

December 31, 1984

SUBJECT: INSURANCE

WITHDRAWN  
(EFF. 12-4-03)

DATED: DECEMBER 31, 1984  
SUPPLEMENT NO. 4 TO CIRCULAR LETTER NO. 16 (1981)

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

RE : REDUCTION IN NO-FAULT LOSS OF EARNINGS BENEFITS FOR QUALIFIED WAGE CONTINUATION PLANS.

Section 5102(a)(2) [formerly Section 671(1)] of the Insurance Law contains a provision that requires insurers to reduce gross loss of earnings from work by benefits paid under what have become known as "qualified wage continuation plans" when calculating no-fault first party benefits payable for loss of earnings.

In order for a particular wage continuation plan to qualify for purposes of the aforementioned provision, it must meet all of the following three conditions:

- (1) the applicant must be entitled to receive the same level of wage continuation benefits for a subsequent unrelated accident or illness when he or she returns to work after recovering from the injuries sustained in the motor vehicle accident;
- (2) benefits for a subsequent unrelated accident must be equal in both time and amount to the wage continuation benefits to which the applicant was entitled as a result of the injuries suffered in the motor vehicle accident; and
- (3) wage continuation benefits for a subsequent disability must be immediately available, without any requirement that the applicant work a stated period of time before full benefits are restored.

If these three conditions are met, the plan will generally qualify.

In addition, for all "qualified plans" that provide benefits less than one hundred percent (100%) of the employee's salary, the insurer should reduce the amount paid under the "plan" by the amount required to be paid in satisfaction of the New York State Disability Law. Only the excess over the New York State Disability Benefits is a "qualified wage continuation plan" benefit.

In order to provide for consistent application of this provision, the Insurance Department has been reviewing plans submitted by insurers and employers and classifying them as either "qualified" or "non-qualified". The revised lists appended hereto contain additional plans reviewed since the November 2, 1983 issuance of Supplement No. 3 to this Circular Letter.

Insurers are reminded that insureds covered by a "qualified wage continuation plan" are entitled to a premium reduction to reflect the insurer's reduced exposure to loss, pursuant to Section 2330 [formerly Section 677(6)] of the Insurance Law. Insurers must grant the premium reduction upon receipt of information that the insured is entitled to benefits under a qualified wage continuation plan.

Insurers are again requested to submit for approval, to the address shown below, details of any other plans that 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. Please note that long-term disability plans, which generally become effective six months after the date disability begins, are not qualified wage continuation plans.

Martin Reis, Examiner  
Property & Casualty Insurance Bureau  
New York State Insurance Department  
160 West Broadway  
New York, New York 10013

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN

Superintendent of Insurance

ATTACHMENT

QUALIFIED PLANS

EMPLOYER	COVERED EMPLOYEES AND BENEFITS
ARCO Metals Co.	Hourly Employees - Entitled to up to \$ 145 per week for up to 26 weeks per disability. Salaried Employees - Entitled to full salary for up to 6 months per disability, after one year of service.
Bedford Central School District	Teachers on Tenure. Maximum of 2 years at full pay.
** Boys' Club of New York	All employees with a least six months of service. From 2 to 26 weeks at full pay dependent upon length of service.
*** Chevrolet, Inc.	All employees represented by the

## QUALIFIED PLANS

EMPLOYER	COVERED EMPLOYEES AND BENEFITS
Corning Glass Works	<p>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 contained in U.A.W. contract.</p> <p>Hourly Roll Employees - Entitled to an "Enriched Disability Plan", which provides up to \$ 160 per week for a maximum of 26 weeks per disability.</p> <p>Other Than Hourly Roll Employees - Entitled to from 1 to 26 weeks of full pay per disability, depending upon length of service. The "Enriched Disability Plan" (see hourly roll employees above) is used (up to \$ 160 per week maximum) only to supplement the wage continuation benefit when full salary benefits have been exhausted. Insurers must ascertain the number of weeks to which the eligible injured person is entitled.</p>
Depository Trust Co.	<p>Professional, administrative, supervisory employees, guards and confidential secretaries are entitled to full salary for up to 180 days.</p>

