

## Chapter 394

**(Senate Bill 505)**

AN ACT concerning

**Workers' Compensation Insurance – Premium Discount – Alcohol– and Drug–Free Workplace Program**

FOR the purpose of ~~requiring~~ authorizing a workers' compensation insurer to ~~provide~~ file a certain rating plan with the Insurance Commissioner that provides for a certain premium discount for certain risks to an insured for that has a certain alcohol– and drug–free workplace policy that may include certain programs instituted and maintained by the insured under certain circumstances; requiring a workers' compensation insurer to provide a certain premium discount to a certain insured that institutes and maintains a policy requiring certain alcohol or drug testing; providing that a certain insurer is not required to provide a certain premium discount under certain circumstances; and generally relating to workers' compensation insurance and alcohol– and drug–free workplace programs.

BY repealing and reenacting, without amendments,

Article – Insurance

Section 11–329(b)(1)

Annotated Code of Maryland

(2011 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 11–329(f)

Annotated Code of Maryland

(2011 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Insurance**

11–329.

(b) (1) Each workers' compensation insurer shall adhere to a uniform classification system and uniform experience rating plan filed with the Commissioner by a rating organization designated by and subject to disapproval by the Commissioner.

(f) (1) Except as provided in [paragraph (2)] **PARAGRAPHS (2) AND (3)** of this subsection, the uniform experience rating plan shall be the exclusive means of providing prospective premium adjustment based on measurement of the loss–producing characteristics of an individual insured.

(2) In addition to any premium adjustment allowed under paragraph (1) of this subsection and pursuant to a filing made by a rating organization and approved by the Commissioner, an insurer may file a rating plan with the Commissioner that provides for prospective premium adjustments up to 25% based upon characteristics of a risk that are not reflected in the uniform experience rating plan.

(3) (I) **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, IN ADDITION TO ANY PREMIUM ADJUSTMENT ALLOWED UNDER PARAGRAPHS (1) AND (2) OF THIS SUBSECTION AND PURSUANT TO A FILING MADE BY A RATING ORGANIZATION AND APPROVED BY THE COMMISSIONER, AN INSURER ~~SHALL PROVIDE~~ MAY FILE A RATING PLAN WITH THE COMMISSIONER THAT PROVIDES FOR A PREMIUM DISCOUNT ~~OF 1%~~ FOR APPROPRIATE CLASSIFICATIONS OR SUBCLASSIFICATIONS OF A RISK OF UP TO 4% TO AN INSURED THAT HAS AN ALCOHOL- AND DRUG-FREE WORKPLACE POLICY THAT MAY INCLUDE ONE OR MORE OF THE FOLLOWING PROGRAMS:**

~~1. FOR EACH OF THE FOLLOWING PROGRAMS INSTITUTED AND MAINTAINED BY THE INSURED:~~

~~A. 1. AN ALCOHOL AND A DRUG FREE WORKPLACE ALCOHOL AND DRUG TESTING PROGRAM;~~

~~B. 2. AN EMPLOYEE EDUCATION PROGRAM ON ALCOHOL AND DRUG ABUSE;~~

~~C. 3. A SUPERVISOR EDUCATION PROGRAM ON ALCOHOL AND DRUG ABUSE; AND~~

~~D. 4. AN EMPLOYEE ASSISTANCE PROGRAM THAT INCLUDES REFERRALS OF EMPLOYEES FOR APPROPRIATE DIAGNOSIS, TREATMENT, AND ASSISTANCE; AND~~

~~2. 5. THAT INSTITUTES AND MAINTAINS A POLICY A PROGRAM REQUIRING AN EMPLOYEE WHO HAS CAUSED OR CONTRIBUTED TO AN ACCIDENT WHILE AT WORK TO UNDERGO ALCOHOL OR DRUG TESTING; AND~~

**6. ANY OTHER PROGRAM THAT THE INSURER DEEMS EFFECTIVE TO ENCOURAGE AN ALCOHOL- AND DRUG-FREE WORKPLACE.**

(II) AN INSURER IS NOT REQUIRED TO PROVIDE A PREMIUM DISCOUNT UNDER THIS PARAGRAPH IF THE INSURED IS REQUIRED UNDER FEDERAL OR STATE LAW TO TEST ITS EMPLOYEES FOR DRUGS OR OTHERWISE PROVIDE AN ALCOHOL- AND A DRUG-FREE WORKPLACE.

(4) An insurer may file a rating plan that provides for retrospective premium adjustments based on an insured's past experience.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

**Approved by the Governor, May 10, 2016.**