§ 6111. Assets, liabilities and surplus. (a) All of the assets of any reciprocal insurer including subscribers' operating reserves shall be liable primarily for payment of all liabilities incurred under its policies or other contracts.

(b) No part of the surplus funds of such reciprocal insurer shall be subject to the claims of general creditors of any of the individual subscribers of such insurer until all policies under which any such subscriber is obligated have been terminated and in no event beyond the amount of such subscriber's operating reserve.

(c) The contingent liability of subscribers for additional premiums or assessments shall not be included as an asset in the financial statement of a reciprocal insurer.

(d) Subscribers' operating reserves for which notice of withdrawal has been given shall be reported as liabilities until paid.

(e) In any statement or report of the financial condition of a reciprocal insurer filed in this state, the surplus to policyholders, after providing for the unearned premium reserves, loss reserves and other liabilities, as required by this chapter, shall be reported as follows:

(1) special contingent surplus;

(2) subscribers' operating reserves, if required;

(3) all other surplus, if any.

(f) Unless the reciprocal is subject to the provisions of article fifteen of this chapter or substantially similar legislation in its state of domicile, all material transactions between or among the reciprocal, its subscribers, the attorney-in-fact and any affiliate of the attorney-in-fact shall not be entered into, unless they have been filed with the superintendent at least thirty days prior thereto and the superintendent has not disapproved them; provided, however, that any such transaction involving five percent or more of the reciprocal's admitted assets shall be subject to prior approval of the superintendent and all transactions shall meet the following standards:

(1) The terms shall be fair and equitable;

(2) Charges or fees for services performed shall be reasonable; and

(3) Expenses incurred and payments received shall be allocated to the reciprocal on an equitable basis in conformity with statutory insurance accounting practices consistently applied.