§ 6615. Annual assessments; borrowed money. (a) (1) Every assessment corporation may, if so directed by its board of directors levy an assessment upon all of its members. Such assessment shall be sufficient to provide for the payment of losses, expenses, and other obligations, incurred, or likely to be incurred during the fiscal year for which the assessment is levied.

(2) If issuing policies on but one class of property, such assessment shall be in proportion to the several amounts of insurance held by each member.

(3) If issuing policies on more than one class of property, rates of assessment shall be in proportion to the several amounts of insurance held by each member and on the basis of classifications adopted by its board of directors to express the relative hazards of the properties insured.

(b) (1) Every such corporation may borrow money, except by means of a mortgage, to pay incurred losses and expenses; but in the calculation of its next assessment following the time, or times, at which such a loan or loans were effected, due provision shall be made for the liquidation of such loan or loans.

(2) An assessment corporation may borrow money for a period of more than one year with the written approval of the superintendent and under such conditions as he may prescribe.

(c) (1) Every such corporation may levy annual assessments in advance sufficient to discharge its estimated losses, expenses, and other valid obligations for which it may reasonably be expected to become liable during the period prior to the end of its fiscal year.

(2) At any time after the institution of such assessments, new members may be admitted to any such corporation upon paying such fees and other sums as may be provided for by the corporation's by-laws and upon paying their proportionate shares of the last preceding assessment.

(d) On and after the effective date of any change from the post assessment basis to the advance assessment basis as permitted herein, every assessment corporation may collect advance assessments, as herein provided, from each person applying for or renewing a policy or policies and only those persons who were admitted as new members during the period prior to such effective date and subsequent to the levying of the final post assessment shall be assessed on a pro rata basis for the

losses, expenses, and other valid obligations incurred during such period.