## QUALIFIED PLANS

EMPLOYER	COVERED EMPLOYEES AND BENEFITS
* Federal District Court	Justices only.
** F.M.C. Corporation	Hourly Employees only. Full time hourly employees with at least 12 months service: 13 to 58 weeks, dependent upon length of service; payable at 85% to 100% of salary, dependent upon length of disability.
Ford Motor Co.	See Chevrolet (above)
G.A.T.X. Corp. (American Steamship Corp.)	All employees. From one to six months at full pay; or combination of full pay and 2/3 pay for a maximum of six months, depending upon length of service.
General Electric Co.	All employees. Level I benefits- 20 days each 12 months, at full pay. No-Fault insurers are required to pay full no-fault benefits (no reduction) when this benefit period is utilized, since as the time is used, it is lost. However, insurers are entitled to the applicable weekly disability offset. Level II Benefits - Payable only after Level I Benefits have been exhausted. Benefits are equal to 60% of employee's weekly salary up to a maximum weekly benefit of \$ 200 for up to 26 weeks.

## QUALIFIED PLANS

EMPLOYER	COVERED EMPLOYEES AND BENEFITS
* Greenwich Fixture Co.	Officers of the company not covered by the union plan.
** Gulf & Western Industries.	From 1 to 26 weeks, dependent upon length of service; payable at 60% to 100% of salary, dependent upon length of disability.
** Houdaille Industries, Strippit Division	Full time permanent salaried employees: 90 days at 100% of basic salary, followed by 90 days at 50% of basic salary.
Ingersoll - Rand Co.	Union employees - \$ 145 per week for a maximum of 52 weeks. Salaried Employees - Full salary for 3 to 26 weeks; or combination of full pay and 60% of salary for a maximum of 26 weeks, depending upon length of service.
** John Hancock Mutual Life Ins. Co.	District Agents Only. From 8 to 104 weeks, dependent upon length of service; 100% of salary for first week, 2/3 of salary for remaining period of eligibility.
* Village of Mamaroneck, N.Y.	Police Officers.
* Manhasset Union Free School District	All professional personnel including teaching and

## QUALIFIED PLANS

EMPLOYER	COVERED EMPLOYEES AND BENEFITS
	administrative staff.
Motorola, Inc.	All employees, after 1 year of service are entitled to: 1. 90 days at full pay; and 2. next 90 days at half pay.
* New York City	Employees in the uniformed services of Police, Fire, Corrections and Sanitation Departments only.
New York State Electric and Gas Corp.	Hourly Employees - (with more than 6 months service) - entitled to 85% of basic earnings (40 hour week) for up to 26 weeks per disability. Salaried Employees - Entitled to full salary for a specified period of time, based on length of service. Insurer must ascertain benefit period eligible injured person is entitled to.
Niagara Mohawk Power	All employees. Benefits are payable for up to 26 weeks at 100% of salary.
Occidental Chemical Corp.	All employees (after successful completion of probationary period) - 55% of base salary for a maximum of 26 weeks per disability.

## QUALIFIED PLANS

EMPLOYER	COVERED EMPLOYEES AND BENEFITS
J.C. Penney	All employees working more than 20 hours per week (after 13 weeks of service) - Combination of full pay and 1/2 pay for a maximum of 26 weeks, depending upon length of service, after a waiting period of 0-5 days, depending upon length of service.
Prudential Property and Casualty Ins. Co.	All Employees: (Level I) 10, 15, or 20 days at full pay per year depending upon length of service. (Level II) Payable only after initial period benefits have been exhausted. Benefits are equal to: (1) 75% of base salary for employees with less than 5 years of service, payable for up to 26 weeks per disability; or (2) 90% of base salary for employees with 5 or more years of service, payable for up to 52 weeks per disability.
** Remington Arms Co.	All employees with at least one year of continuous service. Full wages for a maximum of 6 months.
Reynolds Metals Co.	Employees with less than 2 years of service - up to 26 weeks per disability. Employees with more than 2 years of service - up to 104 weeks per disability.

