

## No. 53

## AN ACT

## SB 960

Amending the act of May 11, 1949 (P.L.1210), entitled "An act relating to group life insurance; describing permitted policies and restrictions thereon, the premium basis thereof and rights thereunder; limiting the amount of such insurance; prescribing standard policy provisions; and requiring notice of conversion privileges," removing all limits on the permitted amount of insurance coverage in certain cases.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Clause (4) of section 2 of the act of May 11, 1949 (P.L.1210), entitled "An act relating to group life insurance; describing permitted policies and restrictions thereon, the premium basis thereof and rights thereunder; limiting the amount of such insurance; prescribing standard policy provisions; and requiring notice of conversion privileges," amended July 2, 1953 (P.L.350), is amended to read:

Section 2. Policies Issued to Employers or Trustees of Employer Funds.—A policy issued to an employer, or to the trustees of a fund established by an employer, to insure employes of the employer for the benefit of persons other than the employer shall be subject to the following requirements:

\* \* \*

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the employes or by the employer or trustees. **[No policy may be issued which provides term insurance on any employe which together with any other term insurance under any group life insurance policy or policies issued to the employers or any of them or to the trustees of a fund established in whole or in part by the employers or any of them exceeds twenty thousand dollars (\$20,000) or one and one-half times the basic annual earned income of the employe, whichever is the greater, but in no case exceeding forty thousand dollars (\$40,000).]**

Section 2. Clause (4) of section 4 of the act, amended <sup>1</sup>July 31, 1968 (P.L.939), is amended to read:

Section 4. Policies Issued to Labor Unions, <sup>2</sup>Credit Unions, Police Fraternities, Firemen's Fraternities or Teachers' Associations or Federations.—A policy issued to a labor union, <sup>3</sup>a credit union, a police fraternity, a firemen's fraternity or a teachers' association or federation, to insure members of such union, fraternity, association or federation for the benefit of persons other than

<sup>1</sup>"November 9, 1959 (P.L.1388)" in original.

<sup>2</sup>"Credit Unions" omitted in original.

<sup>3</sup>"a credit union" omitted in original.

the union, fraternity or federation or any of its officials, representatives or agents, shall be subject to the following requirements:

\* \* \*

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the union, fraternity, association or federation. [No policy may be issued which provides term insurance on any union, fraternity, association or federation member which together with any other term insurance under any group life insurance policies issued to the union, fraternity, association or federation exceeds twenty thousand dollars (\$20,000) or one and one-half times the basic annual earned income of the member, whichever is the greater, but in no case exceeding forty thousand dollars (\$40,000).]

Section 3. Clause (4) of section 5 of the act amended July 2, 1953 (P.L.350), is amended to read:

Section 5. Policies Issued to Trustees of Joint Funds.—A policy issued to the trustees of a fund established by two or more employers in the same industry or by one or more labor unions, or by one or more employers and one or more labor unions, to insure employes of the employers or members of the unions for the benefit of persons other than the employers or the unions, shall be subject to the following requirements:

\* \* \*

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured persons or by the policyholder, employers, or unions. [No policy may be issued which provides term insurance on any person which together with any other term insurance under any group life insurance policy or policies issued to the employers, or any of them, or to the trustees of a fund established in whole or in part by the employers, or any of them, exceeds twenty thousand dollars (\$20,000) or one and one-half times the basic annual earned income of the person, whichever is the greater, but in no case exceeding forty thousand dollars (\$40,000).]

Section 4. This act shall take effect immediately.

APPROVED—The 23rd day of March, A. D. 1972.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 53.



Secretary of the Commonwealth.