



COMMONWEALTH OF PUERTO RICO

## OFFICE OF THE COMMISSIONER OF INSURANCE

August 22, 1996

**Circular Letter E-8-1431-96**

*TO ALL FOREIGN INSURERS DOING BUSINESS IN PUERTO RICO*

### **Premium Tax**

Sirs:

We hereby inform you that Act No. 62 of June 29, 1996, amended Section 7.020(1) of the Insurance Code of Puerto Rico as follows:

"Except as provided in Section 7.021 every insurer shall pay to the Secretary of the Treasury of the Commonwealth of Puerto Rico, through the Office of the Commissioner, a tax of four (4) percent on premiums and one (1) percent on annuity considerations, as provided in sub-section (b) received by the insurer during the calendar year on insurance transacted in Puerto Rico, or covering risks resident, located, or to be performed in Puerto Rico, wherever transacted. Said tax shall be paid not later than the following March 31 of the following calendar year."

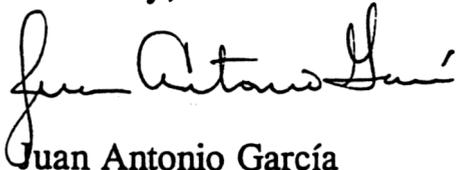
In view of the above, beginning this calendar year, insurers shall pay the corresponding premium tax on an annual basis, according to the provisions of the referred section of law, instead of semiannually as had been the case up to now. If an insurer already paid the estimated premium tax for the semester ended June 30, 1996, we will refund it shortly.

In due course this Office will provide the new premium tax return blank forms.

In addition, please be advised that according to the provisions of Section 2.071(3) of the Insurance Code of Puerto Rico, as amended, foreign insurers may credit to

the premium tax payable; the amount of the single annual contribution paid for the renewal of their certificate of authority.

Cordially,

A handwritten signature in black ink, appearing to read "Juan Antonio García". The signature is fluid and cursive, with a prominent initial "J" and a distinct "G" at the end.

Juan Antonio García  
Commissioner of Insurance