§ 6605. Organization of assessment corporations. (a) An assessment 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, seven and eight of such subsection solely in conjunction with fire insurance written under the same policy and covering the same premises and insurance against loss or damage to property caused by aircraft or vehicles in compliance with the following prerequisites:

(1) It shall have not less than two hundred bona fide applications for insurance of such kind or kinds on real property located within the territory in which it desires to be licensed as above provided, and from not less than two hundred separate applicants who shall have paid advance payments of estimated annual assessments of at least two thousand dollars for insurance aggregating not less than two hundred thousand dollars in each county of such territory and each member shall be subject to assessments, in addition to required advance payments, sufficient to meet incurred losses, expenses and other legal obligations for such insurer.

(2) It shall have a cash organization fund of not less than one hundred fifty 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 one hundred thousand dollars. For an assessment corporation licensed to do the kinds of insurance specified in paragraph nine of subsection (a) of section one thousand one hundred thirteen of this chapter, except as herein provided, the corporation must maintain an additional surplus of fifty thousand dollars. The additional surplus is not necessary if the whole risk for this peril is reinsured in an insurance company 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.

(3) Any assessment corporation licensed on the effective date of this article which does not possess surplus of one hundred thousand dollars shall be restricted to the kinds of insurance for which it was licensed

immediately prior to the effective date of this article until such time as the required minimum surplus specified in paragraph two above is accumulated. In no event shall the surplus of such corporation fall below fifty thousand dollars.

(b) (1) Any licensed assessment corporation may amend its charter and be licensed to do the kinds of insurance specified in paragraphs nine, thirteen, fourteen and fifteen (except workers' compensation insurance) of subsection (a) of section one thousand one hundred thirteen of this chapter solely in conjunction with fire insurance written under the same policy and covering the same premises, except as provided in paragraph two of this subsection, and may be licensed to do the kinds of insurance specified in paragraphs twelve, nineteen (excluding aircraft physical damage insurance) and twenty (inland marine only) of such subsection.

(2) An assessment corporation licensed to write the kinds of insurance specified in paragraphs thirteen and fourteen of subsection (a) of section one thousand one hundred thirteen of this chapter is authorized to write personal or commercial umbrella liability insurance.

(c) An assessment corporation may also be organized and licensed in the manner prescribed in section six thousand six hundred three of this article to do within all the counties of the state (except the counties of New York, Kings, Queens, Bronx and Richmond) as an assuming insurer, reinsurance business of a kind or kinds referred to in this section, and, as specified in its charter, on compliance with the following prerequisites:

(1) It shall have not less than ten bona fide applications for reinsurance of such kind or kinds on real property located within such counties, and from not less than ten separate applying assessment corporations of this state providing for the payment of advance payments in the form of estimated annual assessments of not less than ten thousand dollars, and providing that each such ceding insurer shall, as a member of such assuming insurer, be subject to additional assessments sufficient to meet incurred losses, expenses and other legal obligations for such insurer.

(2) It shall comply with the financial requirements set forth in paragraph two of subsection (a) of this section.

(3) Such a corporation shall, pursuant to such license, do only the business of reinsurance, and may not at any time qualify as a direct

writing assessment corporation.

(d) An assessment corporation licensed to write the kinds of insurance specified in paragraphs thirteen and fourteen of subsection (a) of section one thousand one hundred thirteen of this chapter authorized to write personal or commercial umbrella liability insurance shall maintain an additional surplus of six hundred thousand dollars if the corporation writes personal or commercial umbrella liability insurance.

(e) Nothing in this section shall prohibit a licensed assessment corporation from writing coverage pursuant to subsection (a) or (b) of this section for any leaseholder of the premises.