

February 27, 1950

SUBJECT: INSURANCE

WITHDRAWN

TO ALL INSURANCE COMPANIES LICENSED TO WRITE BENEFITS UNDER THE DISABILITY BENEFITS LAW (CHAPTER 600, LAWS OF 1949).

Attached hereto are advisory insurance policy forms together with a memorandum relative thereto. All policy forms, rate filings and commission schedules are to be submitted to the Policy Bureau at the Albany Office of the New York Insurance Department. Please note that the Albany Office of the Insurance Department has moved from the State Office Building and is now located at 324 State Street, Albany, N.Y.

ROBERT E. DINEEN

Superintendent of Insurance

ATTACHMENT

FILING OF POLICY FORMS UNDER THE DISABILITY BENEFITS LAW

Following the enactment of the Disability Benefits Law (Chapter 600 of the Laws of 1949) and at the suggestion of the New York Insurance Department, companies authorized to write Disability Benefits Law coverage organized a committee to study the question of policy forms appropriate to the writing of such coverage. The committee comprised representatives of the following organizations: Association of Casualty and Surety Companies, Mutual Insurance Statistical Association, State Insurance Fund, Bureau of Accident and Health Underwriters, Health and Accident Underwriters Conference, American Life Convention, Life Insurance Association of America, New York State Association of Life Underwriters, International Association of Accident and Health Underwriters, New York State agents and brokers.

The objective of the committee, which broadly represented all segments of the insurance business interested in the problem, was to serve as an advisory group to the Insurance Department in the solution of the many policy forms problems incident to the enactment of the Disability Benefits Law. This committee, generally known as the All-Industry Forms Committee, spent several months in devising forms designed to provide coverage which would meet the requirements of the Disability Benefits Law. Following the deliberations of the All-Industry Forms Committee consultation was had with representatives of the Insurance Department. The forms were likewise reviewed by the Chairman of the Workmen's Compensation Board.

Disability Benefits Law coverage falls within the category of group accident and health insurance. Traditionally, insurance carriers have competed on policy forms and premiums and the spirit and intent of the Disability Benefits Law indicates a legislative policy to preserve the competitive nature of the business. The Insurance Department has therefore concluded that flexibility in forms of coverage will be in the public interest and that mandatory forms of policies should not be promulgated. It is realized, however, that many companies licensed to write disability benefits coverage will be entering a new field and that under these circumstances it will be in the public interest for the Department to furnish forms as working guides. The forms which have been the subject of deliberation are intended merely to guide

companies in the preparation of policy forms.

Basic forms of coverage providing the exact benefits required to be furnished by employers under the Disability Benefits Law, as well as numerous riders, have been the subject of consideration. It has not been possible to give final consideration to all of the forms. However, two basic forms for minimum statutory benefits and a form of rider which will enable the writing of benefits greater than those required by the statute have been considered and are now being released by the Insurance Department for use by insurance carriers. These forms are attached hereto and are designated as Advisory Forms A, B and Advisory Form H.

#### ADVISORY FORM A

The DISABILITY BENEFITS POLICY designated as Advisory Form A is designed to meet the minimum benefit requirements fixed by the Disability Benefits Law. The benefits payable are precisely those required under Section 204 of the law and are subject to all of the limitations and restrictions written into the law. It has been drafted in such a manner that the policyholder may be any individual or entity to whom this type of policy could be issued so as to provide benefits for the members of any group of persons which may properly be insured. Its undertaking is to pay benefits to employees entitled to benefits by reason of employment within the classes stated in the policy for disability commencing during the policy period and during a four week carry-over period for those persons whose employment terminates during the policy period.

To the extent that the law establishes the procedures to be followed in filing and establishing claims, making benefit payments, prosecuting contested cases, etc., reliance is had on the law and no attempt is made to write all of these provisions into the policy. Certain provisions are required by the statute to be included and these are all collected in a Required Provisions condition.

