

Regular Session, 1999

HOUSE BILL NO. 497

BY REPRESENTATIVES DEWITT AND CRANE

A JOINT RESOLUTION

Proposing to amend Article XII, Section 8.1(A) of the Constitution of Louisiana, to provide for the continuing existence of the Louisiana Workers' Compensation Corporation; to provide for the authority to dissolve the corporation; to provide that the corporation shall not be sold or converted to a domestic stock insurer; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article XII, Section 8.1(A) of the Constitution of Louisiana, to read as follows:

§8.1. Workers' Compensation

Section 8.1.(A) Authorization. (1) Notwithstanding any other provision of this constitution to the contrary, and subject to the conditions contained in this Section, the legislature by law may create a private, nonprofit corporation to provide ~~worker's~~ workers' compensation insurance and to deliver related services as provided by law.

(2) Once the full faith and credit of the state for the payment of the corporation's legal obligations is extinguished, and the corporation provides security, as required by law, to hold the state harmless from all claims arising from any legal obligation of the corporation to which the full faith and credit of the state is applicable, including all costs associated therewith:

(a) This private corporation may not be dissolved or otherwise terminated by the repeal of the statutes enabling its creation or by the passage of other legislation providing for its dissolution or termination.

(b) Exclusive power to dissolve or otherwise terminate the corporation shall rest solely with the commissioner of insurance or the corporation's policyholders. Such dissolution or termination shall be in accordance with law.

(c) The corporation shall not be sold or converted to a domestic stock insurer, nor shall ownership or control be transferred.

(d) The corporation shall not be subject to any legislation directed exclusively at the corporation which impairs the corporation's ability to provide a competitive market for workers' compensation insurance to Louisiana employers.

(e) Upon the failure of the corporation to maintain security as required herein and as certified by the commissioner of insurance, the provisions of Subsubparagraphs (a), (b), (c), and (d) shall be null.

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Section 2. Be it further resolved that this proposed amendment shall be submitted to the electors of the state of Louisiana at the gubernatorial general election to be held in 1999.

Section 3. Be it further resolved that on the official ballot to be used at said election there shall be printed a proposition, upon which the electors of the state shall be permitted to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall read as follows:

To provide that, once created and certain other conditions are met and the full faith and credit guarantee of the state is extinguished, the Louisiana Workers' Compensation Corporation may not be dissolved by repeal of its statutes or the passage of other legislation; to provide that the insurance commissioner or the policyholders shall have the exclusive authority to dissolve or otherwise terminate the corporation; to provide that the corporation shall not be sold or converted to a domestic stock insurer nor shall ownership or control be transferred after the extinguishment of the full faith and credit guarantee of the state; to provide that the corporation shall not be subject to legislation directed exclusively to the corporation which impairs its ability to provide a competitive market for workers' compensation insurance after the extinguishment of the full faith and credit guarantee of the state; and to provide that the provisions set forth herein shall become null if the corporation fails to maintain the required security. (Amends Article XII, Section 8.1(A))

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE