§ 6105. Licensing. (a) No person, firm, corporation or association as an underwriter or underwriters, and no reciprocal insurer, shall do any insurance business in this state, nor shall any person, firm, corporation or association as attorney-in-fact or other representative of any reciprocal insurer do or cause to be done within this state any act which effects, aids or promotes the doing of an insurance business in this state by any reciprocal insurer, unless authorized so to do pursuant to the provisions of this article.

(b) Every license to do an insurance business issued by the superintendent to any reciprocal insurer pursuant to the provisions of this article shall specify its name, the location of its principal office, the name and principal address of its attorney-in-fact, and the kind or kinds of insurance business, specified in terms of subsection (a) of section one thousand one hundred thirteen of this chapter, which it is authorized to do in this state.

(c) No person shall act in the capacity of an attorney-in-fact for a subscriber whose risk is located in this state or for a reciprocal licensed to do business in this state, unless such person is authorized as such by the superintendent.

(d) The superintendent may require the attorney-in-fact, or any person to which its functions, in whole or in part, have been delegated, unless wholly owned or controlled by the reciprocal to:

(1) provide a bond issued by an insurer and in an amount acceptable to the superintendent for the protection of the subscribers to the reciprocal; and

(2) maintain an errors and omissions policy, providing coverage in an amount and issued by an insurer acceptable to the superintendent.

(e) The attorney-in-fact authorized as such pursuant to subsection (c) of this section shall not, merely by virtue of such authorization, be thereby deemed to be doing business in this state within the meaning of any laws of this state applicable to general business corporations.

(f) An attorney-in-fact of a reciprocal insurer licensed in this state shall, on or before June first of each year, file with the superintendent an audited financial report of its financial condition and the results of its operations as related to its management of the reciprocal, covering the previous calendar year, prepared in accordance with generally accepted accounting principles by an independent

certified public accountant who certified to the reciprocal's annual statement pursuant to section three hundred seven of this chapter. In lieu of such a report, an attorney-in-fact of a foreign reciprocal who is an individual, shall file a statement prepared by such independent certified public accountant stating that its audit of the reciprocal discloses any direct or indirect compensation or benefit paid by the reciprocal to the attorney-in-fact. The report or statement filed pursuant to this subsection shall be a confidential document, not subject to disclosure pursuant to this chapter or article six of the public officers law.

(g) An attorney-in-fact of a reciprocal licensed in this state shall submit to examination by order of the superintendent for the purposes of determining compliance with this article and all other relevant provisions of this chapter relating to the operations of the reciprocal or its attorney-in-fact, which the superintendent determines (as specified in the order) cannot be obtained by examination of the reciprocal. The cost of the examination shall be assessed against the attorney-in-fact and no portion thereof shall be reimbursed directly or indirectly by the reciprocal or its subscribers.

(h) The advisory committee shall meet at least annually and shall consist of at least nine individuals elected by the subscribers, at least two-thirds of whom are subscribers or officers or directors of subscribers and, except for a municipal reciprocal or a reciprocal which wholly owns its attorney-in-fact, not more than one-third of whom may be:

(1) the attorney-in-fact; or

(2) an employee, officer, director, or affiliate of the attorney-in-fact; or

(3) any person having a financial interest in the attorney-in-fact; or

(4) any person representing any of the foregoing.

(i) Members of the advisory committee may be elected and re-elected to a term of office of not less than one year nor more than four years, and terms may be staggered to provide for continuity.

(j) The chair of the advisory committee of a domestic reciprocal, who shall not be any of those persons enumerated in paragraphs one through four of subsection (h) of this section, shall be elected by the other members of the committee and the committee of a domestic reciprocal

shall adopt rules consistent with its purposes, as approved by the superintendent.

(k) Special meetings of the advisory committee may be called by the attorney-in-fact, the chair of the committee, any three members of the committee, or a signed petition of at least one percent of the subscribers as of the most recent annual report of the reciprocal.