

2026 Regular Session

SENATE BILL NO. 358

BY SENATOR ABRAHAM

WORKERS' COMPENSATION. Provides for Occupational Accident Insurance for independent contractors. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 23:1021(7) and 1061(B) and to enact R.S. 23:1061(C) and (D),
3 relative to workers' compensation; to provide guidelines to determine a principal's
4 liability to employees of independent contractors; to provide relative to statutory
5 employers; to provide for rebuttable presumptions; to provide occupational accident
6 coverage for independent contractors; to provide relative to definitions; and to
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 23:1021(7) and 1061(B) are hereby amended and reenacted and R.S.
10 23:1061(C) and (D) are hereby enacted to read as follows:

11 §1021. Terms defined

12 As used in this Chapter, unless the context clearly indicates otherwise, the following
13 terms shall be given the meaning ascribed to them in this Section:

14 * * *

15 (7)(a) "Independent contractor" means any person who renders service, other
16 than manual labor, for a specified recompense for a specified result either as a unit
17 or as a whole, under the control of his principal as to results of his work only, and not

1 as to the means by which such result is accomplished, and are expressly excluded
 2 from the provisions of this Chapter unless a substantial part of the work time of an
 3 independent contractor is spent in manual labor by him in carrying out the terms of
 4 the contract, in which case the independent contractor is expressly covered by the
 5 provisions of this Chapter. The operation of a truck tractor or truck tractor trailer,
 6 including fueling, driving, connecting and disconnecting electrical lines and air
 7 hoses, hooking and unhooking trailers, and vehicle inspections are not manual labor
 8 within the meaning of this Chapter.

9 **(b) "Independent contractor occupational accident coverage" means a**
 10 **private insurance that pays benefits to an independent contractor who becomes**
 11 **injured, disabled, or dies due to a work-related accident. An independent**
 12 **contractor, as defined in this Section, may obtain independent contractor**
 13 **occupational accident coverage approved by the commissioner of insurance.**

14 **(c) Independent contractor occupational accident coverage maintained**
 15 **in compliance with this Section shall satisfy injury coverage requirements for**
 16 **a contractor's employee even if the principal is a statutory employer as defined**
 17 **in R.S. 23:1061.**

18 **(d) Independent contractor occupational accident coverage provided**
 19 **under this Section shall provide:**

20 **(i) Medical benefits of not less than one million dollars per occurrence**
 21 **for medical treatment resulting from a work-related injury.**

22 **(ii) Temporary disability benefits consistent with scheduled injury**
 23 **guidelines if the worker is temporarily unable to work due to a work-related**
 24 **injury.**

25 **(iii) Accidental death and dismemberment benefits.**

26 **(iv) Certificate of coverage filed with Louisiana Works.**

27 * * *

28 §1061. ~~Principal contractors; liability~~ **Statutory employer; safe harbor for**
 29 **independent contractors**

Proposed law retains present law and defines "independent contractor occupational accident coverage" as a private insurance that pays benefits to an independent contractor who becomes injured, disabled, or dies due to a work-related accident.

Proposed law allows an independent contractor to obtain independent contractor occupational accident coverage that is approved by the commissioner of insurance.

Proposed law provides that independent contractor occupational accident coverage satisfies coverage requirements for independent contractors even if the principal is determined to be a statutory employer.

Proposed law provides that independent contractor occupational accident coverage provides:

- (1) Medical benefits of not less than \$1,000,000 per occurrence for medical treatment resulting from a work-related injury.
- (2) Temporary disability benefits consistent with scheduled injury guidelines if the worker is temporarily unable to work due to a work-related injury.
- (3) Accidental death and dismemberment benefits.
- (4) Certificate of coverage filed with La. Works.

Present law provides that when a principal undertakes to execute any work which is a part of his trade, business, or occupation and contracts with any contractor for the execution by or under the contractor of the whole or any part of the work undertaken by the principal, the principal, as a statutory employer, will be granted the exclusive remedy protections of present law relative to exclusiveness of rights and will be liable to pay to any employee employed in the execution of the work or to his dependent, any compensation under present law which he would have been liable to pay if the employee had been immediately employed by him.

Present law further provides that a statutory employer relationship exists whenever the services or work provided by the immediate employer is contemplated by or included in a contract between the principal and any person or entity other than the employee's immediate employer.

Proposed law retains present law and provides that a principal will not be deemed a statutory employer of a contractor or his employee when the following conditions are satisfied:

- (1) The contractor maintains a valid employer identification number or a registered business entity.
- (2) The contractor executes a written independent contractor agreement.
- (3) The contractor maintains active independent contractor occupational accident coverage meeting minimum statutory standards.
- (4) The contractor retains control over the means and methods of performing the contracted work.

Proposed law allows contractors in the construction industry, including specialty trades, commercial driver's license owner-operators, and equipment operators, may obtain a independent contractor occupational accident policy.

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

(Amends R.S. 23:1021(7) and 1061(B); adds R.S. 23:1061(C) and (D))