



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
25 BEAVER STREET
NEW YORK, NEW YORK 10004

George E. Pataki
Governor

Gregory V. Serio
Superintendent

**Circular Letter No. 6 (2003)
March 7, 2003**

TO: All Insurers Authorized to Write Life Insurance and Annuities, Including Life Insurers, Fraternal Benefit Societies

RE: War Risk Exclusions for Life Insurance

STATUTORY REFERENCE: Insurance Law Sections 336, 3201(c)(4), 3203, 3203(c)(4), 3203(c)(5) and 4510

The purpose of this Circular Letter is to remind insurers and fraternal benefit societies of certain provisions in the Insurance Law concerning war risk exclusions for the payment of life insurance death benefits.

I. War Risk Exclusion; Notification Pursuant to Section 336.

Prior to a life insurer commencing the issuance of life insurance policies which contain any provision that restricts or excludes payment of the life insurance death benefit in the event of death as the result of war or the special hazards incident to service as defined in subsection (c) of Section 3203 of the Insurance Law, such insurer shall notify the superintendent specifying how, when, where and to which class of persons such provision will apply and shall also notify the superintendent when it ceases issuing such policies. The superintendent shall make such information known to the public in such manner and at such times as shall be determined by the superintendent.

II. Notice of War Exclusion Must Appear on Face Page Pursuant to Section 3201(c)(4).

The superintendent shall not approve any life insurance policy form containing any war or travel exclusion or restriction, for delivery or issuance for delivery in this state, unless such policy form shall have printed or stamped across its face in red and in capital letters not smaller than twelve point type the following:

"Read your policy (certificate) carefully.

"Certain (war, travel) risks are not assumed.

(state which or both)

In case of any doubt write your company (society) for further explanation."

III. Legislative Intent in Permitting War Exclusions Pursuant to Section 3203(c)(4).

In permitting war exclusions, it is the legislative intent that such exclusions are not to be construed or interpreted as exclusions because of the status of the insured as a member of any armed forces or attached civilian units, or because of the presence of the insured as a civilian in a combat area or area adjacent thereto. Such permissible exclusions shall be construed and interpreted according to the fair import of their terms so as not to exclude deaths due to diseases or accidents which are common to the civilian population and are not attributable to special hazards to which a person serving in such forces or units is exposed in the

line of duty.

IV. Termination of War Risk Exclusions Pursuant to Section 3203(c)(5).

Any war exclusion shall terminate six months after the end of the war in which the insured was engaged or the war which the insured was likely to engage in at the time of application for this policy, after the discharge, release or separation of the insured from active military service, after the demobilization of the insured, or after the insured permanently leaves the war area, whichever occurs first. The end of war shall be determined by an order of the president of the United States or by federal law or shall be deemed to occur on the effective date of an agreement or declaration to end all hostilities which has been adopted or accepted by all armed forces involved therein, or in the absence of such an agreement or declaration at the end of ninety continuous days from the end of all hostilities.

V. Notice of War Restrictions in Applications Pursuant to Section 45.1 of Regulation 19 (11 NYCRR 45).

All insurers writing life insurance policies subject to Section 3203 and all fraternal benefit societies writing life insurance certificates subject to Section 4510 which contain war restrictions are required to insert in their application forms a notice that war restrictions will be included in such policies or certificates.

Please direct all inquiries to Kathleen A. Nelligan, Chief Insurance Attorney, Life Bureau – Suite 1910, State of New York Insurance Department, One Commerce Plaza, Albany, New York 12257 or knelliga@ins.state.ny.us

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Chief Insurance Examiner 1