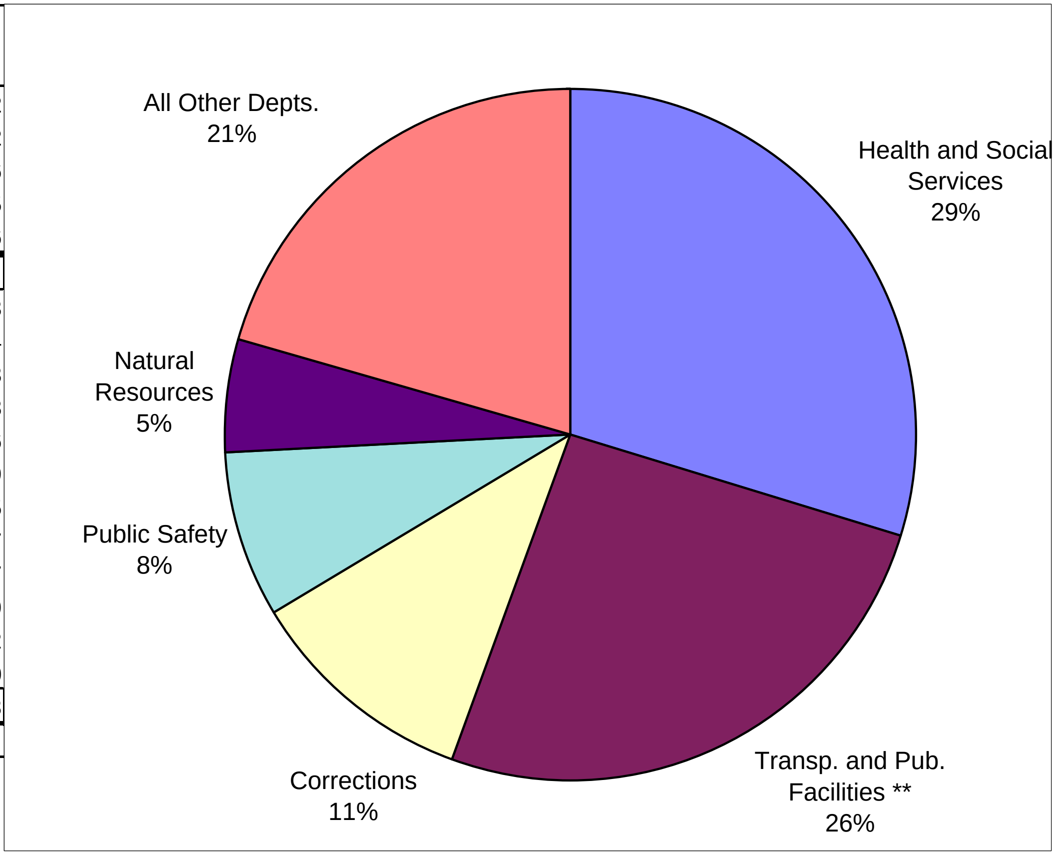
Table III-1A-03
Estimated Outstanding Losses
June 30, 2006

	Program (1)	Estimated Outstanding Losses (2)	Present Value of Estimated Outstanding Losses (3)
(A)	Workers compensation	$54,001,327	$48,697,752
(B)	General liability	20,745,742	19,414,325
(C)	Marine	7,016,921	6,632,400
(D)	Property	344,097	336,636
(E)	Automobile liability	2,419,116	2,280,173
(F)	Aviation	758,577	726,283
(G)	Total (A) ... (F)	$85,285,780	$78,087,569

Note: (A) is from Exhibit WC-14.
(B) is from Exhibit LI-14.
(C) is from Exhibit MA-14.
(D) is from Exhibit PR-14.
(E) is from Exhibit AL-14.
(F) is from Exhibit AV-14.

