



STATE OF TENNESSEE  
**DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT**  
**DIVISION OF WORKERS' COMPENSATION**  
**UNINSURED EMPLOYERS FUND**  
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December 20, 2013

Workers' Compensation Advisory Council

Dear Honorable Members of the Workers' Compensation Advisory Council:

In compliance with Tennessee Code Annotated Section 50-6-132, the Uninsured Employers Fund is providing you a listing of the name of each covered employer determined to have failed, during Fiscal Year 2012/2013, to provide workers' compensation insurance coverage to its employees. One hundred eighty-nine (189) employers were found to be noncompliant during Fiscal Year 2012/2013 and they comprise the Legislative Report. In Fiscal Year 2012/2013, the Uninsured Employers Fund collected \$995,594.62 in monetary penalties from non-compliant employers.

Accompanying the list are the Account Workbooks for Fiscal Year 2012/2013. In accordance with law, these Account Workbooks reflect the penalties assessed against and monies collected from seven hundred one (701) non-compliant employers. These 701 employers include employers who were assessed with new penalties in Fiscal Year 2012/2013 and also employers who made payments from previous year's assessments. Because some employers pay their penalties over time, some employers will remain on the account sheet, but drop off the Legislative Report. Eight hundred ten (810) other employers were investigated and found to be in compliance with the workers' compensation coverage requirements during Fiscal Year 2012/2013.

Pursuant to Tenn. Code Ann. Section 50-6-412, when a covered employer fails to provide workers' compensation insurance, the employer is subject to two penalties. The "1<sup>st</sup> Penalty" is equal to one and one-half (1½) times the employer's 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 "2<sup>nd</sup> Penalty" (equal to the employer's yearly workers' compensation premium) is held in abeyance for a period of two (2) years. The "2<sup>nd</sup> 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.

Twenty three (23) non-compliant employers filed for bankruptcy during Fiscal Year 2012/2013. The Uninsured Employers Fund files bankruptcy claims against these employers through the Attorney General's Office. Additionally, two (2) non-compliant employers with large assessed penalties were referred to the Office of the Attorney General for collection. Sixty nine (69) non-compliant employers with smaller penalties have been referred to the collection agency under contract with the State.

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,



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Enclosures