

(4) A policy on which no part of the premium is paid from funds contributed by the insured employees must insure:

(i) all eligible employees; or

(ii) all eligible employees other than those who have evidence of individual insurability that is unsatisfactory to the insurer.

(d) The policy must cover at least ten employees at date of issue.

(e) The amounts of insurance under the policy must be based on a plan that precludes individual choice by the employees or by the employer or trustees.]

17-201.

(A) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, A POLICY MAY BE ISSUED TO AN EMPLOYER, OR TO THE TRUSTEES OF A FUND ESTABLISHED BY AN EMPLOYER, IN WHICH THE EMPLOYER OR TRUSTEES SHALL BE DEEMED THE POLICYHOLDER, TO INSURE EMPLOYEES OF THE EMPLOYER FOR THE BENEFIT OF PERSONS OTHER THAN THE EMPLOYER.

(B) (1) THE EMPLOYEES ELIGIBLE FOR INSURANCE UNDER THE POLICY SHALL BE ALL OF THE EMPLOYEES OF THE EMPLOYER, OR ALL OR ANY CLASS OR CLASSES OF EMPLOYEES.

(2) THE POLICY MAY PROVIDE THAT THE TERM "EMPLOYEES" SHALL INCLUDE:

(I) THE EMPLOYEES OF ONE OR MORE SUBSIDIARY CORPORATIONS, AND THE EMPLOYEES, INDIVIDUAL PROPRIETORS, AND PARTNERS OF ONE OR MORE AFFILIATED CORPORATIONS, PROPRIETORSHIPS, OR PARTNERSHIPS IF THE BUSINESS OF THE EMPLOYER AND IF AND OF THE AFFILIATED CORPORATIONS, PROPRIETORSHIPS, OR PARTNERSHIPS IS UNDER COMMON CONTROL; AND

(II) THE INDIVIDUAL PROPRIETOR OR PARTNERS IF THE EMPLOYER IS AN INDIVIDUAL PROPRIETORSHIP OR PARTNERSHIP.

(3) THE POLICY MAY PROVIDE THAT THE TERM "EMPLOYEES" MAY INCLUDE RETIRED EMPLOYEES, FORMER EMPLOYEES, AND DIRECTORS OF A CORPORATE EMPLOYER.

(4) A POLICY ISSUED TO INSURE THE EMPLOYEES OF A PUBLIC BODY MAY PROVIDE THAT THE TERM "EMPLOYEES" SHALL INCLUDE ELECTED OR APPOINTED OFFICIALS.

(C) (1) THE PREMIUM FOR THE POLICY SHALL BE PAID EITHER FROM THE EMPLOYER'S FUNDS, OR FROM FUNDS CONTRIBUTED BY THE INSURED EMPLOYEES, OR FROM BOTH.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, A POLICY ON WHICH NO PART OF THE PREMIUM IS TO BE DERIVED FROM FUNDS