

(3) AN INSURER MAY EXCLUDE OR LIMIT THE COVERAGE ON ANY PERSON AS TO WHOM EVIDENCE OF INDIVIDUAL INSURABILITY IS NOT SATISFACTORY TO THE INSURER.

17-205.

(a) (1) In this section the following words have the meanings indicated.

(2) "Public employees association" means an association of federal, State, county, or municipal corporation employees.

(3) "Public employer" means a county, municipal corporation, association of counties or municipal corporations, State college or university, or unit of State, county, or municipal corporation government.

(b) (1) Subject to the requirements of this section, the lives of a group of individuals may be insured under a policy issued to a public employer or public employees association to cover employees of the public employer or members of the public employees association for the benefit of persons other than the public employer or public employees association.

(2) The public employer or public employees association to which the policy is issued is deemed the policyholder.

(c) (1) All employees of the public employer, all members of the public employees association, or all of any class or classes of employees or members determined by conditions pertaining to their employment or membership in the public employees association or both are eligible for insurance under a policy issued in accordance with this section.

(2) A policy issued to insure employees of a public employer may provide that the term "employee" includes:

- (i) a retired employee; and
- (ii) an elected or appointed official.

[(d) (1) Subject to paragraph (2) of this subsection, the public employer or public employees association shall pay the premium for the policy:

(i) wholly from funds contributed by it as a public employer or public employees association;

(ii) partly from the funds contributed by it as a public employer or public employees association and partly from funds contributed by the insured employees or members; or

(iii) wholly from funds contributed by the insured employees or members.

(2) A public employer may:

(i) on written authorization from an employee, deduct from the employee's salary the required contribution for the premiums; and