



Government of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE

CIRCULAR LETTER NO. C-10-1433-96
October 16, 1996

**TO ALL INSURERS AUTHORIZED TO TRANSACT
VEHICLE INSURANCE IN PUERTO RICO**

**Re: Statutory Meeting of the Compulsory Liability
Insurance Joint Underwriting Association**

Ladies and Gentlemen:

Article 6 of Act No. 253, approved on December 27, 1995, created the Compulsory Liability Insurance Joint Underwriting Association, hereinafter called "the Joint Underwriting Association", mainly to provide compulsory liability insurance for motor vehicles to applicants of said insurance who have been rejected by private insurers, as defined in Article 3 of said Act.

The Joint Underwriting Association is composed of all insurers authorized, or those that may be authorized in the future, to write in Puerto Rico vehicle insurance as defined in Section 4.070 of the Insurance Code of Puerto Rico. Said insurers shall be members of the Joint Underwriting Association as a condition for their continued authorization to write any type of insurance in Puerto Rico.

Section 6 of Rule LXIX, adopted by the Commissioner of Insurance in accordance with Article 6 of Act No. 253, supra, stipulates that the Joint Underwriting Association shall operate under the supervision and direction of a Board of Directors consisting of four directors elected by its members, two directors representing the public interest, appointed by the Commissioner of Insurance, and the chief executive officer of the Joint Underwriting Association.

Pursuant to Section 10 of said Rule, the first meeting of the members of the Joint Underwriting Association is hereby called to take place on October 28, 1996 at 10 a.m. at the Office of the Commissioner of Insurance, Cobian's Plaza Building, Lower Mall, 1607 Ponce de León Avenue, Stop 23, Santurce, Puerto Rico. In said meeting four directors will be elected and several matters regarding the operation of the Joint Underwriting Association will be discussed.

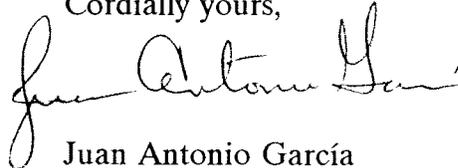
In accordance with Article 6 of Act No. 253, supra, the votes of the members in said election shall have weight in the proportion that the net direct premiums written by each

member during the preceding calendar year for vehicle insurance, as defined in Section 4.070, supra, bear to the total net direct premiums written in Puerto Rico by all the members of the Joint Underwriting Association in said year for such kind of insurance. For this purpose, a distribution of the premiums written by all members of the Joint Underwriting Association for the aforementioned kind of insurance will be distributed at the meeting.

A Designation of Authorized Representative form is enclosed. The same should be completed by your President or Secretary, or any other authorized representative, and returned to us **before the quorum for said meeting is established**. In said designation form you may appoint any representative of your own. **If you do not wish to designate a representative of your own, you hereby appoint Mr. Antonio Blanes, President of United Surety and Indemnity Company and Mr. Manuel Rodríguez, President of American International Insurance Company of Puerto Rico, as your representative, unless you notify us in the aforesaid Designation of Authorized Representative form that you do not wish to appoint any representative whatsoever to vote on your behalf at said meeting.**

Due to the great importance of this matter, we strongly urge you to designate an authorized representative who shall vote on your behalf in said meeting.

Cordially yours,



Juan Antonio García
Commissioner of Insurance

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Enclosure



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DESIGNATION OF AUTHORIZED REPRESENTATIVE

WHEREAS, _____ is an
(Insurer's Name)
insurer duly authorized to write vehicle insurance in the Commonwealth of Puerto Rico and
thus is a member of the Compulsory Liability Insurance Joint Underwriting Association.

WHEREAS, a meeting shall be held on October 28, 1996 to elect four members of
the Board of Directors of said Joint Underwriting Association pursuant to Rule LXIX of
the Insurance Code of Puerto Rico.

THEREFORE, _____ hereby:
(Insurer's Name)

- Appoints and names Mr. _____ to be its
representative and to vote on its behalf at said meeting and upon any question or
questions which may come before such meeting.
- Notifies that it does not wish to appoint a representative to vote on its behalf at said
meeting and upon any question or questions which may come before such meeting.

This _____ day of October, 1996.

President or Vice President

Secretary

Corporate Seal