

FISCAL YEAR 2007

REPORT



**Prepared by
Department of Administration
DIVISION OF RISK MANAGEMENT**

Table of Contents

Mission Statement	2
Objective	2
Operations	2
Programs	3
1) Insurance Administration	3
2) Claims Adjusting & Litigation Management.....	5
3) Contract Review	6
4) Cost of Risk Allocation	6
FY2007 Issue	11
Risk Financing: State Catastrophe Insurance Reserve Account	12
Exhibits	
A1 Catastrophe Fund Expenditure/Revenue/Lapse FY88 toFY05.....	13
A2 FY2002 Authorized Budget v. Actual Expenditures	14
A3 FY2003 Authorized Budget v. Actual Expenditures	15
A4 FY2004 Authorized Budget v. Actual Expenditures	16
A5 FY2005 Authorized Budget v. Actual Expenditures	17
A6 FY2006 Authorized Budget v. Actual Expenditures	18
B FY98-06 Authorized v. Actual Summary	19
C1 ARMTech Projected Ultimate Loss Table III-2A.....	20
C2 ARMTech Estimated Outstanding Loss Table III-1B-1C.....	21
D FY2006 CORA Workers' Compensation Pie Chart	22
E FY2006 CORA Marine Protection and Indemnity Pie Chart	23
F FY2006 CORA General Liability 5year Break-Out Pie Chart.....	24
G FY 2006 CORA Auto Liability 5 year Break-Out Pie Chart	25
H FY2006 CORA Aviation Liability 5 Year Break-Out Pie Chart	26
J1 FY02-06 Claims Frequency per 100 All Depts.....	27
J2 FY02-06 Claims Severity per 100 All Depts	28
K FY05-06 Open Jones Act Maritime Claims.....	29
L FY02-06 State Owned Building Premium Cost per \$100.....	30
M FY06 Large First Party Losses.....	31

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.

PROGRAMS

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 FY2007 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 FY2007 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 FY2007 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.

FY2007 PROPERTY/CASUALTY PROGRAM

<u>COVERAGE</u>	<u>SELF-INSURED RETENTION</u>	<u>LIMITS OF INSURANCE</u>
PROPERTY — all risk owned/leased buildings incl. contents and museum fine arts replacement cost coverage (EARTHQUAKE & FLOOD)	\$1,000,000 each loss 5% subject to min, \$1,000,000	\$100,000,000 \$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 Marine P&I Legal Liabilities Marine Pollution	\$1,000,000 \$1,000,000 \$25,000	Declared Values \$50,000,000
FOREIGN LIABILITY	NIL	\$1,000,000
AVIATION LIABILITY Airports Aircraft	\$250,000 \$250,000	\$500,000,000 \$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.

Harbor Adjustment Service – Anchorage is the state's third party claims administrator for all workers' compensation injury and illness claims filed by state employees. They also adjust auto, general and airport liability claims as assigned by Risk Management.

Risk Management claims administrators oversee and manage the day-to-day activities of all 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 precedential 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 all 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 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 FY2007 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 FY2007 actual rates used for payroll deductions are presented, comparing them to FY05 and FY06 rates.

FY2007 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 FY02 thru FY06	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	14,693,100	1.03%	14,100	25,000	10,000	0.114263%	6,233	20,334
2	Administration	84,743,700	5.96%	81,325	280,727	280,727	3.207680%	174,985	256,310
3	Law	49,555,900	3.49%	47,557	36,186	33,802	0.386230%	21,070	68,626
4	Revenue	39,302,500	2.77%	37,717	32,093	19,995	0.228470%	12,463	50,180
5	Education	25,421,700	1.79%	24,396	25,601	25,601	0.292529%	15,958	40,354
6	Health and Social Services	252,201,300	17.75%	242,027	2,888,400	1,667,800	19.056841%	1,039,584	1,281,612
7	Labor	74,476,600	5.24%	71,472	5,000	5,000	0.057132%	3,117	74,589
8	Commerce and Econ. Dev.	42,062,900	2.96%	40,366	65,213	47,384	0.541421%	29,535	69,902
9	Military and Veterans Affairs	20,862,300	1.47%	20,021	0	0	0.000000%	0	20,021
10	Natural Resources	75,654,900	5.32%	72,603	924,045	311,635	3.560846%	194,250	266,853
11	Fish and Game	97,858,700	6.89%	93,911	79,434	79,434	0.907644%	49,514	143,425
12	Public Safety	80,723,500	5.68%	77,467	1,296,604	1,269,104	14.501213%	791,067	868,534
13	Environ. Conservation	40,703,600	2.86%	39,062	8,849	8,849	0.101110%	5,516	44,577
14	Corrections	121,587,100	8.56%	116,682	2,410,564	2,314,721	26.448776%	1,442,827	1,559,509
16	Transp. and Pub. Facilities	305,399,500	21.49%	293,080	5,516,106	2,644,366	30.215413%	1,648,304	1,941,383
18	Legislative Affairs	33,649,900	2.37%	32,292	0	0	0.000000%	0	32,292
19	Legislative Audit	3,185,000	0.22%	3,057	0	0	0.000000%	0	3,057
21	Court System	59,040,000	4.15%	56,658	33,294	33,294	0.380431%	20,753	77,411
SUB TOTALS		1,421,122,200	100.00%	1,363,794	13,627,116	8,751,712	100%	5,455,175	6,818,969

