

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:

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

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

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

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

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

21 (6) That if the insurance on an employee or member covered under the
22 policy, other than one issued in accordance with paragraph three or
23 eight of subsection (b) of section four thousand two hundred sixteen of
24 this chapter, (A) ceases because of termination of (i) employment or of
25 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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1 cy, or (ii) the policy, or (B) is reduced (i) in the case of a policy
2 covering an employee or union member under a plan arranged by the
3 insured person's employer or union, on or after the employee's or union
4 member's attainment of age sixty in any increment or series of incre-
5 ments aggregating twenty percent or more of the amount of coverage in
6 force before the first reduction on account of such age, (ii) in the
7 case of a policy covering any member other than as described in item (i)
8 of this subparagraph, at the time of the first reduction of insurance,
9 (iii) due to change in class or (iv) due to an amendment of the policy
10 to take effect immediately or at any subsequent date, such employee or
11 such member shall be entitled to have issued to him by the insurer,
12 without evidence of insurability, upon application made to the insurer
13 within thirty-one days after such termination or reduction of insurance
14 and payment of the premium applicable to the class of risk to which he
15 belongs and to the form and amount of the policy at his then attained
16 age, a policy of life insurance only, in any one of the forms customar-
17 ily issued by such insurer, except term insurance, in an amount equal to
18 the amount of his protection under such group insurance policy at the
19 time of such termination or reduction, less any amount of life insurance
20 remaining in force, except however, in the case of a reduction in
21 accordance with item (ii) of subparagraph (B) of this paragraph, in an
22 amount equal to eighty percent of his insurance coverage under such
23 group policy immediately prior to such reduction. Under a group policy
24 issued pursuant to paragraph twelve, thirteen or fourteen of subsection
25 (b) of section four thousand two hundred sixteen of this chapter, an
26 insured shall be entitled to convert, just as if he had terminated
27 membership in the class or classes eligible for coverage, within thir-
28 ty-one days after notice from the insurer that, in order to continue his
29 coverage under the group policy, he must contribute more than one
30 hundred thirty-three percent of the net premiums computed according to
31 the Commissioners 1960 Standard Group Mortality Table at three percent
32 interest. The group policy may contain a provision that if the policy-
33 holder or insurer shall terminate the policy, the amount of life insur-
34 ance that may be converted shall in no event exceed the amount of such
35 employee's or member's life insurance protection less any amount of life
36 insurance for which he may be or may become eligible under any group
37 policy issued or reinstated by the same or another insurer within
38 forty-five days after the date of such cessation. However, at the option
39 of such employee or member, he shall be entitled to have issued to him
40 in accordance with the conditions prescribed above, a policy of life
41 insurance only, in any one of such forms, preceded by term insurance for
42 a period of one year with the premium payable, at the option of the
43 employee or member, in any mode customarily offered by the insurer. In
44 addition, the group policy shall contain a provision that if the cover-
45 age of an employee or member ceases because of termination of employment
46 due to the employee's total and permanent disability or termination of
47 membership due to the member's total and permanent disability, the
48 employee or member, at the option of such employee or member, shall be
49 entitled to have issued to him, a policy of life insurance only, in any
50 one of such forms, preceded by term insurance for a period of one year
51 with the premium payable, at the option of the employee or member, in
52 any mode customarily offered by the insurer, in the amount of such
53 employee's or member's life insurance protection in effect immediately
54 before termination, less the amount of any life insurance which is
55 replaced with the same or another insurer within forty-five days after
56 cessation of the group life insurance protection. Each such group poli-

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

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

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

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