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Commissioner

Department of
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STATE OF ALASKA

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Workers' Compensation Rates to Decrease in 2021

October 29, 2020 (Anchorage, AK) – Alaska businesses will see another year of decreased workers' compensation insurance rates in 2021. Workers' compensation voluntary loss costs will decrease by an average of 14.9 percent, and assigned risk rates will decrease by an average of 9.6 percent from the current approved levels.

"Lower workers' compensation costs reduce the burden on Alaska businesses, which is especially good news as many have struggled with the COVID-19 pandemic," **said Governor Michael Dunleavy.**

"This is the second year in a row that we are seeing significant savings in Workers' Compensation system costs which will continue to benefit businesses across Alaska with reduced insurance premiums," **said Dr. Tamika Ledbetter, Department of Labor and Workforce Development Commissioner.** "I appreciate the good work of the Workers' Compensation Board and the Medical Services Review Board for their efforts to make this happen."

The 2021 rate reductions signify a positive downward trend in reduced workers' compensation losses. This year's lower rates follow 2020 rates that represented a 13.4 percent reduction from the previous year. Since 2015 rates have been reduced by approximately 46 percent, which can be attributed to continuing declines in claim frequency and favorable changes in medical cost trends.

"We have thoroughly reviewed the filings, and ordered modifications to be made to ensure that the rates are justified," **said Lori Wing-Heier, director of the Alaska Division of Insurance.**

The Division of Insurance is an agency housed within the Alaska Department of Commerce, Community and Economic Development (DCCED) tasked with protecting consumers in Alaska. For additional information about the division, visit <https://www.commerce.alaska.gov/web/ins>. For information about DCCED and its other agencies, visit commerce.alaska.gov.

The Division of Workers' Compensation is an agency housed within the Alaska Department of Labor and Workforce Development (DOLWD) tasked with the administration of the Alaska Workers' Compensation Act. For additional information about the division, visit <https://labor.alaska.gov/wc/>. For information about DOLWD and its other agencies, visit <https://labor.alaska.gov/>.

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