

MEMBERSHIP IN THE UNION OR BOTH, ARE ELIGIBLE FOR INSURANCE UNDER A POLICY ISSUED IN ACCORDANCE WITH THIS SECTION.

(2) THE POLICY MAY PROVIDE THAT THE TERM "EMPLOYEE" INCLUDES:

(I) A TRUSTEE OR EMPLOYEE OF THE TRUSTEE OR BOTH IF THE DUTIES OF THE TRUSTEE OR EMPLOYEE ARE PRINCIPALLY CONNECTED WITH THE TRUSTEESHIP;

(II) A SOLE PROPRIETOR IF THE EMPLOYER IS A SOLE PROPRIETORSHIP;

(III) A PARTNER IF THE EMPLOYER IS A PARTNERSHIP; AND

(IV) A RETIRED EMPLOYEE.

(3) A DIRECTOR OF A CORPORATE EMPLOYER IS NOT ELIGIBLE FOR INSURANCE UNDER THE POLICY UNLESS THE DIRECTOR IS OTHERWISE ELIGIBLE AS AN EMPLOYEE OF THE CORPORATION BY PERFORMING SERVICES OTHER THAN USUAL DUTIES OF A DIRECTOR.

(4) A SOLE PROPRIETOR OR PARTNER IS NOT ELIGIBLE FOR INSURANCE UNDER THE POLICY UNLESS THE SOLE PROPRIETOR OR PARTNER IS ACTIVELY ENGAGED IN AND DEVOTES SUBSTANTIAL TIME TO THE CONDUCT OF THE BUSINESS OF THE SOLE PROPRIETORSHIP OR PARTNERSHIP.

(C) PREMIUMS.

(1) THE TRUSTEES SHALL PAY THE PREMIUM FOR THE POLICY:

(I) WHOLLY FROM FUNDS CONTRIBUTED BY THE EMPLOYER OR EMPLOYERS OR BY THE UNION OR UNIONS OR BY BOTH; OR

(II) PARTLY FROM FUNDS CONTRIBUTED BY THE EMPLOYER OR EMPLOYERS OR UNION OR UNIONS OR BOTH, AND PARTLY FROM FUNDS CONTRIBUTED BY THE INSURED EMPLOYEES OR MEMBERS.

(2) A POLICY MAY NOT BE ISSUED ON WHICH THE ENTIRE PREMIUM IS TO BE PAID FROM FUNDS CONTRIBUTED BY THE INSURED EMPLOYEES OR MEMBERS SPECIFICALLY FOR THEIR INSURANCE.

(3) A POLICY ON WHICH THE PREMIUM IS TO BE PAID PARTLY FROM FUNDS CONTRIBUTED BY THE INSURED EMPLOYEES OR MEMBERS SPECIFICALLY FOR THEIR INSURANCE MAY BE PLACED IN FORCE ONLY IF AT LEAST 75% OF THE ELIGIBLE EMPLOYEES OR MEMBERS, OTHER THAN THOSE WHO HAVE EVIDENCE OF INDIVIDUAL INSURABILITY THAT IS UNSATISFACTORY TO THE INSURER, ELECT TO MAKE THE REQUIRED CONTRIBUTIONS.

(4) A POLICY ON WHICH NO PART OF THE PREMIUM IS PAID FROM FUNDS CONTRIBUTED BY THE INSURED EMPLOYEES OR MEMBERS SPECIFICALLY FOR THEIR INSURANCE MUST INSURE: