

April 19, 1950

SUBJECT: INSURANCE

WITHDRAWN

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

Advisory Insurance Forms A, B, H, E and G, together with memoranda relative thereto, have already been sent to all insurance companies licensed to write benefits under the Disability Benefits Law. Final consideration has now been given to two additional forms, namely, Forms J and K, which are attached hereto, together with explanatory memorandum

ROBERT E. DINEEN

Superintendent of Insurance

ATTACHMENT

April 19, 1950

MEMORANDUM

ADVISORY INSURANCE POLICY FORMS UNDER THE DISABILITY BENEFITS LAW

The Disability Benefits Law (Chapter 600 of the Laws of 1949) permits employers to make provision for payment of benefits to covered employees by existing as well as new plans. A substantial number of existing plans are covered by insurance policies and can qualify for acceptance by the Workmen's Compensation Board without modification or amendment. In order to facilitate the filing of such plans for acceptance by the Workmen's Compensation Board the Insurance Department has given consideration to an advisory form of rider to be attached to existing policies. With the cooperation of the All-Industry Forms Committee a form to be known as "Advisory Form J" has been devised and is attached hereto. This form is designed for use with insurance policies which meet the "at least as favorable" test required by the Disability Benefits Law.

In some instances existing policies provide for contributions by employees in excess of the maximum statutory contribution set forth in the Disability Benefits Law. In those cases where "excess contributions" are being made by employees it will be necessary to include a provision relative thereto. For this purpose a clause has been devised to be known as "Advisory Form K" which form is hereto attached. The form may be used as a rider on existing policies.

Some new policies will provide for "excess contributions" by employees. The language contained in Advisory Form K will likewise be required in such cases. In all instances where the language of Form K is required it may be used in a rider or as a separate clause in the policy.

GENERAL

Advisory Forms J and K having been designed for use with existing policy forms will be used with forms now on

file with and which have been approved by the Insurance Department. It is also likely that Advisory Forms J and K will be used with policy forms now in use or developed for use in the future in states other than the State of New York. Under these circumstances the requirement previously laid down by this Department to the effect that the symbol "DBL" must be made a part of a company's form number will be inapplicable to policy forms which are not designed for use under the Disability Benefits Law, but which may be used with Forms J and K.

Advisory Form J

4/3/50

(For use with group accident and health policies in order to provide conformance to the Disability Benefits Law as to persons insured under the policies)

#### NEW YORK DISABILITY BENEFITS RIDER

This rider applies only with respect to such of the [insured persons]1 in the following classes as are subject to the provisions of the Disability Benefits Law of the State of New York or any laws amendatory thereof or supplementary thereto which are or may become effective during the continuance of this rider, which law is hereinafter referred to as the Disability Benefits Law.

#### CLASSES OF [INSURED PERSONS]1

The company agrees to pay benefits as provided by this policy with respect to any [insured person]1 who is entitled to receive benefits under the provisions of the Disability Benefits Law because of employment within any class stated above while this rider applies thereto. [Any such [insured person]1 whose employment terminates during the continuance of this rider shall, notwithstanding any cancelation of this policy, continue to be an [insured person]1 until the first day after such termination of employment on which such [insured person]1 performs any work for remuneration or profit but not beyond four weeks after such termination of employment.]2 [With respect to any such [insured person]1 whose employment terminates during the continuance of this rider, notwithstanding any cancelation of this policy, the company agrees to pay, in lieu of all other benefits provided by this policy, the disability benefits which such [insured person]1, because of employment within any class stated above while this rider applies thereto, is entitled to receive under Section 204 of the Disability Benefits Law for 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.]2

#### Provisions Required by Disability Benefits law

As between the [insured person]1 and the company, notice to or knowledge on the part of the employer [of the insured person]3 of the occurrence of an injury or sickness suffered by the [insured person]1 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]3 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]1, 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]4 [, the employer of the insured person]3 or the company shall to the extent thereof be a bar to the recovery against the other [s]3 of the amount so paid.

Bankruptcy or insolvency of the [policyholder]4 [or the employer of the insured person]3 shall not relieve the company of any of its obligations under the policy.

Notwithstanding any other provision of this policy or any [rider or endorsement]5 made a part hereof, benefits payable under this policy or any such [rider or endorsement]5 in accordance with the provision of benefits made under the Disability Benefits Law by the employer [of the insured persons]3 shall be payable 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.

#### Payment of Benefits

The first payment of benefits under [Part of]6 this policy with respect to any disability shall be due on the fourteenth day of disability and such benefits for that period shall be paid directly to the [insured person]1 within four business days thereafter or within four business days after the filing of required proof of claim, whichever is the later. Thereafter, such benefits shall be due and payable every two weeks in like manner. The Chairman of the Workmen's Compensation Board of the State of New York may determine that such benefits may be paid monthly or semi-monthly if wages were so paid, and may authorize deviation from the foregoing requirements to facilitate prompt payment of such benefits. In the event of such a determination or authorization, payment of such benefits may be made in accordance therewith. If any such benefits remain unpaid at the death of the [insured person]1, they shall be payable to the estate of the [insured person]1 or, at the option of the company, may be paid to the surviving spouse, parent, child or children of the deceased [insured person]1. Payment in accordance with the terms of this paragraph shall be a complete discharge of the company's obligations to the extent of such payment, and the company shall not be obligated to see to the application of any payment so made.

#### Cancellation of Rider

This rider may be canceled at any time by the company, in its own behalf or upon written request of the [policyholder]4 by furnishing written notice to the employer [of the insured persons]3 and to the Chairman of the Workmen's Compensation Board of the State of New York starting when, not less than ten days thereafter, cancellation shall be effective; provided, that if insurance with another insurance carrier has been obtained which becomes effective prior to the expiration of the time stated in the notice, the cancellation shall be effected as of the effective date of such other insurance.

This policy shall not be [terminated]5 prior to the date this rider is canceled in accordance with the foregoing provision.

#### 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 under this policy over the premiums paid by the [policyholder]4 (less any amounts returnable under this policy) shall, under rules of the Chairman of the Workmen's Compensation Board of the State of New York, be paid to the [policyholder]4 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.

#### Statutory Assessments

Under the Disability Benefits Law the company will pay the assessments levied on the total payrolls of [insured persons]1 covered under this policy pursuant to Sections 214-2, 214-3, and 228 of said law.

#### Reference Notes

1. May be amended to conform with policy designation of persons insured.
2. Alternative sentences provided. Include the sentence appropriate to the employer's provision of benefits.
3. To be omitted if policyholder is designated as the "employer".
4. May be amended to conform with policy designation of person to whom policy is issued.
5. May be amended to conform to requirements and practices of the company.
6. Indicate proper designation of that portion of policy under which weekly benefits are paid.

Advisory Form K

4/11/50

(For use on policies providing benefits under the Disability Benefits Law where contributions of employees exceed the maximum statutory contribution)

Minimum Contributions by [Employees] -- The maximum amount that any [employee] shall pay to the [employer] to apply toward the premium for the insurance afforded under [this policy] shall be [determined in accordance with the following schedule.]

Note: Matter in brackets may be amended at the option of the company. Language of this rider may be included in the policy or coverage rider at the option of the company.