



TO: The Honorable Members of the Senate Labor and Industry Committee
FROM: Alex Halper, Manager, Government Affairs
DATE: June 13, 2011
RE: UEGF Amendment to HB 440

On behalf of its thousands of statewide member businesses of all sizes and crossing all industry sectors, the Pennsylvania Chamber of Business and Industry is writing to express support for an amendment to HB 440 when the bill is considered by the Senate Labor and Industry Committee. This amendment will transfer funding to the Bureau of Workers' Compensation's Uninsured Employer Guaranty Fund (UEGF) from the Bureau's Administration Fund. The UEGF provides workers' compensation (WC) payments for injured workers whose employers do not have WC insurance.

The Chamber supports the UEGF because its existence helps identify employers who do not have WC insurance, which all businesses are required to purchase. These employers have an unfair advantage over businesses that follow the law and purchase coverage. When an employee from a company without WC insurance requires medical treatment, the expenses are primarily born by the employer community through health insurance rates that must be increased to compensate for the "free" care the injured worker received from the healthcare provider. In addition to identifying the businesses, the UEGF also provides a mechanism to recover from these employers.

This amendment will sustain the UEGF through the 2012 calendar year while placing no additional burden on taxpayers. We urge members to support this amendment, but bear in mind that it is a temporary fix to a problem that will require the Committee's attention in the near future. We look forward to working with the Committee and the entire General Assembly to address the long-term solvency of the UEGF.

If you have any questions or concerns, please contact Alex Halper at 717-720-5471 or ahalper@pachamber.org.