

2022 Regular Session

HOUSE BILL NO. 306

BY REPRESENTATIVE GREEN

WORKERS COMPENSATION: Provides for workers' compensation intervention rights

1 AN ACT

2 To enact R.S. 23:1102(C)(3) and (4), relative to workers' compensation; to provide for
3 workers' compensation intervention rights; to provide for limitations; to prohibit the
4 unreasonable refusal of certain settlements; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 23:1102(C)(3) and (4) are hereby enacted to read as follows:

7 §1102. Employee or employer suits against third persons causing injury; notice of
8 filing

9 * * *

10 C.

11 * * *

12 (3)(a) An employer or an employer's insurer shall not unreasonably refuse
13 to approve a final good faith settlement agreed upon and tendered to an employer or
14 his insurer by the employee and the third party defendant. Refusal by the employer
15 or his insurer to approve a final good faith settlement shall be considered
16 unreasonable if the amount of the settlement is greater than the discounted value of
17 future compensation and medical benefits.

18 (b) All of the following shall occur if a refusal is considered unreasonable
19 by the employer or his insurer:

1 (i) The employer's or his insurer's credit against future compensation due to
2 the employee will be reduced by fifty percent of that portion of a subsequent
3 judgment obtained against the third party defendant that is in excess of the final good
4 faith settlement offer.

5 (ii) The employee will be entitled to reasonable attorney fees for the portion
6 of the judgment that is in excess of the final good faith settlement offer from the
7 employer or his insurer.

8 (4)(a) If the employee brings suit against more than one third party,
9 limitation on the employer's or his insurer's credit shall only be applicable to a third
10 party tendering to the employer or his insurer a final good faith settlement with the
11 employee.

12 (b) The limitation on the employer or his insurer will not be applicable to a
13 judgment secured by the employee against any other third party.

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 306 Original

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Green

Abstract: Provides for workers' compensation intervention rights.

Proposed law provides that the employer or the employer's insurer shall not unreasonably refuse to approve a final good faith settlement agreed upon and tendered to the employer or his insurer by the employee and the third party defendant. Proposed law further provides that refusal by the employer or his insurer to approve a final good faith settlement shall be considered unreasonable if the amount of the settlement is greater than the discounted value of future compensation and medical benefits.

Proposed law provides that the following shall occur if the employer's or his insurer's refusal is considered unreasonable:

- (1) The employer's or his insurer's credit against future compensation due to the employee will be reduced by 50% of that portion of a subsequent judgment obtained against the third party defendant that is in excess of the final good faith settlement offer.
- (2) The employee will be entitled to reasonable attorney fees for the portion of the judgment that is in excess of the final good faith settlement offer from the employer or his insurer.

Proposed law provides that if the employee brings suit against more than one third party, limitation on the employer's or his insurer's credit shall only be applicable to a third party tendering to the employer or his insurer a final good faith settlement with the employee.

Proposed law provides that the limitation on the employer or his insurer will not be applicable to a judgment secured by the employee against any other third party.

(Adds R.S. 23:1102(C)(3) and (4))