

2026 Regular Session

HOUSE BILL NO. 1089

BY REPRESENTATIVES BAMBURG, BERAULT, BOYER, CARLSON, CARVER,
CHENEVERT, DICKERSON, DOMANGUE, EGAN, HEBERT, CHANCE
HENRY, AND WYBLE

CIVIL/DAMAGES: Creates CARE Accounts for certain damages arising from delictual
actions

1 AN ACT

2 To enact Chapter 25 of Title 6 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 6:1431 through 1434, relative to CARE Accounts; to provide for the
4 establishment of CARE Accounts; to define certain terms; to provide for qualifying
5 medical expenses; to provide for the deposit of certain funds; to provide for the
6 disbursement of certain funds; to provide for applicability; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 25 of Title 6 of the Louisiana Revised Statutes of 1950,
10 comprised of R.S. 6:1431 through 1434, is hereby enacted to read as follows:

11 CHAPTER 25. CARE ACCOUNTS

12 §1431. Short title

13 This Chapter shall be known and may be cited as the "CARE Account Act".

14 §1432. Definitions

15 For the purpose of this Chapter, the following definitions apply:

16 (1) "CARE Account" or "Compensation Allocated for Reimbursable
17 Expenses Account" means a money market account for which the court has ordered
18 the deposit of funds from a special damages award allocated for the purpose of future
19 medical payments in a delictual action, except as provided for in R.S. 6:1434.

1 (2) "Payor" means an insurer obligated by its policy to make payment on a
2 claim for which the court has ordered such payment to be deposited into a CARE
3 Account.

4 (3) "Qualifying medical expenses" mean amounts paid for medical care, as
5 defined in 26 U.S.C. 213, that are related to the injury or condition that is the subject
6 of the judgment.

7 §1433. Account deposits; disbursements; establishment and maintenance

8 A. In any delictual action, except as provided for in R.S. 6:1434, for which
9 the court awards special damages for future medical expenses, the court shall order
10 that the portion of the award allocated for future medical expenses be placed into a
11 CARE Account unless otherwise agreed to by the parties and approved by the court.

12 B. A CARE Account shall be established in the name of and owned by the
13 payor for the use and benefit of the plaintiff for the term of the plaintiff's life.

14 C. A CARE Account shall be established and maintained at a financial
15 institution as a money market deposit account, for which the financial institution
16 shall issue a transaction card for the plaintiff to execute transactions authorized
17 pursuant to this Chapter.

18 D.(1) Funds deposited in a CARE Account shall only be used for qualifying
19 medical expenses. However, the financial institution in which the CARE Account
20 is established has no duty to ensure transactions in the account are made for
21 qualifying medical expenses nor is the financial institution subject to liability for
22 transactions being effectuated that are not qualifying medical expenses.

23 (2) The payor may contract with a third-party administrator for services
24 including but not limited to monitoring and reconciling transactions involving a
25 CARE Account; however, the third-party administrator is not subject to liability if
26 the plaintiff executes a transaction that is not a qualifying medical expense.

27 E. Upon the judgment becoming final and the payor receiving an affidavit
28 from the plaintiff attesting to his knowledge and understanding that funds in the

1 CARE Account shall only be used for qualifying medical expenses, the payor shall
2 deposit funds into the CARE Account as so ordered by the court.

3 F. One hundred eighty days after the financial institution receives notice or
4 otherwise becomes aware of the death of the plaintiff, the financial institution shall
5 close the CARE Account and any funds remaining in the account shall revert to each
6 payor in proportion to the amount each contributed to the account.

7 §1434. Excluded judgments

8 The provisions of this Chapter do not apply to the following actions:

9 (1) An intentional tort action.

10 (2) A medical malpractice action brought pursuant to R.S. 40:1231.1 et seq.

11 (3) An action involving sexual assault or sexual battery brought pursuant to
12 Civil Code Articles 2315.3, 2315.7, 2315.11, or 2315.13.

13 (4) An action for which special damages for future medical expenses would
14 otherwise be deposited into a Medicare Set Aside account as provided for by the
15 Centers for Medicare and Medicaid Services.

16 (5) An action subject to R.S. 13:5106 for which payments are made from the
17 Future Medical Care Fund provided for in R.S. 39:1533.2.

18 (6) An action in which there are no liable payors.

19 Section 2. The provisions of this Act shall have prospective application only and
20 shall not apply to causes of action filed prior to the effective date of this Act.

21 Section 3. The provisions of this Act shall become effective on January 1, 2027.

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 1089 Reengrossed

2026 Regular Session

Bamburg

Abstract: Establishes CARE Accounts for the payment of an award for future medical payments resulting from certain delictual actions.

Proposed law provides a short title and defines "CARE Account" or "Compensation Allocated for Reimbursable Expenses Account" as a money market account for which the court has ordered the deposit of funds from a special damages award allocated for the purpose of future medical payments in a delictual action.

Proposed law defines "qualifying medical expenses" as amounts paid for medical care as defined by federal present law (26 U.S.C. 213) that are related to the injury or condition that is the subject of the judgment.

Proposed law defines "payor" as an insurer obligated by its policy to make payment on a claim for which the court has ordered payment of future medical expenses to be deposited into the CARE Account.

Proposed law provides that a third-party administrator is not subject to liability under certain circumstances.

Proposed law provides for the following:

- (1) A CARE Account is for the use and benefit of the plaintiff for the term of the plaintiff's life, and upon the death of the plaintiff, any funds remaining in the CARE Account revert to the payor.
- (2) A CARE Account is established by the payor and maintained at a financial institution as a money market deposit account.
- (3) Funds in a CARE Account are to be used only for the purchase of qualifying medical expenses.
- (4) Methods for a plaintiff to use for reimbursement of a qualifying medical expense if the transaction on a CARE Account is declined.
- (5) Prior to depositing funds into the account, proposed law requires the payor to have the plaintiff execute an affidavit attesting to his knowledge and understanding that the funds in the CARE Account are to be used only for the purchase of qualifying medical expenses.
- (6) The closing of a CARE Account 180 days after notice of the death of the plaintiff.
- (7) Exceptions to proposed law regarding cases involving intentional torts, medical malpractice, sexual assault, sexual battery, and actions with no liable payors.

Proposed law provides for prospective application.

Effective on Jan. 1, 2027.

(Adds R.S. 6:1431-1434)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Civil Law and Procedure to the original bill:

1. Expand the definition of "qualifying medical expenses" to include necessary travel expenses.
2. Provide that a third-party administrator of the CARE Account is not liable under certain circumstances.
3. Require an affidavit by the judgment creditor prior to the depositing of funds into the CARE Account.

The House Floor Amendments to the engrossed bill:

1. Provide that proposed law does not apply to cases involving intentional torts, medical malpractice, sexual assault, sexual battery, and actions with no liable payors.
2. Define "payor" and redefine "qualifying medical expenses".
3. Change all references in proposed law from "judgment debtor" to "payor" and from "judgment creditor" to "plaintiff".
4. Provide for the closing of the CARE Account 180 days after notice of the death of the plaintiff.
5. Make technical changes.