WORKERS' COMPENSATION
Breakout of Last 5 Years (FY 00-04) Claims History by Department
(Benefits Paid to Injured State Employees Under the Alaska Workers' Compensation Act)

DEPARTMENT	% of Total	Workers' Comp Claims - 5 year totals
Health and Social Services	29.77%	17,392,216.82
Transp. and Pub. Facilities **	25.86%	15,109,368.32
Corrections	10.70%	6,249,826.56
Public Safety	7.88%	4,601,749.25
Natural Resources	5.24%	3,058,519.26
All Other Depts.	20.55%	**12,006,805**
Fish and Game	4.02%	2,351,079.33
Community and Econ. Dev.	3.98%	2,326,212.44
Labor	3.61%	2,108,964.73
Revenue	1.44%	843,461.48
Administration	1.39%	810,650.36
Court System	1.34%	784,690.09
Education	1.26%	738,731.15
Environ. Conservation	1.05%	611,670.67
Military and Veterans Affairs	1.03%	599,271.87
Law	0.65%	378,389.79
Leg affrs/ Leg Finance /Ombdr	0.44%	257,368.62
Legislative Audit	0.25%	143,961.00
Office of the Governor	0.09%	52,353.38
FIVE YEAR TOTAL	100.00%	**58,418,485**



* Note: The figure for DOTPF include benefits paid for Injured Marine Highway Employees under the Workers' Compensation as of 7/1/2003

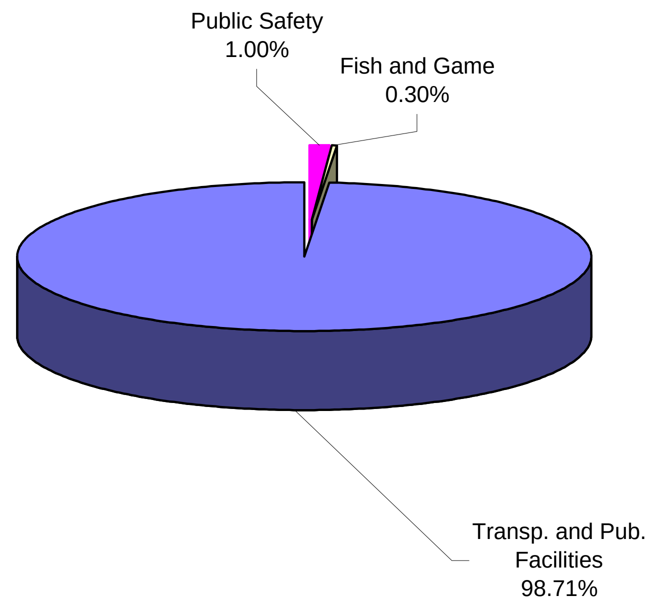
*** The above spread sheet provides a break down of the "All Other Depts." below the bold entry.

MARINE PROTECTION and INDEMNITY

Breakout of Last 5 Years (fy 00-fy04) Claims History by Department

(Benefits Paid to Injured State Employees Qualified as 'Seamen' Under Federal Jones Act)

DEPARTMENT	% of Total	Employer's Liability / Marine P&I
Transp. and Pub. Facilities	98.71%	16,784,090.26
Public Safety	1.00%	169,664.12
Fish and Game	0.30%	50,376.59
Office of the Governor	0.00%	0
Administration	0.00%	0
Law	0.00%	0
Revenue	0.00%	0
Education	0.00%	0
Health and Social Services	0.00%	0
Labor	0.00%	0
Community and Econ. Dev.	0.00%	0
Military and Veterans Affairs	0.00%	0
Natural Resources	0.00%	0
Environ. Conservation	0.00%	0
Corrections **	0.00%	0
Leg affrs/ Leg Finance /Ombdn	0.00%	0
Legislative Audit	0.00%	0
Court System	0.00%	0
Alaska Energy Authority	0.00%	0
SUB TOTALS	**100.00%**	**17,004,131**



Note: Injured maritime employees started receiving Workers Compensation remedy as of 7/01/03. The figures show are effectively from 7/1/99-6/30/03

