Change chapter hearing of CHAPTER Ins 3900 DISABILITY INSURANCE, effective 05/01/12 (Doc.# 10122), to read as follows:

CHAPTER Ins 3900 OTHER INSURANCES

Adopt Ins 3902, to read as follows:

PART Ins 3902 INDIVIDUAL SUPPLEMENTAL UNEMPLOYMENT INSURANCE

Statutory Authority: RSA 400-A:15 I.; RSA 401:1-a

Ins 3902.01 Purpose. The purpose of this part is to permit the sale of individual supplementary insurance against the loss of income due to the involuntary loss of employment and to establish standards governing such coverage.

Ins 3902.02 Scope. This part shall apply to all licensed insurers authorized to insure casualty risks.

Ins 3902.03 Definitions.

(a) “Individual supplemental unemployment insurance” means individual insurance that provides supplemental benefits, paid directly to an insured, for protection against the loss of income due to the involuntary loss of employment.

(b) “Loss of income” means loss of income as the result of any loss of employment resulting in qualification for unemployment benefits.

(c) “Involuntary loss of employment” means any loss of employment that qualifies an individual for unemployment benefits whether or not the loss of employment is considered involuntary or voluntary as part of the relevant unemployment statutory scheme.

(d) “Unemployment benefits” means the cash benefits paid in accordance with state unemployment benefit law, Chapter 282-A or any federal unemployment cash benefits that are administered by the state.

Ins 3902.04 Benefits.

(a) Benefits shall be paid weekly for any involuntary loss of employment, so long as:

(1) The insured has been approved to receive unemployment benefits; and

(2) Any waiting period or exclusionary period, or elimination period has elapsed.

(b) The maximum weekly unemployment benefit payable under a supplemental unemployment insurance policy shall be 50 percent of weekly wages minus the amount of maximum weekly unemployment benefits at the time of application for coverage.
(c) For purposes of determining the maximum weekly benefit payable to the insured under (b) above, weekly wages shall be the lesser of:

(1) The weekly wages reported by the insured to the insurer at the time of initial application, or any subsequent agreed upon increase in equivalent weekly wages and corresponding increased limits; or

(2) The insured’s weekly wages as determined by state unemployment compensation records.

Ins 3902.05 Exclusionary Periods.

(a) A policy of individual supplemental unemployment insurance shall not provide for more than a 6 month exclusionary period, commencing with the initial policy’s effective date.

(b) If the insured begins a period of involuntary unemployment during an exclusionary period, the policy shall be terminated and the insurer shall provide a full refund of premiums paid.

(c) If the insured receives advance oral, written or other notice of impending unemployment during an exclusionary period and thereafter begins a period of involuntary unemployment at the same job during the initial policy period that is directly related to that notice, the policy shall be terminated and the insurer shall provide a full refund of premium paid.

Ins 3902.06 Mandatory Disclosures. The insurer shall disclose the following information to the insured at the time of the issuance of coverage:

(a) The premium for the initial term of the insurance coverage;

(b) The term of the insurance coverage;

(c) The number of weekly payments payable to the insured under the policy, and any limitations on the amount of such payments;

(d) A detailed description how any waiting period, exclusionary period or elimination period affects benefits payable under the policy; and

(e) The specific requirements that shall be met if the insured wishes to cancel the policy.


(a) All supplemental insurance policies shall contain the following provisions:

(1) A provision stating that the policy shall conform and operate consistently with the applicable federal and state laws and rules concerning unemployment insurance, including any amendments to those laws and rules taking effect during the term of the policy;
(2) A provision that gives the insured the right to cancel the policy within 30 days of the insured’s receipt of the policy, with full premium refund, and at no cost to the insured;

(3) A provision that terminates the policy, with a full refund of premiums paid, at no cost to the insured, if the insured becomes unemployed during any exclusionary period or receives advance oral, written or other notice of impending unemployment during the exclusionary period, and thereafter begins a period of involuntary unemployment in the same job during the initial period that is directly related to the notice; and

(4) A provision that gives the insured the right to cancel the policy at any time after 30 days, with a refund of unearned premium.

(b) Supplemental unemployment insurance shall be subject to all laws and rules governing liability insurance sold under authority of RSA 401:1, V[, ] including, but not limited to, the cancellation and nonrenewal provisions for liability insurance under RSA 417-B except as provided above.

Ins 3902.08 Repayment of Benefits. No insurer shall seek repayment of benefits paid under a supplemental unemployment policy based upon a reversal of a state decision with respect to eligibility for unemployment benefits unless:

(a) The state department of employment security has made a finding of fault in accordance with its administrative rules; or

(b) The insured has been found to have made a material misrepresentation in the application for coverage that led to approval of the application, where an accurate representation would have resulted in a denial of the application.

Ins 3902.9 Penalties. Any insurer who shall knowingly violate any provision of this part shall be subject to the provisions of RSA 400-A:15, III.
## APPENDIX

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