The law, while imposing obligations upon the employee with respect to filing notice and proof of disability, contains no requirement that such notice and proof shall be furnished to the insurance company. The Notice of Disability condition places upon the policyholder the contractual obligation to furnish notice to the company and also, if a defense clause is used, to forward to the company any summons or process that may be served in connection with any suit or other proceeding.

The Cancellation condition conforms to the requirements of the Disability Benefits Law. The various other conditions relating to Records, Changes, Assignment, etc., are customary policy provisions.

Advisory Form A, to a large degree, follows the general style and format of the liability and workmen's compensation policies now in use by most companies throughout the country. This has been done in order to make it possible for such companies to take advantage of the savings which, by the use of general forms over the years, have been effected in the mass production of a large volume of small premium policies. The form is fitted to the techniques and practices of the companies now writing a large volume of liability or workmen's compensation insurance.

#### ADVISORY FORM B

As indicated in the foregoing, Advisory Form A follows the general style of policies employed by companies writing liability and workmen's compensation insurance. Companies now doing a group accident and health insurance business have likewise developed methods and procedures for low cost policy production and may prefer to use policies to write insurance under the Disability Benefits Law which follow the general style of the more or less traditional group accident and health policies.

The DISABILITY BENEFITS POLICY designated as Advisory Form B, is substantially the same as Advisory Form A but is prepared in the manner of a group accident and health policy. It, like Advisory Form A, is designed to meet the minimum benefit requirements fixed by Section 204 of the Disability Benefits Law and undertakes to pay

benefits to employees entitled to benefits by reason of employment within the classes stated in the policy for disability commencing during the policy period and during a four week carry-over period for those persons whose employment terminates during the policy period.

This policy is prepared for use where the policyholder is the employer or is one of several employers listed in the policy. Companies writing group insurance have developed special forms of policies for other types of policyholders and will presumably follow the procedures heretofore developed. Full reliance is had on the law, to the extent covered by the Law, for benefit limitations, filing procedures for notice and proof of loss, enforcement of benefit claims, etc. The comments made above in connection with Advisory Form A with respect to the policy conditions are equally applicable to the provisions of Advisory Form B.

Advisory Form B is designed to fit more readily into the established techniques and practices of those companies now writing group accident and health insurance.

#### ADVISORY FORM H

The number of companies employing one or more of the available methods of writing insurance under the Disability Benefits Law which exactly satisfy the minimum benefit requirements of Section 204 of the law may wish to use an endorsement or rider which will operate to increase the amount of the weekly benefit, to increase the statutory duration of benefit payments or to change or eliminate certain restrictions or limitations contained in the law. Advisory Form H is a rider designed to accomplish such variations and has been prepared in such manner as to be appropriate for use on any policy form providing only the minimum benefit required by the Disability Benefits Law.

It is obvious that only the general approach of this form can be established and that the type of changes it can be used to effect can only be suggested by a number of examples. The changes which companies may undertake to make by use of this endorsement are many and varied. It is the belief of the Committee that Advisory Form H illustrates how such changes can be made and that the preparation of the actual amendment desired by a particular company is left to the Company.

#### GENERAL

Inquiries have been received by the Insurance Department with respect to the use of a rider or endorsement on the standard workmen's compensation policy form as well as the use of riders or endorsements on accident and health policies presently in force which provide loss of time benefits. Riders covering these matters are presently under consideration but cannot be released at this time. It is hoped that such advisory forms will be available within the near future together with other forms of riders or endorsements adaptable to the various methods of writing group accident and health coverage.

