

2024 Regular Session

HOUSE BILL NO. 200

BY REPRESENTATIVE MELERINE

WORKERS COMPENSATION: Provides relative to past payments of workers' compensation premiums

1 AN ACT

2 To enact R.S. 23:1172.3, relative to workers' compensation; to prohibit the recovery of past  
3 payments of workers' compensation premiums under certain circumstances; to  
4 require notification; to provide exceptions; to provide for applicability: and to  
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 23:1172.3 is hereby enacted to read as follows:

8 §1172.3. Recovery of past payments of workers' compensation premiums prohibited

9 A. Notwithstanding any other provision of law to the contrary, no insurer  
10 shall be allowed to recover a past payment of workers' compensation premiums from  
11 an insured arising out of a claim for the misclassification of an employee, unless the  
12 insurer provides written notice to the insured by certified mail or any other  
13 reasonable commercial courier within ninety days of discovery of the  
14 misclassification.

15 B. In the event that an insurer conducts a payroll audit, which shall serve as  
16 notice to the insured, and fails to notify the insured by the requirements set forth in  
17 Subsection A of this Section, the insurer shall be prohibited from recovering any past  
18 payment of workers' compensation premiums from the insured.

19 C. Notwithstanding any other provision of law to the contrary, no insurer  
20 shall be allowed to recover any past payment of workers' compensation premiums

1        for the misclassification of an employee that occurred more than three years prior to  
 2        the insured being notified of the misclassification, unless it is determined by a court  
 3        of competent jurisdiction that the misclassification was the result of fraud by the  
 4        insured.

5                D. If the National Council on Compensation Insurance conducts an audit and  
 6        reclassifies an employee, the insurer is prohibited from recovering any past payment  
 7        of workers' compensation premiums from the insured. However, the insurer may  
 8        adjust the current premium to reflect the reclassification.

9                E. The provisions of this Section shall not apply to self-insurance funds.

10               F. The provisions of this Section shall apply only for the duration of a policy.

#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 200 Engrossed

2024 Regular Session

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**Abstract:** Prohibits an insurer from recovering past payments of workers' compensation premiums from an insured.

Proposed law prohibits an insurer from collecting past payments of workers' compensation premiums from an insured for a claim that arises out of the misclassification of an employee, unless, the insurer provides written notice to the insured by certified mail or by any other reasonable commercial courier within 90 days of discovery of the misclassification.

Proposed law prohibits an insurer from recovering past payments on premiums, if the insurer conducts a payroll audit and fails to notify the insured by the aforementioned notification requirements. Proposed law clarifies that an audit by the insurer shall serve as notice to the insured.

Proposed law prohibits an insurer from collecting past payments on premiums that occurred three years prior to the insured being notified of the misclassification, unless it is determined by a court of competent jurisdiction that the misclassification was a result of fraud by the insured.

Proposed law prohibits an insurer from recovering any past payment of workers' compensation premiums from the insured if the National Council on Compensation Insurance conducts an audit and reclassifies an employee. Proposed law also allows the insurer to adjust the current premium to reflect the reclassification.

Proposed law provides that proposed law does not apply to self-insurance funds.

Proposed law provides that proposed law only applies for the duration of a policy.

(Adds R.S. 23:1172.3)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Labor and Industrial Relations to the original bill:

1. Clarify that the audit provided for in proposed law is a payroll audit.
2. Provide for workers' compensation premiums when the National Council on Compensation Insurance conducts an audit.
3. Provide that proposed law does not apply to self-insurance funds.
4. Provide that proposed law only applies for the duration of a policy.
5. Make a technical change.