

Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE
P. O. Box 11217 - Pdez. Juncos Sta.
Santurce, Puerto Rico 00910

Circular Letter No. T-1-415-68
January 31, 1968

RE: RECIPROCAL STATES LAW

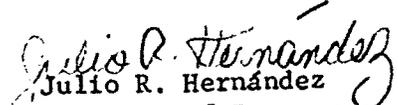
Dear Commissioner:

Enclosed you will find a copy of Section 29.320 of the Puerto Rico Insurance Code, which prohibits domestic insurance companies of this Commonwealth from transacting insurance in any "reciprocal state or countrys" unless such company is licensed to do business in such state or country.

It will be appreciated if you will advise this office whether or not your state has a similar law which would enable us to classify your state as a "reciprocal state". If so, we would appreciate your enclosing a copy of the law with your reply to this letter.

Your assistance in providing us with the information requested will be appreciated.

Cordially yours,


Julio R. Hernández
Commissioner of Insurance

Enclosure

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PUERTO RICO INSURANCE CODE

SECTION 29.320

TRANSACTIONS IN OTHER COUNTRIES. - (1) A domestic insurer may transact in another state or country such insurance as it may be authorized to transact in Puerto Rico; and for the purpose thereof may issue policies containing such provisions as may be required or permitted by the laws of such state or country, subject, however, to approval of the Commissioner if required pursuant to section 11.110 (6). *

(2) If the Commissioner finds, after a hearing thereon, that continued operation of such insurer in any such state or country constitutes a threat to or impairment of the solvency of the insurer or the protection of its policyholders in Puerto Rico and elsewhere, the Commissioner shall order the insurer to discontinue assumption of new risks in such state or country within such reasonable time as shall be specified in the order, and the insurer shall not assume any new risks in such state or country after such date and while such order remains in effect.

(3) If such insurer is transacting insurance in any state or country wherein it has not fully qualified as an authorized insurer, the Commissioner may order the discontinuance of such transactions if a similar restraint with respect to transactions in Puerto Rico is imposed by public authority upon insurers domiciled in such state or country.

* SECTION 11.110 (6) above referred to reads:

11.110.- APPROVAL OF FORMS

(1)

(2)

(3)

(4)

(5)

(6) This section shall apply also to any form used by domestic insurers for delivery in a jurisdiction outside Puerto Rico, if the insurance supervisory official of such jurisdiction informs the Commissioner that such form is not subject to approval or disapproval by such official, and upon the Commissioner's order requiring the form to be submitted to him for the purpose. The applicable same standards shall apply to such forms as apply to forms for use in Puerto Rico.

(1)