#### Special Provision Relating to Employee Contributions

In Advisory Forms A and B hereto attached it will be noted that there is a special provision relating to employee contributions. Under the Disability Benefits Law employee contributions are impressed with a trust and the statute provides that no profit shall be derived by any employer in connection with providing for the payment of disability benefits. The obvious purpose of the statute is to protect the contributions made by employees to the end that they shall be used only for providing benefits under the Disability Benefits Law and that any contributions of employees in excess of those required to provide coverage shall inure to the benefit of the employees so contributing. The legislative policy as enunciated in the Disability Benefits Law indicates a need for a policy provision which will assure protection of the contributions made by employees. The "Special Provision Relating to Employee Contributions" contained in Advisory Forms A and B is designed to meet this need. Under the circumstances, therefore, the attention of all insurance carriers is directed to the fact that this special provision must be included in every policy submitted for approval except in the case of a policy where the entire cost of the insurance is borne by the employer and no part thereof is borne by the

employees covered thereby; in such "non-contributory" cases a clause shall be contained in the policy affirmatively setting forth that the entire premium is paid by the employer and no part thereof is borne by the employee.

#### Filing of Policy Forms, Rates and Commission Schedules

Under a regulation made by the Chairman of the Workmen's Compensation Board all policy forms are to be submitted to the Chairman for acceptance. The procedure to be followed in connection with submission of forms to the Workmen's Compensation Board will be set forth in a memorandum which will be sent to carriers by the Chairman of the Workmen's Compensation Board.

Insofar as filings with the Insurance Department are concerned, insurance carriers are to follow the procedures heretofore in effect by submitting to the Insurance Department two copies of every form proposed to be used. The carrier's identifying form number for policies, riders, endorsements and applications must include the letters "DBL". Forms must be accompanied by premium rates, rules and classification of risks, and commission schedules in accordance with the provisions of Section 221(7) of the Insurance Law, and shall be filed in duplicate. When making rate filings, carriers are to submit supporting data to the extent that the same are available but in any event rate filings must be accompanied by the following information: (1) A statement of the statistical basis of assumptions used in arriving at the premium rates; (2) An estimate by an actuary, of the incurred loss ratio as a percentage of earned premiums including assessments for disabled unemployed; (3) An estimate of the ratio of incurred administration and operating expenses as a percentage of earned premiums separated as between first year and renewal.

#### Supplemental Benefits

Inquiries have been received by the Insurance Department as to whether supplemental benefits such as hospital expense, medical expense, Blue Cross, etc. may be written on groups covering four or more but less than twenty-five lives. Inquiries have also been received as to whether sole proprietors and co-partners may be written in such groups. The group definition contained in the Insurance Law which limits group coverage to at least twenty-five lives is not applicable to groups written under the Disability Benefits Law. Insurance carriers are advised that supplemental coverages on groups of four or more but less than twenty-five lives may be written under the Disability Benefits Law and likewise that sole proprietors and co-partners may be covered with such groups.

\* \* \* \*

Arrangements have been made both by the Insurance Department and the Chairman of the Workmen's Compensation Board to give preferred attention to all policy forms in connection with Disability Benefits Law coverage. There will be a considerable volume of policy examination work which will have to be done within a short period of time in order that the companies may proceed with the writing of the business. In order to avoid time consuming delays, carriers are requested to refrain from inquiring as to the status of approval after forms have been submitted. As soon as a policy form has been examined and found to be acceptable prompt notification will be given to the company making the filing.

Advisory Form A  
2-20-50

#### DISABILITY BENEFITS POLICY

[BLANK INSURANCE COMPANY (A insurance company, herein called the company)]1 Agrees with the [policyholder]2, named in the [declarations]3 made a part hereof, in consideration of the payment of the premium and in reliance upon the statements in the [declarations]3 and subject to the conditions and other terms of this policy:

#### INSURING AGREEMENTS

[Coverage A]4

I DISABILITY BENEFITS. To pay the disability benefits which any [insured person]5, because of employment within any class stated in the [declarations]3 while this policy applies thereto, is entitled to receive under Section 204 of Article 9 of the Workmen's Compensation Law of the State of New York or any laws amendatory thereof or supplementary thereto which are or may become effective during the policy period, which Article is hereinafter referred to as the Disability Benefits Law.

