

SENATE BILL 505

C4, K1

6lr0997

By: **Senators Klausmeier, Astle, Bates, Benson, Conway, Currie, DeGrange, Eckardt, Edwards, Feldman, Ferguson, Guzzone, Hershey, Hough, Jennings, Kagan, King, Madaleno, Manno, Mathias, McFadden, Middleton, Miller, Norman, Peters, Pinsky, Pugh, Ramirez, Raskin, Rosapepe, Serafini, and Simonaire**

Introduced and read first time: February 3, 2016

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

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

4 FOR the purpose of requiring a workers' compensation insurer to provide a certain
5 premium discount to an insured for certain alcohol– and drug–free workplace
6 programs instituted and maintained by the insured under certain circumstances;
7 requiring a workers' compensation insurer to provide a certain premium discount to
8 a certain insured that institutes and maintains a policy requiring certain alcohol or
9 drug testing under certain circumstances; and generally relating to workers'
10 compensation insurance and alcohol– and drug–free workplace programs.

11 BY repealing and reenacting, without amendments,
12 Article – Insurance
13 Section 11–329(b)(1)
14 Annotated Code of Maryland
15 (2011 Replacement Volume and 2015 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Insurance
18 Section 11–329(f)
19 Annotated Code of Maryland
20 (2011 Replacement Volume and 2015 Supplement)

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

23 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 11-329.

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

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

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

14 (3) **(I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
15 **PARAGRAPH, IN ADDITION TO ANY PREMIUM ADJUSTMENT ALLOWED UNDER**
16 **PARAGRAPHS (1) AND (2) OF THIS SUBSECTION AND PURSUANT TO A FILING MADE**
17 **BY A RATING ORGANIZATION AND APPROVED BY THE COMMISSIONER, AN INSURER**
18 **SHALL PROVIDE A PREMIUM DISCOUNT OF 1% TO AN INSURED:**

19 **1. FOR EACH OF THE FOLLOWING PROGRAMS**
20 **INSTITUTED AND MAINTAINED BY THE INSURED:**

21 **A. AN ALCOHOL- AND A DRUG-FREE WORKPLACE**
22 **PROGRAM;**

23 **B. AN EMPLOYEE EDUCATION PROGRAM ON ALCOHOL**
24 **AND DRUG ABUSE;**

25 **C. A SUPERVISOR EDUCATION PROGRAM ON ALCOHOL**
26 **AND DRUG ABUSE; AND**

27 **D. AN EMPLOYEE ASSISTANCE PROGRAM THAT**
28 **INCLUDES REFERRALS OF EMPLOYEES FOR APPROPRIATE DIAGNOSIS, TREATMENT,**
29 **AND ASSISTANCE; AND**

30 **2. THAT INSTITUTES AND MAINTAINS A POLICY**
31 **REQUIRING AN EMPLOYEE WHO HAS CAUSED OR CONTRIBUTED TO AN ACCIDENT**
32 **WHILE AT WORK TO UNDERGO ALCOHOL OR DRUG TESTING.**

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

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

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