

## **BILL ANALYSIS**

Senate Research Center

S.B. 41  
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Economic Development  
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As Filed

### **DIGEST**

Currently, the law requires each employer of 15 or more employees with workers' compensation insurance to adopt a written drug policy. Six states have enacted drug-free workplace programs. Of the six states, Texas is the only one that does not offer financial incentives. This bill creates discounts on workers' compensation insurance premiums for certain employers who maintain a drug-free workplace.

### **PURPOSE**

As proposed, S.B. 41 creates discounts on workers' compensation insurance premiums for certain employers who maintain a drug-free workplace.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the commissioner of insurance in SECTION 1 (Article 5.55A(c), Insurance Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 5D, Insurance Code, by adding Article 5.55A, as follows:

Art. 5.55A. PREMIUM DISCOUNT FOR EMPLOYERS WITH DRUG-FREE WORKPLACE. Defines "insurer." Provides that this article applies to an employer who holds a certificate of a drug-free workplace issued by the Texas Workers' Compensation Commission (commission) under Section 411.092, Labor Code. Requires the commissioner of insurance (commissioner), by rule, to adopt a plan under which each insurer is required to grant a discount to an employer subject to Subsection (b) of this article who obtains workers' compensation insurance coverage from that insurer and applies for the discount in the manner prescribed by the commissioner. Requires the insurer to grant a discount of five percent on the amount of the employer's workers' compensation premium. Provides that a discount established under this article is valid for the term of the policy or contract of insurance. Requires the employer, on renewal of the policy or contract, to reapply for the discount in the manner prescribed by the commissioner. Provides that a discount under this article is in addition to any other premium discount to which the employer is eligible under this code.

SECTION 2. Amends Chapter 411G, Labor Code, as follows:

#### **SUBCHAPTER G. New heading: POLICY FOR ELIMINATION OF DRUGS IN THE WORKPLACE; CERTIFICATION PROGRAM**

Sec. 411.091. ADOPTION AND DISTRIBUTION OF DRUG ABUSE POLICY BY EMPLOYER. Deletes the requirement that an employer must have 15 or more employees to adopt a policy to eliminate drug abuse in the workplace.

Sec. 411.092. New heading: CERTIFICATION PROGRAM. Authorizes an employer who has workers' compensation insurance coverage to adopt a drug-free workplace program under this section. Requires the commission to issue a certificate to each employer maintaining a program adopted under this section who is determined by the commission, after

an investigation by the division of workers' health and safety of the commission (division), to meet the requirements of Subsection (b). Sets forth the required conditions an employer must satisfy in order to qualify for certification as a drug-free workplace. Provides that a certificate is valid for one year from the date of issuance and may be renewed by the employer on application to the commission and reinvestigation by the division.

Sec. 411.093. New heading: IMPLEMENTATION; RULES. Requires the commission to implement this subchapter and to adopt rules for that purpose.

SECTION 3. Effective date: September 1, 1997.

Makes application of this Act prospective to January 1, 1998.

SECTION 4. Emergency clause.