§ 1115. Limitation of risk, in general. (a) Except as otherwise provided in this chapter, no insurer doing business in this state shall expose itself to any loss on any one risk in an amount exceeding ten percent of its surplus to policyholders. In determining the amount of risk, any portion reinsured in an assuming insurer authorized to do such business in this state or in an accredited reinsurer, as defined in subsection (a) of section one hundred seven of this chapter, shall be deducted. In determining the limitation of risk under any provision of this chapter, "surplus to policyholders" shall include voluntary reserves, or any part thereof, not required by law, and be determined from the insurer's last sworn statement on file with the superintendent, or the last report on examination filed by the superintendent, whichever is more recent at the time the risk is assumed. In applying the limitation under any provision of this chapter to alien insurers, such provision shall be deemed to refer to the exposure to risk and to the surplus to policyholders of the United States branch of such alien insurer.

(b) This section shall not apply to the insurance of marine risks, marine protection and indemnity risks, workers' compensation, employers' liability risks, mortgage guaranty risks, financial guaranty risks, risks insured for any dollar level of first party benefits provided pursuant to article fifty-one of this chapter, certificates of title, guaranties of title or policies of title insurance, or those insurers subject to the provisions of subsection (c) of section two thousand three hundred forty-three of this chapter.

(c) (1) An insurer, selling residual value insurance in this state must at all times maintain surplus to policyholders in the aggregate amount of no less than: (i) 0.3333 percent or 1/300th of the aggregate net liability under guaranties of commercial real estate; (ii) 0.6666 percent or 1/150th of the aggregate net liability under guaranties of commercial transportation, to include, but not inclusively, aircraft, helicopters, vessels and railcars; (iii) one percent or 1/100th of the aggregate net liability under guaranties of commercial industrial equipment; (iv) with regard to all other residual value guarantees, four percent or 1/25th of the aggregate net liability under such guarantees. For purposes of subparagraphs (i) through (iv) of this paragraph residual value is defined as set forth in paragraph twenty-two of

subsection (a) of section one thousand one hundred thirteen of this article including financial transactions demonstrated to the satisfaction of the superintendent to be the functional equivalent thereof.

(2) An insurer, selling residual value insurance in this state shall limit its exposure on any one risk, net of collateral and reinsurance to an amount not to exceed ten percent of the aggregate of the insurer's surplus to policyholders. For the purposes of this section reinsurance must be placed with an authorized or accredited reinsurer in New York state. The credit for collateral shall not exceed fifty percent of the appraised value of the underlying asset at the date in the future that the value of the property is guaranteed.