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## DIGEST

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HB 280 Original

2025 Regular Session

Melerine

**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 3 years after the end of the policy period.

Proposed law instead prohibits an insurer from modifying or completing a premium audit more than 3 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)