§ 3446. Product or system group insurance policies. (a) A group policy may be issued to a group policyholder, who shall be a manufacturer, distributor, or installer of a product or system, or a trustee of a trust established, or participated in, by one or more manufacturers, distributors, or installers, in accordance with the provisions of this section.

(b) The group shall consist only of members who have purchased or own the product or system where the manufacturer, distributor, or installer has represented that the product or system is designed to prevent loss or damage to property from a specific cause (other than loss or damage resulting from defect in materials or workmanship, or wear and tear), and the policy shall only cover such loss or damage.

(c) The policy, and certificates issued thereunder, may provide coverage for a kind of insurance authorized by paragraphs four through twelve, nineteen and twenty of subsection (a) of section one thousand one hundred thirteen of this chapter, and may be issued or delivered in this state only by an insurer authorized in this state to write the coverage.

(d) The coverage shall not be duplicative of coverage under any other applicable insurance policy.

(e) The insurer must treat in like manner all eligible group members of the same class.

(f) The premium for the group policy, including certificates thereunder, shall be paid by the group policyholder from funds contributed wholly by the group policyholder.

(g) The superintendent may promulgate regulations regarding product and system group policies, including regulations governing issuance of certificates to group members; minimum provisions of certificates; policy cancellation and renewal; minimum number of group members; payment of premium; and policy dividends, retrospective premium credits, or retrospective premium refunds; and may establish other reasonable limitations.

(h) A product or system group policyholder shall comply with the provisions of section two thousand one hundred twenty-two of this chapter, in the same manner as an insurance agent or broker, in any advertisement, sign, pamphlet, circular, card, or other public announcement referring to coverage under a group policy or certificate.

(i) A product or system group policy or certificate shall not be subject to section three thousand four hundred twenty-five or section three thousand four hundred twenty-six of this article.

(j)(1) "Manufacturer" means a person that:

(A) manufactures or produces the product or system and sells it under its own trade name or label;

(B) does not manufacture or produce the product or system but sells it under its own trade name or label;

(C) manufactures or produces the product or system and it is sold under the trade name or label of another person; or

(D) does not manufacture or produce the product or system but, pursuant to a written contract, licenses the use of its trade name or label to another person that sells the product or system under the licensor's trade name or label.

(2) "Manufacturer" shall also include a distributor which is a parent, affiliate, or subsidiary of a manufacturer.

(3) The holder of a patent shall not be considered a manufacturer solely because it receives royalties on its patents.