

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

SENATE BILL 1551

By: Pruitt

AS INTRODUCED

An Act relating to insurance; declaring legislative intent; defining terms; stating qualification for certification for workers' compensation insurance premium discount; stating conditions requiring grant of discount by insurer; establishing method of application of discount to policy; stating maximum period of time for discount; requiring certification of insured for each year discount is granted; providing for determination of discount; providing for certain premium payment and policy cancellation on finding of misrepresentation; requiring annual report; authorizing Insurance Commissioner to promulgate rules for implementation and enforcement of act; stating requirements for drug- and alcohol-free workplace; requiring employer to provide substance abuse education program; specifying criteria for education program; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 925.1 of Title 36, unless there is created a duplication in numbering, reads as follows:

It is the intent of the Legislature to promote drug- and alcohol-free workplaces in order that employers in this state be afforded the opportunity to maximize their levels of productivity, enhance their competitive positions in the marketplace, and reach their desired levels of success without experiencing the costs, delays, and tragedies associated with work-related accidents resulting from substance abuse by employees.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 925.2 of Title 36, unless there is created a duplication in numbering, reads as follows:

For purposes of this act:

1. The term "employer" shall be defined pursuant to paragraph 7 of Section 3 of Title 85 of the Oklahoma Statutes; and

2. The term "employee" shall be defined pursuant to paragraph 8 of Section 3 of Title 85 of the Oklahoma Statutes.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 925.3 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. If an employer implements a drug- and alcohol-free workplace program substantially in accordance with the Standards for Workplace Drug and Alcohol Testing Act and the requirements set forth in Section 4 of this act, the employer shall qualify for certification for a five-percent premium discount under the employer's workers' compensation insurance policy.

B. For each policy of workers' compensation insurance issued or renewed in this state on and after November 1, 2002, the insurer shall grant a five-percent premium discount for the policy if the insured has been certified by the Insurance Commissioner as having a drug- and alcohol-free workplace program which complies with the requirements of this act, and the insured has provided its insurer with documentation of the certification.

C. 1. The premium discount provided for in this section shall be applied to an insured's policy of workers' compensation insurance pro rata as of the date the insured receives certification by the Insurance Commissioner, and shall continue for a period not to exceed four (4) years; provided, an insurer shall not be required to credit the actual amount of the premium discount to the account of the insured until the final premium audit under the policy.

Certification of an insured shall be required for each of the four (4) years in which the premium discount is granted. Thereafter, any premium discount pursuant to this act shall be determined from the experience rating plan of the insured, or in the case of an insured

not rated upon experience, as provided in paragraph 2 of this subsection.

2. With respect to an insured not rated upon experience, any premium discount given an insured pursuant to this act, after the initial four-year period provided in paragraph 1 of this subsection, shall be determined by the Insurance Commissioner based upon data received from the rating and statistical organization designated by the Insurance Commissioner.

D. The workers' compensation insurance policy of an insured shall be subject to an additional premium for the purposes of reimbursement of a previously granted premium discount and to cancellation in accordance with the policy if it is determined by the Insurance Commissioner that the insured misrepresented the compliance of its drug- and alcohol-free workplace program.

E. Each insurer shall make an annual report to the rating and statistical organization designated by the Insurance Commissioner illustrating the total dollar amount of drug- and alcohol-free workplace premium credit. Standard earned premium figures reported pursuant to this subsection on the aggregate calls for experience shall reflect the effects of the credits. The net standard premium shall then be the basis of any premium adjustment. The drug- and alcohol-free workplace credits shall be reported under a unique classification code or unit statistical reports submitted to the rating and statistical organization designated by the Insurance Commissioner.

F. The Insurance Commissioner may promulgate rules necessary for the implementation and enforcement of this act.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 925.4 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. An employer shall conduct applicant testing, reasonable suspicion testing, scheduled periodic testing, post-rehabilitation

testing, and post-accident testing, pursuant to the provisions of Section 554 of Title 40 of the Oklahoma Statutes, in order to qualify for the workers' compensation insurance premium discounts provided under this act.

B. In addition to the requirements of the Standards for Workplace Drug and Alcohol Testing Act, a drug- and alcohol-free workplace program shall include a semiannual employee education program on drug and alcohol abuse, in general, and its effects in the workplace specifically. The education program shall last a minimum of one hour and shall include, but not be limited to, the following information:

1. An explanation of the disease model of addiction for drugs and alcohol;

2. The effects and dangers of the commonly abused substances in the workplace;

3. The policies of the company and procedures regarding drug and alcohol abuse in the workplace and how employees who wish to obtain drug and alcohol treatment can do so; and

4. An explanation of community- and charity-based treatment options.

SECTION 5. This act shall become effective November 1, 2002.

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