

January 26, 1982

SUBJECT: INSURANCE

WITHDRAWN
(eff. 12/4/04)

DATED: January 26, 1982

SUPPLEMENT NO. 1 TO CIRCULAR LETTER NO. 16 (1981)

TO: ALL INSURERS AND SELF-INSURERS WRITING AUTOMOBILE INSURANCE IN THIS STATE

RE: Reduction In No-Fault Loss of Earnings Benefits for Qualified Wage Continuation Plans.

Section 671(1) of the Insurance Law contains a provision which requires insurers to reduce gross loss of earnings from work by benefits paid under what has become known as "qualified wage continuation plans" when calculating no-fault first party benefits payable for loss of earnings. In order to provide for consistent application of this provision the Insurance Department has undertaken to review plans submitted and classify them as either "qualified" or "non qualified". Circular Letter No. 16(1981) dated August 20, 1981 contained the results of our initial review.

The following revised lists contain five additional plans (identified with a double asterick**) which have been subsequently reviewed.

QUALIFIED PLANS

EMPLOYER	COVERED EMPLOYEES & BENEFITS
New York City	* Employees in the uniformed services of Police, Fire, Correction and Sanitation Departments.
Village of Mamaroneck	* Police Officers.
City of Yonkers	* Police Officers.
Manhasset Union Free School District	* All professional personnel including teaching and administrative staff.
Greenwich Fixture Co.	* Officers of the company not covered by the union plan.

QUALIFIED PLANS

EMPLOYER	COVERED EMPLOYEES & BENEFITS				
** Niagara Mohawk Power Corp.	All employees. Benefits are payable for up to 26 weeks at 100% of salary.				
Depository Trust Co.	Professional, administrative, supervisory employees, Guards and confidential secretaries are entitled full salary for up to 180 days.				
Stauffer Chemical Co.	All employees. Benefits are payable for up to 6 months (3 months for employees with less than one year's service) at 100% of salary.				
U.S. Armed Forces	* All members of the Armed Forces.				
Federal District Court	* Justices only.				
General Electric Co.	All employees. Benefits are equal to 60% of employee's weekly salary up to a maximum weekly benefit of \$ 175 for up to 26 weeks. However, part of this benefit is in satisfaction of N.Y.S. Disability Benefit Law (50% of salary, up to \$ 95 per week). Only the excess over N.Y.S. Disability Benefits qualifies as wage continuation benefits. For Example:				
Weekly Salary	<table border="1"> <thead> <tr> <th data-bbox="1036 1776 1058 1806">A</th> <th data-bbox="1133 1776 1156 1806">B</th> </tr> </thead> <tbody> <tr> <td data-bbox="992 1818 1058 1848">\$ 150</td> <td data-bbox="1089 1818 1157 1848">\$ 300</td> </tr> </tbody> </table>	A	B	\$ 150	\$ 300
A	B				
\$ 150	\$ 300				

QUALIFIED PLANS

EMPLOYER

COVERED EMPLOYEES & BENEFITS

G.E. Benefit: 60%

with \$ 175 Maximum \$ 90 \$ 175

Less N.Y.S. DBL: 50%

with \$ 95 Maximum 75 95

Qualified Wage -

Continuation Benefit \$ 15 \$ 80

** Chevrolet, Inc.

&

** Ford Motor Co.

All employees represented by the U.A.W. with one year or more of service are entitled to benefits for 52 weeks equal to approximately 60% of the employee's weekly salary, as set forth in schedule of benefits as contained in U.A.W. contract. Insurers must calculate the Qualified Wage Continuation benefit in the same manner as shown above for General Electric Co.

* Unlimited sick leave plans providing full salary for the duration of disability.

NON-QUALIFIED PLANS

International Telephone and Telegraph
Corp. (ITT)

Celanese Corp.

State University of New York

Con Edison

Associate Metals and Minerals Corp.

I.B.M.

So. Huntington Schools U.F.S.D. # 13

Sperry Rand

NON-QUALIFIED PLANS

Dobbs Ferry U.F.S.D.

Eastman Kodak

** Bristol Labs a.k.a. Bristol Meyers

** New York

Telephone Company

Note: If an employee covered by a non-qualified plan is eligible for New York State Disability Benefits, the insurer is entitled to an offset pursuant to Section 671(2)(b) of the Insurance Law.

Insurers are again requested to submit for approval, to the address shown below, details of any other plans which they believe may qualify. All plans submitted will be reviewed and, periodically, the Department will issue revised lists of qualified and non-qualified wage continuation plans.

Sandra Molina Siegel
Supervising Examiner
New York State Insurance Department
Two World Trade Center
New York, New York 10047

Very truly yours,

[SIGNATURE]

ALBERT B. LEWIS

Superintendent of Insurance

ABL/