§ 4237. Blanket accident and health insurance. (a) (1) Any policy or contract of insurance against death or injury resulting from accident which insures a group of persons conforming to the requirements of one of the subparagraphs (A) through (F) of paragraph three hereof shall be deemed a blanket accident policy.

(2) Any policy or contract which insures a group of persons conforming to the requirements of subparagraph (C), (E) or (F) of paragraph three hereof against total or partial disability, excluding such disability from accident, shall be deemed a blanket health insurance policy.

(3) Any policy or contract of insurance which combines the coverage of blanket accident insurance and of blanket health insurance on such a group of persons shall be deemed a blanket accident and health insurance policy:

(A) Under a policy or contract issued to any railroad, steamship, motorbus or airplane carrier of passengers, which shall be deemed the policyholder, a group defined as all persons who may become such passengers may be insured against death or bodily injury either while, or as a result of, being such passengers.

(B) Under a policy or contract issued to an employer, who shall be deemed the policyholder, covering any group of employees defined by reference to exceptional hazards incident to such employment, insuring such employee against death or bodily injury resulting while, or from, being exposed to such exceptional hazards.

(C) Under a policy or contract issued to an institution of higher education, as defined in the higher education act of 1965, 20 U.S.C. § 1001, other school, or other institution of learning or to the head or principal thereof, who or which shall be deemed the policyholder, provided, with respect to a policy or contract issued to an institution of higher education, the policy or contract shall be a policy or contract:

(i) of hospital, medical, or surgical expense insurance that meets the requirements of section three thousand two hundred forty of this chapter;

(ii) that provides limited scope dental or vision benefits meeting the definition of "excepted benefits" set forth in section 2791 of the public health service act, 42 U.S.C. § 300gg-91(c); or

(iii) as described in item (ii), (iii) or (iv) of subparagraph (B) of

paragraph one of subsection (a) of section three thousand two hundred forty of this chapter.

(D) Under a policy or contract issued in the name of

(i) any county, city, town, village or fire district,

(ii) any duly organized fire department, or fire company, of any such municipal corporation or fire district, whether or not any such corporation has been incorporated under any general or special law,

(iii) any fire corporation incorporated under or subject to the provisions of section one thousand four hundred two of the not-for-profit corporation law, or any general or special law, if such corporation is by law under the general control of, or recognized as a fire corporation by, the governing board of a city, town, village or fire district, which municipal corporation, fire district, fire department, fire company or fire corporation, as the case may be, shall be deemed the policyholder, covering all, but not less than twenty-five, volunteer members of such department, company or corporation. A district corporation which has the general powers of and operates as a fire district shall be considered a fire district for the purposes of this paragraph. A volunteer firefighter whose services are offered and accepted pursuant to the provisions of section two hundred nine-i of the general municipal law shall be deemed a volunteer member of any such fire department, fire company or fire corporation except for the purpose of determining the minimum number of twenty-five volunteer members for which any such policy or contract must provide coverage. Any such policy or contract issued to a municipal corporation or a fire district shall be subject to any limitations on the amount, coverage or benefits as are set forth in any applicable general, special or local law or city or village charter.

(E) Under a policy or contract issued to and in the name of an incorporated or unincorporated association of persons having a common interest or calling, which association shall be deemed the policyholder, having not less than fifty members, covering all the members of such association or if part or all of the premium is to be derived from funds contributed by the insured members and if the opportunity to take such insurance is offered to all eligible members, then such policy must cover not less than seventy-five percent of any class or classes of members determined by conditions pertaining to membership in the

association.

(F) Under a policy or contract issued to insure; (i) any other substantially similar group approved by the superintendent as eligible for insurance under a blanket accident and health insurance policy or contract; or (ii) any other group approved by the superintendent upon a finding that: (I) there is a common enterprise or economic or social affinity or relationship; (II) the premiums charged are reasonable in relation to the benefits provided; and (III) the issuance of the policy would result in economies of acquisition or administration, would be actuarially sound, and would not be contrary to the best interest of the public. The superintendent shall promulgate regulations setting forth any such groups that have been accepted as qualifying pursuant to this subparagraph.

(b) All benefits under any blanket accident, blanket health or blanket accident and health insurance policy shall be payable to the person insured, or to his designated beneficiary or beneficiaries, or to his estate, except that if the person insured be a minor, such benefits may be made payable to his parent, guardian, or other person actually supporting him, or to a person or persons chiefly dependent upon him for support and maintenance.

(c) This section shall not affect the legal liability of policyholders for the death of or injury to, any such member of such group.

(d) (1) Any dividend hereafter apportioned on any participating blanket insurance policy, or any rate reduction hereafter made or continued on any non-participating blanket policy for the first or any subsequent year of insurance under any such policy heretofore or hereafter issued under item (ii) of subparagraph (F) of paragraph three of subsection (a) of this section may be applied to reduce the policyholder's part of the cost of such policy, except that the excess, if any, of the insured's aggregate contribution under the policy over the net cost (gross premium less dividends or rate reductions) of the insurance shall be applied at the discretion of the insurer either as a cash payment to the insured or to reduce the insured's premium, unless the insured assigns the dividend or rate reduction to the policyholder. If a dividend or rate reduction is payable upon termination of the policy the insurer shall either make payment to the insured or to the policyholder upon receipt of a certification from the policyholder that

the dividend or rate reduction will be distributed by the policyholder to the insureds or applied to reduce the insured's premium.

(2) The provisions of paragraph one of this subsection shall apply to New York residents insured under a policy issued in any other jurisdiction to a group which is not of the type described in subparagraphs (A) through (E) and item (i) of subparagraph (F) of paragraph three of subsection (a) of this section.

(e)(1) For the purposes of any policy or contract of insurance issued pursuant to this section, the term "employees" may include officers, managers, employees and retired employees of the employer, and of subsidiary or affiliated corporations of a corporate employer; and the individual proprietors, partners, employees and retired employees of affiliated individuals and firms controlled by the insured employer through stock ownership, contract or otherwise; and the individual proprietor or partners if the employer is an individual proprietorship or partnership.

(2) For purposes of subparagraph (B) of paragraph three of subsection (a) of this section, the term "employees" may also include the directors of the employer, and of subsidiary or affiliated corporations of a corporate employer.