FY2007 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 FY02 thru FY06	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	14,693,100	1.03%	36,668	60,745	37,300	0.079274%	11,246	47,915
2	Administration	84,743,700	5.96%	211,489	856,901	856,901	1.821165%	258,357	469,846
3	Law	49,555,900	3.49%	123,673	423,501	166,198	0.353219%	50,109	173,782
4	Revenue	39,302,500	2.77%	98,084	904,560	299,249	0.635991%	90,224	188,308
5	Education	25,421,700	1.79%	63,443	670,242	301,173	0.640081%	90,804	154,247
6	Health and Social Services	252,201,300	17.75%	629,400	17,323,998	15,387,839	32.703660%	4,639,459	5,268,860
7	Labor	74,476,600	5.24%	185,866	1,887,290	974,477	2.071048%	293,806	479,672
8	Commerce and Econ. Dev.	42,062,900	2.96%	104,973	2,326,216	171,502	0.364492%	51,708	156,681
9	Military and Veterans Affairs	20,862,300	1.47%	52,065	571,922	571,922	1.215502%	172,435	224,500
10	Natural Resources	75,654,900	5.32%	188,806	2,941,842	2,484,043	5.279319%	748,943	937,750
11	Fish and Game	97,858,700	6.89%	244,219	2,166,409	2,002,835	4.256611%	603,858	848,077
12	Public Safety	80,723,500	5.68%	201,456	4,428,089	3,667,520	7.794553%	1,105,763	1,307,219
13	Environ. Conservation	40,703,600	2.86%	101,581	612,687	218,794	0.465002%	65,967	167,548
14	Corrections	121,587,100	8.56%	303,436	6,030,874	5,688,626	12.089994%	1,715,130	2,018,566
16	Transp. and Pub. Facilities	305,399,500	21.49%	762,163	13,817,525	13,574,519	28.849826%	4,092,740	4,854,903
18	Legislative Affairs	33,649,900	2.37%	83,978	239,290	94,728	0.201324%	28,561	112,538
19	Legislative Audit	3,185,000	0.22%	7,949	143,961	10,000	0.021253%	3,015	10,964
21	Court System	59,040,000	4.15%	147,342	745,101	544,719	1.157687%	164,234	311,575
	SUB TOTALS	1,421,122,200	100.00%	3,546,590	56,151,153	47,052,345	100%	14,186,361	17,732,951

FY2005 - FY2007 Payroll Rates Comparison

DEPARTMENT	FY05 Payroll Deduction Premium	FY05 Rate	FY06 Payroll Deduction Premium	FY06 Rate	FY07 Payroll Deduction Premium	FY07 Rate
Office of the Governor	41,697.93	0.69%	45,284.51	0.71%	68,749.15	0.94%
Administration	509,463.87	1.55%	496,967.82	1.30%	733,219.74	1.73%
Law	164,303.47	0.84%	166,110.29	0.73%	243,540.62	0.98%
Revenue	158,159.72	0.99%	162,018.88	0.91%	239,324.95	1.22%
Education & Early Development	133,254.14	1.28%	138,180.28	1.18%	202,844.86	1.60%
Health and Social Services	4,329,505.15	4.26%	4,424,138.54	3.83%	6,596,870.79	5.24%
Labor & Workforce Development	365,833.81	1.18%	379,803.32	1.12%	561,543.15	1.51%
Community & Economic Development	161,478.78	0.94%	159,359.61	0.81%	231,128.21	1.10%
Military and Veterans Affairs	131,170.01	1.60%	174,667.19	1.79%	255,637.38	2.45%
Natural Resources	848,946.57	2.74%	867,651.01	2.48%	1,249,793.74	3.31%
Fish and Game	676,501.43	1.67%	701,747.07	1.57%	1,034,154.78	2.12%
Public Safety	1,618,252.36	4.86%	1,589,323.74	4.38%	2,334,765.29	5.79%
Environmental Conservation	148,262.45	0.89%	152,291.57	0.82%	224,533.69	1.10%
Corrections	2,687,161.00	5.32%	2,533,995.12	4.56%	3,715,086.60	6.12%
Transportation and Public Facilities	5,279,608.42	4.22%	5,242,335.72	3.75%	7,688,088.84	5.04%
Legislative Affairs/Finance/Ombudsman	89,944.01	0.70%	98,143.33	0.66%	148,578.24	0.88%
Legislative Audit	10,315.07	0.72%	9,836.63	0.66%	14,125.87	0.89%
Court System	242,341.81	1.07%	254,345.37	1.01%	389,092.69	1.32%
TOTALS	17,596,200		17,596,200		25,931,079	

FY2007 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.

This account is annually refilled by a year-end "sweep" of unexpended state general funds lapsing from other state agency operating budgets. Over the prior three fiscal years, RM has averaged total cost of risk expenditures close to \$13 million beyond its actual authorized appropriations. In FY07, RM's appropriation was adjusted upwards to directly finance these long recognized program expenditures – hopefully avoiding the prior practice of seeking significant tort claims funding in the Department of Law's judgment and claims bill combined with additional supplemental appropriation requests to address state agency first party property claim obligations.

As was the case last year, continued increased premiums were experienced at FY07 coverage renewals. 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 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, 2005, ARMTech estimate expected claim payments in FY2005 to be \$30,991,633 and predict the state will ultimately pay \$84,371,080 (using Expected Confidence Level) for outstanding losses as of 6/30/07– 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.

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. As detailed above, this account has been used to pay the more frequent smaller claims when the Risk Management appropriation has been depleted.

From FY90 through FY2006, over \$118 million has been withdrawn from the catastrophe reserve fund or by other direct appropriation to pay claim settlements — see **Exhibit A1-A6**. **Exhibit B** shows the authorized budget and actual expenditure detail for FY90 - FY2006.

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 FY2006 the frequency and cost per claim or severity have gone down per 100 FTE's from the previous 4 years. This reflects each department's recent interest and management of their workers' compensation claims.

Exhibits K will show the remaining Jones Act claims for AMHS. The cost or severity of marine claims 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, however in FY06 the cost increased slightly due to global increases from recent natural disasters.

