

association shall be required to maintain the same reserves for the protection of members and employees as are required for domestic associations authorized to transact the same kind of insurance.

1914, ch. 489.

154J. Nothing in this Article shall prevent any employer and his or its employees, subject to the approval of the State Industrial Commission, from agreeing upon and conducting any scheme of compensation, benefit or insurance for the purpose of insuring the payment of compensation or any other liability of such employer to his employees, or, in the event of death, to the dependents of such employees as the result of accidental injury to such employees, or for insuring to such employees sick, old age or other benefits; provided any such scheme of compensation, benefit or insurance shall maintain the same reserve as is required under Section 154F of this Article of mutual insurance associations for the same kind of business and shall make reports to the State Insurance Commissioner and shall be subject to examination by him as is provided in Section 154G of this Article for mutual insurance associations. But no such scheme shall assume any insurance risk until it receives a license from the State Insurance Commissioner, who shall not grant or issue to it any license until the State Industrial Commission certifies to him its approval of the plan of such scheme. And no such scheme shall be so approved or certified by the State Industrial Commission unless there are at least five hundred employees to be insured therein and the premium rates to be paid are, in the judgment of said Commission, adequate for the benefits promised, and unless the scheme provides for extra payments thereto in the event they should be necessary to maintain the required reserve. But the approval of any such scheme for the insurance of so small a number of employees as five hundred shall be discretionary with the State Industrial Commission, which shall withhold its approval of any such scheme for the insurance of a smaller number than two thousand employees unless the financial plan of the scheme is especially strong or the risk of hazard is exceptionally low.

If the State Industrial Commission shall at any time find that the scheme no longer fulfils the requirements of this Section, or is not fairly administered, or other valid and substantial reasons therefor exist, it shall withdraw its approval and so notify the State Insurance Commissioner who shall revoke the license of such scheme. When such a license is revoked or expires, any moneys or securities held for the purposes of the scheme, shall, after due provision has been made to discharge the liabilities already accrued, be disposed of or distributed as may be arranged between the employer and his employees, or as may be determined by the Commission, in the event of a difference of opinion, according to the rights of the parties.