To the Members of the Board

RE: New York Workers Compensation
World Trade Center Tragedy
Part Three C Other States Insurance

The Rating Board has received several inquiries concerning Other States Insurance following the attack on the World Trade Center. The Other States Insurance coverage is intended to provide temporary automatic coverage for new operations in other states or for an employer’s incidental exposure in another state.

There are several scenarios that have arisen because of this disaster. We are providing the following information since the rules that generally apply to multiple locations may not apply in this situation since an employer’s primary or only business location may have been located in the disaster area. Under normal circumstances the employer was considered a New York employer, however, they may no longer be considered New York employers.

We are providing the following facts and suggestions so that employers are afforded workers compensation insurance coverage based upon their current operating situations commencing on or after September 12, 2001.

$ A business was located in the disaster area, has a current policy, is not in operation now and has not set up another location in New York or any other state.

It is suggested that the carrier cancel the current policy and, if it is canceled, it be canceled on a pro rata basis.

$ A business was located in the disaster area, has a current policy and has resumed business at another location in New York State.

The new location of business should be endorsed onto the existing policy. All locations of an employer are automatically covered under the policy, however, the new location may be needed for reinsurance purposes.
It does not appear that the New York Designated Workplace Cancelation Endorsement and Notice of Partial Cancelation (WC 31 03 02) needs to be endorsed onto the policy since locations are generally excluded from a policy if the location was originally included for a limited duration. This is not the situation.

$ A business was located in the disaster area, has a current policy, has other locations in New York and is now operating at one or more of these locations.

All locations of the employer in New York are automatically covered by the policy. If the primary location or mailing address of the employer was in the disaster area, the policy should be endorsed to reflect the new primary location or mailing address.

$ A business was located in the disaster area, has a current policy in another state and that other state was listed in Item 3.A of the Information Page. There are no other operations in New York. This scenario applies to all carriers other than the State Insurance Fund (SIF). Under the New York Workers Compensation Law, the SIF cannot provide Other States Insurance.

Since a New York location no longer exists, just the New York portion of the policy should be canceled and it is suggested that the cancellation be on a pro rata basis.

$ A business was located in the disaster area, has a current policy other than with the SIF, has resumed operations in a state that was not listed in Item 3.A of the Information Page, but was listed in Item 3.C of the Information Page and the employer no longer has operations in New York State.

Theoretically, the New York policy should be canceled and a new policy issued in the new state of coverage. Item 3.C generally provides coverage only when a New York employer has employees temporarily working in another state. However, the employer is no longer a New York employer.

Very truly yours,

Monte Almer

President