Exhibit M details sample large property losses RM addressed in FY2006, some of these losses required supplemental appropriation by the Legislature.

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
FY05	-	5,000,000.00	no avail. lapse	5,000,000.00		675,283.00	7,025,194.93
FY06	-	5,000,000.00	547,172.99	5,000,000.00		1,178,847.92	5,040,982.34

**FY 2002
AUTHORIZED BUDGET v ACTUAL EXPENDITURES**

FY2002 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											\$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

[illegible]

FY 2005

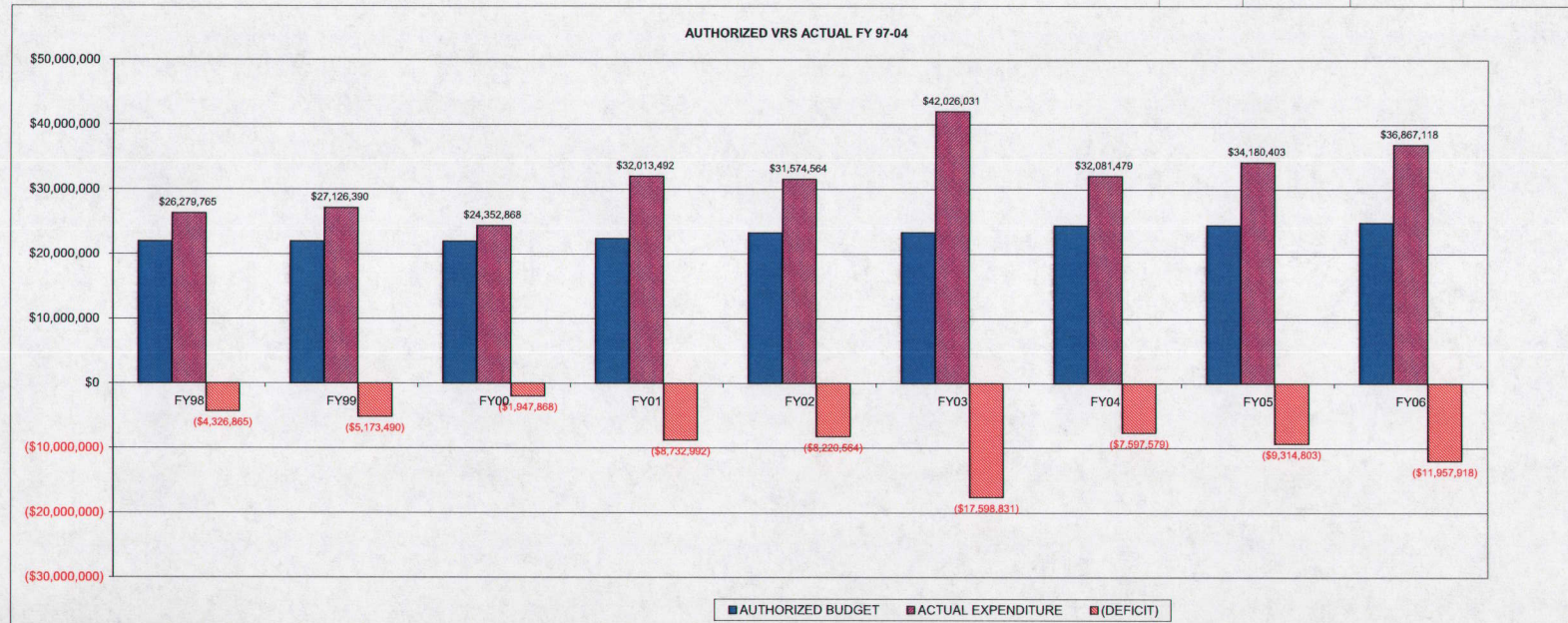
[illegible]

FY 2006

[illegible]

YEARLY SUMMARIES

	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	Total Deficits
AUTHORIZED BUDGET	\$20,354,000	\$18,588,001	\$18,593,900	\$18,582,900	\$18,582,900	\$18,582,900	\$18,579,700	\$21,985,300	\$21,952,900	\$21,952,900	\$22,405,000	\$23,280,500	\$23,354,000	\$24,427,200	\$24,483,900	\$24,865,600	\$24,909,200	
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	\$34,180,403	\$36,867,118	
(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)	(\$9,314,803)	(\$11,957,918)	(\$118,078,222)



2. Project Ultimate Losses

We project ultimate losses for FY2007, FY2008 and FY2009 to be as shown in Tables III-2A, III-2B and III-2C.

Table III-2A
Projected Ultimate Losses
FY2007

Program (1)	Projected Ultimate Losses (2)	Present Value of Projected Ultimate Losses (3)
(A) Workers compensation	\$18,088,090	\$15,814,083
(B) General liability	7,713,652	6,846,081
(C) Marine	2,733,646	2,500,389
(D) Property	918,330	880,133
(E) Automobile liability	1,004,609	933,291
(F) Aviation	422,496	388,951
(G) Total (A) ... (F)	\$30,880,823	\$27,362,928

Note: (A) is from Exhibit WC-10.
(B) is from Exhibit GL-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.

The total estimated outstanding losses at various confidence levels are as shown in Tables III-1B and III-1C.

Table III-1B
Estimated Outstanding Losses
at Various Confidence Levels
June 30, 2006, June 30, 2007 and June 30, 2008

Confidence Level (1)	Estimated Outstanding Losses as of 06/30/06 (2)	Estimated Outstanding Losses as of 06/30/07 (3)	Estimated Outstanding Losses as of 06/30/08 (4)
(A) Expected	\$79,365,502	\$83,204,774	\$88,137,467
(B) 75%	99,206,878	104,005,968	110,171,834
(C) 85%	112,699,013	118,150,779	125,155,203
(D) 95%	137,302,318	143,944,259	152,477,818

Note: (A2), (A3) and (A4) are from Tables III-1A-01, III-1A-02 and III-1A-03.
(B), (C) and (D) are based on (A) and actuarial judgment.

