

No. 95

AN ACT

To amend section 1, clause (8) of section six, and section nine of the act, approved the eleventh day of May, one thousand nine hundred forty-nine (Pamphlet Laws 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," by further defining policies of group life insurance; limiting the amount of an individual policy issued to a person entitled thereto; and changing the premium basis and rate of interest thereon.

Group life insurance.

Section 1, act of May 11, 1949, P. L. 1210, amended by adding, at end thereof, a new clause (6).

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

Section 1. Section 1 of the act, approved the eleventh day of May, one thousand nine hundred forty-nine (Pamphlet Laws 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," *is hereby amended by adding, at the end thereof, a new clause to read as follows:

(6) *Nothing contained herein shall be construed to define as a group the lives covered by (a) a policy insuring only individuals related by marriage, by blood, or by legal adoption; or, (b) a joint life policy insuring only individuals having an insurable interest in each other's lives.*

Clause (8) of section 6 and section 9, said act, amended.

Section 2. Clause (8) of section 6 and section 9 of said act are hereby amended to read as follows:

Section 6. Standard Policy Provisions.—No policy of group life insurance shall be delivered in this State unless it contains in substance the following provisions, or provisions which in the opinion of the Insurance Commissioner are more favorable to the persons insured, or at least as favorable to the persons insured and more favorable to the policyholder: Provided, however, That (i) provisions (6) to (10) inclusive shall not apply to policies issued to a creditor to insure debtors of such creditor; (ii) the standard provisions required for individual life insurance policies shall not apply to group life insurance policies; and (iii) if the group life insurance policy is on a plan of insurance other than the term plan, it shall contain a non-forfeiture provision or provisions which in the opinion of the Commissioner is or are equitable to the insured persons and to the policyholder, but nothing herein shall be construed to require that group life insurance policies contain the same non-

* "are" in original.

forfeiture provisions as are required for individual life insurance policies.

* * * * *

(8) A provision that if the insurance, or any portion of it, on a person covered under the policy ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such person shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within thirty-one days after such termination, and provided further that,

(i) The individual policy shall, at the option of such person, be on any one of the forms, except term insurance, then customarily issued by the insurer at the age and for the amount applied for;

(ii) the individual policy shall be in an amount not in excess of the amount of life insurance which ceases because of such termination, *less, in the case of a person whose membership in the class or classes eligible for coverage terminates but who continues in employment in another class, the amount of any life insurance for which such person is or becomes eligible under any other group policy within thirty-one days after such termination:* Provided, That any amount of insurance which shall have matured on or before the date of such termination as an endowment payable to the person insured, whether in one sum or in instalments or in the form of an annuity, shall not, for the purposes of this provision, be included in the amount which is considered to cease because of such termination; and

(iii) the premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such person then belongs, and to his age attained on the effective date of the individual policy.

Section 9. Premium Basis.—No domestic life insurance company shall [issue] *deliver in this Commonwealth* any policy of group life insurance the premium for which shall be less than the net premium based on the [American man ultimate table of mortality] *Commissioners 1941 Standard Ordinary Mortality Table* with interest at three [and one-half] per centum per annum plus a loading, the formula for the computation of which, shall be determined by the Insurance Commissioner. A foreign life insurance company which shall not conduct its business in accordance with this requirement shall not be permitted to do business in this Commonwealth. Any such policy may, however, anything in this act to the contrary notwithstanding, provide for a readjustment of the rate based on experience at the

end of the first or any subsequent year of insurance, which readjustment may be made retroactive for such policy year only.

Act effective immediately.

Section 3. The provisions of this act shall become effective immediately upon final enactment.

APPROVED—The 25th day of May, A. D. 1951.

JOHN S. FINE

No. 96

AN ACT

To further amend subsection (a) of section 621.1 of the act, approved the seventeenth day of May, one thousand nine hundred twenty-one (Pamphlet Laws 682), entitled "An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such companies, associations, and exchanges, including insurance carried by the State Workmen's Insurance Fund; providing penalties; and repealing existing laws," by further defining and regulating group accident and health insurance.

"The Insurance Company Law of 1921."

Subsection (a) of section 621.1, act of May 17, 1921, P. L. 682, as last amended by act of June 21, 1947, P. L. 855 and act of July 5, 1947, P. L. 1305, further amended.

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

Section 1. Subsection (a) of section 621.1 of the act, approved the seventeenth day of May, one thousand nine hundred twenty-one (Pamphlet Laws 682), entitled "An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such companies, associations, and exchanges, including insurance carried by the State Workmen's Insurance Fund; providing penalties; and repealing existing laws," as last amended by the act, approved the twenty-first day of June, one thousand nine hundred forty-seven (Pamphlet Laws 855), and by the act, approved the fifth day of July, one thousand nine hundred forty-seven (Pamphlet Laws 1305), is hereby further amended to read as follows:

Section 621.1. Group Accident and Health Insurance.—(a) Group Accident and Health Insurance is hereby declared to be that form of accident and health insurance covering not less than twenty-five employes or members, [and, in addition, may include the employes' or members' dependents,] written under a master policy issued to a summer camp, scout troop, college, school system, one or more schools or other institutions of learning, or to the head or heads or principal or principals