(See Reference Note 6)

II POLICY PERIOD. This policy applies only to disability commencing during the policy period or, with respect to an [insured person]5 whose employment terminated during the policy period, to disability commencing within four weeks after such termination of employment and prior to the first day after such termination on which he performs any work for remuneration or profit, [The policy period shall commence on the date and hour stated in Item 2 of the [declaration and shall continue until this policy is canceled as provided herein.]7

#### CONDITIONS

1 [Premiums].8 The premium bases and rates, until changed by the company, shall be as stated in the [declarations].3 The premium bases, rates and rating plans are each subject to change by the company as of each [anniversary date]7 of this policy and as of the effective date of any amendment of the Disability Benefits Law which affects the company's obligations under this policy, such change, if any, to be expressed by [endorsement]9 stating the effective date thereof.

2 Records, Examination and Audit. The [policyholder]2 shall furnish the company with all information which the company may reasonably require with regard to any matters pertaining to the insurance afforded by this policy. All documents furnished to the [policyholder]2 in connection with the insurance, together with such books and records of the [policyholder]2 as may have a bearing on the insurance, shall be open for examination and audit by the company at all reasonable times during the policy period [and any extension thereof]10 and within three years after the final termination of this policy.

3 Required Provisions. As between the [insured person]5 and the company, notice to or knowledge of the occurrence of an injury or sickness suffered by the [insured person]5 on the part of the employer [of the insured person]11 shall be deemed notice or knowledge, as the case may be, on the part of the company; jurisdiction of the employer [of the insured person]11 shall, for the purpose of the Disability Benefits Law, be jurisdiction of the company and the company shall in all things be bound by and subject to the orders, findings or decisions rendered in connection with the payment of benefits under the provisions of said law.

The chairman of the Workmen's Compensation Board of the State of New York shall have the right to enforce in the name of the people of the State of New York for the benefit of the [insured person]5, either by filing a separate application or by making the company a party to the original application, the liability of the company in whole or in part for the payment of the benefits afforded hereunder; provided, however, that payment in whole or in part of such benefits by either the [policyholder]2 [, the employer of the insured person]11 or the company shall to the extent thereof be a bar to the recovery against the other[s]11 of the amount so paid.

Bankruptcy or insolvency of the [policyholder]2 [or the employer of the insured person]11 shall not relieve the company of any of its obligations under this policy.

All of the provisions of the Disability Benefits Law shall be and remain a part of this policy as fully and completely as if written herein, so far as they apply to disability benefits provided by this policy. Notwithstanding any other

provision of this policy or any endorsement made a part hereof, benefits payable under this policy or any such endorsement in accordance with the provision of benefits made under the Disability Benefits Law by the employer [of the insured person] shall be payable at least to the extent and in the manner and subject to the conditions required by the terms of such provision of benefits, which provision is evidenced by this policy.

4 Notice of Disability [-Claim or Suit].<sup>12</sup> Upon receipt by the [policyholder]<sup>2</sup> [or the employer of the insured person]<sup>11</sup> of notice of disability written notice shall be given by or on behalf of the [policyholder]<sup>2</sup> to the company or any of its authorized agents as soon as practicable after the first day for which benefits may be payable with respect to such disability. Such notice shall contain particulars sufficient to identify the [policyholder]<sup>2</sup> [and the employer of the insured person]<sup>11</sup> and also reasonably obtainable information respecting the time, place, circumstances and nature of the disability and the name and address of the [insured person]<sup>5</sup>. The [policyholder]<sup>2</sup> [or the employer of the insured person]<sup>11</sup> shall give immediate notice to the company with full particulars of any claim made on account of disability. [If any suit or other proceeding is instituted against the [policyholder]<sup>2</sup> [or the employer of the insured person]<sup>11</sup> every summons, notice or other process shall be immediately forwarded to the company.]<sup>12</sup> Nothing elsewhere contained in this policy shall relieve the [policyholder]<sup>2</sup> of his obligations to the company with respect to notice as herein imposed upon him.