Table III-1C
Present Value of Estimated Outstanding Losses
at Various Confidence Levels
June 30, 2006, June 30, 2007 and June 30, 2008

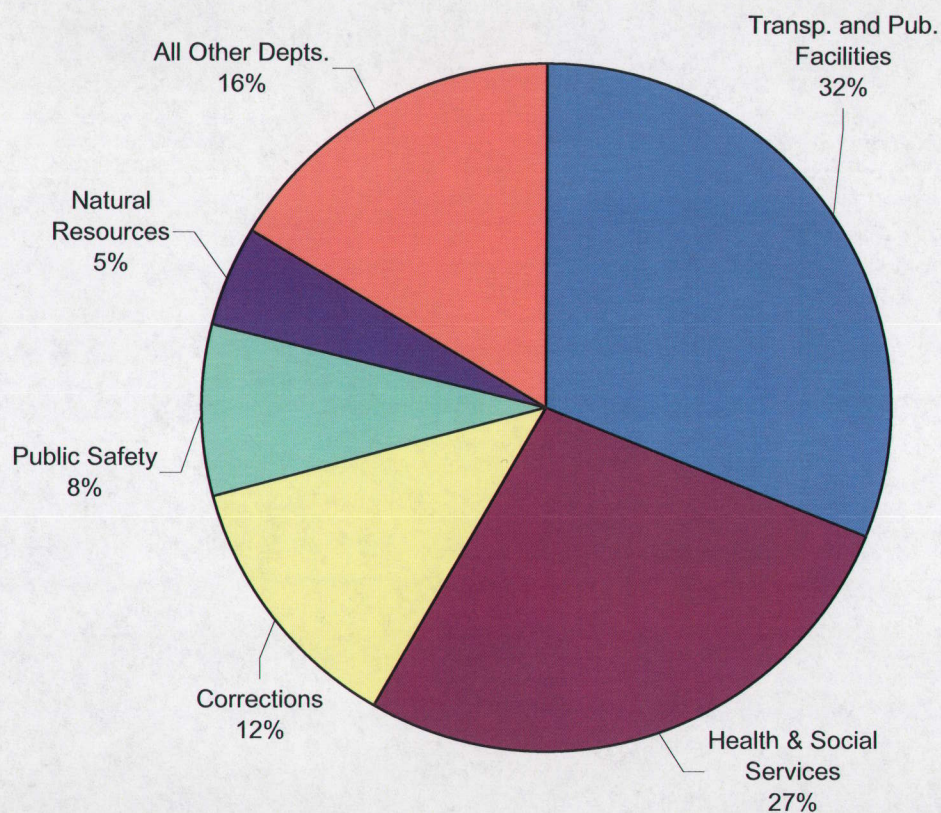
Confidence Level (1)	Present Value of Estimated Outstanding Losses as of 06/30/06 (2)	Present Value of Estimated Outstanding Losses as of 06/30/07 (3)	Present Value of Estimated Outstanding Losses as of 06/30/08 (4)
(A) Expected	\$70,445,475	\$73,728,786	\$78,093,578
(B) 75%	88,056,844	92,160,983	97,616,973
(C) 85%	100,032,575	104,694,876	110,892,881
(D) 95%	121,870,672	127,550,800	135,101,890

Note: (A2), (A3) and (A4) are from Tables III-1A-01, III-1A-02 and III-1A-03.
(B), (C) and (D) are based on (A) and actuarial judgment.

The present value of the estimated outstanding losses is the estimated outstanding losses discounted to reflect future investment earnings. It is based on a 3.5% interest rate.

WORKERS' COMPENSATION
Breakout of Last 5 Years (FY 02-06) 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
Transp. and Pub. Facilities	31.16%	19,565,349.73
Health & Social Services	27.19%	17,069,837.09
Corrections	12.39%	7,780,147.92
Public Safety	8.08%	5,071,689.12
Natural Resources	4.89%	3,071,890.38
All Other Depts.	16.30%	10,232,214
Fish and Game	4.21%	2,644,130.82
Labor	3.24%	2,036,575.24
Administration	1.93%	1,214,328.10
Revenue	1.34%	841,892.76
Court System	1.22%	763,901.49
Military and Veterans Affairs	1.01%	634,945.48
Education	0.92%	578,806.93
Law	0.79%	498,191.01
Environ. Conservation	0.64%	404,114.44
Leg affrs/ Leg Finance /Ombdr	0.41%	254,396.64
Community and Econ. Dev.	0.34%	212,407.81
Legislative Audit	0.14%	85,212.02
Office of the Governor	0.10%	63,311.23
FIVE YEAR TOTAL	100.00%	62,791,128



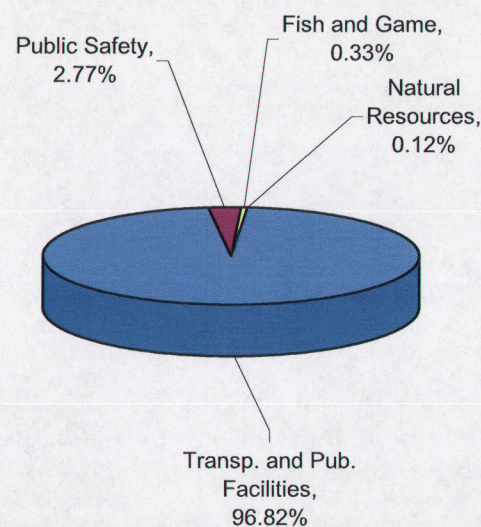
* Note: The figure for DOTPF include benefits paid for Injured Marine Highway Employees under the Workers' Compensation as of 7/1/2003

