

## RÉSUMÉ DIGEST

ACT 490 (HB 280)

2025 Regular Session

Melerine

Prior law prohibited an insurer from collecting a past due payment of workers' compensation premiums from an insured for a claim that had arisen out of the misclassification of an employee, unless the insurer had provided written notice to the insured by certified mail, commercial courier, or via electronic transmission within 90 days of the completion of the payroll audit.

New law 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.

Prior law prohibited an insurer from collecting additional workers' compensation premiums if the insurer had conducted a payroll audit, which would have served as notice to the insured.

New law repeals prior law.

Prior law prohibited an insurer from modifying or completing a payroll audit more than three years after the end of the policy period.

New law instead prohibits an insurer from modifying or completing a premium audit more than three years after the end of the policy period and makes technical corrections.

Prior law provided the following exceptions for instances when the provisions of prior law would 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.

New law instead provides the following exceptions for instances when new law is not applicable:

- (1) A misrepresentation or omission of relevant information during a premium audit.
- (2) An insured's noncompliance with a premium audit.
- (3) A premium 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.

Prior law allowed an insurer to return premiums to the insured if the insurer had received relevant information after the audit was completed.

New 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.

Existing law exempts self-insurance funds from the provisions existing law and new law (R.S. 23:1172.3).

Effective July 1, 2025.

(Amends R.S. 23:1172.3)