

No. 296

AN ACT

SB 1234

Amending the act of May 11, 1949 (P.L.1210, No.367), 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," further providing for the payment of premiums from funds contributed by insured persons.

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

Section 1. Clause (2) of section 5, act of May 11, 1949 (P.L.1210, No.367) 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 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:

* * *

(2) The premium for the policy shall be paid by the trustees wholly from funds contributed by the employer or employers of the insured persons, or by the union or unions, or by both, **[No policy may be issued on which any part of the premium is to be derived from funds contributed by the insured persons specifically for their insurance. The policy] or partly from such funds and partly from funds contributed by the insured persons. A policy on which part of the premium is to be derived from funds contributed by the insured persons specifically for their insurance may be placed in force only if at least seventy-five per cent of the then eligible persons, excluding any as to whom evidence of insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured persons specifically for their insurance** must insure all eligible persons, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

* * *

Section 2. This act shall take effect immediately.

APPROVED—The 10th day of December, A. D. 1974.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly
No. 296.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive style with a large initial "C" and a prominent "M".

Secretary of the Commonwealth.