

(e) *The insurance shall be payable to the policyholder. Such payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment, PROVIDED, THAT IN THE CASE OF A DEBTOR FOR GENERAL AGRICULTURAL OR HORTICULTURAL PURPOSES OF THE TYPE DESCRIBED IN PARAGRAPH (D) OF SUB-SECTION (2) OF THIS SECTION, THE INSURANCE IN EXCESS OF THE INDEBTEDNESS TO THE CREDITOR, IF ANY, SHALL BE PAYABLE TO THE BENEFICIARY DESIGNATED BY THE DEBTOR, SUBJECT TO THE PROVISIONS OF THE POLICY IN THE EVENT THERE IS NO DESIGNATED BENEFICIARY, AS TO ALL OR ANY PART OF SUCH EXCESS, LIVING AT THE DEATH OF THE DEBTOR, SUCH EXCESS SHALL BE PAYABLE TO THE ESTATE OF THE DEBTOR SUBJECT TO ANY RIGHT RESERVED BY THE INSURER IN THE POLICY TO PAY AT ITS OPTION ALL OR ANY PART OF SUCH EXCESS TO ANY PERSON APPEARING TO THE INSURER TO BE EQUITABLY ENTITLED THERETO BY REASON OF HAVING INCURRED FUNERAL OR OTHER EXPENSES INCIDENT TO THE MAINTENANCE, LAST ILLNESS, OR DEATH OF THE DEBTOR.*

(F) NOTHING IN THIS SUB-PARAGRAPH (2) SHALL IN ANY MANNER BE CONSTRUED TO VALIDATE ANY CHARGE OR PRACTICE WHICH IS ILLEGAL UNDER ANY LAW OR REGULATION GOVERNING USURY, SMALL LOANS AND RETAIL INSTALLMENT SALES.

(3) *A policy issued to a labor union, which shall be deemed the policyholder, to insure members of such union for the benefit of persons other than the union or any of its officials, representatives or agents, subject to the following requirements:*

(a) *The members eligible for insurance under the policy shall be all of the members of the union, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the union, or both.*

(b) *The premium for the policy shall be paid by the policyholder, either wholly from the union's funds, or partly from such funds and partly from funds contributed by the insured members, 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 contributions. 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.*

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

(d) *The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the union.*