

3983

2011-2012 Regular Sessions

I N S E N A T E

March 11, 2011

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.