

(ii) the policy may not require that, if a participating employer discontinues membership in the association, the insurance of the employer's employees ceases solely because of the discontinuance.

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

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(A) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, A POLICY MAY BE ISSUED TO A TRUST OR TO THE TRUSTEES OF A FUND ESTABLISHED OR ADOPTED BY TWO OR MORE EMPLOYERS, OR BY ONE OR MORE LABOR UNIONS OR SIMILAR EMPLOYEE ORGANIZATIONS, OR BY ONE OR MORE EMPLOYERS AND ONE OR MORE LABOR UNIONS OR SIMILAR EMPLOYEE ORGANIZATIONS, WHICH TRUST OR TRUSTEES SHALL BE DEEMED THE POLICYHOLDER, TO INSURE EMPLOYEES OF THE EMPLOYERS OR MEMBERS OF THE UNIONS OR ORGANIZATIONS FOR THE BENEFIT OF PERSONS OTHER THAN THE EMPLOYEES OR THE UNIONS OR ORGANIZATIONS.

(B) (1) THE PERSONS ELIGIBLE FOR INSURANCE SHALL BE ALL OF THE EMPLOYEES OF THE EMPLOYERS OR ALL OF THE MEMBERS OF THE UNIONS OR ORGANIZATIONS, OR ALL OF ANY CLASS OR CLASSES OF EMPLOYEES OR MEMBERS.

(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 OF THE AFFILIATED CORPORATIONS, PROPRIETORSHIPS, OR PARTNERSHIPS IS UNDER COMMON CONTROL;

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

(III) RETIRED EMPLOYEES, FORMER EMPLOYEES, AND DIRECTORS OF A CORPORATE EMPLOYER; AND

(IV) TRUSTEES OR THEIR EMPLOYEES, OR BOTH, IF THEIR DUTIES ARE PRINCIPALLY CONNECTED WITH THE TRUSTEESHIP.

(C) (1) THE PREMIUM FOR THE POLICY SHALL BE PAID FROM FUNDS CONTRIBUTED BY THE EMPLOYER OR EMPLOYERS OF THE INSURED PERSONS, OR BY THE UNION OR UNIONS OR SIMILAR EMPLOYEE ORGANIZATIONS, OR BY BOTH, OR FROM FUNDS CONTRIBUTED BY THE INSURED PERSONS OR FROM BOTH THE INSURED PERSONS AND THE EMPLOYERS OR UNIONS OR SIMILAR EMPLOYEE ORGANIZATIONS.

(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