

(5) *In applying the limitation of the risk under any provision of this section to alien insurers, such provision shall be deemed to refer to the exposure of risk and to the surplus to policyholders of the United States Branch of such alien insurer.*

*(b) Limitation of Fidelity and Surety Risks.*

(1) *In applying the limitation of subsection (a) to fidelity and surety risks, the net amount of exposure on any one fidelity or surety risk shall, except as provided in paragraph (4), be deemed within the limit of ten per cent if such company is protected in excess of that amount by:*

*(A) reinsurance complying with the requirements of subsection (a) (2), which is in such form as to enable the obligee or beneficiary to maintain an action thereon against the ceding insurer jointly with the assuming insurer or, where the commencement or prosecution of actions against the ceding insurer has been enjoined by any court of competent jurisdiction against the assuming insurer alone, and to have recovery against such assuming insurer for its share of the liability thereunder and in discharge thereof; or*

*(B) the co-suretyship of any other surety company authorized to do such business in this state; or*

*(C) a deposit of property with it in pledge or conveyance of property to it in trust for its protection; or*

*(D) a conveyance or mortgage of property for its protection; or*

*(E) in case a suretyship or guaranty obligation was made on behalf or on account of a fiduciary holding property in a trust capacity, by such a deposit or other disposition of a portion of the property so held in trust that no future sale, mortgage pledge or other disposition can be made thereof except with the consent of such insurance company or by decree or order of a court of competent jurisdiction.*

(2) *Notwithstanding the limitation prescribed in paragraph (1) any such company may execute bonds of the kind commonly known as transportation or warehousing bonds for United States internal revenue taxes in a net amount not exceeding twenty per cent of its surplus to policyholders, determined as provided in paragraph (1).*

(3) *In determining the net amount of exposure on any one such risk, the following rules shall be applicable to the kinds of obligations hereinafter described:*

*(A) When the penalty of a suretyship obligation exceeds the amount of a judgment prescribed therein as appealed from and thereby secured, or exceeds the amount of the subject matter in controversy or of the estate in the hands of the fiduciary for the performance of whose duties it is conditioned, the bond may be executed by such company if the actual amount of the judgment or the subject matter in controversy or estate not subject to supervision or control of the surety is not in excess of such limitation of ten per cent.*

*(B) When the penalty of a suretyship obligation executed for the performance of a contract exceeds the contract price, the latter amount shall be taken as the basis for estimating the limit of risk within the meaning of this section.*