**Section 1405.60 Franchise Life Insurance**

Franchise (or Wholesale) Life Insurance is a form of personal coverage issued under individual policies to a group under conditions which are similar to Group Insurance but which do not necessarily qualify under the Group Insurance definition.

a) Identity of Insureds

Franchise life insurance policies shall not be used to insure heterogeneous groups, e.g., insureds in a state or locality.

b) Termination or Non-Renewal of Individual Coverage

Termination either by cancellation or refusal to renew any individual contracts of the group is prohibited, unless all like contracts of the group are terminated or non-renewed at the expiration of the contract. The termination or non-renewal conditions which may be included in such contracts are those which terminate coverage because of non-payment of premium, discontinuance of employment of the insured by the named employer, discontinuance of employee as a member of a class of eligible employees, or the discontinuance of membership in the designated organization or association, and in addition, coverage may be automatically terminated at a designated attained age. Any other termination or non-renewal conditions must be approved by the Director.