

SENATE BILL NO. 287

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE DEPARTMENT OF LABOR AND INDUSTRY TO ADOPT RULES AUTHORIZING A WORKERS' COMPENSATION INSURER, UNDER CERTAIN CONDITIONS, TO WAIVE THE REQUIREMENT THAT AN EMPLOYER HAVE A SAFETY COMMITTEE; AMENDING SECTION 39-71-1505, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-71-1505, MCA, is amended to read:

"39-71-1505. Rulemaking authority. The department shall adopt rules, including but not limited to rules that require:

- (1) each employer to conduct an educational-based safety program, including but not limited to:
 - (a) a safety training program to provide:
 - (i) new employee general safety orientation;
 - (ii) job- or task-specific safety training; and
 - (iii) continuous refresher safety training, including periodic safety meetings;
 - (b) periodic hazard assessment, with corrective actions identified; and
 - (c) appropriate documentation of performance of the activities; and
- (2) an employer of more than five employees to have a comprehensive and effective safety program, including but not limited to:
 - (a) subject to subsection (3), a safety committee composed of employee and employer representatives that holds regularly scheduled meetings;
 - (b) procedures of reporting and investigating all work-related incidents, accidents, injuries, and illnesses; and
 - (c) policies and procedures that assign specific safety responsibilities and safety performance accountability.
- (3) The department may adopt rules authorizing an insurer to waive the requirement in subsection (2) for a safety committee if the employer presents sufficient evidence of an effective written safety plan,

1 has a satisfactory modification factor, and has a low incident record of injuries."

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3 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

4

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0287, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill allowing the Department of Labor and Industry to adopt rules authorizing a workers' compensation insurer, under certain conditions, to waive the requirement that an employer have a safety committee.


ASSUMPTIONS:

1. Employers seeking exemption to a safety committee requirement will provide to their insurer sufficient evidence of an effective written safety plan, satisfactory modification factor, and low incident record of injuries.
2. The terms "sufficient evidence", "effective written safety plan", "satisfactory modification factor", and "low incident record of injury" will be clearly and measurably defined by the Department of Labor and Industry to provide effective criteria in determining waivers.
3. The State Fund does not adjust rates for employers who currently have safety committees.
4. A waiver from the requirement for an employer to have a safety committee will not affect the method which the State Fund uses to calculate the employer's rates.
5. Employers insured by the State Fund will have their requests for a safety committee waiver reviewed by the State Fund's Underwriting and Loss Control Departments.
6. A safety committee waiver will be reviewed annually.

FISCAL IMPACT:

Costs associated with Department of Labor rulemaking would be minor and absorbed within the department's present law base budget.

Costs associated with State Fund review of waivers would be minimal and would be absorbed within the budget as approved by the State Fund board of directors.

 2-6-95
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 2-6-95
JOHN HERTEL, PRIMARY SPONSOR DATE

Fiscal Note for SB0287, as introduced

SB 287

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- (2) an employer of more than five employees to have a comprehensive and effective safety program, including but not limited to:
 - (a) subject to subsection (3), a safety committee composed of employee and employer representatives that holds regularly scheduled meetings;
 - (b) procedures of reporting and investigating all work-related incidents, accidents, injuries, and illnesses; and
 - (c) policies and procedures that assign specific safety responsibilities and safety performance accountability.
- (3) The department may adopt rules authorizing an:

1 (A) A PLAN NO. 2 OR PLAN NO. 3 insurer to waive the requirement in subsection (2)(A) for a
2 safety committee if the employer presents sufficient evidence of an effective written safety plan, AND has
3 a satisfactory modification factor, and IF APPLICABLE, OR has a low incident record of injuries; OR

4 (B) THE DEPARTMENT TO WAIVE THE REQUIREMENT IN SUBSECTION (2)(A) FOR A SAFETY
5 COMMITTEE IF A PLAN NO. 1 INSURER APPROVED BY THE DEPARTMENT PRESENTS SUFFICIENT
6 EVIDENCE OF AN EFFECTIVE SAFETY PROGRAM, INCLUDING A WRITTEN SAFETY PLAN. A WAIVER
7 GRANTED UNDER THIS SUBSECTION (3)(B) TO A MEMBER OF THE SELF-INSURERS GUARANTY FUND
8 MUST BE MADE WITH THE CONCURRENCE OF THE FUND."

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10 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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(2) an employer of more than five employees to have a comprehensive and effective safety program, including but not limited to:

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(c) policies and procedures that assign specific safety responsibilities and safety performance accountability.

(3) The department may adopt rules authorizing an:

(A) A PLAN NO. 2 OR PLAN NO. 3 insurer to waive the requirement in subsection (2)(A) for a safety committee if the employer presents sufficient evidence of an effective written safety plan, AND has a satisfactory modification factor, and IF APPLICABLE, OR has a low incident record of injuries; OR

(B) THE DEPARTMENT TO WAIVE THE REQUIREMENT IN SUBSECTION (2)(A) FOR A SAFETY COMMITTEE IF A PLAN NO. 1 INSURER APPROVED BY THE DEPARTMENT PRESENTS SUFFICIENT EVIDENCE OF AN EFFECTIVE SAFETY PROGRAM, INCLUDING A WRITTEN SAFETY PLAN. A WAIVER GRANTED UNDER THIS SUBSECTION (3)(B) TO A MEMBER OF THE SELF-INSURERS GUARANTY FUND MUST BE MADE WITH THE CONCURRENCE OF THE FUND."

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