5 Changes. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by [endorsement issued to form a part of this policy, signed by \_\_\_\_\_ (here insert titles of authorized company officials or representatives)].<sup>4</sup>

6 Assignment. Assignment of the [policyholder's]<sup>2</sup> interest under this policy shall not bind the company until its consent is endorsed hereon.

7 Cancellation. This policy may be canceled at any time by the company, in its own behalf or upon written request of the [policyholder]<sup>2</sup>, by furnishing written notice to the employer [of the insured persons]<sup>11</sup> and to the chairman of the Workmen's Compensation Board of the State of New York stating when, not less than ten days thereafter, cancellation shall be effective; provided, however, that if insurance with another insurance carrier has been obtained which becomes effective prior to the expiration of the time stated in such notice, the cancellation shall be effective as of the effective date of such other coverage. The effective date of such cancellation shall become the end of the policy period. Such notice shall be served on the employer [of the insured persons]<sup>11</sup> by delivering it to him or by sending it by registered mail, addressed to the employer [of the insured persons]<sup>11</sup> at his or its last known place of business [and a copy of such notice shall be furnished to the policyholder]<sup>11</sup>. If the company cancels in its own behalf, earned premiums shall be computed pro rata. If the company cancels at the request of the [policyholder]<sup>2</sup>, earned premiums shall be computed in accordance with the short rate table and procedure [on file in the State of New York Insurance Department]<sup>13</sup> provided, however, that if the policy is being canceled because the employer [of the insured persons]<sup>11</sup> is actually retiring from business, earned premiums shall be computed pro rata. The company's check or the check of its representative mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due to the [policyholder]<sup>2</sup>.

8 [Declarations]<sup>3</sup>. By acceptance of this policy, the [policyholder]<sup>2</sup> agrees that the statements in the [declarations]<sup>3</sup> are his agreements, and are representations and not warranties, and that this policy embodies all agreements existing between himself and the company or any of its agents relating to this insurance.

9 Statutory Assessments. Under the Disability Benefits Law the company will pay the assessments levied on the total payrolls of employees covered under this policy pursuant to Sections 214-2, 214-3, and 228 of said Law.

10 Special Provision Relating To Employee Contributions. In accordance with the requirements of the Disability Benefits Law, any excess of the aggregate contributions of employees applied to the cost of insurance provided

hereunder over the premiums paid by the [policyholder]2(less any amounts returnable under this policy) shall, under rules of the Chairman of the Workmen's Compensation Board, be paid to the [Policyholder]2 and distributed or applied for the sole benefit of employees or otherwise be applied or disposed of as prescribed in Section 216 of said Law.

11 (Insert here, as required, mutual policy conditions. Such conditions shall not conflict with Special Provision Relating To Employee Contributions.) In witness whereof, the company has caused this policy to be signed by [its President and its Secretary at and countersigned on the [declarations]3 by a duly authorized representative of the company]4

[(Facsimile of Signature)

Secretary

(Facsimile of Signature)

President ]4

BLANK INSURANCE COMPANY

[DECLARATIONS]3 Disability Benefits Policy No. \_\_\_\_\_

Item 1 Name of [Policyholder]2  
Address

Item 2 [Effective date of Policy]:7

Item 3 Classes of [insured persons]:5

Item 4 Premiums shall be payable \_\_\_\_\_  
and shall be computed as follows:

[Countersigned by \_\_\_\_\_ 4  
Authorized Representative]

(See reference notes 14 and 15)

REFERENCE NOTES

DRAFT DISABILITY BENEFITS POLICY

1. The name and location of the carrier and the word used throughout the policy suitably to designate the carrier are to be stated. The type of the carrier may be stated.

2. May be amended in accordance with company practice. The policy may be used for any type of group insurable under the law. If policy is prepared for use only for employer-employee groups, the word "employer" may be substituted.

