§ 5509. Stabilization reserve fund. (a) The association shall maintain a stabilization reserve fund. The fund shall be used for payment to the association of any deficit, or for reimbursement to the association's members for payment of any deficit arising out of the operations of the association or for such other purposes as are provided for in this section. Except in the case of a premium payment made pursuant to subsection (c) of this section, a deficit shall exist whenever the sum of the premiums collected by the association and the investment income on policyholder supplied funds is exhausted in payment of the association's administrative expenses, reserves for loss, reserve for loss adjustment expenses, loss and loss adjustment expenses, and taxes.

(b) Each qualified health care provider policyholder shall annually pay to the association a stabilization reserve fund charge in an amount equal to twenty percent of the annual premium charge until the net value of the fund exceeds fifty million dollars. Thereafter, such charges shall be made only when the net value of the fund is less than twenty-five million dollars and shall continue annually until the net value of the fund exceeds fifty million dollars. There shall be no stabilization reserve fund charge payable or receivable in connection with determining the actuarially appropriate amounts for the provision of coverage to comply with the transfer requirements of subsections (c) and (d) of section three thousand four hundred thirty-six and paragraphs three and four of subsection (f) of section five thousand five hundred four of this chapter. There shall be no stabilization reserve fund charge payable if the net value of the fund is less than fifty million dollars due to a transfer pursuant to subsections (c) and (d) of this section.

(c) In addition to those purposes provided for in subsection (a) of this section, the stabilization reserve fund shall also be used for the payment of premiums for excess or equivalent excess coverage provided pursuant to the program established by chapter two hundred sixty-six of the laws of nineteen hundred eighty-six, as amended, for the period of coverage between July first, two thousand and June thirtieth, two thousand one.

(d) The association and such officers and directors thereof responsible for the custody and investment of the stabilization reserve

fund shall transfer from such fund and deposit to the hospital excess liability pool created pursuant to section eighteen of chapter two hundred sixty-six of the laws of nineteen hundred eighty-six such amounts as directed by the superintendent for the purchase of excess or equivalent excess coverage for eligible participating physicians and dentists for the policy year July first, two thousand to June thirtieth, two thousand one, and the cost of administering the hospital excess liability pool for such applicable policy year, pursuant to the program established in chapter two hundred sixty-six of the laws of nineteen hundred eighty-six, as amended, no later than July fifteenth, two thousand.

Notwithstanding any other provision of law, no director, officer, or employee of the association, nor the association, nor any public officer or employee, nor any actuary, attorney, or advisor to the association or to the superintendent shall incur or suffer any liability whatsoever to any person by reason of actions taken pursuant to this section. Any action which could have been brought against any of the persons or parties or entities noted herein, but for the provisions of this section, shall be brought against the state.

(e) Upon termination of the association and the discharge of all of its liabilities any excess funds remaining in the stabilization reserve fund shall be distributed to the policyholders of the association in an equitable manner as set forth in the plan of operation.