PROPOSED PLAN FOR STUDY

of

THE NEW YORK DISABILITY BENEFITS LAW

The New York Disability Benefits Law has been in effect for over six years. Although it is the most recent, and in many ways one of the most interesting areas of social insurance, its operation has not, thus far, been subjected to any systematic scrutiny. A six-year background of experience seems sufficient as a basis for study and evaluation; hence the time is ripe for such a study, if it could be undertaken under the sponsorship of a group with adequate interest and background in this field.

The Fair Labor Standards Research Institute, through its parent organization, the Consumers League of New York, appears to meet these requirements. The Consumers League has a long history of interest in and sponsorship of minimum wage and social insurance legislation, and has specific background in the field of disability benefits insurance: in 1948-49, when New York first considered such legislation, the Consumers League had a committee actively working in the problem, analyzing proposals for such legislation and preparing proposals of its own.

A thorough investigation of the operation of New York's Disability Benefits Law would require a study project planned for about one year. Such a project would concern itself with the operation and effects of the present New York law from several directions, namely from the 1) Economic and Actuarial; 2) Legal and Administrative; and 3) Social point of view.

1) Economic and Actuarial studies would examine the division of cost between employer and employee; the distribution of burdens between private carriers and state funds; the feasibility of increasing the benefits; the possibility of extending coverage of the law to employees not presently under mandatory coverage; the actuarial soundness of the law in the light of accumulated experience, and similar problems which an analysis of the ones referred to might unearth.

2) Legal and Administrative studies would examine court decisions and administrative rulings under the law to date, in order to come to some conclusions concerning the adequacy or inadequacy of the procedure under this legislation. Such matters as speed of disposition; adequacy of appeals procedures; time lapse between claim and first payment of benefits deserve consideration. So also, what has the trend of decisions been as compared with other areas of social insurance, might be looked into. The law permits other, private plans for disability benefits if they are "at least as favorable as the disability benefits provided" by the law itself. The nature of such private plans ought to be studied. In general, the effectiveness of enforcement of the law should be looked into.

3) Social investigation into the operation of the law would consist, largely, of case studies undertaken on a reasonably broad scale. The effect of the law on the claimant would be studied: to what extent are benefits adequate or inadequate to alleviate the economic consequences of disability or disease; to what extent does the waiting period affect the employee unable to work; to what extent are employees informed of the law's provisions and take advantage of them; to what extent are employees affected by the provision of the law concerning non-duplication of social insurance benefits; to what extent, if any, has disability insurance contributed to absenteeism; and what are employer and employee attitudes toward the law.
All of these approaches ought to encompass comparative materials from other jurisdictions. While maximum integration of the study should be an aim, a breakdown into sub-studies as indicated would make it possible for various studies to be carried on contemporaneously.

It is clear that the cooperation of the State Labor Department and of the Workmen's Compensation Board would be of great importance to the project. Here, too, the past experience of the Fair Labor Standards Research Institute's parent group would be of considerable advantage.

In setting up the project, a director of research and two research assistants with background in social insurance should be employed. Ad hoc employment of special consultants to work on economic and actuarial problems will be come necessary from time to time. The study of legal and administrative procedures can be relegated to some law school group.