3. May be changed to "application" at the option of the company.

4. May be amended to conform to requirements and practices of the company.

5. May be amended in accordance with company practice. See reference note 2 above. If policy is prepared for use only

for employer-employee groups, the word "employee" may be substituted for "person". The word "insured" may be omitted or amended at the option of the company.

6. If a defense clause is to be used the following page contains suggested language for such a clause.

7. May be omitted or amended to provide for fixed initial policy period with the policy to be renewable an accordance with company practice.

8. premiums to be made payable in accordance with company practice. Method of premium computation and definition of payroll, if any, to be inserted. Condition 10 Special Provision Relating to Employee Contributions may be made a part of the premium condition.

9. "Notice to the policyholder" may be substituted for "endorsement".

10. To be omitted if policy is prepared as a continuous policy.

11. To be omitted if "employer" is substituted for "policyholder". See reference note 2 above.

12. To be omitted if defense clause is not used.

13. May be omitted if the short rate table is made a part of the policy.

14. The declarations or application may appear on a page of the policy itself or on a separate page. If an application is used, provision should be made for the signature of the applicant.

15. Additional underwriting data and general information may be used in the declarations or application at the option of the company.

DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS As respects the insurance afforded by the other terms of this policy the company shall:

(a) defend in his name and behalf any suit or proceeding against the [policyholder]<sup>2</sup> [or the employer of the insured person]<sup>11</sup> alleging disability and seeking benefits under the Disability Benefits Law, even if such suit or proceeding is groundless, false or fraudulent; but the company may make such investigation of any claim as it deems expedient and make payment as required by law;

(b) pay all costs taxed against the [policyholder]<sup>2</sup> [or the employer]<sup>11</sup> in any suit or proceeding defended by the company, all interest accruing after entry of Judgment and all expenses incurred by the company for investigation, negotiation or defense.

Advisory Form B  
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\* [BLANK INSURANCE COMPANY  
(Herein called the Insurance Company)]

\* Throughout the policy, matter in brackets should be conformed to the requirements and practices of the company.

Note: This form of policy is designed for use only when the Policyholder is an Employer.

In consideration of the payment by the Policyholder [named herein] of premiums as hereinafter provided, the [Insurance Company] hereby agrees, as to each employee of an Employer [named herein] within the classes of employees specified [on page \_\_\_\_ hereof], to pay the disability benefits which such employee is entitled to receive under Section 204 of the Disability Benefits Law of the State of New York because of employment with such Employer within any such class while such class is covered by this policy. The term Disability Benefits Law shall be deemed to include any laws amendatory thereof or supplementary thereto which are or may become effective during the continuance of this policy.

The policy provides benefits only

- (a) for a disability which commences during the continuance of this policy, or,
- (b) with respect to any employee whose employment with an Employer [named herein] terminates during the continuance of this policy, for a disability which commences within four weeks after such termination of employment and prior to the first day after such termination on which the employee performs any work for remuneration or profit.

This policy is subject to all of the terms recited on the subsequent pages hereof, which terms are hereby made a part of this policy. All of the provisions of the Disability Benefits Law of the State of New York shall be and remain a part of this policy as fully and completely as if written herein, so far as they apply to disability benefits provided by this policy.

The Policyholder may act for and on behalf of any and all Employers named herein in all matters pertaining to this policy, and every act done by, agreement made with, or notice (other than a notice of cancellation of this policy required to be given to an Employer by the other terms of this policy) given to the Policyholder shall be binding on all such Employers.

This policy \*\* constitutes the entire contract between the [Insurance Company] and the Policyholder, \*\*\* [and may be changed at any time or times by written agreement between the Insurance Company and the Policyholder. All agreements made by the Insurance Company are signed by its President, Vice President, Secretary, or Treasurer. No other person can change or waive any of the terms of this policy or make any agreement that shall be binding on the Insurance Company. No change in this policy shall be valid unless evidenced by endorsement on this policy signed by the Insurance Company, or by amendment to this policy signed by the Policyholder and the Insurance Company.

