COMMONWEALTH OF PUERTO RICO

OFFICE OF THE COMMISSIONER OF INSURANCE

March 4, 1999

Circular Letter No. E-2-1528-99

TO ALL REINSURERS AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN PUERTO RICO

1998 Annual Statement

Dear Sirs:

Sections 1.020 and 1.050(4) of the Insurance Code of Puerto Rico, 26 L.P.R.A. secs. 102 and 105(4), subject reinsurers to the same requirements imposed on insurers by said 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 section 3.310(1) and (2) of the Insurance Code of Puerto Rico, 26 L.P.R.A. sec. 331 (1) and (2), which provides 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, 1998, **on or before March 30, 1999**. The same must be filed in

P.O. Box 8330, Fernández Juncos Station - Santurce, Puerto Rico 00910-8330
Tel. (809) 721-8686, Fax (809) 722-4400

the official form approved by the National Association of Insurance Commissioners. Pursuant to Circular Letter No. E-I-l0-l242-91 of October 11, 1991, and to the amendments approved by the National Association of Insurance Commissioners, the size of the annual statement to be filed in this Office will be 9" x l4".

In accordance with the provisions of Section 3.3l0(2), cited above, foreign reinsurers not organized in the United States, which elect to file an annual statement related only to their United States business, must include also the information pertaining to their Puerto Rico affairs and transactions.

Notwithstanding the above, 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 3l of each year, must submit, **on or before March 30, 1999,** a transmittal letter with the following information, in lieu of the aforesaid annual statement:

1. Contact person and mailing address.
2. Date on which the reinsurer closes its books of account.
3. Summary of insurance business transacted in Puerto Rico during calendar year 1999.
4. Summary of investments in Puerto Rico for that calendar year.
5. Balance Sheet for the preceding calendar or fiscal year.
6. Date on which it is estimated the reinsurer can submit its annual statement to this Office.

All reinsurers must also include a certification of the investments in Puerto Rico securities held as of December 31, 1998, in compliance with Section 3.160 of the Insurance Code of Puerto Rico, in the form included.

Please be advised that no additional time will be granted for the submission of the annual statement.

Strict compliance with the aforesaid provisions is hereby required.

Sincerely,

Juan Antonio García
Commissioner of Insurance

Enclosure

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Government of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE
P. O. Box 8330, Fernández Juncos Station
Santurce, Puerto Rico 00910-8330

CERTIFICATE OF INVESTMENT IN PUERTO RICO SECURITIES

_____ and _____
(President) (Treasurer)
of _____, an insurer
(Name of the Insurer)
organized and existing under and by virtue of the laws of _____,
(State or Country)
do hereby certify that said insurer 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 to remains authorized in Puerto Rico and until all of its obligations and liabilities in the Commonwealth of Puerto Rico have been discharge. The sale or exchange of the described securities will only be authorized upon substitution thereof, provided that this 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)

Description	Cusip Number	Maturity Date	Acquisition Date	Par Value	Cost*	Amortized Value
Total						

*excluding accrued interest.