

Does the Uninsured Employer Guaranty Fund protect injured workers?

Employers are required to carry workers' compensation insurance to provide wage replacement and medical coverage when workers are injured on the job, but employers do not always follow the law. Without workers' compensation benefits, injured employees may not have options for financial support and medical care while they recover. The Pennsylvania Uninsured Employer Guaranty Fund (UEGF) was supposed to solve this serious problem.

In 2006, Pennsylvania lawmakers passed [Act 147](#), which created UEGF to be a safety net for injured workers. When an employee was injured on the job of an employer who did not carry workers' compensation, the fund would pay wage losses and help cover medical expenses. But as one author recently pointed out in a [Philadelphia Bar Association publication](#), the law has flaws that make it difficult for employees to obtain benefits.

He writes that the UEGF does not have enough funding, because lawmakers have not created a dedicated funding source for it. As a result, the fund says it does not have enough money to pay its debts. Additionally, the UEGF can delay payments because workers compensation judges do not have the power to assess penalties or attorneys fees against it.

One example: A tow truck driver and vehicle reposessor who was seriously injured in an accident. He had a head injury and spine injuries and has medical bills totaling hundreds of thousands of dollars. He cannot return to his old job and is unable to find a new one. The driver's employer did not have workers' compensation insurance and also claimed that the driver was an independent contractor.

The driver filed a claim for compensation from the UEGF, which then fought the claim. The driver was awarded benefits nearly two years later, and it took another year for the driver to obtain all the compensation to which he was entitled.

In two recent cases, the Commonwealth Court rejected some arguments from the UEGF, but the fund remains challenging for injured workers to use. If you are an injured worker whose employer did not have workers' compensation insurance, an experienced workers' compensation lawyer can explain your options and, if necessary, help you pursue compensation from the UEGF.

- For more information about workers compensation, visit our page on your rights to workers' compensation.