\*\* If an application is made a part of the policy, a provision following subsection 1 (b) of Section 162 of the Insurance Law should be included in the Policy.

\*\*\* The language on the balance of this page will be adapted to the practice of the individual company.

IN WITNESS WHEREOF, the Insurance Company has caused this policy to be executed at \_\_\_\_\_, \_\_\_\_\_, as of its effective date.

Secretary

President

Registrar

DISABILITY BENEFITS POLICY]

PROVISIONS REQUIRED BY STATUTE

As between an employee and the [Insurance Company], notice to or knowledge on the part of the Employer of the

employee of the occurrence of an injury or sickness suffered by the employee shall be deemed notice or knowledge, as the case may be, on the part of the [Insurance Company]; jurisdiction of the Employer of the employee shall, for the purpose of the Disability Benefits Law of the State of New York, be jurisdiction of the [Insurance Company] and the [Insurance Company] shall in all things be bound by and subject to the orders, findings or decisions rendered in connection with the payment of benefits under the provisions of said law.

The Chairman of the Workmen's Compensation Board of the State of New York shall have the right to enforce in the name of the people of the State of New York for the benefit of the person entitled to the benefits insured by this policy, either by filing a separate application or by making the [Insurance Company] a party to the original application, the liability of the [Insurance Company] in whole or in part for the payment of the benefits afforded hereunder, provided, however, that payment in whole or in part of such benefits by either the Policyholder, the Employer, or the [Insurance Company] shall to the extent thereof be a bar to the recovery against the others of the amount so paid.

Bankruptcy or insolvency of the Policyholder or an Employer shall not relieve the [Insurance Company] of any of its obligations under this policy.

Notwithstanding any other provision of this policy or any [rider or endorsement] made a part hereof, benefits payable under this policy or any such [rider or endorsement] in accordance with the provision of benefits made under the Disability Benefits Law of the State of New York by the Employer of the employee shall be payable at least to the extent and in the manner and subject to the conditions required by the terms of such provision of benefits, which provision is evidenced by this policy.

#### INFORMATION REQUIRED

The Policyholder shall furnish to the [Insurance Company] all information which the [Insurance Company] may reasonably require with regard to any matters pertaining to the insurance afforded by this policy. All documents, books, and records which may have a bearing on the insurance or premiums under this policy, shall be open for inspection by the [Insurance Company] at all reasonable times during the continuance of this policy and within three years after the final termination of this policy.

#### CLAIM NOTICES BY POLICYHOLDER OR EMPLOYER

Upon receipt by the Policyholder or the Employer of notice of disability written notice shall be given by or on behalf of the Employer and the Policyholder to the [Insurance Company] [or any of its authorized agents] as soon as practicable after the first day for which benefits may be payable with respect to such disability. [Such notice shall contain particulars sufficient to identify the Policyholder and the Employer and also reasonably obtainable information respecting the time, place, circumstances, and nature of the disability and the name and address of the employer. The Policyholder or the Employer shall give immediate notice to the [Insurance Company] with full particulars of any claim made on account of disability.

#### PREMIUMS

Note: Insert provisions relating to:

- (a) due dates of premiums, defining calendar-quarter when necessary,
- (b) policy years or policy anniversaries,
- (c) method of calculation of premiums,

(d) rights of changing premium rates at periodic intervals and in event of any change in the law,

(e) experience rating, if applicable.

Due to the variety of company practices on these points, the subcommittee has not attempted to draft any language for these items. Since the Disability Benefits refers to cancellation, reference should be made to "cancellation" of the policy not to "termination" or similar term.

#### [PARTICIPATING POLICY PROVISIONS]

For participating policies insert provisions to conform to company practice. Provisions shall not conflict with Special Provision Relating To Employee Contions.

