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

(C) PREMIUMS.

(1) THE CREDIT UNION SHALL PAY THE PREMIUM FOR THE POLICY:

(I) WHOLLY FROM THE FUNDS OF THE CREDIT UNION; OR

(II) PARTLY FROM THE FUNDS OF THE CREDIT UNION AND PARTLY FROM FUNDS CONTRIBUTED BY THE INSURED MEMBERS SPECIFICALLY FOR THEIR INSURANCE.

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

(3) A POLICY ON WHICH THE PREMIUM IS TO BE PAID PARTLY FROM FUNDS CONTRIBUTED BY THE INSURED MEMBERS SPECIFICALLY FOR THEIR INSURANCE MAY BE PLACED IN FORCE ONLY IF AT LEAST 75% OF THE ELIGIBLE 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 MEMBERS SPECIFICALLY FOR THEIR INSURANCE MUST INSURE:

(I) ALL ELIGIBLE MEMBERS; OR

(II) ALL ELIGIBLE MEMBERS OTHER THAN THOSE WHO HAVE EVIDENCE OF INDIVIDUAL INSURABILITY THAT IS UNSATISFACTORY TO THE INSURER.

(D) AMOUNT OF INSURANCE.

THE AMOUNT OF INSURANCE ON THE LIFE OF A MEMBER MAY NOT EXCEED THE LESSER OF:

(1) THE TOTAL AMOUNT OF THE MEMBER'S SHARES AND DEPOSITS IN THE CREDIT UNION; AND

(2) $5,000.

(E) MINIMUM NUMBER OF MEMBERS COVERED.

THE POLICY MUST COVER AT LEAST 25 MEMBERS AT DATE OF ISSUE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 424.

In the introductory language of subsection (c)(1) of this section, the reference to the "credit union" is substituted for the former reference to the "policyholder" in light of subsection (a)(2) of this section.