§ 6604. Organization of advance premium corporations. (a) An advance premium corporation may be organized and licensed in the manner prescribed in section six thousand six hundred three of this article and may do, in addition to the kind of insurance specified in paragraph four of subsection (a) of section one thousand one hundred thirteen of this chapter, any one or more of the kinds of insurance specified in paragraphs five, six, twelve, nineteen and twenty (inland marine only), of such subsection, and in conjunction with insurance under the same policy, the kinds of insurance specified in paragraphs seven, eight, nine, thirteen, fourteen and fifteen (excluding workers' compensation insurance) of such subsection, provided the whole risk for all the perils as specified in such paragraphs is reinsured in an insurer authorized to do business in this state or in an accredited reinsurer, as defined in subsection (a) of section one hundred seven of this chapter, insofar as specified in its charter, on compliance with the following prerequisites:

(1) It shall have, in order to be licensed to do business in this state as specified in its charter, not less than four hundred bona fide applications for insurance of such kind or kinds, on real property located in this state, and from not less than four hundred separate applicants who have paid premiums of not less than ten thousand dollars on insurance aggregating not less than one million dollars, and each member of such corporation shall be subject to a contingent liability in an amount at least equal to that provided in section six thousand six hundred fourteen of this article.

(2) It shall have a cash organization or initial surplus fund of not less than three hundred thousand dollars, which may be used in the manner provided for in paragraph nine of subsection (a) of section one thousand two hundred one of this chapter, and shall maintain at all times, a surplus of at least two hundred thousand dollars.

(3) A licensed advance premium corporation may apply for an amended license to do any one or more of the kinds of insurance specified in subsection (a) of section one thousand one hundred thirteen of this chapter, except those specified in paragraphs one, two, eighteen and twenty-three thereof, provided it has a surplus to policyholders equal in the aggregate to the surplus required on organization by section four thousand one hundred seven of this chapter for all of the kinds of

insurance for which it is to be licensed, and shall thereafter maintain a surplus to policyholders equal to the amount specified in such section, and if licensed to do any of the kinds of insurance set forth in subsection (a) of section four thousand one hundred nine of this chapter such company shall be subject to the provisions of such section and to the provisions of subsection (a) of section four thousand one hundred four of this chapter.

(b) (1) An advance premium corporation may also be organized and licensed in the manner prescribed in section six thousand six hundred three of this article to do in this state, as an assuming insurer, solely reinsurance business of a kind or kinds specified in its license, on compliance with all of the provisions of this chapter applicable to an advance premium corporation organized and licensed pursuant to the provisions of subsection (a) hereof, except as provided in paragraph two hereof.

(2) It shall have not less than ten bona fide applications for reinsurance of such kind or kinds on real property located within this state, and from not less than ten separate applying insurers authorized to do business in this state, providing for the payment of gross annual reinsurance premiums of not less than twenty-five thousand dollars and providing that such ceding insurer shall, as a member of such assuming insurer, be subject to a contingent mutual liability in an amount at least equal to that provided for in section six thousand six hundred fourteen of this article.

(3) Such a corporation shall, pursuant to such license, do only the business of reinsurance as herein provided, but may upon meeting the requirements of paragraph one of subsection (a) of this section and upon evidence satisfactory to the superintendent that it is complying with paragraph two of subsection (a) of this section, relative to minimum surplus, be licensed, pursuant to section one thousand one hundred two of this chapter, to do the kind or kinds of insurance business as above designated, both as a direct writer and as a reinsurer.

(c) The financial and deposit requirements set forth in subsection (a) of this section shall be reduced by fifty percent for a cooperative property/casualty insurance company initially licensed to do business in this state prior to July first, nineteen hundred eighty-two.