§ 5905. Risk retention groups; notice, prohibited solicitation, coverage and ownership. (a) Notice to purchasers. (1) Every insurance policy issued by a risk retention group shall contain in ten point type on the front page and on the declaration page, the following notice:

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

(2) Every application for insurance from a risk retention group shall prominently contain a similar notice.

(b) Prohibited acts regarding solicitation or sale. The following acts by a risk retention group are prohibited:

(1) The solicitation or sale of insurance to any person who is not eligible for membership in such group; and

(2) The solicitation or sale of insurance by, or operation of, a risk retention group that is in a hazardous financial condition or is financially impaired.

(c) Prohibited coverage. The terms of any insurance policy issued or issued for delivery in this state by any such risk retention group shall not provide, or be construed to provide, coverage prohibited generally by statute of this state or declared unlawful by the highest court of this state whose law applies to such policy.

(d) Prohibition on ownership by an insurer. No risk retention group shall do business in this state if an insurer is directly or indirectly a member or owner of such risk retention group, other than in the case of a risk retention group all of whose members are insurers.