*** § 4107. Domestic mutual companies; financial and other requirements.** (a) (1) A mutual property/casualty insurance company organized in the manner prescribed in subsection (a) of section one thousand two hundred one of this chapter may be licensed pursuant to subsection (e) of section one thousand one hundred two of this chapter to write any one kind (but only one kind except as hereinafter in this section provided) of insurance as specified in TABLE TWO upon at least meeting the requirements set forth therein. In this section, "initial surplus" means the paid-in initial surplus required pursuant to subparagraph (A) of paragraph nine of subsection (a) of section one thousand two hundred one and subparagraph (B) of paragraph one of subsection (e) of section one thousand one hundred two of this chapter, and "minimum surplus" means the surplus required to be maintained unimpaired after a company is licensed to do business.

* SPECIAL NOTE.--Notwithstanding that Chapter 585 of the Laws of 1984:

Bill sections 2, 3, 5, 6, 7, and 9 of such chapter amend provisions of the former Insurance Law that are not possible to juxtapose at this time due to the highly technical nature of such changes and will need future corrective legislation to implement such provisions into the new Insurance Law as enacted by such Chapter 367 of the Laws of 1984.

TABLE TWO

Kind of insurance specified in the following numbered paragraphs of subsection (a) of § 1113	Number of Members	Number of Applications	Number of Separate Risks	Number of Insurance Policies	Initial Surplus	Minimum Surplus to be Maintained	Other Requirements
4	50	300	300	--	$ 300,000{1}	$ 200,000{1}	see note{2}
7	20	20	200	20	$ 300,000	$ 200,000	see note{3}
8	20	20	300	20	$ 150,000	$ 100,000	see note{3}
9	20	20	200	20	$ 300,000	$ 200,000	see note{3}

10	20	20	300	20	$ 150,000	$ 100,000	see note{3}
11	20	20	300	20	$ 150,000	$ 100,000	see note{3}
13	100	100	500{4}	--	$ 500,000{5}	$ 400,000{5}	see note{6}
15	40{7}	40	2,500{7}	--	$ 500,000	$ 400,000	see note{6}
	30{7}	30	5,000{7}	--	$ 500,000	$ 400,000	see note{6}
	20{7}	20	7,500{7}	--	$ 500,000	$ 400,000	see note{6}
	10{7}	10	10,000{7}	--	$ 500,000	$ 400,000	see note{6}
16	--	--	---	--	$1,500,000	$1,000,000	
17	20	20	2,000	20	$ 750,000	$ 500,000	see note{3}
20	50	300	300	--	$1,000,000{8}	$ 500,000{8}	see note{9}
21	20	20{10}	200{11}	--	$ 500,000	$ 500,000	see note{12}
34	20	20	200	20	$2,000,000	$1,000,000	see note {3}

Notes to TABLE TWO

{1} If licensed to write paragraph 4, no additional surplus is required for a license to write paragraphs 5, 6, 12, 19, 20, (inland marine only) and 34.

{2} The aggregate premiums in respect to the separate risks shall be at least $100,000 and each applicant shall have paid one-half of the premium payable with the balance due upon the issuance of the policy.

{3} Shall have received cash from each applicant at least equal to 1/2 of the annual premium on the policy.

{4} Not more than 5 risks from any one member.

{5} If licensed to write paragraph 13, no additional surplus is required for a license to write paragraphs 6, 12 and 14.

{6} The aggregate annual premium cost of such insurance shall be at least $50,000.

{7} Substitute "employers" for "members" and "employees" for "separate risks"

{8} If licensed to write paragraph 20, no additional surplus is required for a license to write paragraphs 12, 19, and 21.

{9} The aggregate amount of cash received for the premiums on the policies applied for shall be at least $150,000.

{10} The 20 applications shall be from persons, firms, corporations, associations or joint stock companies, each owning, operating or chartering one or more vessels.

{11} Applicants shall take insurance covering in the aggregate at least 200 vessels having an aggregate gross tonnage of at least 500,000

tons.

{12} Shall have received cash, from such applicants, on account of the premiums on the respective policies applied for, a sum at least equal to 20 cents per ton upon such aggregate gross tonnage.

(2) A mutual property/casualty insurance company whose membership is limited to hospitals may be organized in the manner prescribed in subsection (a) of section one thousand two hundred one of this chapter and may be licensed pursuant to subsection (e) of section one thousand one hundred two of this chapter to write the kinds of insurance specified in paragraph thirteen or fourteen of subsection (a) of section one thousand one hundred thirteen of this chapter provided (i) it shall have applications from at least forty members on at least forty separate risks, (ii) the total annual premium cost shall be at least seven hundred fifty thousand dollars, (iii) it shall have an initial surplus of at least five hundred thousand dollars and shall maintain a surplus of at least four hundred thousand dollars and (iv) it shall receive from its members advances pursuant to the requirements of section one thousand three hundred seven of this chapter averaging not less than one-third of the average annual indicated premium, but the total thereof shall not be less than the initial minimum surplus.

