§ 4519. Impairment of reserves and surplus; order to make good deficiency. (a) Whenever the superintendent determines that the admitted assets of an authorized society will be less than the sum of its required reserves, accrued liabilities, and minimum surplus within a period of five years or less, the superintendent may, in his or her discretion, require submission of reports, business plans or other information demonstrating the steps the society is taking to address the deficiency and require that such society take such actions as the superintendent deems necessary and appropriate to maintain the minimum surplus amount, including, but not limited to, prohibiting such society from issuing any new contracts of insurance in this state, and in the case of a domestic society, from issuing any new contracts in this state or elsewhere.

(b)(1) Whenever the superintendent determines that the admitted assets of an authorized society are less than the sum of its required reserves, accrued liabilities, and minimum surplus, he or she shall determine the amount of such deficiency and issue a written requisition to such society to remove, repair or make good such deficiency within such period as he or she shall designate, not less than thirty days nor more than six months from the service of such requisition, except that if he or she believes the interests of the certificate holders of such society will best be served by extending such period of time, he or she may do so for such period or periods of time as he or she, in his or her discretion deems best. He or she may also prohibit such society, while such deficiency exists, from issuing any new contracts of insurance in this state, and in the case of a domestic society, from issuing any new contracts in this state or elsewhere. If such society shall fail or be unable to make good such deficiency within such period as so extended, the superintendent shall proceed against such society under the provisions of article seventy-four of this chapter on the ground that its further transaction of business will be hazardous to its policyholders, its creditors or the public.

(2) In the event that the superintendent determines that the admitted assets of a domestic society are less than the sum of its required reserves, accrued liabilities, and minimum surplus, the superintendent shall have the power and authority to require that the society merge or otherwise consolidate with another willing authorized society or that

the society cede any individual risk or risks, in whole or in part, to a willing society or life insurer.

(c) An authorized society may assess members as described in subsection (g) of section four thousand five hundred four of this article only after such assessment is filed with the superintendent and approved by him or her, or, in the case of a foreign or alien society, after approval of the insurance department of the state of domicile and upon notice to the superintendent. The superintendent shall have the authority to prohibit any foreign or alien society that has assessed its members from issuing any new contracts of insurance in this state.