§ 1312. Trusteed surplus of alien insurers; impairment. (a) (1) In addition to other requirements of this chapter every authorized alien insurer shall, not later than the first day of March in each year, file with the superintendent a statement (herein called a "trusteed surplus statement"), on a form prescribed by him, showing at last year-end:

(A) all its general state deposits, meaning assets within the United States deposited with officers of any state in trust for the security of all its policyholders, or policyholders and creditors, within the United States;

(B) all its special state deposits, meaning assets within the United States deposited with officers of any state in trust for the security of its policyholders, or policyholders and creditors, in a particular state;

(C) all its trusteed assets, meaning assets within the United States held by a trustee or trustees for the security of all its policyholders, or policyholders and creditors, within the United States;

(D) if a life insurance company, the amount of its policy loans to policyholders within the United States, not exceeding the amount of the legal reserve required on each such policy;

(E) all its reserves and other liabilities arising out of policies or obligations issued, assumed or incurred in the United States; and

(F) such further information as may be necessary to apply the provisions of this section.

(2) In determining the net amount of the insurer's liabilities in the United States, a deduction may be made: (i) for reinsurance on losses with authorized insurers, less unpaid reinsurance premiums, with a schedule showing by companies the amount deducted, and (ii) for unearned premiums on agents' balances or uncollected premiums not more than ninety days past due. Any liability on an asset not considered in such statement may be applied against such asset.

(3) No credit shall be allowed in such statement for any special state deposit held for the exclusive benefit of policyholders, or policyholders and creditors, of any particular state except as an offset against the liabilities of such alien insurer in such state.

(4) The accrued interest at date of statement on assets deposited with states and trustees shall be allowed in such statement, where such interest is collected by the states or trustees.

(b) (1) Such trusteed surplus statement shall be signed and verified by the United States manager, attorney-in-fact, or a duly empowered assistant United States manager, of the alien insurer. The items of securities and other property held under trust deeds shall be certified to by the United States trustee or trustees. The superintendent may at any time require a further statement of the same kind and of such date as he may determine.

(2) Every report on examination of the United States branch of an alien insurer shall include a trusteed surplus statement as of the date of examination in addition to the general statement of the financial condition of such United States branch.

(c) (1) The aggregate value of the insurer's general state deposits and trusteed assets less the aggregate net amount of all of its liabilities and reserves in the United States as determined in accordance with this section shall be known as its "trusteed surplus" in the United States. Whenever it appears to the superintendent from any such statement or any report that an alien insurer's trusteed surplus is reduced below the greater of the minimum capital required of, or the minimum surplus to policyholders required to be maintained by, a domestic insurer licensed to transact the same kinds of insurance, he shall determine the amount of such impairment and order the insurer, through its United States manager or attorney, to eliminate such impairment within such period as he designates, not more than ninety days from service of the order. He may also by order revoke or suspend such insurer's license or prohibit it from issuing new policies in the United States while such impairment exists.

(2) If at the expiration of such designated period such insurer has not satisfied the superintendent that such impairment has been eliminated, the superintendent may proceed against such insurer pursuant to the provisions of article seventy-four of this chapter as an insurer whose condition is such that its further transaction of business in the United States will be hazardous to its policyholders, its creditors or the public in the United States.