*** 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 (FY02-06) 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	96.82%	13,547,645.19
Public Safety	2.77%	387,871.47
Fish and Game	0.33%	45,615.10
Natural Resources	0.12%	10,793.98
Office of the Governor	0.00%	0.00
Administration	0.00%	0.00
Law	0.00%	0.00
Revenue	0.00%	0.00
Education	0.00%	0.00
Health and Social Services	0.00%	0.00
Labor	0.00%	0.00
Community and Econ. Dev.	0.00%	0.00
Military and Veterans Affairs	0.00%	0.00
Environ. Conservation	0.00%	0.00
Corrections **	0.00%	0.00
Leg affrs/ Leg Finance /Ombdn	0.00%	0.00
Legislative Audit	0.00%	0.00
Court System	0.00%	0.00
Alaska Energy Authority	0.00%	0.00
SUB TOTALS	100.05%	13,991,926



Note: Injured maritime employees started receiving Workers Compensation remedy as of 7/01/03. The figures show are effectively from 7/1/00-6/30/03

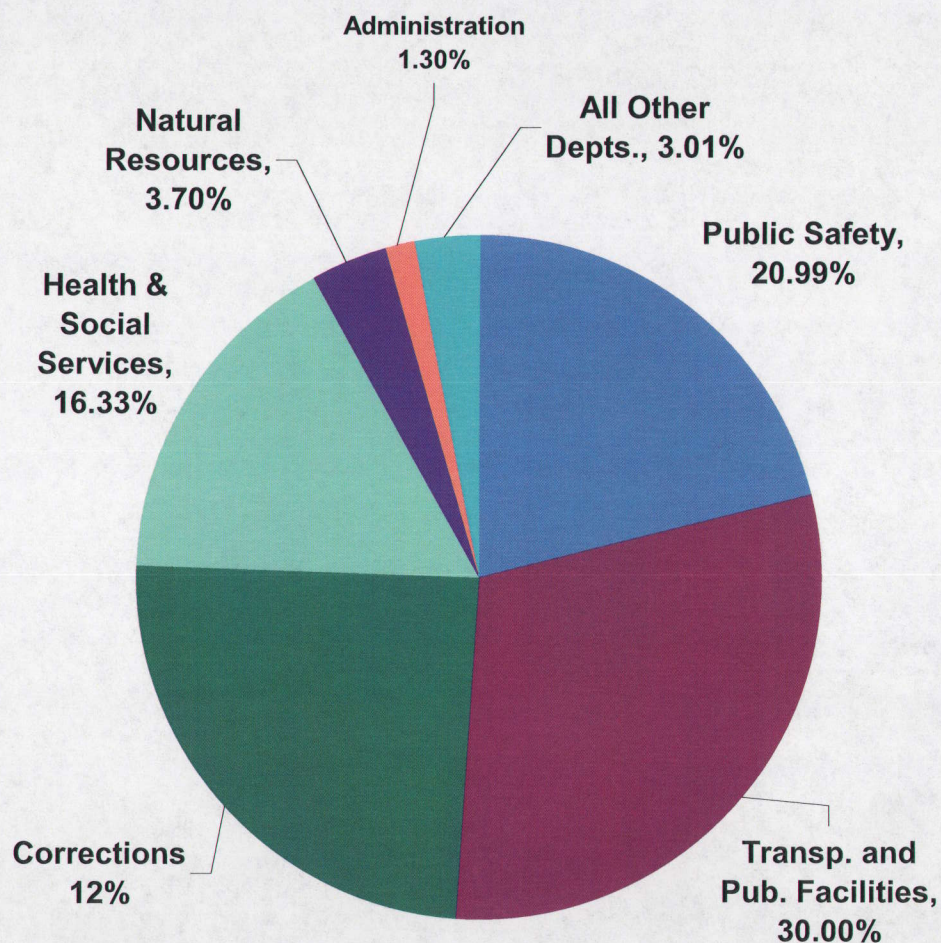
*This chart represents the benefit payments made primarily to Alaska Marine Highway Employees as DOTPF employees.

**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 02-06) Claims History by Department

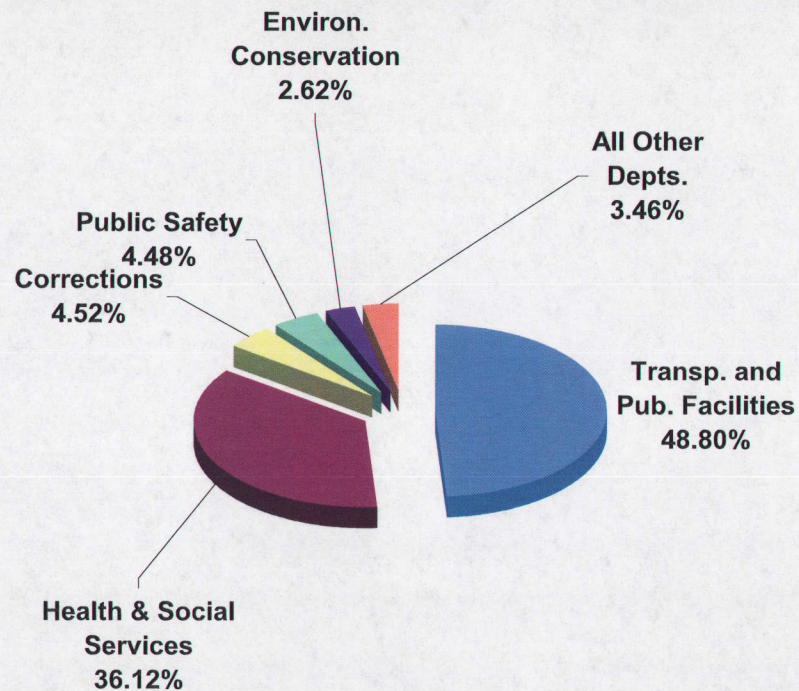
DEPARTMENT	% of Total	General Liability Claims 5 year totals
Public Safety	20.99%	4,864,308.17
Transp. and Pub. Facilities	30.00%	6,953,873.55
Corrections	24.66%	5,716,873.36
Health & Social Services	16.33%	3,784,959.84
Natural Resources	3.70%	858,210.26
Admin	1.30%	301,958.78
All Other Depts.	3.01%	698,492
Education	0.55%	128,053.70
Environ. Conservation	0.56%	129,941.64
Fish and Game	0.49%	113,884.97
Court System	0.39%	89,318.65
Community and Econ. Dev.	0.33%	76,694.00
Law	0.28%	65,981.24
Labor	0.23%	53,515.19
Revenue	0.18%	41,102.51
Military and Veterans Affairs	0.00%	0
Office of the Governor	0.00%	0
Leg affrs/ Leg Finance /Ombd	0.00%	0
Legislative Audit	0.00%	0
FIVE YEAR TOTAL	100.00%	23,178,676



