

SENATE BILL 505

C4, K1

6lr0997
CF HB 1619

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~~ Simonaire, Kelley, and Reilly

Introduced and read first time: February 3, 2016

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 11, 2016

CHAPTER _____

1 AN ACT concerning

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

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

14 BY repealing and reenacting, without amendments,
15 Article – Insurance
16 Section 11–329(b)(1)
17 Annotated Code of Maryland
18 (2011 Replacement Volume and 2015 Supplement)

19 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Insurance
 2 Section 11–329(f)
 3 Annotated Code of Maryland
 4 (2011 Replacement Volume and 2015 Supplement)

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

7 **Article – Insurance**

8 11–329.

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

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

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

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

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

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

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

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

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

6 ~~2. 5. THAT INSTITUTES AND MAINTAINS A POLICY A~~
7 PROGRAM REQUIRING AN EMPLOYEE WHO HAS CAUSED OR CONTRIBUTED TO AN
8 ACCIDENT WHILE AT WORK TO UNDERGO ALCOHOL OR DRUG TESTING; AND

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

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

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.