Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE
P. O. Box 11217 - Fernández Juncos Sta.
Santurce, Puerto Rico

Circular Letter #E 11-305-61
November 27, 1961

TO ALL THE INSURERS LICENSED TO TRANSACT BUSINESS
IN PUERTO RICO

Gentlemen:

We are pleased to enclose, for your information, an unofficial translation of Act No. 129, approved June 28, 1961, whereby domestic insurers maintaining a home office in the Commonwealth of Puerto Rico shall be exempted from the payment of premium tax in our jurisdiction.

This Act became effective inmediately after its approval.

Cordially yours,

Jorge Soto García
Acting Commissioner

S.B. 128
(Conference)

1st Ordinary Session
4th Legislative Assembly
Act. No. 129
Approved June 28, 1961

AN ACT

To add a new section, which shall be numbered 7.021, and to amend paragraph (1) of Section 7.020 of Act. No. 77 approved June 19, 1957 known as the Insurance Code of Puerto Rico.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- A new section is hereby added to Act. No. 77 approved June 19, 1957, known as the Insurance Code of Puerto Rico, which shall be numbered 7.021 and which shall read as follows:

7.021.- Tax Exemption for Domestic Insurers Maintaining a Home Office in Puerto Rico.

1. Each domestic insurer maintaining a home office in Puerto Rico, as hereinafter defined, shall be exempted from the payment of the tax on premiums and annuity considerations provided in Section 7.020. The insurers so exempted shall not be bound to comply with the provisions of Sections 7.030 and 7.040.

2. By a home office, in the case of domestic insurers, it shall be understood an office performing the sale, underwriting, issuing and rendering of services related to insurance including the following: actuarial functions, medical functions (when required), legal services, approval or refusal of applications for insurance and the issuance of insurance policies, approval of payments in any kind of claim, the keeping of records to provide information and service to the insureds, advertisements and publications, public relations and the supervision and training of insurance producers and service representatives. The collections made shall be kept at all times deposited in local banking institutions.

3. Every insurer eligible for tax exemption under this section shall furnish the Commissioner of Insurance, on or before January 31 of each year, in the forms provided by him, proof that it qualifies for the exemption provided by this section.