

SENATE RESOLUTION NO. 132

BY SENATOR ABRAHAM

A RESOLUTION

To urge and request the Louisiana State Law Institute to study and recommend legislation requiring employers to provide occupational accident insurance to independent contractors and whether single member business entities should be required to acquire workers' compensation insurance coverage.

WHEREAS, Louisiana workers' compensation system was established to provide a structured and predictable mechanism for compensating employees who suffer injuries arising out of and in the course of employment; and

WHEREAS, Louisiana workers' compensation law excludes independent contractors and single member business entities from coverage with certain exceptions; and

WHEREAS, today's workforce includes an increasing number of sole proprietors, independent contractors, owner-operators, gig workers, and single-member business entities operating in industries such as transportation, construction, logistics, delivery services, and home services; and

WHEREAS, occupational accident insurance products are currently offered in various states and industries as an alternative or supplemental form of injury protection for certain independent contractors and nontraditional work arrangements; and

WHEREAS, questions exist regarding the extent to which occupational accident insurance products may lawfully be offered, structured, regulated, and utilized under existing Louisiana insurance and labor laws; and

WHEREAS, current law exempts a single member business entity from the requirement of workers' compensation insurance for itself if it has no employees; and

WHEREAS, concerns have also been raised regarding whether certain classifications of workers as independent contractors or sole proprietorships may result in gaps in coverage, increased uncompensated medical costs, and inconsistent treatment among similarly situated workers; and

WHEREAS, there is a need to study whether existing workers' compensation laws adequately address modern business structures and labor arrangements while maintaining fairness for small businesses, independent workers, contractors, and consumers; and

WHEREAS, given that Louisiana has a compelling interest in ensuring that injured workers have access to medical care and wage replacement benefits following workplace injuries, the potential economic impact and other public policy challenges associated with requiring workers' compensation or occupational accident coverage for single member business entities, 1099 employees, or independent contractors should be studied.

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana does hereby urge and request the Louisiana State Law Institute to study and recommend legislation to require all employers, including single member business entities and 1099 employees to provide workers' compensation or occupational accident insurance coverage.

BE IT FURTHER RESOLVED that this study should be informed by input from a broad cross-section of stakeholders, including chambers of commerce, local and regional economic development organizations, labor representatives, and business and industry leaders.

BE IT FURTHER RESOLVED that the study shall be in consultation with local workforce development boards, the secretary of Louisiana Works, or her designee, workers' compensation plaintiff and defense attorneys, and the commissioner of the Louisiana Department of Insurance, or his designee.

BE IT FURTHER RESOLVED that the Louisiana State Law Institute shall submit a written report of its findings and recommendations, including potential statutory, regulatory, or programmatic changes, to the House and Senate committees on labor and industrial relations by January 1, 2027.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the director of the Louisiana State Law Institute, the secretary of Louisiana Works, and the commissioner of the Louisiana Department of Insurance.

---

PRESIDENT OF THE SENATE