#### SPECIAL PROVISION RELATING TO EMPLOYEE CONTRIBUTIONS

In accordance with the requirements of the Disability Benefits Law, any excess of the aggregate contributions of employees applied to the cost of insurance provided hereunder over the premiums paid by the Policyholder (less any amounts returnable under this policy) shall, under rules of the Chairman of the Workmen's Compensation Board, be paid to the Policyholder and distributed or applied for the sole benefits of employees or otherwise be applied or disposed of as prescribed in Section 216 of said law.

#### [ASSIGNMENT BY POLICYHOLDER]

Assignment or transfer of the Policyholder's interest under this policy shall not bind the Insurance Company without its written consent thereto.]

#### CANCELLATION OF POLICY

The [Insurance Company] may cancel this policy with respect to the employees of any one or more Employers at any time or times by furnishing to the Policyholder, to each Employer with respect to whose employees this policy is being canceled, and to the Chairman of the Workmen's Compensation Board of the State of New York written notice stating when, not less than ten days after the furnishing of such notice to the Chairman and to each Employer with respect to whose employees this policy is being canceled, cancellation shall be effective; except that if insurance with another insurance carrier becomes effective prior to the effective date of cancellation stated in any notice furnished under this paragraph, the cancellation shall be effective as of the effective date of such other insurance, rather than as of the date stated in such notice.

Cancellation of this policy as provided above may be effected by the [Insurance Company] in its own behalf or upon the written request of the Policyholder or of an Employer with respect to whose employees this policy is to be canceled.

Upon receipt by the [Insurance Company], not less than twenty days prior to any premium due date, of a written request either from the Policyholder that this policy be canceled with respect to the employees of any one or more Employers or from an Employer that this policy be canceled with respect to his employees, the [Insurance Company] shall effect such cancellation by exercising the cancellation privilege set forth in the first paragraph of this section and in the written notice referred to therein shall state such premium due date as the date such cancellation is to be effective.

[The Policyholder] [Each Employer] [The Policyholder and each Employer] shall be liable to the [Insurance Company] for all unpaid premiums for insurance on employees of such Employer. With respect to any cancellation of this policy, premiums shall be adjusted on a pro rata basis from the last premium due date to the date of cancelation. Any refund due shall be made to the Policyholder as soon as practicable.

STATUTORY ASSESSMENTS

Under the Disability Benefits Law the [Insurance Company] will pay the assessments levied on the total payrolls of employees covered under this policy pursuant to Sections 214-2, 214-3, and 228 of said Law.

The following data should be inserted in the policy at some convenient point or points

Policyholder:  
Address:  
Other Employers Included:

Classes of Employees Covered:

Policy Number:  
Effective Date of Policy:  
Initial Premium Rate:  
Premiums Payable:

Advisory Form H  
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For use with Advisory  
Forms A and B

[RIDER]

[Policy No. \_\_\_\_\_ is hereby amended in the following respects:]

All of the restrictions and limitations of the Disability Benefits Law shall apply to the insurance provided by the policy, except as specifically provided herein:

1. In lieu of the statutory waiting period, disability benefits shall commence with the first day of disability if the disability results from accidental bodily injury, or with the fourth consecutive day of disability if the disability results from sickness. The commencement of disability benefits at the earlier date specified herein shall not increase the maximum number of weeks for which benefits shall be paid.
2. In lieu of the statutory fraction of an employee's average weekly wage, the fraction used in determining his weekly benefits shall be two-thirds of his average weekly wage.
3. The maximum weekly benefit shall be thirty dollars, subject to the applicable percentage of average weekly wage.
4. The minimum weekly benefit shall be "fifteen dollars or the employee's average weekly wage if less than fifteen dollars", in lieu of the statutory minimum.
5. In lieu of the statutory maximum benefit period, the maximum number of weeks for which benefits shall be payable shall be twenty-six weeks [during a period of fifty-two consecutive calendar weeks or] during any one period of disability.

(The foregoing are shown as examples. Certain other provisions of the Disability Benefits Law may be modified as to the policy in similar manner if not already modified in the policy.)