

October 16, 1987

SUBJECT: INSURANCE

Circular Letter No. 17 (1987)

October 16, 1987

TO: ALL PROPERTY/CASUALTY INSURANCE COMPANIES AUTHORIZED TO WRITE GENERAL LIABILITY INSURANCE IN THIS STATE

RE: SCOPE, PRICING & RATING OF COMMERCIAL UMBRELLA POLICIES WORKERS' COMPENSATION & EMPLOYERS' LIABILITY COVERAGES

Our review of current Commercial Umbrella "a" rate filings reveals that a number of insurers include Workers' Compensation and Employers' Liability policies in the schedules of underlying policies.

In New York State, Coverage A is unlimited with respect to the insured's employees who sustain bodily injury by accident or disease arising out of and in the course of employment when the employee and the insured employer are subject to the New York Workers' Compensation Law. In addition, there is a \$ 100,000 minimum limitation in instances where the employee or employer is not subject to the New York Workers' Compensation Law, such as injuries falling under the federal Longshore Harbor Workers' Act. These Workers' Compensation rules and requirements also apply to Employers' Liability Coverage B.

Therefore, commercial umbrella policies should not contemplate these coverages. Consequently, rate and form filings of Employers' Liability and Workers' Compensation should not be shown as underlying coverages nor included in computing the umbrella premium.

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN

SUPERINTENDENT OF INSURANCE