

2025 Regular Session

HOUSE BILL NO. 427

BY REPRESENTATIVES BAMBURG, AMEDEE, BERAULT, BILLINGS, BOYER, BUTLER, CARLSON, CARRIER, CARVER, CHENEVERT, COATES, DAVIS, DEVILLIER, DICKERSON, DOMANGUE, EDMONSTON, EGAN, EMERSON, FIRMENT, GALLE, GLORIOSO, HENRY, HORTON, MIKE JOHNSON, JACOB LANDRY, MCFARLAND, MCMAKIN, OWEN, SCHAMERHORN, SCHLEGEL, WILDER, AND WYBLE

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

CIVIL/PROCEDURE: Provides for a reversionary trust

1 AN ACT

2 To enact R.S. 13:4212, relative to civil damages; to provide for the payment of certain
3 expenses in a personal injury claim; to provide for the payment of medical expenses;
4 to require a claimant to present invoices for outstanding medical and related
5 expenses; to provide for the payment of future medical and related expenses; to
6 require the use of a reversionary trust in certain circumstances; and to provide for
7 related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 13:4212 is hereby enacted to read as follows:

10 §4212. Reversionary trust

11 A. "Reversionary medical trust" means a trust established for the exclusive
12 benefit of the claimant to pay the medical care and related benefits as they accrue,
13 including without limitation reasonable and necessary amounts for all diagnosis,
14 care, mitigation, or treatment of any disease or condition from which the injured
15 person suffers as a result of the injuries, and the sequelae thereof, sustained by the
16 claimant on the date the injury was sustained.

17 B. If a party is held liable for damages in a delictual action and the court
18 determines that the claimant is in need of future medical and related benefits, an

1 insurer liable for damages may place its amount due for future medical care and
2 related benefits in a reversionary medical trust.

3 C. The reversionary medical trust shall be established by the insurer,
4 administered by a trustee appointed by the insurer, and administered for the benefit
5 of claimants entitled to medical care and related benefits that may be incurred
6 subsequent to judgment. The trustee shall be paid by the insurer for administering
7 the reversionary medical trust. Amounts due for medical care and related benefits
8 shall be paid from the reversionary medical trust directly to the provider as the
9 amounts are incurred. In submitting requests for payment, the claimant shall submit
10 the original invoices.

11 D. The trustee shall review all invoices received for future medical care and
12 related benefits and prepare instruments to authorize payments from the reversionary
13 medical trust for claims related to the payment of future medical care and related
14 benefits. The trustee shall have the same fiduciary duties as imposed upon a trustee
15 by the Louisiana Trust Code, R.S. 9:1721 et seq. The trustee shall prepare and
16 submit to the claimant an annual accounting pursuant to R.S. 9:2088 of all payments
17 made on behalf of the claimant for all medical care and related benefits.

18 E. Upon the death of the claimant or upon the termination of the trust as
19 provided in the trust instrument, any funds remaining in the reversionary medical
20 trust shall revert to the party that established the trust.

21 F. No provision of this Section shall limit the rights of claimants to contract
22 with respect to attorney fees and costs.

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

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 427 Reengrossed

2025 Regular Session

Bamburg

Abstract: Establishes a reversionary trust.

Proposed law defines "reversionary medical trust".

Proposed law requires the use of a reversionary medical trust for the payment of future medical and related expenses.

Proposed law requires that the liable party establish the trust and the claimant shall submit original invoices, which the trustee shall review for payment. The trustee shall also prepare instruments to authorize payments from the reversionary medical trust for claims related to the payment of future medical care and related benefits. The trustee shall have the same fiduciary duties as imposed upon a trustee by the La. Trust Code.

Proposed law also requires an annual accounting of the trust pursuant to R.S. 9:2088.

Proposed law provides that upon the death of the claimant or upon the termination of the trust as provided in the trust instrument, any funds remaining in the reversionary trust shall revert to the party that established the trust.

Proposed law does not limit a claimant's ability to contract with respect to attorney fees and costs.

(Adds R.S. 13:4212)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Clarify that the trustee shall also prepare instruments to authorize payments from the reversionary medical trust for claims related to the payment of future medical care and related benefits.
2. Require an annual accounting of the trust pursuant to R.S. 9:2088.