

August 17, 1981

SUBJECT: INSURANCE

Circular Letter No. 15 (1981)

TO: ALL INSURERS LICENSED TO WRITE ACCIDENT AND HEALTH INSURANCE IN NEW YORK STATE

RE: DISABILITY BENEFITS LAW -- COVERAGE FOR MATERNITY

Chapter 352, Laws of 1981, which became effective on June 29, 1981, repeals Section 205, subdivision 3 of the Disability Benefits Law which limited entitlement to benefits to a period of 8 weeks for disability caused by or arising in connection with pregnancy, except for a period of disability occurring as a result of a complication of such pregnancy. In effect, the amendment eliminates the distinction between pregnancy-related and other disabilities with respect to eligibility and entitlement under the law.

Details are described in the July 14, 1981 bulletins DBIC, # 33, and DB # 69, issued by the Workers' Compensation Board. These bulletins were sent to all insurance carriers providing benefits under the Disability Benefits Law.

Currently, a substantial amount of "26 week" maternity coverage is already in force because of Federal statutory requirements, under assumptions outlined below. The assumptions which follow are intended to give insurers a guide to be used in implementing the change from 8 to 26 week maternity coverage, but are not intended as fixed standards for future rate calculations.

- 1.) An annual frequency of .022 for all working females. (Other frequencies, e.g., age-related frequencies, consistent with the above, will also be acceptable);
- 2.) An added duration of 3.2 weeks over prior statutory maternity benefits;
- 3.) An average benefit of \$ 75 per week per female employee where per capita rates are used;
- 4.) The expense loading for the additional benefit should be limited to no more than one third of net premiums.

Other bases used to compute gross premiums will be considered by the Department if the company has carefully documented credible experience as support.

All insurers writing D.B.L. coverage should submit appropriate rider forms and minimum rate filings (if necessary) as soon as possible to enable the Department to review all submissions in a reasonable time frame. Where permissible by law, rate filings will be made effective June 29, 1981.

Please note that the maximum benefit level was not changed by any of the above comments.

Very truly yours,

[SIGNATURE]

ALBERT B. LEWIS

Superintendent of Insurance