(b) If licensed to write any kind of insurance specified in TABLE TWO, a mutual property/casualty insurance company may in addition write any one or more of the kinds of insurance specified in Group A and/or Group B of TABLE THREE, and if licensed to write any kind of insurance specified in Group A, it may in addition write any one or more of the kinds of insurance specified in Group C of TABLE THREE, in either case, upon at least meeting the initial surplus requirement prescribed in TABLE THREE for the kinds of insurance for which it is to be licensed. It shall thereafter maintain the minimum surplus prescribed in TABLE THREE for the kinds of insurance licensed.

TABLE THREE

Kind of insurance specified in the following numbered Paragraphs of subsection (a) of § 1113:	Initial{1} Surplus	Minimum Surplus{1} to be Maintained
Group A:		
7 or 9 - for each such kind	$100,000	$100,000

8, 10 or 11 - for each such kind	$ 50,000	$ 50,000
13,{2} 15 or 17 - for each such kind	$300,000	$300,000
16	$900,000	$900,000
Group B:		
4{3}	$ 300,000	$200,000
20{4}	$1,000,000	$500,000
Group C:		
3(i) or 3(ii) - for each such kind	$ 100,000	$ 100,000
22	$3,000,000	$2,000,000
24	$ 300,000	$ 300,000
26 (B)	$ 300,000	$ 200,000
26(A), 26(C) or 26(D) - for each such kind	$ 900,000	$ 600,000
28	$3,000,000	$2,000,000
6{5}, 12{6} or 14{2} - for each such kind	$ 50,000	$ 50,000
27	$ 300,000	$ 150,000
30	$ 300,000	$ 300,000
31	$ 100,000	$ 100,000
32	$ 100,000	$ 100,000
33	$ 100,000	$ 100,000

Notes to TABLE THREE

{1} The amounts shown in TABLE THREE are added to the initial and minimum surplus for the kind of insurance for which the mutual was organized as set forth in TABLE TWO. In addition, if organized to write paragraphs 4, 20 or 21 the initial and minimum surplus required for paragraphs 7, 8, 9, 10, 11, 13, 15, 16 or 17 shall be determined from TABLE TWO for the kind of insurance with the highest initial surplus requirement as indicated in TABLE TWO. After such determination use TABLE THREE to derive the initial and minimum surplus requirements for all other kinds of insurance.

{2} If licensed to write paragraph 13, no additional surplus is required for a license to write paragraphs 6, 12, and 14.

{3} If licensed to write paragraph 4, no additional surplus is required for a license to write paragraphs 5, 6, 12, 19, 20, (inland marine only) and 34.

{4} If licensed to write paragraph 20, no additional surplus is

required for a license to write paragraphs 12, 19, and 21.

{5} If licensed to write paragraph 4 or 13, no additional initial and minimum surplus is required.

{6} If licensed to write paragraphs 4, 13 or 20, no additional initial and minimum surplus is required.

(c) A mutual property/casualty insurance company licensed pursuant to paragraph four of subsection (b) of section four thousand one hundred two of this article to write the kind of insurance specified in paragraph nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter must maintain a minimum surplus of at least six hundred thousand dollars.

(d) A mutual property/casualty insurance company licensed pursuant to subsection (c) of section four thousand one hundred two of this article to reinsure risks or write insurance on risks outside the United States, its territories and possessions, must maintain a surplus to policyholders of at least thirty-five million dollars.

(e) The dollar amounts of initial surplus, minimum surplus and surplus to policyholders set forth in subsections (a), (b) and (c) of this section shall be reduced by fifty percent for any mutual property/ casualty insurance company initially licensed to do business in this state prior to July first, nineteen hundred eighty-two. Such reduction shall not apply to the financial requirements specified in subsection (b) of this section in order to write paragraph twenty-two, twenty-four or twenty-six.

(f) Notwithstanding any provision of this section to the contrary, if licensed to write the kind of insurance specified in paragraph fifteen of subsection (a) of section one thousand one hundred thirteen of this chapter, a mutual property/casualty insurance company may be licensed for the purposes of article nine of the workers' compensation law to write the kind of insurance specified in item (i) of paragraph three of subsection (a) of section one thousand one hundred thirteen of this chapter without having any additional surplus.