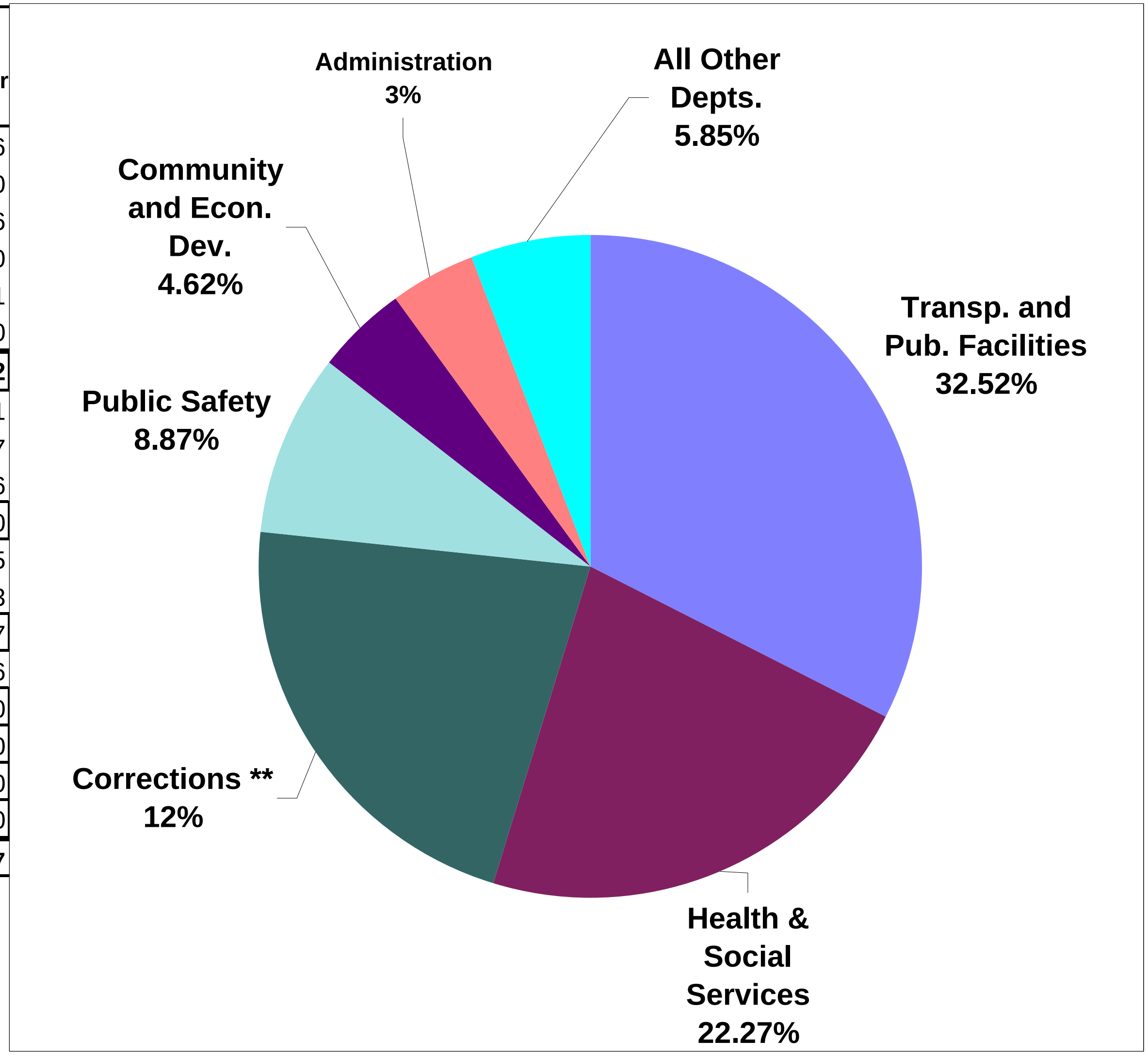
*This chart represents the benefit payments made primarily to Alaska Marine Highway Employees as DOTPF employees.

**This coverage is in lieu of Alaska Workers' Compensation Benefits for which shipboard marine highway workers did not qualify.

