§ 4708. Contingent liability. (a) The municipal cooperation agreement and the plan document delivered to each participating municipal corporation shall provide that every municipal corporation participating in the municipal cooperative health benefit plan shall be liable in the event of an order issued pursuant to subsection (b) of this section for an assessment, in addition to the amount of premium equivalent paid or payable.

(b) If the municipal cooperative health benefit plan does not have admitted assets, as defined in section one hundred seven of this chapter, at least equal to the aggregate of its liabilities, reserves and minimum surplus required by this article, the governing board of such plan shall, within thirty days thereafter, order an assessment for the amount that will provide sufficient funds to remove such impairment and collect from each municipal corporation a pro rata share of such assessed amount.

(c) Every municipal corporation that participated in the municipal cooperative health benefit plan at any time during the two-year period prior to the issuing of an assessment order by the plan's governing board shall, if notified of such assessment, pay its pro rata share of such assessment within ninety days after the issuance of that assessment order.

(d) A municipal corporation's pro rata share of any assessment shall be determined by applying the ratio of the total assessment to the total contributions or premium equivalents earned during the period covered by the assessment on all municipal corporations subject to assessment to the contribution or premium equivalent earned during such period attributable to such municipal corporation.

(e) The contingent liability of municipal corporations for additional premium equivalents or assessments shall not be included as an asset in the financial statements of the municipal cooperative health benefit plan.