

2025 Regular Session

HOUSE BILL NO. 280

BY REPRESENTATIVE MELERINE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

WORKERS COMPENSATION: Provides relative to the collection of workers' compensation premiums

1 AN ACT

2 To amend and reenact R.S. 23:1172.3, relative to workers' compensation premiums; to
3 provide for the collection of workers' compensation premiums under certain
4 circumstances; to require notification; to provide for premiums audits; to make
5 technical corrections; to provide for an effective date; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 23:1172.3 is hereby amended and reenacted to read as follows:

9 §1172.3. ~~Recovery of past~~ Collection of payments of workers' compensation
10 premiums prohibited; premium audits

11 A. ~~Notwithstanding any other provision of law to the contrary, no~~ An insurer
12 shall ~~be allowed to recover a past due~~ not collect a payment of workers'
13 compensation premiums from an insured arising out of a ~~claim for the~~
14 ~~misclassification of an employee~~ premium audit, unless the insurer provides written
15 notice to the insured within ninety days of the completion of the premium audit by
16 certified mail, commercial courier, or via electronic transmission, ~~within ninety days~~
17 ~~of the completion of the payroll audit.~~

18 B. ~~In the event that an insurer conducts a payroll audit, which shall serve as~~
19 ~~notice to the insured in accordance with Subsection A of this Section, the insurer~~
20 ~~shall be prohibited from collecting additional workers' compensation premiums from~~
21 ~~the insured.~~

1 C. ~~Notwithstanding any other provision of law to the contrary, no~~ An insurer
2 shall ~~be allowed to~~ not modify or complete a ~~payroll~~ premium audit more than three
3 years after the end of the policy period. This Subsection shall not apply to the
4 following:

5 (1) A misrepresentation or omission of relevant information during a prior
6 premium audit.

7 (2) ~~A noncompliant payroll~~ An insured's noncompliance with a premium
8 audit.

9 (3) A ~~payroll~~ premium audit disputed by an insured.

10 (4) Any modification or review related to a fraud investigation.

11 (5) Reclassification due to a determination by a court of competent
12 jurisdiction.

13 D. ~~C. Nothing in this Section shall preclude or require an insurer from~~
14 ~~returning~~ Notwithstanding anything in this Section to the contrary, a workers'
15 compensation insurer may return premiums to the insured if, as a result of a premium
16 audit, the insurer receives relevant information after the audit is completed
17 determines the insured is entitled to a refund.

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

19 Section 2. This Act shall become effective upon signature by the governor or, if not
20 signed by the governor, upon expiration of the time for bills to become law without signature
21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
22 vetoed by the governor and subsequently approved by the legislature, this Act shall become
23 effective on the day following such approval.

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 280 Engrossed

2025 Regular Session

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Abstract: Allows an insurer to collect a payment of workers' compensation premiums under certain circumstances.

Present law prohibits an insurer from collecting a past due payment 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, commercial courier, or via electronic transmission within 90 days of the completion of the payroll audit.

Proposed law instead prohibits an insurer from collecting a payment of workers' compensation premiums from an insured arising out of a premium audit, unless the insurer provides written notice to the insured by certified mail, commercial courier, or via electronic transmission within 90 days of the completion of the premium audit.

Present law prohibits an insurer from collecting additional workers' compensation premiums, if the insurer conducts a payroll audit, which shall serve as notice to the insured.

Proposed law repeals present law.

Present law prohibits an insurer from modifying or completing a payroll audit more than three years after the end of the policy period.

Proposed law instead prohibits an insurer from modifying or completing a premium audit more than three years after the end of the policy period and makes technical corrections.

Present law provides the following exceptions for instances where the provisions of present law do not apply:

- (1) A misrepresentation or omission of relevant information during a prior audit.
- (2) A noncompliant payroll audit.
- (3) A payroll audit disputed by an insured.
- (4) Any modification or review related to a fraud investigation.
- (5) A reclassification due to a determination by a court of competent jurisdiction.

Proposed law revises the aforementioned exceptions to reference or specify premium audit where appropriate. Proposed law otherwise retains present law.

Present law allows an insurer to return premiums to the insured if the insurer receives relevant information after the audit is completed.

Proposed law instead clarifies that a workers' compensation insurer may return premiums to the insured if, as a result of a premium audit, the insurer determines that the insured is entitled to a refund.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 23:1172.3)