



COMMONWEALTH OF PUERTO RICO

OFFICE OF THE COMMISSIONER OF INSURANCE

March 3, 1999

Circular Letter No. E-2-1529-99

**TO ALL LIFE INSURERS AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN
PUERTO RICO**

1998 Annual Statement and Related Items

Dear Sirs:

Section 3.310(1) and (2) of the Insurance Code of Puerto Rico, 26 L.P.R.A. sec. 331(1) and (2), stipulates 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 the 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).

Pursuant to the aforesaid section, the annual statement for calendar year ending December 31, 1998, must be filed in this Office **on or before March 30, 1999**. The same must be presented in the official form approved by the National Association of Insurance Commissioners with all the schedules, supplements and reports required, including the Management Discussion and Analysis letter. The size of the annual statement to be filed in this Office will be 9" x 14".

In accordance with the provisions of Section 3.310(2), cited above, foreign insurers 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.

We enclose blank forms for the filing of the Life Insurance Miscellaneous Report, corresponding to your 1998 business in the Commonwealth of Puerto Rico. This report must be completed and filed in this Office, along with the annual statement, on or before March 30, 1999.

The information required in the Life Insurance Miscellaneous Report is for your **Puerto Rico business only**. This information must include the following:

1. Number of policies in force
2. Number of group certificates
3. Accumulated dividends
4. Policy loans
5. Reserves

All insurers must also include with the annual statement the information required on the State Page (page 21), Direct Business in the Commonwealth of Puerto Rico, and 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. It is of the utmost importance that this information be filed with the regular annual statement and within the filing due date.

A copy of the aforesaid State Page must also be sent by all insurers to the Puerto Rico Guaranty Association for Life, Disability and Health, to the following address:

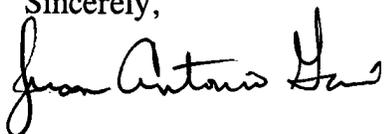
Puerto Rico Guaranty Association for Life,
Disability and Health
P. O. Box 191489
San Juan, Puerto Rico 00919-1489

Domestic insurers must include within the Management Discussion and Analysis (MD&A) letter, an analysis of their Year 2000 issues. Members of an affiliated insurance group that have a single Year 2000 plan, may use the same disclosure statements in the MD&A. Domestic insurers may be guided regarding the types and form of disclosures by the Securities and Exchange Commission's Release Number 33-7558. Section III (A) of the release provides the pertinent guidance.

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

Strict compliance with the aforesaid provisions is hereby required.

Sincerely,

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" and a long, sweeping underline.

Juan Antonio García
Commissioner of Insurance

Enclosure

ia



Government of Puerto Rico
Office of the Commissioner of Insurance

LIFE INSURANCE MISCELLANEOUS REPORT

Name of Insurer _____

Calendar Year _____

1. Number of policies or certificates in force _____
 - a. Ordinary _____
 - b. Credit life (group & individual) _____
 - c. Group _____
 - d. Industrial _____
2. Paid dividends _____
3. Accumulated Dividends _____
4. Policy forms _____
5. Aggregate reserves _____
 - a. Life _____
 - b. Accident & Health _____

We hereby certify that the figures appearing on this statement are true and correct for the aforesaid calendar year, as per records and books of account of this insurer.

_____ 19 _____

Name

Signature

Title

IMPORTANT NOTE

This report must be completed in its entirety. It will be considered as filed if and only if the signature of an authorized officer is affixed herein.

The information requested is for Puerto Rico business only and will include all transactions since the commencement of business in Puerto Rico, up to and including the calendar year indicated above.