

# STATE OF UTAH

## Fund Information

**FINET Name:** (LBR) Uninsured Employers' Fund

**FINET Fund:** 7241

**Legal Name:** Uninsured Employers' Fund

**Legal Authorization:** UCA 34A-2-704

**Earns Interest:**  Yes  No **Earns Interest Authority:** UCA 34A-2-704 (4)(b)

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### Revenue Source(s):

1) Insurance premium tax 2) employer penalties, 3) a penalty of employer's for not filing an injury report, per 34A-2-407(8)(c), 4) civil assessments related to filing injury reports, 5) penalties if an employer unlawfully pays a benefit directly to an employee, per UCA 34A-2-201.3.

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### Description:

Fund is to pay benefits to employees when an employer is not insured. The balance is to be maintained at \$2,000,000, after which collections for no dependent insurance claims goes to the Employers' Reinsurance Fund (previously in the Combined/Second Injury Benefit Fund). (This fund was formerly known as the Default Indemnity Fund.)

The 2000 legislature (SB 160) limited the scope of the fund to persons who had an employment relationship within the state.

SB 126 (2003 GS) created a penalty for employers who do not file or are late in filing an injury report related to an on the job accident. The penalty of up to \$500 will be deposited into this fund. Also, any civil assessment related to the filing of injury reports will be deposited into this fund.

SB 58 (2008 GS) imposes administrative penalties if an employer unlawfully, directly pays workers' compensation benefits. Penalties will be deposited into the Uninsured Employers' Fund and used for the purpose of that fund.

SB 15 (2009 GS) Created the Industrial Accident Restrict Acct (#1485), general fund restricted account funded by .5% of the premium income remitted to the state per UCA 59-9-101(2)(c)(iv). If the balance in the account exceeds \$500,000 at the close of a fiscal year, the excess shall be transferred to the Uninsured Employers' Fund (#7241). The account does not earn interest. Modifies the purposes for which monies may be appropriated from the Workplace Safety Account (#1480) and places a cap on the fund beg/w FY 09, if balance exceeds \$500,000, excess is transferred to the Employers Reinsurance Fund (#7240). Names the Eddie P. Mayne Workplace Safety and Occupational Health Funding Program. Caps appropriations from the Workplace Safety Account to the Program at 20% of the premium income deposited in the prior year. Appropriates ongoing for FY 10 \$150,000.

HB 39 (2009 GS) Provides that a civil assessment of up to \$500 can be imposed if a reporting entity fails to make a report for an injured worked under the Utah Injured Worker Reemployment Act. The civil assessment shall be deposited in the Uninsured Employers' Fund.

HB 271 (2009 GS) Addresses collection practices for monies required to be deposited into the fund. Exempts collections of monies required to be deposited into the Uninsured Employers' Fund from collection by the Office of State Debt Collection. Effective July 1, 2010.

HB 209 (2011 GS) Modifies the limits on the amount of the workers' compensation premium assessment.

SB 59 (2013 GS) Amends the Insurance Code and the Utah Labor Code regarding payment of medical claims when an employee is injured. Imposes penalties on a workers' compensation carrier if the carrier does not make required payments. Deposits the penalties collected by the Labor Commission into the Uninsured Employers' Fund.

### Fund Balance History:

<u>Fund</u>	<u>Year</u>	<u>Beg Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers</u>	<u>End Balance</u>
7241	1985	\$0	\$0	\$0	\$0	\$0
7241	1986	\$248,142	\$254,009	\$125,981	(\$68,200)	\$307,970
7241	1987	\$307,970	\$1,120,593	\$354,284	(\$69,500)	\$1,004,779
7241	1988	\$1,004,779	\$807,854	\$1,278,155	(\$82,700)	\$451,778

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This report presents unofficial, unaudited information that is subject to change.

For audited financial statements, see the State of Utah Comprehensive Annual Financial Report at <http://finance.utah.gov/cafr.html>

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**Fund Balance History:**

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7241	1989	\$451,778	\$785,862	\$1,453,819	(\$106,500)	(\$322,679)
7241	1990	(\$322,679)	\$747,874	\$934,855	(\$154,700)	(\$664,360)
7241	1991	(\$664,360)	\$1,336,996	\$1,280,542	(\$166,400)	(\$774,306)
7241	1992	(\$774,306)	\$1,964,942	\$979,911	(\$158,400)	\$52,325
7241	1993	\$52,325	\$1,599,860	\$1,186,231	(\$157,600)	\$308,354
7241	1994	\$308,354	\$2,290,489	\$2,412,419	(\$211,200)	(\$24,776)
7241	1995	(\$24,776)	\$2,407,025	\$404,569	(\$220,400)	\$1,757,280
7241	1996	\$1,757,280	\$2,176,835	\$1,100,560	(\$231,400)	\$2,602,155
7241	1997	\$2,602,155	\$3,046,832	\$2,263,385	(\$244,004)	\$3,141,598
7241	1998	\$3,141,598	\$4,787,223	\$520,447	(\$482,100)	\$6,926,274
7241	1999	\$6,926,274	\$3,435,179	\$1,341,675	(\$465,500)	\$8,554,278
7241	2000	\$8,554,278	\$4,640,455	\$2,296,296	(\$256,100)	\$10,642,337
7241	2001	\$10,642,337	\$2,614,469	\$2,584,250	(\$508,800)	\$10,163,756
7241	2002	\$10,163,756	\$1,117,752	\$4,749,253	(\$557,705)	\$5,974,550
7241	2003	\$5,974,550	\$3,959,322	\$361,272	(\$754,801)	\$8,817,798
7241	2004	\$8,817,798	\$3,342,239	\$3,857,630	(\$761,313)	\$7,541,094
7241	2005	\$7,541,094	\$4,211,313	\$5,697,329	(\$794,900)	\$5,260,178
7241	2006	\$5,260,178	\$6,142,576	\$3,670,878	(\$1,307,750)	\$6,424,125
7241	2007	\$6,424,125	\$6,960,944	\$206,692	(\$1,104,851)	\$12,073,526
7241	2008	\$12,073,526	\$2,407,077	\$2,113,317	(\$1,047,010)	\$11,320,275
7241	2009	\$11,320,275	\$4,796,331	\$3,489,914	(\$1,495,089)	\$11,131,603
7241	2010	\$11,131,603	\$2,842,931	\$5,480,167	\$1,606,977	\$10,101,344
7241	2011	\$10,101,344	\$2,782,260	\$4,077,136	\$173,917	\$8,980,385
7241	2012	\$8,980,385	\$2,642,907	\$5,034,529	\$0	\$6,588,763
7241	2013	\$6,588,763	\$2,630,971	\$3,596,942	\$0	\$5,622,792