



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF WORKERS' COMPENSATION
UNINSURED EMPLOYERS FUND
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December 29, 2012

Workers Compensation Advisory Council

Dear Honorable Members of the Workers Compensation Advisory Council:

In compliance with Tennessee Code Annotated Section 50-6-132, we are providing you a listing of the name of each covered employer the Division of Workers' Compensation determined to have failed, during the preceding fiscal year, to provide workers' compensation insurance coverage to its employees or qualify as a self-insured employer as required by law.

Accompanying the list are balance sheets for Fiscal Year 2011/2012. In accordance with law, these balance sheets reflect the penalties assessed against and monies collected from four hundred two (402) non-compliant employers. Two hundred forty seven (247) employers were noncompliant during the requisite time prescribed by Tennessee Code Annotated Section 50-6-132, and they comprise the Legislative Report. One hundred fifty five (155) employers were compliant during the requisite time period for the Legislative Report.

Pursuant to Tenn. Code Ann. Section 50-6-412, the "1st Penalty" owed is equal to one and one-half (1½) times the average yearly workers' compensation premium. Provided that the employer obtains workers' compensation insurance and is in compliance with the insurance requirements of the Workers' Compensation Law, the "2nd Penalty" equal to the average yearly workers' compensation premium is held in abeyance for a period of two (2) years. The "2nd Penalty" becomes due and payable if the employer at any time during the two (2) year abeyance period fails to remain in compliance with the insurance requirements of the Workers' Compensation Law.

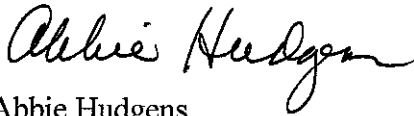
Forty Two (42) of the non-compliant employers have filed for bankruptcy. We are working with the Office of the Attorney General to file bankruptcy claims for penalties against these employers. Fifty four (54) non-compliant employers have been referred to NCO, an outside collection agency on contract with the State. Because some employers

pay their penalties over time, these employers will remain on the account sheet, but will have dropped off the Legislative Report. In Fiscal Year 2011/2012, the Uninsured Employers Fund collected \$1,093,394.49 in monetary penalties from non-compliant employers.

The Uninsured Employers Fund continues to work to investigate complaints of non-compliant employers, to identify possible non-compliant employers, and to update the list to reflect the current status of employers in regard to workers' compensation insurance.

If you have any questions or concerns regarding this list, we will be happy to provide additional information.

Sincerely,



Abbie Hudgens,
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Enclosures