



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 280** HLS 25RS 397

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 24, 2025	6:30 PM	<b>Author:</b> MELERINE
<b>Dept./Agy.:</b> Workforce Commission/Office of Risk Management		
<b>Subject:</b> Workers Compensation Premiums		<b>Analyst:</b> Mimi Blanchard

WORKERS COMPENSATION

EG SEE FISC NOTE SG EX See Note

Provides relative to the collection of workers' compensation premiums

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Current law prohibits insurers from collecting past due workers' compensation premiums arising from employee misclassification unless written notice is provided to the insured within 90 days of completing the premium audit. Current law also restricts insurers from collecting additional premiums after a payroll audit and limits audit modifications to within three years after the policy period, with exceptions for misrepresentation, noncompliance, disputes, fraud investigations, and court rulings.

Proposed law allows insurers to collect premiums only if written notice is given to the insured within 90 days of completing the premium audit. It repeals the restriction on collecting additional premiums after a payroll audit and clarifies that audits must be completed within three years of the policy period. Exceptions and technical corrections are made, and insurers may return premiums to the insured if the audit reveals a refund is due.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Annual Total						
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Annual Total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

EXPENDITURE EXPLANATION

The proposed law requires insurers to provide written notice within 90 days of completing a workers’ compensation premium audit before collecting any additional premium, and specifies that these provisions do not apply to self-insured funds. The Office of Risk Management (ORM) reports no anticipated fiscal impact, as the statewide workers’ compensation policy administered through the State’s Self-Insurance Fund is exempt from the proposed changes.

However, ORM does purchase a commercial workers’ compensation policy annually from the Louisiana Workers’ Compensation Corporation (LWCC) on behalf of SMG and the Louisiana Stadium and Exposition District (LSED). This policy is a direct pass-through expense to ASM Global/SMG, and ORM reports that premium audits for this policy are already conducted in compliance with the bill’s requirements.

To the extent that the bill imposes new requirements on commercial insurers outside of the state’s self-insured program, premiums billed to state agencies may be affected.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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