



**House of Representatives**  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

**MEMORANDUM**

**TO:** All Members of the House of Representatives

**FROM:** Representative Brendan F. Boyle

**DATE:** January 31, 2011

**SUBJECT:** Co-sponsorship of Legislation -- Uninsured Employers Guaranty Fund (UEGF)

I write to request your co-sponsorship of legislation I plan to soon introduce -- amending the Workers' Compensation Act to provide adequate funding for the Uninsured Employers Guaranty Fund (UEGF).

As many of you may recall, the UEGF, which is overseen by the Pennsylvania Department of Labor and Industry, was created by Act 147 of 2006 to provide workers' compensation benefits to workers who become injured on the job and whose employers fail to provide liability coverage as required by the Workers' Compensation Act. Prior to the UEGF, injured workers often had minimal chances of recovering benefits from uninsured employers. Even when years of private legal action ended successfully for injured workers, many employers refused or could not afford to pay. Now, with the UEGF, workers are assured assistance from the department in recovering payments and a back-up source for timely, much-needed benefits.

However, funding granted to the UEGF through Act 147 has been insufficient. The department has projected that the fund will be exhausted this year, unless the legislature takes action.

Specifically, my legislation will amend the Workers' Compensation Act to increase the UEGF's funding mechanism, an assessment on insurers and self-insured employers, from 0.1 percent to a level that reflects outstanding and anticipated costs to the fund (no greater than 0.5 percent). As well, the legislation will further help to sustain the fund by allowing the department to accept voluntary payments and awards, including legal costs, in addition to restitution.

I hope you will join me in co-sponsoring this important bill. If you would like to be added, please contact Kristen in my office at [kwomelsd@pahouse.net](mailto:kwomelsd@pahouse.net) or 717-787-3055.