§ 6703. Organization of nonprofit property/casualty insurance companies. (a) A corporation may be organized as a charitable corporation pursuant to paragraph (a) of section two hundred one of the not-for-profit corporation law or as a nonprofit reciprocal insurer under article sixty-one of this chapter to write the kinds of insurance specified in subsection (a) of section one thousand one hundred thirteen of this chapter other than (1) those types of insurance specified in paragraphs one, two, eighteen, twenty-two, twenty-three and twenty-five of such subsection, (2) insurance against legal liability of the insured, and against loss, damage or expense incident to a claim of such liability arising out of death or injury of any person, due to medical or hospital malpractice by any licensed physician or hospital, and (3) insurance subject to section three thousand four hundred twenty-five of this chapter.

(b) A corporation organized pursuant to subsection (a) of this section shall (1) be organized and operated exclusively for a purpose or purposes for which a corporation may be formed under the not-for-profit corporation law and this chapter, not for pecuniary profit or financial gain, and no part of its assets, income or profit is distributable to or enures to the benefit of its members, directors or officers except to the extent permitted under the not-for-profit corporation law and this chapter, in a manner acceptable to the superintendent, and (2) insure no organizations or corporations other than nonprofit organizations.

(c) Notwithstanding any provision of the not-for-profit corporation law, no nonprofit property/casualty insurance company licensed pursuant to this article shall be converted into a corporation or other entity organized for pecuniary profit or into a for-profit organization of any kind.