

May 10, 1985

SUBJECT: INSURANCE

WITHDRAWN

Supplement No. 1 to Circular Letter No. 2 (1985)

May 10, 1985

TO: ALL INSURERS AUTHORIZED TO TRANSACT PROPERTY AND CASUALTY INSURANCE BUSINESS
IN THIS STATE AND RATE SERVICE ORGANIZATIONS

RE: MANDATORY WORKERS' COMPENSATION COVERAGE UNDER COMPREHENSIVE PERSONAL
LIABILITY AND HOMEOWNERS POLICIES

This will supplement Circular Letter No. 2 (1985) dated January 31, 1985, which advises insurers regarding the provisions of Section 3420 (j) of the Insurance Law, as recodified, requiring certain mandatory Workers' Compensation Coverage under Comprehensive Personal Liability and Homeowners Policies issued or renewed in this State on or after March 1, 1985.

We have received communications from carriers who have expressed interest in voluntarily providing the aforementioned coverage on policies which have been in effect prior to March 1, 1985 and have not as yet come up for renewal subsequent to that date, at no additional charge to the insured, until the policy renewal date.

In view of the public policy, that this coverage is beneficial to the residents of this State, the Department hereby advises that insurers may voluntarily roll this coverage onto applicable policies that were in effect prior to March 1, 1985 and have not as yet been renewed. It is our interpretation of Chapter 540 of the Laws of 1984 that it confers authority as of March 1, 1985 to write workers' compensation coverage on insurers which would not otherwise have such authority, in connection with applicable policies that were in effect prior to March 1, 1985 and have not as yet been renewed. Forms to be used for this purpose should be filed with this Department for approval, as set forth in Circular Letter No. 2 (1985).

It is understood that in most instances no charge will be made for this voluntary interim coverage which will be granted to all applicable insureds, who, upon renewal would be charged for the mandatory coverage at rates which would be as filed by the carrier with the Department. If a carrier seeks to charge for the interim coverage it should obtain the consent of the insured for the added coverage.

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN

Superintendent of Insurance