GENERAL LIABILITY

Breakout of Last 5 Years (fy 00-04) Claims History by Department

DEPARTMENT	% of Total	General Liability Claims - 5 year totals
Transp. and Pub. Facilities	32.52%	7,100,696.36
Health & Social Services	22.27%	4,862,107.80
Corrections	21.77%	4,753,454.26
Public Safety	8.87%	1,937,102.00
Community and Econ. Dev.	4.62%	1,009,108.91
Natural Resources	4.09%	892,695.30
All Other Depts.	5.85%	**1,276,702**
Court System	2.15%	468,634.31
Administration	2.00%	437,479.67
Environ. Conservation	0.84%	183,848.86
Fish and Game	0.36%	78,100.10
Revenue	0.18%	39,485.55
Education	0.15%	33,166.33
Law	0.10%	22,033.37
Labor	0.06%	13,953.76
Military and Veterans Affairs	0.00%	0
Office of the Governor	0.00%	0
Leg affrs/ Leg Finance /Ombdı	0.00%	0
Legislative Audit	0.00%	0
FIVE YEAR TOTAL	100.00%	**21,831,867**

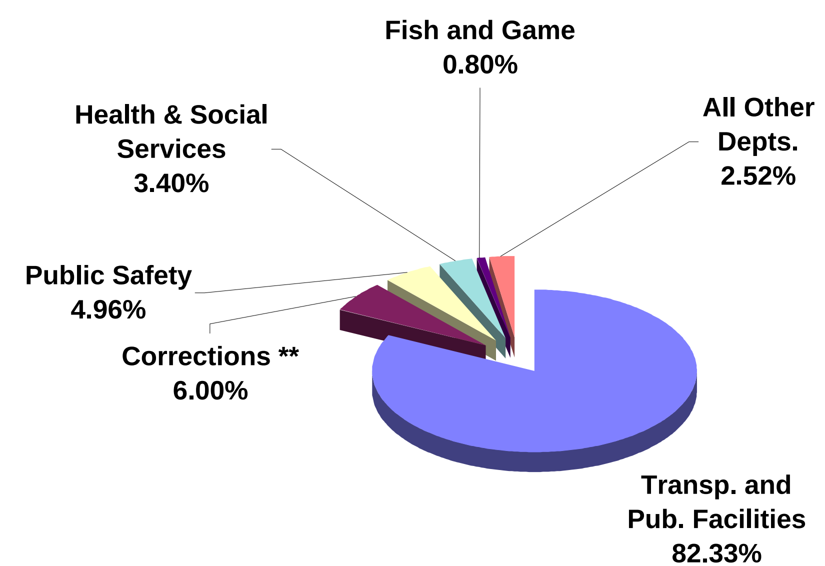


The above spread sheet provides a break down of the "All Other Depts." below the bold entry.

AUTO LIABILITY

Breakout of Last 5 Years (fy 00-04)

DEPARTMENT	% of Total	Auto Liability Claims - 5 year totals
Transp. and Pub. Facilities	81.68%	3,699,625.22
Corrections **	5.96%	269,759.67
Public Safety	4.92%	222,701.98
Health & Social Services	3.37%	152,830.12
Fish and Game	0.79%	35,770.51
All Other Depts.	2.50%	**148,783**
Natural Resources	0.79%	35,564.11
Community and Econ. Dev.	0.78%	35,353.35
Military and Veterans Affairs	0.50%	22,726.05
Environ. Conservation	0.32%	14,476.68
Education	0.29%	13,051.15
Leg affrs/ Leg Finance /Ombd	0.19%	8,547.08
Administration	0.16%	7,209.44
Office of the Governor	0.13%	5,679
Labor	0.10%	4,431.34
Revenue	0.02%	721.23
Law	0.01%	671.68
Legislative Audit	0.01%	351.52
Court System	0.00%	0
FIVE YEAR TOTAL	102.50%	**4,529,470**

