

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 497 by Representative DeWitt

WORKERS COMPENSATION: (Constitutional Amendment) Provides methods for dissolution or sale of Louisiana Workers' Compensation Corporation

Synopsis of Senate Amendments

1. Retains the provisions (a) providing that only the policyholders or the commissioner of insurance may terminate the corporation, (b) prohibiting the corporation from being sold, and (c) protecting the corporation from impairing legislation directed exclusively at the corporation; however, with the Senate amendments, these provisions only take effect after the full faith and credit of the state has been extinguished and the corporation has provided certain security.
2. Adds a prohibition against converting the corporation to a domestic stock insurer.
3. Provides that after the extinguishment of the full faith and credit of the state and the retention of security, the corporation shall be subject to all laws regulating domestic mutual insurers.
4. Nullifies the provisions (a) providing that only the policyholders or the commissioner of insurance may terminate the corporation, (b) prohibiting the corporation from being sold, and (c) protecting the corporation from impairing legislation directed exclusively at the corporation upon the failure of the corporation to maintain the security required.
5. Changes the date the proposed constitutional amendment shall be submitted to the electors from the 1999 gubernatorial primary to the 1999 gubernatorial general election.

Digest of Bill as Finally Passed by Senate

Present constitution authorizes the legislature to create a private, nonprofit corporation to provide workers' compensation insurance and related services.

Proposed constitutional amendment retains the present constitutional authorization. Proposed constitutional amendment also provides that once the full faith and credit of the state is extinguished and so long as the corporation provides certain security, then:

- (1) only the policyholders or the commissioner of insurance shall be able to dissolve or terminate the corporation;
- (2) the corporation cannot be sold or converted to a domestic stock insurer;
- (3) no legislation impairing the corporation's ability to provide a competitive market shall be directed exclusively at the corporation;
- (4) the corporation shall comply with all laws regulating domestic insurers

Provides for submission of the proposed amendment to the voters at the gubernatorial general election in 1999.

(Amends Const. Art. XII, §8.1(A))