

NORTH CAROLINA GENERAL ASSEMBLY  
1977 SESSION

CHAPTER 835  
HOUSE BILL 1345

AN ACT TO AMEND G.S. 58-210(4) RELATIVE TO REQUIREMENTS FOR ISSUING  
GROUP LIFE INSURANCE TO TRUSTEES APPOINTED BY TWO OR MORE  
EMPLOYERS OR LABOR UNIONS FOR THE BENEFIT OF EMPLOYEES.

The General Assembly of North Carolina enacts:

**Section 1.** G.S. 58-210(4), as the same appears in the 1975 Replacement Volume 2B of the General Statutes of North Carolina, is hereby amended by rewriting this subdivision to read as follows:

"(4) A policy issued to the trustee of a fund established by two or more employers in the same industry or kind of business or by two or more labor unions, which trustee shall be deemed the policyholder, to insure employees of the employers or members of the unions for the benefit of persons other than the employers or the unions, subject to the following requirements:

- a. The persons eligible for insurance shall be all of the employees of the employers or all of the members of the unions, or all of any class or classes thereof determined by conditions pertaining to their employment, or to memberships in the unions, or to both. The policy may provide that the term 'employees' shall include the individual proprietor or partners if an employer is an individual proprietor or a partnership. The policy may provide that the term 'employees' shall include the trustee or the employees of the trustee, or both, if their duties are principally connected with such trusteeship. The policy may provide that the term 'employees' shall include retired employees.
- b. The premium for the policy shall be paid by the trustee wholly from funds contributed by the participating employer or labor union, or partly from funds contributed by the participating employer or labor union and partly from funds contributed by the insured persons. In no event shall the funds contributed by the participating employer or labor union represent less than twenty-five percent (25%) of the total cost of the insurance with respect to the insured persons of a participating employer or labor union.

If none of the premium paid by the participating employer or labor union is to be derived from funds contributed by the insured persons specifically for the insurance, all eligible employees of that particular participating employer or labor union must be insured, or all except any as to whom evidence of insurability is not satisfactory to the insurer. Insurance may not be placed into effect for employees of a participating employer or labor union if less than twenty-five percent (25%) of the total cost is paid by the participating employer or labor union.

If part of the premium paid by the participating employer or labor union is to be derived from funds contributed by the insured persons specifically for their insurance, coverage may be placed in force on employees of a participating employer or on members of a participating labor union only if at least seventy-five percent (75%) and a minimum of five of the eligible persons in the unit subscribing to the trust, excluding any as to whom evidence of insurability is not satisfactory to the insurer, elect when enrolling to make the required contributions.

- c. The policy must cover at least 100 persons at date of issue.
- d. 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."

**Sec. 2.** This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 30th day of June,

1977.