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 02-06)

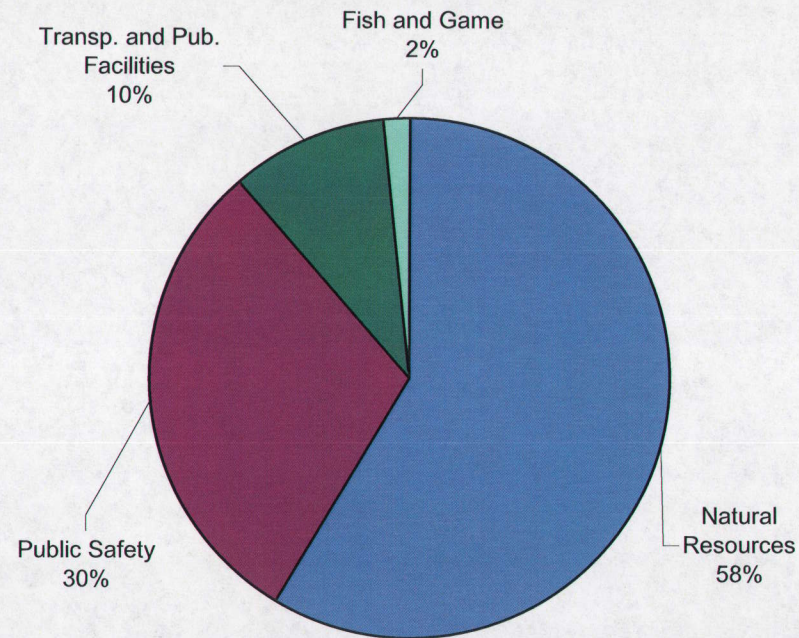
DEPARTMENT	% of Total	Auto Liability Claims - 5 year totals
Transp. and Pub. Facilities	48.80%	2,008,243.84
Health & Social Services	36.12%	1,486,587.94
Corrections	4.52%	185,977.10
Public Safety	4.48%	184,387.17
Environ. Conservation	2.62%	107,801.84
All Other Depts.	3.46%	142,289
Natural Resources	0.89%	36,736.95
Fish and Game	0.80%	32,850.25
Education	0.50%	20,424.08
Military and Veterans Affairs	0.46%	18,859.55
Administration	0.28%	11,630.94
Leg affrs/ Leg Finance /Ombd	0.19%	7,620.88
Community and Econ. Dev.	0.18%	7,313.43
Labor	0.09%	3,802.28
Office of the Governor	0.04%	1,657.23
Revenue	0.02%	721.23
Law	0.02%	671.68
Legislative Audit	0.00%	0.00
Court System	0.00%	0
FIVE YEAR TOTAL	100.00%	4,115,286



The above spread sheet provides a break down of the "All Other Depts." below the bold entry.
Page 25

Aviation Liability
Breakout of Last 5 Years (FY02-06) Claims History by Department

DEPARTMENT	% of Total	Aviation Liability-5year Total
Natural Resources	58.51%	1,012,980.94
Public Safety	30.10%	521,125.98
Transp. and Pub. Facilities	9.77%	169,163.86
Fish and Game	1.63%	28,164.13
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%	1,731,435



