



COMMONWEALTH OF PUERTO RICO

OFFICE OF THE COMMISSIONER OF INSURANCE

February 27, 1992

Circular Letter No. AE-I-1-1255-92

TO ALL REINSURERS AUTHORIZED TO TRANSACT INSURANCE
BUSINESS IN PUERTO RICO

Subject: 1991 Annual Statement

Dear Sirs:

Section 1.020 of the Insurance Code of Puerto Rico, 26 LPRC sec. 102, states the following:

"Insurance is a contract whereby one undertakes to indemnify another, or to pay or provide a specified or ascertainable benefit upon determinable contingencies therein foreseen. The term insurance includes reinsurance." (emphasis supplied)

Section 1.050(4) of the Insurance Code of Puerto Rico, 26 LPRC sec. 105(4), states the following:

"Contracting or transacting with respect to insurance includes any of the following:

- (1) ...
- (4) Insuring or reinsuring."

The aforesaid sections subject reinsurers to the same requirements imposed on insurers by other provisions of the Insurance Code, except as to any section where reinsurers are expressly excluded or to any section where it is clear that its content is not applicable to reinsurers.

One of those requirements is the one stipulated in sections 3.310(1) and (2) of the Insurance Code of Puerto Rico, 26 LPRC sec. 331(1) and (2), which provide the following:

"(1) Each authorized insurer shall annually, before the thirty-first day of March, file with the Commissioner a true statement of its financial condition, transactions,

and affairs as of December 31st. preceding. The statement shall be on forms as prescribed by the Commissioner, shall contain information as required by this Code and by the Commissioner, and shall be verified by the oath of at least two of the insurer's principal officers. The annual statement of a reciprocal or Lloyd's insurer shall be verified by his attorney-in-fact.

(2) The annual statement of a foreign insurer not formed in the United States but authorized to transact insurance in a state of the United States, may relate only to its assets, transactions and affairs in the United States and Puerto Rico (and including, at the insurer's option, the Virgin Islands and the Canal Zone) unless the Commissioner requires otherwise. The statement may be verified by the insurer's United States manager or by its officers duly authorized." (emphasis supplied)

In view of the above, reinsurers shall file in this Office the annual statement for calendar year ending December 31, 1991, on or before March 30, 1992. This annual statement shall be filed in duplicate in the official form approved by the National Association of Insurance Commissioners. (Revised Form 1991)

Please be advised that according to the amendments approved by the National Association of Insurance Commissioners, from this year (1991) on, the new size of the Annual Statement to be filed in Puerto Rico will be, 9" x 14", pursuant to Circular Letter No. E-I-10-1242-91 of October 11, 1991.

In accordance with the provisions of Section 3.310(2), cited above, foreign reinsurers not organized in the United States, which elect to file an annual statement related to their United States business, must include also the information pertaining to their Puerto Rico affairs and transactions.

In addition, this Office is hereby requesting that those foreign reinsurers not organized in the United States, but authorized to transact insurance business in Puerto Rico, which close their books on a date other than December 31 of each year, must submit a transmittal letter with the following information:

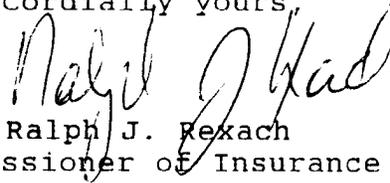
1. Contact person and mailing address.
2. Date on which the reinsurer closes its books of account.
3. Date on which it is estimated the reinsurer can submit the following information corresponding to 1991:

- a. Summary of insurance business transacted in Puerto Rico.
- b. Summary of investments in Puerto Rico.
- c. Balance Sheet for the preceding calendar or fiscal year.

The annual statement or the transmittal letter containing the aforesaid information must be submitted on or before March 30, 1992.

Strict compliance with the aforesaid provisions is hereby required.

Cordially yours,



Ralph J. Rexach
Commissioner of Insurance