

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3724

STATE OF NEW JERSEY

DATED: MAY 7, 2026

The Assembly Labor Committee reports favorably Assembly Bill No. 3724.

This bill provides that, in addition to the employer, principal owners of an employer will be liable for any penalty imposed on an employer for failure to pay for insurance for workers' compensation coverage. Under State law, the Director of the Division of Workers' Compensation is required to impose a penalty of \$1,000 against an employer that has failed to provide insurance for workers' compensation claims. The director is also required to impose an additional assessment of 15 percent of the award or awards made in each workers' compensation claim, not exceeding the sum of \$5,000 on any one claim. Penalties are deposited into the "uninsured employer's fund."

The bill expands the reach of the "uninsured employer's fund," through subrogation, to pursue payment for benefits of the claims related to an employee's injury from an uninsured employer to include any principal owner of the employer, in addition to the employer.

This bill was prefiled for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.