ALL DEPT CLAIMS
FREQUENCY TO 100 FTE'S

DEPARTMENT	2006			2005			2004			2003			2002		
	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs	# Claims	FTEs	#/100FTEs
Governor's Office	3	168	1.8	1	153	0.7	2	160	1.3	3	153	2.0	5	196	2.6
Administration	28	1001	2.8	33	971	3.4	30	966	3.1	30	967	3.1	214	1466	14.6
Law	5	536	0.9	31	518	6.0	8	492	1.6	11	477	2.3	20	478	4.2
Revenue	8	502	1.6	15	501	3.0	13	492	2.6	13	497	2.6	21	506	4.2
Education	6	312	1.9	5	307	1.6	8	306	2.6	25	341	7.3	28	451	6.2
Health & Social Services	258	3373	7.6	289	3274	8.8	346	3142	11.0	316	3180	9.9	168	2459	6.8
Labor & Workforce Dev	26	950	2.7	24	903	2.7	34	911	3.7	25	912	2.7	37	867	4.3
Commerce & Economic Dev.	10	511	2.0	9	464	1.9	4	495	0.8	6	497	1.2	10	503	2.0
Military & Veterans Affairs	24	294	8.2	21	288	7.3	18	261	6.9	13	263	4.9	22	259	8.5
Natural Resources	99	868	11.4	163	853	19.1	109	830	13.1	154	795	19.4	112	714	15.7
Fish & Game	68	1171	5.8	72	1149	6.3	74	1142	6.5	96	1165	8.2	72	1225	5.9
Public Safety	90	830	10.8	97	796	12.2	110	780	14.1	119	757	15.7	139	764	18.2
Environmental Conservation	8	510	1.6	10	488	2.0	11	469	2.3	8	474	1.7	12	491	2.4
Corrections	141	1477	9.5	123	1422	8.6	141	1416	10.0	156	1471	10.6	162	1473	11.0
*Transportation	460	3181	14.5	467	3116	15.0	484	3090	15.7	226	2413	9.4	251	2629	9.5
Legislative Affairs	5	300	1.7	6	213	2.8	5	294	1.7	7	294	2.4	10	294	3.4
Legislative Audit	0	37	0.0	2	37	5.4	0	37	0.0	0	37	0.0	0	37	0.0
Courts	19	756	2.5	17	718	2.4	22	700	3.1	17	690	2.5	15	704	2.1
FISCAL YEAR TOTALS	1258	16777	7.5	1385	16171	8.6	1419	15983	8.9	1225	15383	8.0	1298	15516	8.4

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	2006			2005			2004			2003			2002		
	Claim cost	FTEs	\$/100FTEs	Claim cost	FTEs	\$/100FTEs	Claim cost	FTEs	\$/100FTEs	Claim cost	FTEs	\$/100FTEs	Claim cost	FTEs	\$/100FTEs
Governor's Office	7,512	168	4,471	11,548	153	7,548	499	160	312	13,720	153	8,968	52,756	196	26,916
Administration	139,938	1001	13,980	233,666	971	24,064	95,403	966	9,876	166,118	967	17,179	1,710,644	1466	116,688
Law	68,613	536	12,801	138,779	518	26,791	16,544	492	3,363	169,032	477	35,436	99,166	478	20,746
Revenue	35,741	502	7,120	38,960	501	7,776	76,135	492	15,475	65,627	497	13,205	172,444	506	34,080
Education	13,921	312	4,462	96,498	307	31,432	26,027	306	8,506	172,772	341	50,666	124,633	451	27,635
Health & Social Services	1,394,015	3373	41,329	2,614,792	3274	79,865	3,273,306	3142	104,179	2,689,635	3180	84,580	1,061,074	2459	43,151
Labor & Workforce Dev	334,158	950	35,175	180,706	903	20,012	173,977	911	19,097	229,757	912	25,193	394,716	867	45,527
Commerce & Economic Dev.	37,561	511	7,350	125,885	464	27,130	5,470	495	1,105	21,266	497	4,279	14,812	503	2,945
Military & Veterans Affairs	64,112	294	21,807	165,893	288	57,602	176,759	261	67,724	96,785	263	36,800	134,295	259	51,851
Natural Resources	568,927	868	65,545	474,292	853	55,603	566,264	830	68,225	810,738	795	101,980	286,263	714	40,093
Fish & Game	492,286	1171	42,040	310,709	1149	27,042	386,750	1142	33,866	588,291	1165	50,497	251,087	1225	20,497
Public Safety	509,508	830	61,387	733,680	796	92,171	555,356	780	71,199	402,765	757	53,205	1,699,714	764	222,476
Environmental Conservation	185,574	510	36,387	18,997	488	3,893	58,444	469	12,461	17,122	474	3,612	73,544	491	14,978
Corrections	1,224,436	1477	82,900	1,486,050	1422	104,504	1,223,876	1416	86,432	1,693,013	1471	115,093	837,108	1473	56,830
*Transportation	3,858,967	3181	121,313	3,137,913	3116	100,703	3,888,575	3090	125,844	2,630,562	2413	109,016	2,106,473	2629	80,125
Legislative Affairs	7,653	300	2,551	52,158	213	24,487	38,370	294	13,051	25,372	294	8,630	65,473	294	22,270
Legislative Audit	0	37	0	86,850	37	234,730	0	37	0	0	37	0	0	37	0
Courts	161,258	756	21,330	159,522	718	22,218	158,843	700	22,692	53,205	690	7,711	33,532	704	4,763
FISCAL YEAR TOTALS	9,104,179	16777	\$54,266	10,066,897	16171	\$62,253	10,720,598	15983	\$67,075	9,845,779	15383	\$64,004	9,117,734	15,516	\$58,763

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.

**Open Jones Act
Maritime claims.**

FISCAL YEAR>	2006			2005		
	# Claims	Cost	Cost/Claim	# Claims	Cost	Cost/Claim
SHIP						
AURORA	0	\$0	\$0	1	\$3,438	\$3,438
BARTLETT	0	\$0	\$0	0	\$0	\$0
KENNICOTT	1	\$34,589	\$34,589	0	\$0	\$0
COLUMBIA	0	\$0	\$0	0	\$0	\$0
LE CONTE	0	\$0	\$0	1	\$6,773	\$6,773
MALASPINA	1	\$11,450	\$11,450	2	\$109,660	\$54,830
MATANUSKA	1	\$11,264	\$11,264	2	\$45,181	\$22,591
TAKU	2	\$260,261	\$130,131	3	\$173,062	\$57,687
TUSTUMENA	0	\$0	\$0	2	\$204,082	\$102,041
Total	5	317,565	\$63,513	11	542,196	\$49,291

Note: As of 7/1/2003 all State employee work related injuries are reported as Workers' Compensation Claims. The spreadsheet above is an illustration of the current open Jones Act maritime claims, all prior event dates to 7/1/2003.

