

(ii) pay the premium for the policy wholly or partly from funds contributed by a municipal corporation that is a public employer as authorized by the charter of the municipal corporation or as otherwise authorized by law.

(3) A policy issued to insure employees of a public employer may be placed in force only if at least 75% of the eligible employees, other than those who have evidence of individual insurability that is unsatisfactory to the insurer, elect to make the required contributions.

(4) A policy issued to insure members of a public employees association on which the premium is to be paid wholly or 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, or at least 600 of the eligible members, elect to make the required contributions.

(5) A policy issued to insure members of a public employees association on which no part of the premium is paid from funds contributed by 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) (1) THE PREMIUM FOR THE POLICY SHALL BE PAID FROM FUNDS CONTRIBUTED BY THE PUBLIC EMPLOYER OR PUBLIC EMPLOYEES ASSOCIATION, OR BY BOTH, OR FROM FUNDS CONTRIBUTED BY THE COVERED PERSONS OR FROM BOTH THE COVERED PERSONS AND THE PUBLIC EMPLOYER OR PUBLIC EMPLOYEES ASSOCIATION.

(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 CONTRIBUTED BY THE COVERED PERSONS SPECIFICALLY FOR THE INSURANCE MUST INSURE ALL ELIGIBLE PERSONS, EXCEPT THOSE WHO REJECT THE COVERAGE IN WRITING.

(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.

(4) A PUBLIC EMPLOYER MAY REQUIRE WRITTEN AUTHORIZATION FROM AN EMPLOYEE TO DEDUCT FROM THE EMPLOYEE'S SALARY THE REQUIRED CONTRIBUTIONS FOR THE PREMIUM.

[(e) (1) A policy issued to insure employees of a public employer must cover at least ten employees at date of issue.

(2) A policy issued to insure members of a public employees association must cover at least 100 members at date of issue.]