§ 1305. Unearned premium reserves. (a) Every authorized insurer shall, except as to reserves required under section one thousand three hundred four of this article and subject to paragraph nine of subsection (a) of section one thousand three hundred one of this article and other specific provisions of this chapter, maintain reserves equal to the unearned portions of the gross premiums charged on unexpired or unterminated risks and policies.

(b) (1) No deductions may be made from the gross premiums in force except for original premiums cancelled on risks terminated or reduced before expiration, or except for premiums paid or credited for risks reinsured with other solvent assuming insurers authorized to transact such business in this state.

(2) Premiums charged for bulk or portfolio reinsurances assumed from other insurers shall be included as premiums in force on the basis of the original premiums and the original terms of the policies of the ceding insurer.

(3) Reinsurance ceded to such an authorized assuming insurer may be deducted on the basis of original premiums and original terms except in the case of excess loss or catastrophe reinsurance which may be deducted only on the basis of actual reinsurance premiums and actual reinsurance terms.

(c) (1) The liability for unearned premiums may be computed on the annual pro rata fraction basis applicable to the date of statement as prescribed by the superintendent.

(2) If the annual pro rata fractions do not produce an adequate reserve, the superintendent may, in his discretion, require an insurer to calculate its unearned premium reserve upon the monthly pro rata fractional basis or, if necessary, on each respective risk from the date of the issuance of the policy, and as to premiums covering indefinite terms he may prescribe special regulations.

(3) As to marine insurance, premiums on trip risks not terminated shall be deemed unearned and the superintendent may require a reserve to be carried thereon equal to one hundred percent of the premiums on trip risks written during the month ended as of the date of statement.

(4) At least ninety percent of the gross amount of premium deposits on perpetual fire insurance risks shall be charged as a liability.

(5) As to title insurance, unearned premium reserves shall be computed

and maintained only as required by subsection (a) of section six thousand four hundred five of this chapter.