

CHAPTER 193

(House Bill 109)

AN ACT, to add new Section 190 (4A) to Article 48A of the Annotated Code of Maryland (1957 Edition), title "Insurance", sub-title "Life, Accident and Health Insurance", to follow immediately after Section 190 (4) thereof, relating to group life insurance issued to credit unions organized pursuant to the laws of Maryland and the Federal Credit Union Act.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That new Section 190 (4A) be and it is hereby added to Article 48A of the Annotated Code of Maryland (1957 Edition), title "Insurance", sub-title "Life, Accident and Health Insurance", to follow immediately after Section 190 (4) thereof, and to read as follows:

190 (4A).

A policy issued to a credit union organized pursuant to the laws of Maryland or the Federal Credit Union Act, which shall be deemed the policyholder, to insure the lives of members of such credit union for the benefit of persons other than the credit union or its officials subject to the following requirements:

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

(b) The premium for the policy shall be paid by the policyholder, either wholly from the credit 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 amount of insurance on the life of any member shall not exceed the total amount of his shares and deposits in the credit union or \$2,000, whichever is less.

EXPLANATION: *Italics indicate new matter added to existing law.*

[Brackets] indicate matter stricken from existing law.

CAPITALS indicate amendments to bill.

~~Strike out~~ indicates matter stricken out of bill.