

discontinues membership in the association, the insurance of his employees shall cease solely by reason of such discontinuance.

(d) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured persons or by the policyholder, employers, or unions.

(5) No group life insurance policy conforming to one of the descriptions as contained in Paragraphs (1), (3) or (4) may be issued 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 employer or 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, exceeds \$20,000, unless 150% of the annual compensation of such person from his employer or employers exceeds \$20,000, in which event all such term insurance shall not exceed \$40,000, or 150% of such annual compensation, whichever is the lesser.

~~185-I~~ 185B. *Group—Life Insurance. Uniform Provisions.* No policy of group insurance shall be delivered, or issued for delivery, in this State unless it contains in substance the provisions as required by subsections (1) to (10) inclusive and subsection (11) if applicable, or provisions which in the opinion of the Commissioner are not less favorable to the persons insured, or at least as favorable to the persons insured and more favorable to the policyholder, provided, however, (a) that the provisions of subsections (6) to (10) inclusive of this Section, shall not apply to policies issued to a creditor to insure debtors of such creditor; (b) that the uniform provisions required for individual life insurance policies shall not apply to group life insurance policies; and (c) that if the group life insurance policy is on a plan of insurance other than the term plan, it shall contain a non-forfeiture 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 non-forfeiture provisions as are required for individual life insurance policies:

(1) A provision that the policyholder is entitled to a grace period of thirty-one days for the payment of any premium due except the first, during which grace period the death benefit coverage shall continue in force, unless the policyholder shall have given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable to the insurer for the payment of a pro rata premium for the time the policy was in force during such grace period.

(2) A provision that the validity of the policy shall not be contested, except for non-payment of premiums, after it has been in force for two years from its date of issue, and that no statement made by any person insured under the policy relating to his insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two years during such person's lifetime or unless it is contained in a written instrument signed by him.

(3) A provision that a copy of the application, if any, of the policy-