

reference to the employees making the contributions required for placing a policy in force.

Defined terms: "County" § 1-101

"Insurance" § 1-101

"Insurer" § 1-101

"Person" § 1-101

"Policy" § 1-101

"Premium" § 1-101

17-206. CREDITORS.

(A) IN GENERAL.

(1) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE LIVES OF A GROUP OF INDIVIDUALS MAY BE INSURED UNDER A POLICY ISSUED TO A CREDITOR TO COVER DEBTORS OF THE CREDITOR.

(2) THE CREDITOR TO WHICH THE POLICY IS ISSUED IS DEEMED THE POLICYHOLDER.

(B) DEBTORS ELIGIBLE FOR INSURANCE.

(1) ALL DEBTORS OF THE CREDITOR WHOSE INDEBTEDNESS IS REPAYABLE IN INSTALLMENTS OR IN ONE SUM AT THE END OF A PERIOD NOT EXCEEDING 18 MONTHS AFTER THE INITIAL DATE OF THE DEBT, OR ALL OF ANY CLASS OR CLASSES OF DEBTORS DETERMINED BY CONDITIONS PERTAINING TO THE INDEBTEDNESS OR THE PURCHASE GIVING RISE TO THE INDEBTEDNESS, ARE ELIGIBLE FOR INSURANCE UNDER A POLICY ISSUED IN ACCORDANCE WITH THIS SECTION.

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

(I) A DEBTOR OF ONE OR MORE SUBSIDIARY CORPORATIONS;
AND

(II) A DEBTOR OF ONE OR MORE AFFILIATED CORPORATIONS, PROPRIETORSHIPS, OR PARTNERSHIPS IF THE BUSINESS OF THE CREDITOR AND OF THE AFFILIATES IS UNDER COMMON CONTROL.

(3) A DEBTOR IS NOT ELIGIBLE FOR INSURANCE UNDER THE POLICY UNLESS THE INDEBTEDNESS IS AN IRREVOCABLE OBLIGATION TO REPAY AND IS BINDING ON THE DEBTOR DURING THE DEBTOR'S LIFETIME ON AND AFTER THE DATE THE INSURANCE BECOMES EFFECTIVE ON THE DEBTOR'S LIFE.

(4) THE POLICY MAY EXCLUDE FROM THE CLASSES ELIGIBLE FOR INSURANCE CLASSES OF DEBTORS DETERMINED BY AGE.

(C) PREMIUMS.

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

(I) WHOLLY FROM THE FUNDS OF THE CREDITOR;