## QUALIFIED PLANS

EMPLOYER	COVERED EMPLOYEES AND BENEFITS
	Benefits range from \$ 235 per week to \$ 303 per week, depending upon an employee's "Insurance Class".
** Savin Corporation	All permanent, full time, non-union employees with at least 90 days continuous service. From 2 to 26 weeks at 100% of salary, or combination of 100% and 66 2/3%, dependent upon length of service.
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.
** Sterling Drug, Inc.	All salaried employees who regularly work at least 20 hours per week. From one-half to six months at 100% of salary, or combination of 100% and 60% (dependent upon length of service), commencing on the eighth calendar day of absence.
* U.S. Armed Forces	All members of the Armed Forces.
Westinghouse Electric Corp.	All employees scheduled to work 24 or more hours per week are entitled to approximately 60% of weekly salary up to a maximum of \$ 225 per week for up to 26 weeks per disability.

## QUALIFIED PLANS

## EMPLOYER

## COVERED EMPLOYEES AND BENEFITS

\* City of Yonkers, N.Y.

Police Officers.

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

\*\* Plans reviewed since Supplement No. 3 was issued (November 2, 1983).

\*\*\* Applies to employees of all divisions of General Motors who are represented by the U.A.W.

## NON-QUALIFIED PLANS

Alliance Tool Corp.

\*\* Almor Corp.

\*\* American Airlines

Amos Post, Inc.

\*\* A.S.C.A.P.

Associated Metals and

Minerals Corp.

\*\* Town of Babylon

\*\* Bankers Life & Casualty

Co. of N.Y.

\*\* Bethlehem Steel Corp.

Bristol Labs a.k.a. Bristol

Myers

\*\* The Brookdale Hospital

Medical Center

\*\* Buffalo Color Corp.

Buffalo Envelope

\*\* Carpenter Technology Corp.

C.D.I. Corp.

Celanese Corp.

\*\* CIBA-GEIGY CORP.

Fisher - Price Toys

\*\* Genesee Nursing Home

W.W. Granger, Inc.

\*\* Graphic Controls Corp.

\*\* Halcon SD Group, Inc.

Harris Corp.

Hart Schaffner and Marx

(Wallachs)

I.B.M.

International Telephone and

Telegraph Corp. (ITT)

Ivy Hill Corp.

\*\* Janney Montgomery

Scott Inc.

\*\* Leviton Manufacturing Co.

Lightron of Cornwall, Inc.

Longines - Wittnauer Watch Co.

MacMillan, Inc.

Management Assistance, Inc.

Montgomery Ward

M.O.N.Y.

NON-QUALIFIED PLANS

Community Savings Bank	** Morgan Guaranty Trust
Computer Task Group	Co. of N.Y.
Consolidated Edison Co.	** Nassau Recycle Corp.
** Control Data Corp.	National Bulk Carriers
** Dairylea Cooperative Inc.	Nationwide Insurance Co.
Dellwood Foods, Inc.	Nestle
Dobbs Ferry U.F.S.D.	** New York Air Brake Co.
Eastman Kodak	New York Daily News
Elmira College	New York State Employees
** The Equitable Life	New York Telephone Company
Assurance Society	New York Times
** Price Chopper Supermarkets	
Rochester Telephone	
** St. Elizabeth Hospital (Utica)	
So. Huntington Schools	
U.F.S.D. # 13	
Sperry Rand	
State University of New York	
Syosset General School District	
** United States Postal Service	
Western Electric	

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 5102(b)(2)[formerly Section 671(2)(b)] of the Insurance Law.

\*\* Plans reviewed since Supplement No. 3 was issued (November 2, 1983)