§ 7305. Conversion of assessment corporations into advance premium corporations. Any assessment corporation, as defined in section six thousand six hundred two of this chapter, licensed under section six thousand six hundred three of this chapter to do the business of fire insurance may be converted into and licensed as an advance premium corporation, as defined in section six thousand six hundred two of this chapter, in the manner prescribed in this section and subject to any other requirements of law. The successive steps shall be as follows:

(a) A majority of the board of such assessment corporation shall adopt a resolution approving the proposed conversion and appointing a committee of not less than three directors to prepare a draft of a proposed declaration and charter and proposed by-laws.

(b) Such committee's proposed declaration, charter and by-laws shall be submitted with an appropriate resolution to the board of directors for approval.

(c) A majority of the board at any regular or special meeting thereof shall approve by resolution a proposed declaration and charter and proposed by-laws, which shall conform to the requirements of this chapter relative to the contents of charters and by-laws of advance premium corporations hereafter organized, with such modifications as the superintendent, by regulation, shall prescribe to make such requirements applicable to the nature and character of such conversion proceeding. Such resolution shall also direct that notice that the proposed conversion will be submitted for approval at the next annual meeting of members or at a special meeting to be called for that purpose be given to all members pursuant to section six hundred five of the business corporation law, together with copies of the resolutions referred to in subsections (a) and (b) hereof and in this subsection, and of the proposed declaration, charter and by-laws.

(d) At least two-thirds of the votes of the members voting at such meeting either in person or by proxy, if the corporation's by-laws provide for a vote by proxy, shall be cast in favor of the proposed conversion and of the adoption of the proposed declaration and charter and proposed by-laws. A resolution shall similarly be adopted instructing the president and secretary to execute or certify and file all necessary papers and instruments incident to the proposed conversion.

(e) The proposed declaration and charter executed by the president and secretary, together with copies of all other necessary papers and instruments incident to the proposed conversion, subscribed and affirmed by each as true under the penalties of perjury, shall be submitted to the superintendent.

(f) If the superintendent finds, by such investigation or examination as he deems appropriate to make, that the corporation meets the minimum surplus requirements of section six thousand six hundred four of this chapter, he shall file in his office the declaration, charter, by-laws and other documents submitted as required by subsection (e) hereof, and coincident with such filing such assessment corporation shall become an advance premium corporation. For an assessment corporation initially licensed to do business in this state prior to July first, nineteen hundred eighty-two such minimum surplus requirements and minimum capital investment requirements shall be those applicable to an advance premium corporation initially licensed to do business in this state prior to such date.

(g) Upon compliance by the corporation with the foregoing and with any other lawful prerequisites for the issuance of an insurer's license, the superintendent may, in accordance with subsection (d) of section one thousand one hundred two of this chapter, grant a license to such advance premium corporation to do the kinds of insurance business specified in its charter. The territory in which such corporation shall be licensed shall be that for which it was licensed when an assessment corporation immediately prior to its conversion as herein provided, but if it has a surplus of at least one hundred fifty thousand dollars it may be licensed by the superintendent to do business throughout the state, subject to the requirements of section six thousand six hundred ten of this chapter and to all the provisions and requirements of this article relative to advance premium corporations.