

§ 58-3-105. Limitation of risk.

Except as otherwise provided in Articles 1 through 64 of 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 (10%) of its surplus to policyholders. Any risk or portion of any risk which shall have been reinsured shall be deducted in determining the limitation of risk prescribed in this section. This section shall not apply to (i) life insurance, (ii) accident and health insurance, (iii) the insurance of marine risks, or marine protection and indemnity risks, (iv) workers' compensation or employer's liability risks, and (v) certificates of title, guaranties of title or policies of title insurance. For the purpose of determining the limitation of risk under any provision of Articles 1 through 64 of this Chapter, "surplus to policyholders" shall

- (1) Be deemed to include any voluntary reserves, or any part thereof, which are not required by or pursuant to law, and
- (2) Be determined from the last sworn statement of such insurer on file with the Commissioner pursuant to law, or by the last report on examination filed by the Commissioner, whichever is more recent at the time of assumption of such risk.

In applying the limitation of risk under any provision of Articles 1 through 64 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. (1945, c. 377; 1991, c. 636, s. 3; 2013-199, s. 1.)