



COMMONWEALTH OF PUERTO RICO

OFFICE OF THE COMMISSIONER OF INSURANCE

January 28, 1988

Circular Letter No. E-1-1101-88

TO ALL FOREIGN INSURERS ORGANIZED IN THE UNITED STATES
AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN PUERTO RICO

Subject: Deposit and Investment

Dear Sirs:

Section 3.130 of the Insurance Code of Puerto Rico, 26 LPRA sec. 313, stipulates, among other things, that no insurer organized under the laws of a state of the United States may be authorized to transact insurance in Puerto Rico, unless it deposits and maintains on deposit assets for an amount not less than the paid-in capital, if a stock insurer, or surplus if a mutual, cooperative, reciprocal or Lloyd's plan insurer, as required to be maintained for the kind or kinds of insurance to be offered in Puerto Rico.

The deposit shall be for the protection of all the insurer's policyholders, or for all its policyholders and creditors in Puerto Rico and shall be made in trust with the Secretary of the Treasury of the Commonwealth of Puerto Rico. Nevertheless, the Commissioner may accept, in lieu of said deposit, the certificate of the public official having the supervision over insurance in a state, showing that a deposit by such insurer, or like part thereof, is being maintained in trust in such state for the purpose stated above.

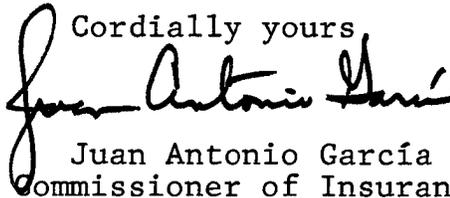
In addition, Section 3.160(1) of the Insurance Code of Puerto Rico, 26 LPRA sec. 316(1), stipulates that an insurer shall not be authorized to transact insurance in Puerto Rico unless it has and maintains invested in Puerto Rico securities in an amount not less than one-half of the required capital, if a stock insurer, or of the required surplus, if a mutual or reciprocal insurer, for the kind or kinds of insurance to be transacted in Puerto Rico.

In view of the above, and in order to update our records, those foreign insurer not having a deposit in trust with the Secretary of the Treasury of the Commonwealth of Puerto Rico, must file with this Office, on or before February 29, 1988, a certificate of deposit signed by a state insurance supervisory official indicating, among other things, that a deposit by such insurer is being maintained in such state for the purpose stated above.

In addition, all foreign insurers must file by said date a certificate of investment in Puerto Rico securities as required above. The latter certificate must be filed in the enclosed form.

Strict compliance with the above is hereby required.

Cordially yours,

A handwritten signature in black ink, appearing to read "Juan Antonio García". The signature is written in a cursive style with a large initial "J".

Juan Antonio García
Commissioner of Insurance

Enclosure



COMMONWEALTH OF PUERTO RICO

OFFICE OF THE COMMISSIONER OF INSURANCE

TO ALL FOREIGN INSURERS ORGANIZED IN THE UNITED STATES
AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN PUERTO RICO

Enclosed you will find the Certificate of Investment in Puerto Rico Securities form, requested by our Circular Letter No. E-1-1101-88 of January 28, 1988, to be filed in this Office.



COMMONWEALTH OF PUERTO RICO

OFFICE OF THE COMMISSIONER OF INSURANCE

CERTIFICATE OF INVESTMENT IN PUERTO RICO SECURITIES

____ and _____
(President) (Treasurer)

of _____,
(Name of the Insurer)

an insurer organized and existing under and by virtue of the laws of _____, do hereby certify that said insurer (State or Country) has and maintains and investment in securities of the class specified in Section 3.160 of the Insurance Code of Puerto Rico. The aforesaid securities are described on the reverse side of this certificate and have a total par value of \$ _____ and, as of the date of this document, have an amortized value of \$ _____.

We further certify that the above mentioned insurer will maintain at all times the amount required by the above mentioned section during such time as said insurer remains authorized in Puerto Rico and until all its obligations and liabilities in the Commonwealth of Puerto Rico have been discharged, and that sale or exchange of the described securities will only be authorized upon substitution thereof for an equal amount of securities of their same general character and quality, provided the certificate be up dated whenever a change occurs.

IN WITNESS WHEREOF, we hereunto subscribe our names and cause to be affixed the Official Seal of _____ (Name of the Insurer)

at the City of _____, _____, this _____ day of _____, 19 _____.

ATTESTED:

President

Secretary

Treasurer

(SEAL)