

**SENATE BILL 1195
PRINTER'S NO. 1613**

SPONSOR: Sen. Gordner

The legislation amends the act of June 2, 1915 (P.L. 736, No. 338), known as the Workers' Compensation Act.

Section 305.2 is amended to provide that the Department of Labor and Industry may verify that out-of-state employers have secured required workers' compensation insurance or is self-insured under the workers' compensation statutes of such states. If such verification occurs, the employer shall not be considered to be an uninsured employer under the provisions of Article XVI, relating to the Uninsured Employers Guarantee Fund.

If an employee alleges an injury occurred while in the employment of an out-of state employer that has not secured the required workers' compensation insurance, the employee must submit proof to the Fund or a workers' compensation judge of a ruling, decision or notice from another state that the employee has sought and has been denied benefits from the other state prior to initiating a claim against the Fund.

Section 1603 is amended to provide that an employee shall notify the Fund within 45 days of being advised by the employer or another source that the employer is uninsured in order to receive compensation from the Fund. The section is further amended to provide that a claim petition shall be filed within 120 days of the notice.

Section 1603 is amended to provide that the Fund may establish lists of at least six designated health care providers that are accessible in each county in specialties relevant to the treatment of work injuries. If the Fund establishes such lists, treatment shall be obtained from one of the providers for 90 days from the date of the employee's notice to the fund. The Fund shall not be responsible for payment of services to a non-designated provider for the 90 day period. This language is consistent with requirements for regular claims under workers' compensation.

Section 1604 is amended to provide that the fund shall not be responsible for wage loss benefits unless the employee can verify wages by providing a check, pay stub, payroll record, tax record, unemployment compensation record, bank statements that show regular and recurring deposits, other written documentation or testimony of the uninsured employer.

Section 1605 is amended to clarify the Fund fees, costs and settlement payments to claimants are to be included in awards against uninsured employers.

Section 1607 is amended to provide a \$4 million transfer to the Fund from the Workers' Compensation Administrative Fund.

Section 1609 is amended to provide that the liability of the Fund is limited to the assets in the Fund. If the Department projects that payments in a fiscal year will exceed the assets of the Fund, the Secretary shall order payments based on a percentage of full amounts payable. Notice shall be provided to the standing Chairs of the Senate and House Labor and Industry and Appropriations Committees. This language is modeled after existing law for the Self-Insurance Guaranty Fund.

Section 1610 is amended to provide that the Department receives information an employer may be failing to meet its obligations under the act, it may require employers to certify that required insurance is possessed, or that the business is no longer in operation, did not employ the claimant in question or is otherwise exempt from the requirements of the act. If such certification is not received within 15 days, the Department may assess an administrative penalty of \$200 per day. If an employer does not comply within 45 days the Department may proceed with stop work orders.

The act is effective immediately. The amendment to section 1603(d) and (e) applies to claims on or after the effective date. The amendments to sections 305, 1601, 1603(b) and 1604 apply retroactively to claims existing but for which compensation has not been paid or awarded.

Todd B. Roup
November 4, 2013