BUILDING COSTS
 PER/\$100
 ALL BUILDING CLASSES

Fiscal Year	2006	2005	2004	2003	2002
Replacement cost value	4,176,939,765	4,058,762,973	3,908,851,443	3,517,845,435	3,318,937,837
Premium cost per year	1,911,508	1,692,250	1,983,525	1,886,052	1,568,338
AVERAGE COST RATE/\$100 FOR ALL BUILDING CLASSES	\$0.046	\$0.042	\$0.051	\$0.054	\$0.047

FY06 First Party Losses

Aircraft Hull

Claim: Public Safety, Helicopter Crash

Initial Claim Reserves: \$350,000

Date: \$332,719.95

Date of Loss: 4/21/06

Expenses to

Description: On April 21, 2006, about 0130 Alaska daylight time, a high skid-equipped American Eurocopter AS350 B3 helicopter, N911AA, sustained substantial damage during takeoff from a remote area, about 30 miles northwest of Nikiski, Alaska.

Status: All repairs complete, final billings paid. Aircraft back in service.



Marine Hull

Claim: LeConte, hull tear
Initial Claim Reserve: \$120,000

Date of Loss: 11/30/2005
Expenses to Date: \$104,341

Description: A light contact with dock in Petersburg in strong current caused a 12" x ½" tear in the starboard bow, below upper deck in the fore peak area.

Status: Repairs complete, vessel returned to service.



Marine Hull

Claim: Kennicott pipe corrosion
7/16/06

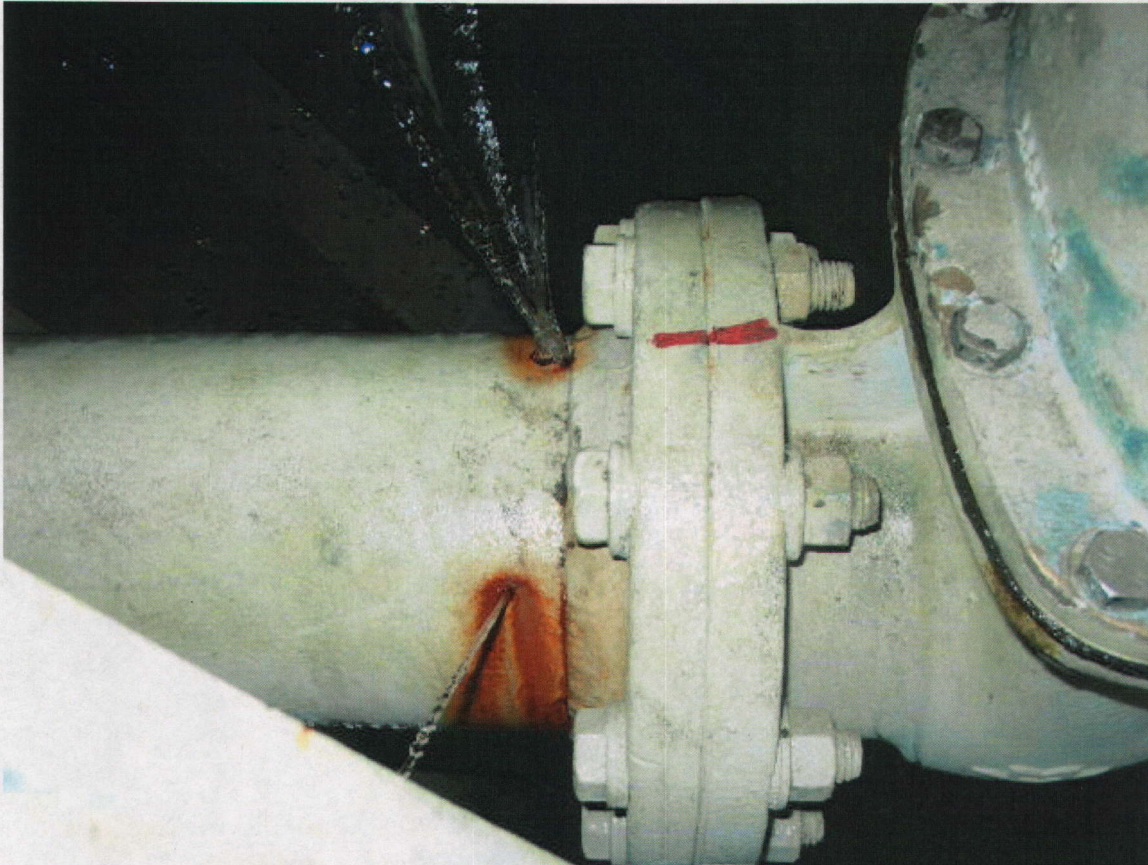
Initial Reserves: \$110,000
date: \$100,499.93

Date of Loss:

Expenses to

Description: Pipe system ruptured, resulting in steam discharge and flooding in hull voids.

Status: Repairs complete, final billings being process for payment.



Property Loss

Claim: Spring Creek Warehouse Door
Initial Claim Reserves: \$20,000
date: \$11,470

Date of Loss: 3/24/06
Expenses to

Description: Inmate participating in work program drove vehicle into garage door. Inmate was backing a flatbed truck into warehouse, he hit gas instead of brake, hits overhead garage door, damaging door and hanging assembly. Truck is also damaged. No injuries reported

Status: Repairs complete, claim closed.



Property Loss

Claim: Frozen Pipe, Highland Mountain
Initial Claim Reserve: \$20,000
date: \$19,703.62

Date of Loss: 3/20/06
Expenses to

Description: Sprinkler pipe fitting broke, filling room below with water. Water damage to contents used to run Correctional Industry sewing shop. Inmates make uniforms for AMHS, Corrections, etc. Water damages inventory of material, commercial sewing machines, cutting tables and misc. sewing notions.

Status: Risk Management paid to replace lost sewing machines, cutting table and sewing materials. Claim closed.

