

(iii) an individual proprietor if the employer is the individual proprietorship;

(iv) a partner if the employer is a partnership; and

(v) a retired employee.

(3) A director of a corporate employer is not eligible for insurance under the policy unless the director is otherwise eligible as an employee of the corporation by performing services other than the usual duties of a director.

(4) An individual proprietor or partner is not eligible for insurance under the policy unless the individual proprietor or partner is actively engaged in and devotes substantial time to the conduct of the business of the proprietorship or partnership.

(c) (1) The employer or trustees shall pay the premium for the policy:

(i) wholly from the funds of the employer or funds contributed by the employer; or

(ii) partly from the funds of the employer or funds contributed by the employer and partly from funds contributed by the insured employees.

(2) A policy may not be issued on which the entire premium is to be paid from funds contributed by the insured employees.

(3) A policy on which the premium is to be paid partly from funds contributed by the insured employees 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 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.