S T A T E  O F  N E W  Y O R K

4482

2009-2010 Regular Sessions

I N  S E N A T E

April 23, 2009

Introduced by Sen. ADAMS -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to the suicide of a police officer due to the stress of such occupation

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Clause (B) of paragraph 1 of subsection (b) of section 3203 of the insurance law is amended to read as follows:

(B) suicide within two years from the date of issue of the policy; PROVIDED, HOWEVER, THAT THE SUICIDE OF A POLICE OFFICER SHALL NOT BE EXCLUDED OR RESTRICTED DURING THE TWO YEARS FROM THE DATE THAT THE INSURED BECAME COVERED UNDER THE POLICY WHEN THE SUICIDE IS RELATED TO THE STRESS OF SUCH OCCUPATION;

S 2. Clause (C) of paragraph 5 of subsection (e) of section 3209 of the insurance law, as amended by chapter 616 of the laws of 1997, is amended to read as follows:

(C) guaranteed amount payable upon death at the beginning of the policy year regardless of the cause of death, other than suicide; PROVIDED, HOWEVER, THAT THE SUICIDE OF A POLICE OFFICER SHALL NOT BE EXCLUDED OR RESTRICTED UNDER THE POLICY WHEN THE SUICIDE IS RELATED TO THE STRESS OF SUCH OCCUPATION; or other specifically enumerated exclusions, which is provided by the basic policy and each optional rider, with benefits provided under the basic policy and each rider shown separately;

S 3. Paragraph 6 of subsection (a) of section 3220 of the insurance law, as amended by chapter 287 of the laws of 1997, is amended to read as follows:

(6) That if the insurance on an employee or member covered under the policy, other than one issued in accordance with paragraph three or eight of subsection (b) of section four thousand two hundred sixteen of this chapter, (A) ceases because of termination of (i) employment or of membership in the class or classes eligible for coverage under the poli-

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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cy, or (ii) the policy, or (B) is reduced (i) in the case of a policy covering an employee or union member under a plan arranged by the insured person's employer or union, on or after the employee's or union member's attainment of age sixty in any increment or series of increments aggregating twenty percent or more of the amount of coverage in force before the first reduction on account of such age, (ii) in the case of a policy covering any member other than as described in item (i) of this subparagraph, at the time of the first reduction of insurance, (iii) due to change in class or (iv) due to an amendment of the policy to take effect immediately or at any subsequent date, such employee or such member shall be entitled to have issued to him by the insurer, without evidence of insurability, upon application made to the insurer within thirty-one days after such termination or reduction of insurance and payment of the premium applicable to the class of risk to which he belongs and to the form and amount of the policy at his then attained age, a policy of life insurance only, in any one of the forms customarily issued by such insurer, except term insurance, in an amount equal to the amount of his protection under such group insurance policy at the time of such termination or reduction, less any amount of life insurance remaining in force, except however, in the case of a reduction in accordance with item (ii) of subparagraph (B) of this paragraph, in an amount equal to eighty percent of his insurance coverage under such group policy immediately prior to such reduction. Under a group policy issued pursuant to paragraph twelve, thirteen or fourteen of subsection (b) of section four thousand two hundred sixteen of this chapter, an insured shall be entitled to convert, just as if he had terminated membership in the class or classes eligible for coverage, within thirty-one days after notice from the insurer that, in order to continue his coverage under the group policy, he must contribute more than one hundred thirty-three percent of the net premiums computed according to the Commissioners 1960 Standard Group Mortality Table at three percent interest. The group policy may contain a provision that if the policyholder or insurer shall terminate the policy, the amount of life insurance that may be converted shall in no event exceed the amount of such employee's or member's life insurance protection less any amount of life insurance for which he may be or may become eligible under any group policy issued or reinstated by the same or another insurer within forty-five days after the date of such cessation. However, at the option of such employee or member, he shall be entitled to have issued to him in accordance with the conditions prescribed above, a policy of life insurance only, in any one of such forms, preceded by term insurance for a period of one year with the premium payable, at the option of the employee or member, in any mode customarily offered by the insurer. In addition, the group policy shall contain a provision that if the coverage of an employee or member ceases because of termination of employment due to the employee's total and permanent disability or termination of membership due to the member's total and permanent disability, the employee or member, at the option of such employee or member, shall be entitled to have issued to him, a policy of life insurance only, in any one of such forms, preceded by term insurance for a period of one year with the premium payable, at the option of the employee or member, in any mode customarily offered by the insurer, in the amount of such employee's or member's life insurance protection in effect immediately before termination, less the amount of any life insurance which is replaced with the same or another insurer within forty-five days after cessation of the group life insurance protection. Each such group poli-

cy shall contain a further provision to the effect that upon the death of any such employee or member during such thirty-one day period and before any such individual policy has become effective, the amount of insurance for which such employee or member was entitled to make application shall be payable as a death benefit by the insurer; provided, however, each such policy may contain a provision obligating the policyholder to pay a premium to the insurer for coverage extended during such thirty-one day period in the event the extension of coverage is a direct result of the policyholder's voluntary termination of the policy and the policyholder replaces coverage under the policy within six months of its termination either with the insurer or with another insurer. The individual conversion policy may provide that any statement made by the person insured under the group policy relating to his insurability under such group policy may be used in contesting the validity of the insurance under the individual conversion policy to the same extent that such statement could have been used in contesting the validity of his insurance under the group policy if his insurance under the group policy had not ceased. An individual conversion policy shall not exclude or restrict liability in the event of suicide of the insured after two years from the date that the insured became covered under the group policy; PROVIDED, HOWEVER, THAT THE SUICIDE BY A POLICE OFFICER SHALL NOT BE EXCLUDED OR RESTRICTED DURING THE TWO YEARS FROM THE DATE THAT THE INSURED BECAME COVERED UNDER THE POLICY WHEN THE SUICIDE IS RELATED TO THE STRESS OF SUCH OCCUPATION. Notwithstanding the foregoing, the superintendent may require conversion or continuation of insurance under conditions as set forth in a regulation for insureds under a policy issued in accordance with paragraph three of subsection (b) of section four thousand two hundred sixteen of this chapter.

S 4. Clause (D) of paragraph 1 of subsection (b) of section 4510 of the insurance law is amended to read as follows:

(D) as a result of suicide within two years from the date of issue of the certificate; PROVIDED, HOWEVER, THAT THE SUICIDE OF A POLICE OFFICER SHALL NOT BE EXCLUDED OR RESTRICTED DURING THE TWO YEARS FROM THE DATE THAT THE INSURED BECAME COVERED UNDER THE POLICY WHEN THE SUICIDE IS RELATED TO THE STRESS OF SUCH OCCUPATION;

S 5. This act shall take effect on the ninetieth day after it shall have become a law.