

SUPREME COURT OF ALASKA

State of Alaska, Department of Fish and Game v. Kacyon

31 P.3d 1276 (Alaska 2001) · No. No. S-9433 · Decided October 5, 2001

SUMMARY

The Alaska Supreme Court interpreted Alaska Statute 23.30.015(g) and (h), governing workers' compensation benefits and third-party recoveries. The court held that judicial approval of a minor's settlement does not necessarily remove the settlement from the statute's compromise provisions, but determined that the global settlement was the relevant compromise under the circumstances. The court reversed and remanded, directing the Workers' Compensation Board to vacate its order requiring full benefit payments to resume after exhaustion of the minor's allocated share.

CASE DETAILS

COURT	Supreme Court of Alaska
WRITING FOR THE COURT	Matthews, Justice; Fabe, Chief Justice; Eastaugh, Justice; Bryner, Justice; Carpeneti, Justice
JURISDICTION	Alaska
DECIDED	October 5, 2001
DOCKET	No. S-9433
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The State appealed the superior court's affirmance of an Alaska Workers' Compensation Board decision concerning whether future workers' compensation benefits were forfeited after an unapproved third-party settlement and allocation.
PRECEDENTIAL VALUE	Published Alaska Supreme Court opinion; precedential
PARTIES	State of Alaska, Department of Fish and Game v. Jeremiah Kacyon, beneficiary of Randall Kacyon (Deceased), Alaska Workers' Compensation Board

TOPICS

- workers compensation
- statutory interpretation
- administrative law
- judicial review of agency action
- employment law

PRACTICE AREAS

workers compensation

administrative law

employment law

QUESTIONS PRESENTED

1. Whether judicial approval of a minor beneficiary's settlement allocation under Alaska Civil Rule 90.2 removes the settlement from the definition of a compromise under Alaska Statute 23.30.015(h).
2. Whether the relevant compromise under Alaska Statute 23.30.015(h) was the global third-party settlement or the subsequent allocation of settlement proceeds to Jeremiah.
3. Whether the State remained obligated to pay Jeremiah full future workers' compensation benefits after the amount allocated to him from the settlement was exhausted.

HOLDINGS

1. Judicial approval of a compromise affecting a minor does not necessarily remove the compromise from Alaska Statute 23.30.015(h). A Civil Rule 90.2 proceeding determines only whether settlement terms are fair and reasonable and is not equivalent to an adversarial judicial determination of damages.
2. Under the circumstances of this case, the global \$1.2 million settlement was the relevant compromise under Alaska Statute 23.30.015(h), not the subsequent allocation of proceeds to Jeremiah.
3. The Board erred by requiring full payments to Jeremiah to resume when the amount allocated to him from the global settlement was exhausted. Jeremiah was entitled only to reimbursement for costs and fees equal to thirty percent of the compensation he otherwise would have received, subject to appropriate offsets for overpayments.

KEY QUOTATIONS

“For these reasons we conclude that the Civil Rule 90.2 hearing did not suffice to remove this case from the compromise provisions of AS 23.30.015(h).” (31 P.3d at 1282)

“Under these circumstances, we believe that the global settlement should be considered the relevant compromise to which subsection (h) refers.” (31 P.3d at 1283)

“The judgment of the superior court is reversed and this case is remanded to the Board with directions to vacate its decision on reconsideration requiring that full payments to Jeremiah resume when the sum allocated to him from the global settlement is exhausted.” (31 P.3d at 1283)

FACTUAL BACKGROUND

Randall Kacyon, an Alaska wildlife biologist, died in a work-related plane crash, leaving his wife and fifteen-year-old son, Jeremiah, as workers' compensation death-benefit beneficiaries. The widow settled a wrongful-death action against the aircraft operator for \$1.2 million, a sum exceeding the beneficiaries' combined potential workers' compensation benefits, but allocated only five percent of the net settlement proceeds to Jeremiah. The allocation was approved under Alaska Civil Rule 90.2 without the State's consent or participation, and the State argued that Jeremiah's future benefits were forfeited under Alaska Statute 23.30.015(h).

PROCEDURAL HISTORY

Randall Kacyon's widow, acting as personal representative, settled a wrongful-death action against the aircraft operator for \$1.2 million. The Workers' Compensation Board ruled that the settlement did not trigger the forfeiture provision of Alaska Statute 23.30.015(h) and ordered the State to continue paying benefits, including reimbursement for litigation fees. On reconsideration, the Board ordered full payments to Jeremiah to resume when the settlement credit was exhausted. The superior court affirmed, and the State appealed.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand to the Workers' Compensation Board to vacate its decision on reconsideration requiring full payments to Jeremiah to resume when the amount allocated to him from the global settlement was exhausted; reinstate the earlier order awarding Jeremiah reimbursement for costs and fees equal to thirty percent of the compensation he otherwise would have received; and order appropriate offsets for overpayments.

CASES CITED

- Stone v. Fluid Air Components of Alaska, 990 P.2d 621 (Alaska 1999)
- Cooper v. Argonaut Insurance Companies, 556 P.2d 525 (Alaska 1976)
- Horsford v. Estate of Horsford, 561 P.2d 722, 727 (Alaska 1977)
- Banks v. Chicago Grain Trimmers Ass'n, 390 U.S. 459, 466-67 (1968)
- Morauer & Hartzell, Inc. v. Woodworth, 439 F.2d 550, 553 (D.C. Cir. 1970)
- In re Estate of Brandon, 902 P.2d 1299, 1310 (Alaska 1995)
- Bell v. O'Hearne, 284 F.2d 777, 781 (4th Cir. 1960)
- Gossett v. ERA Meyers Real Estate, 787 P.2d 1025, 1026-27 (Alaska 1990)