



**ARKANSAS INSURANCE DEPARTMENT
LEGAL DIVISION**

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BULLETIN 16-99

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TO: ACCOUNTING AND UNDERWRITING DEPTS. OF WORKERS' COMPENSATION INSURERS
FROM: ARKANSAS INSURANCE DEPARTMENT

**ALCOHOL AND DRUG FREE WORKPLACE PREMIUM CREDIT PROGRAM FOR WORKERS'
COMPENSATION**

Act 1552 of 1999 mandates a minimum premium discount on their workers' compensation policy for employers who voluntarily implement a drug-free workplace program meeting the guidelines set forth in rules adopted by the Arkansas Workers' Compensation Commission. The premium reduction will be available if the insured certifies to the carrier that it has established and maintains a drug-free workplace program that complies with the requirements of this act. Certification by the insured is required for each year in which a premium discount is granted.

The Arkansas Workers' Compensation Commission has adopted Rule 36 which sets forth the requirements employers must satisfy in order to qualify for the credit.

This Department has approved a filing (Item 07-AR-99) made by "NCCI" for use effective January 1, 2000. The credit cannot be applied mid-term nor can policies be cancelled and re-written to take advantage of the credit. The credit shall be applicable to the first renewal of a qualifying policy after approval of the credit filed by the insurer writing the policy. Any employer who fails to maintain a drug-free workplace program for the full policy term will be subject to additional premium for reimbursement of premium credits. Act 1552 of 1999 makes it mandatory for all workers' compensation insurers to make this credit available to qualifying insureds.

Each insurer writing workers' compensation must:

1. Notify this Department of their adoption of this filing.
2. Offer a minimum premium credit of 5%. An insurer may file to offer credits greater than 5% but must provide actuarial justification for the additional credit.
3. Require certification from the Arkansas Workers' Compensation Commission for all employers for which a credit is made available.
4. Comply with the approved filing made by the Department's designated statistical agent, "NCCI".

Copies of the Arkansas Workers' Compensation Commission Rule 36 may be obtained from the Health and Safety Division of the Commission at 501-682-3930 or through their website at <http://www.awcc.state.ar.us/>.

Copies of Act 1552 of 1999 may be obtained from the Arkansas General Assembly's website at <http://www.arkleg.state.ar.us/>.

Any questions regarding this Bulletin should be directed to Carol Stiffler of the Property and Casualty Division at (501) 371-2807 or by E-mail: carol.stiffler@mail.state.ar.us.

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