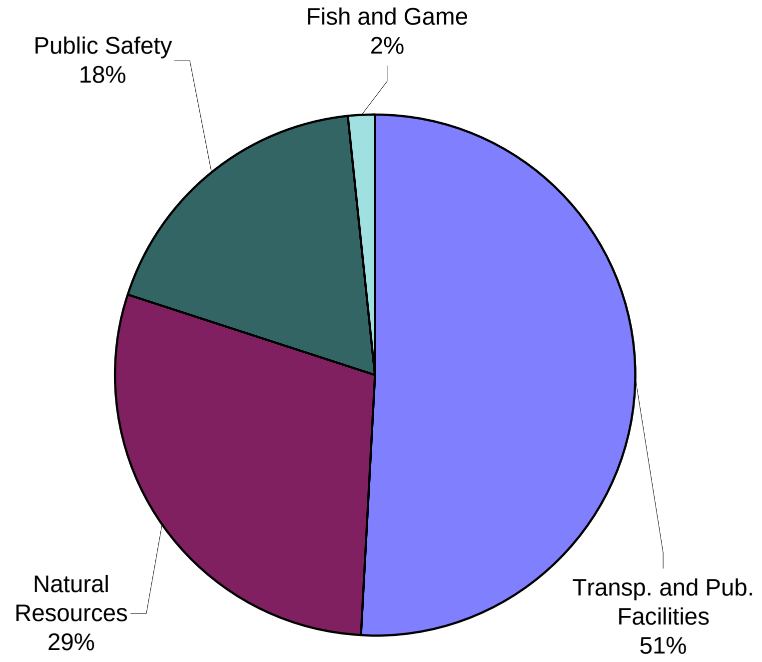


The above spread sheet provides a break down of the "All Other Depts." below the bold entry.

Aviation Liability

Breakout of Last 5 Years (fy 00-fy04) Claims History by Department

DEPARTMENT	% of Total	Aviation Liability-5year Total
Transp. and Pub. Facilities	50.72%	1,614,711.36
Natural Resources	29.37%	934,852.50
Public Safety	18.35%	584,163.41
Fish and Game	1.56%	49,638.71
Office of the Governor	0.00%	0
Administration	0.00%	0
Law	0.00%	0
Revenue	0.00%	0
Education	0.00%	0
Health and Social Services	0.00%	0
Labor	0.00%	0
Community and Econ. Dev.	0.00%	0
Military and Veterans Affairs	0.00%	0
Environ. Conservation	0.00%	0
Corrections **	0.00%	0
Leg affrs/ Leg Finance /Ombdn	0.00%	0
Legislative Audit	0.00%	0
Court System	0.00%	0
Alaska Energy Authority	0.00%	0
SUB TOTALS	**100.00%**	**3,183,366**



ALL DEPT CLAIMS
FREQUENCY TO 100 FTE'S

DEPARTMENT	2004			2003			2002			2001			2000		
	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs
Governor's Office	2	160	1.3	3	153	2.0	5	196	2.6	0	187	0.0	3	189	1.6
Administration	30	966	3.1	30	967	3.1	214	1466	14.6	260	1,404.0	18.5	211	1,536.0	13.7
Law	8	492	1.6	11	477	2.3	20	478	4.2	16	454.0	3.5	8	453.0	1.8
Revenue	13	492	2.6	13	497	2.6	21	506	4.2	32	474.0	6.8	28	492.0	5.7
Education	8	306	2.6	25	341	7.3	28	451	6.2	15	398.0	3.8	17	510.0	3.3
Health & Social Services	346	3142	11.0	316	3180	9.9	168	2459	6.8	196	2,215.0	8.8	143	2,201.0	6.5
Labor & Workforce Dev	34	911	3.7	25	912	2.7	37	867	4.3	35	794.0	4.4	29	719.0	4.0
Commerce & Economic Dev.	4	495	0.8	6	497	1.2	10	503	2.0	18	451.0	4.0	11	374.0	2.9
Military & Veterans Affairs	18	261	6.9	13	263	4.9	22	259	8.5	19	223.0	8.5	14	222.0	6.3
Natural Resources	109	830	13.1	154	795	19.4	112	714	15.7	135	657.0	20.5	87	675.0	12.9
Fish & Game	74	1142	6.5	96	1165	8.2	72	1225	5.9	84	1,137.0	7.4	89	1,148.0	7.8
Public Safety	110	780	14.1	119	757	15.7	139	764	18.2	123	727.0	16.9	94	754.0	12.5
Environmental Conservation	11	469	2.3	8	474	1.7	12	491	2.4	13	467.0	2.8	11	480.0	2.3
Corrections	141	1416	10.0	156	1471	10.6	162	1473	11.0	154	1,368.0	11.3	100	1,366.0	7.3
*Transportation	484	3090	15.7	226	2413	9.4	251	2629	9.5	253	2,476.8	10.2	181	2,261.0	8.0
Legislative Affairs	5	294	1.7	7	294	2.4	10	294	3.4	4	300.0	1.3	11	274.0	4.0
Legislative Audit	0	37	0.0	0	37	0.0	0	37	0.0	1	36.0	2.8	0	36.0	0.0
Courts	22	700	3.1	17	690	2.5	15	704	2.1	24	690.0	3.5	23	681.0	3.4
FISCAL YEAR TOTALS	1419	15983	8.9	1225	15383	8.0	1298	15516	8.4	1,382	14,272	9.7	1,060	14,182	7.5

Note: Work Comp FTEs taken from CORA

*DOT FTE's do not include AMHS vessel employees with Jones Act Maritime injury claims. Starting 7/1/03 all marine employees will receive Workers' Compensation remedy.

