

specifically for their insurance. No policy may be issued on which the entire premium is to be derived from funds contributed by the insured members specifically for their insurance. A policy on which part of the premium is to be derived from funds contributed by the insured members specifically for their insurance may be placed in force only if at least 75% of the then eligible members, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contribution. A policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The amount of insurance on the life of any member shall at no time exceed the total amount of his shares and deposits in the credit union, or two thousand dollars (\$2,000) whichever is less.

(4) The policy must cover at least twenty-five members at date of issue.

#### **425. Limit as to Amount.**

No such policy of group life insurance may be issued to an employer, or to a labor union, or to the trustees of a fund established in whole or in part by an employer or a labor union or association, which provides term insurance on any person which together with any other term insurance under any group life insurance policy or policies issued to the employers of such person or to a labor union or labor unions of which such person is a member or to the trustees of a fund or funds established in whole or in part by such employer or employers or such labor union or labor unions or association, exceeds twenty thousand dollars (\$20,000), unless one hundred and fifty percent (150%) of the annual compensation of such person from his employer or employers exceeds twenty thousand dollars (\$20,000), in which event all such term insurance shall not exceed forty thousand dollars (\$40,000) or one hundred and fifty percent (150%) of such annual compensation, whichever is the lesser.

#### **426. Provisions Required in Group Contracts.**

No policy of group life insurance shall be delivered in this State unless it contains in substance the provisions set forth in sections 427 through 436 of this subtitle or provisions which in the opinion of the Commissioner are more favorable to the persons insured, or at least as favorable to the persons insured and more favorable to the policyholder; except, however, that:

(1) Sections 432 to 436, inclusive, shall not apply to policies issued to a creditor to insure debtors of such creditor;

(2) The standard provisions required for individual life insurance policies shall not apply to group life insurance policies; and

(3) If the group life insurance policy is on a plan of insurance other than the term plan, it shall contain a nonforfeiture provision or provisions which in the opinion of the Commissioner is or are equitable to the insured persons and to the policyholder, but nothing herein shall be construed to require that group life insurance policies contain the same nonforfeiture provisions as are required for individual life insurance policies.