



COMMONWEALTH OF PUERTO RICO

OFFICE OF THE COMMISSIONER OF INSURANCE

March 29, 1999

Circular Letter No. E-3-1532-99

**TO ALL DISABILITY 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.

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 Insurance, to the following address:

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

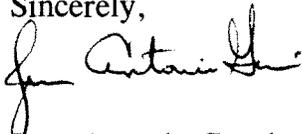
Domestic insurers must include within the Management Discussion and Analysis (MD&A) letter, an analysis of their Year 2000 issues. Members of an affiliated insurance group that have a single Year 2000 plan, may use the same disclosure statements in the MD&A. For this purpose, domestic insurers may be 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.

In addition, those insurers which write any kind of healthcare plan must complete the enclosed form: "Report of Premiums Written for All Kind of Healthcare Plans and Number of Insureds". The information required is as of December 31, 1998, and must be presented on or before April 30, 1999.

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,



Juan Antonio García
Commissioner of Insurance

Enclosure



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

**REPORT OF PREMIUMS WRITTEN AND CLAIMS PAID FOR ALL KINDS OF HEALTHCARE
 PLANS AND NUMBER OF INSUREDS**

Insurer's Name: _____

Period: _____

Premium written and claims paid for all kinds of healthcare plans

	Private Groups and Individuals	Government Employees Groups	Government Health Insurance **	Totals
Premiums Written	\$	\$	\$	\$
Claims and Benefits Paid	\$	\$	\$	\$

Number of insureds, Healthcare Plans in force and Medicare Supplement Policies in force

	Private Groups and Individuals	Government Employees Groups	Government Health Insurance **	Totals
Number of Insureds				
Number of Healthcare Plans **				
Medicare Supplement Policies				

Number of insured children classified by ages

Ages	Number
Under one (1) year	
One (1) year but less than six (6) years	
Six (6) years but less than thirteen (13) years	
Thirteen (13) years through eighteen (18) years	
Total	

Prepared by: _____ **Date:** _____
 (Name)

 (Signature)

* This section refers to the Puerto Rico Health Insurance Administration, Act of 1993, which provides insurance to the eligible beneficiaries according to the Act, commonly known as the "Seguros de la Reforma de Salud".

** Including Medicare Supplement Policies in force