ALL DEPT WORKERS' COMPENSATION CLAIMS
SEVERITY TO 100 FTE'S

DEPARTMENT	2004			2003			2002			2001			2000		
	Claim cost	FTEs	$/100FTEs	Claim cost	FTEs	$/100FTEs	Claim cost	FTEs	$/100FTEs	Claim cost	FTEs	$/100FTEs	Claim cost	FTEs	$/100FTEs
Governor's Office	499	160	312	13,720	153	8,968	52,756	196	26,916	$0	187	$0	$7,029	189	$3,719
Administration	95,403	966	9,876	166,118	967	17,179	1,710,644	1466	116,688	$1,697,177	1,404.0	$120,882	$1,141,169	1,536.0	$74,295
Law	16,544	492	3,363	169,032	477	35,436	99,166	478	20,746	$54,719	454.0	$12,053	$42,318	453.0	$9,342
Revenue	76,135	492	15,475	65,627	497	13,205	172,444	506	34,080	$76,741	474.0	$16,190	$112,713	492.0	$22,909
Education	26,027	306	8,506	172,772	341	50,666	124,633	451	27,635	$17,877	398.0	$4,492	$131,201	510.0	$25,726
Health & Social Services	3,273,306	3142	104,179	2,689,635	3180	84,580	1,061,074	2459	43,151	$821,876	2,215.0	$37,105	$780,679	2,201.0	$35,469
Labor & Workforce Dev	173,977	911	19,097	229,757	912	25,193	394,716	867	45,527	$156,374	794.0	$19,694	$193,897	719.0	$26,968
Commerce & Economic Dev.	5,470	495	1,105	21,266	497	4,279	14,812	503	2,945	$60,023	451.0	$13,309	$2,034,760	374.0	$544,053
Military & Veterans Affairs	176,759	261	67,724	96,785	263	36,800	134,295	259	51,851	$35,888	223.0	$16,093	$73,094	222.0	$32,925
Natural Resources	566,264	830	68,225	810,738	795	101,980	286,263	714	40,093	$493,126	657.0	$75,057	$329,231	675.0	$48,775
Fish & Game	386,750	1142	33,866	588,291	1165	50,497	251,087	1225	20,497	$479,722	1,137.0	$42,192	$509,289	1,148.0	$44,363
Public Safety	555,356	780	71,199	402,765	757	53,205	1,699,714	764	222,476	$723,006	727.0	$99,451	$321,749	754.0	$42,672
Environmental Conservation	58,444	469	12,461	17,122	474	3,612	73,544	491	14,978	$65,925	467.0	$14,117	$132,521	480.0	$27,609
Corrections	1,223,876	1416	86,432	1,693,013	1471	115,093	837,108	1473	56,830	$831,086	1,368.0	$60,752	$465,731	1,366.0	$34,094
*Transportation	3,888,575	3090	125,844	2,630,562	2413	109,016	2,106,473	2629	80,125	$2,400,217	2,476.8	$96,908	$1,437,692	2,261.0	$63,587
Legislative Affairs	38,370	294	13,051	25,372	294	8,630	65,473	294	22,270	$46,359	300.0	$15,453	$8,122	274.0	$2,964
Legislative Audit	0	37	0	0	37	0	0	37	0	$2,241	36.0	$6,225	$0	36.0	$0
Courts	158,843	700	22,692	53,205	690	7,711	33,532	704	4,763	$126,608	690.0	$18,349	$71,730	681.0	$10,533
FISCAL YEAR TOTALS	10,720,598	15983	$67,075	9,845,779	15383	$64,004	9,117,734	15,516	$58,763	$8,088,965	14,272	$56,678	$7,792,924	14,182	$54,949

Note: Work Comp FTEs taken from CORA

*DOT FTE's do not include AMHS vessel employees with Jones Act Maritime injury claims. Starting 7/1/03 all marine employees will receive Workers' Compensation remedy.

AMHS Claims Frequency
compared to Top 5 State Dept W/C Claims Frequency per 100 FTEs

FISCAL YEAR>	2004			2003			2002			2001			2000			TOTALS
	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs	
SHIP																
AURORA	30	48.0	62.5	33	48.0	68.8	24	64.7	37.1	26	64.7	40	35	64.7	54	148
BARTLETT	3	48.0	6.3	16	48.0	33.3	14	21.1	66.4	17	21.1	81	14	21.1	66	64
KENNICOTT	46	108.0	42.6	54	108.0	50.0	47	112.1	41.9	81	112.1	72	44	112.1	39	272
COLUMBIA	37	128.0	28.9	48	128.0	37.5	35	97.7	35.8	1	97.7	1	25	97.7	26	146
LE CONTE	18	48.0	37.5	35	48.0	72.9	31	62.8	49.4	28	62.8	45	20	62.8	32	132
MALASPINA	54	100.0	54.0	24	100.0	24.0	22	36.3	60.6	40	36.3	110	18	36.3	50	158
MATANUSKA	31	98.0	31.6	62	98.0	63.3	65	82.9	78.4	56	82.9	68	44	82.9	53	258
TAKU	40	86.0	46.5	53	86.0	61.6	48	111.7	43.0	46	111.7	41	25	111.7	22	212
TUSTUMENA	18	76.0	23.7	27	76.0	35.5	25	65.9	37.9	37	65.9	56	23	65.9	35	130
OTHER AMHS	0			0			31			19			3			53
FISCAL YEAR TOTALS	277	740	37.1	352	740	49.7	342	655.2	50.1	351	655.2	54	251	655	38	1573
Other DOT	207	3090	7	226	2413	9	199	2433	8	256	2,433.0	11	184	2,377.0	8	1072
DHSS	346	3142	11	316	3180	10	154	2365	7	199	2,365.0	8	145	2,365.0	6	1160
CORRECTIONS	141	1416	10	156	1471	11	142	1460	10	150	1,460.0	10	102	1,368.0	7	691
*NATURAL RESOURCES	109	830	13	154	795	19	178	1442	12	259	1,442.0	18	210	1,404.0	15	910
PUB SAFETY	110	780	14	119	757	16	121	745	16	125	745.0	17	95	727.0	13	570
(Top 5 Depts. Only) Work Comp Claims & FTEs (not including AMHS)	913	9,258	10	971	8,616	11	794	8,445	9	989	8,445	12	736	8,241	9	4403

Note: All DOT work related injuries are covered through Workers Comp as 7/1/2003

Note: * Dept of Natural Resources replaced Dept of Administration as a TOP 5 in 2003

Row 14	# Claims	FTEs		
AHMS COMBINED (5) YEAR TOTAL	1,573	3,445.6		
AHMS 5 YEAR AVERAGE	315	689.1		
AHMS Frequency Rate per 100 FTEs		46	Top 5 Dept. Frequency Rate per 100 FTEs	10

AMHS CREW COSTS Compared to
TOP 5 DEPARTMENTS
WORK COMP
CLAIM COSTS per 100 FTEs

FISCAL YEAR>	2004			2003			2002			2001			2000			TOTALS
	WC$	FTEs	$/100FTEs	WC$	FTEs	$/100FTEs	WC$	FTEs	$/100FTEs	WC$	FTEs	$/100FTEs	WC$	FTEs	$/100FTEs	
SHIP																
AURORA	$157,722	48.0	$328,587	$106,540	48.0	$221,959	$136,670	64.7	$211,236	$38,730	64.7	$59,861	$4,957	64.7	$7,662	444,619
BARTLETT	$1,265	48.0	$2,635	$97,238	48.0	$202,578	$28,706	21.1	$136,047	$30,969	21.1	$146,773	$160,061	21.1	$758,583	318,238
KENNICOTT	$183,403	108.0	$169,817	$237,128	108.0	$219,563	$166,378	112.1	$148,419	$0	112.1	$0	$0	112.1	$0	586,908
COLUMBIA	$66,078	128.0	$51,623	$61,430	128.0	$47,992	$111,820	97.7	$114,452	$32,107	97.7	$32,863	$373,973	97.7	$382,777	645,408
LE CONTE	$59,730	48.0	$124,438	$101,055	48.0	$210,531	$663,504	62.8	$1,056,535	$625,761	62.8	$996,435	$124,600	62.8	$198,408	1,574,651
MALASPINA	$158,970	100.0	$158,970	$147,815	100.0	$147,815	$24,219	36.3	$66,719	$1,878	36.3	$5,174	$203,186	36.3	$559,741	536,068
MATANUSKA	$39,134	98.0	$39,933	$126,409	98.0	$128,989	$31,019	82.9	$37,417	$52,202	82.9	$62,970	$245,148	82.9	$295,715	493,912
TAKU	$73,835	86.0	$85,855	$186,013	86.0	$216,294	$68,573	111.7	$61,390	$24,437	111.7	$21,877	$698,792	111.7	$625,597	1,051,650
TUSTUMENA	$265,622	76.0	$349,502	$179,824	76.0	$236,611	$58,315	65.9	$88,490	$181,996	65.9	$276,170	$431,771	65.9	$655,191	1,117,528
FISCAL YEAR TOTALS	$1,005,758	740	$1,311,360	$1,243,452	740	$1,632,332	$1,289,204	655	$1,920,707	$988,080	655	$1,602,122	$2,242,488	655	$3,483,674	$6,768,982
Other DOT	$2,882,817	**2350**	$122,673	$2,630,562	**2413**	$109,016	$2,106,473	**2629**	$80,125	$2,189,897	**2,433.0**	$90,008	$1,266,154	**2,377.0**	$53,267	$11,075,903
DHSS	$3,273,306	**3142**	$104,179	$2,689,635	**3180**	$84,580	$988,473	**2459**	$40,198	$800,966	**2,365.0**	$33,867	$1,022,922	**2,365.0**	$43,253	$8,775,302
CORRECTIONS	$1,223,876	**1416**	$86,432	$1,693,013	**1471**	$115,093	$835,397	**1473**	$56,714	$813,498	**1,460.0**	$55,719	$568,380	**1,368.0**	$41,548	$5,134,164
*NATURAL RESOURCES	$566,264	**830**	$68,225	$810,738	**795**	$101,980	$1,710,592	**1466**	$116,684	$1,385,478	**1,442.0**	$96,080	$1,221,475	**1,404.0**	$87,000	$5,694,547
PUB SAFETY	$555,356	**780**	$71,199	$402,765	**757**	$53,205	$1,701,367	**764**	$222,692	$705,222	**745.0**	$94,661	$387,568	**727.0**	$53,311	$3,752,278
(Top 5 Depts. Only) Work Comp Claims & FTEs (not including AMHS)	**$8,501,619**	**8,518**	**$452,708**	**$8,226,713**	**8,616**	**$463,874**	**$7,342,303**	**8,791**	**$516,413**	**$5,895,061**	**8,445**	**$69,805**	**$4,466,499**	**8,241**	**$54,199**	$34,432,194

Note: * Dept of Natural Resources replaced Dept of Administration as a TOP 5 in 2003

	COMBINED (5) YEAR TOTAL		5 YEAR AVERAGE			
	$ Claims	FTEs	$ Claims	FTEs		
AMHS	$6,768,982	3,446	$1,353,796	689.12	AMHS Rate per 100 FTEs	$196,453
TOP FIVE DEPTS	$34,432,194	42,611.0	$6,886,439	8,522.2	Top 5 Dept. Rate per 100 FTEs	$80,806

BUILDING COSTS
PER/$100
ALL BUILDING CLASSES

Fiscal Year	2004	2003	2002	2001	2000	1999
Replacement cost value	3,908,851,443	3,517,845,435	3,318,937,837	2,926,489,255	2,906,464,033	2,835,634,090
Premium cost per year	1,983,525	1,886,052	1,568,338	965,000	1,217,250	1,187,250
AVERAGE COST RATE/$100 FOR ALL BUILDING CLASSES	$0.051	$0.054	$0.047	$0.033	$0.042	$0.042