



Government of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE

January 12, 2000

Circular Letter No. E-12-1550-99

TO ALL ELIGIBLE SURPLUS LINE INSURERS

1999 Annual Statement and Related Items

Dear Sirs:

Section 10.071(l)(c) of the Insurance Code of Puerto Rico, 26 L.P.R.A. sec. 1007a(l)(c), stipulates the following:

"(l) No surplus line insurance broker shall transact an insurance contract in an unauthorized insurer that is not an eligible surplus line insurer as provided in this section. No unauthorized insurer shall be or shall be considered an eligible surplus line insurer unless the Commissioner shall determine its eligibility according to the following conditions:

(a) ...

(c) Before granting eligibility, the surplus line insurance broker or the unauthorized insurer shall present to the Commissioner a duly authenticated copy of its most recent annual financial statement, in English or Spanish, with all monetary values expressed in legal tender of the United States and containing such other additional information concerning the insurer as the Commissioner may require;"

In addition, Section 10.072(l) of the Insurance Code of Puerto Rico, 26 L.P.R.A. sec. 1007b(l), states the following:

"(l) The Commissioner may, after a hearing, notice whereof shall be served on all surplus line brokers, withdraw the eligibility of an unauthorized insurer appearing on the list of surplus line eligible insurers upon determining that the insurer is insolvent, or that his financial situation is poor, or that he is no longer eligible under the conditions established in section 10.071 of this code."

P.O. Box 8330, Santurce, Puerto Rico 00910-8330
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Pursuant to Sections 10.071(1)(c) and 10.072(1), supra, and in order to determine the continuation of your eligibility as a surplus line insurer, your annual statement for the calendar year ending December 31, 1999, must be filed in this Office **on or before March 30, 2000**. The same must be presented in the official form approved by the National Association of Insurance Commissioners and shall be verified by the oath of at least two of the insurer's principal officers. Pursuant to Circular Letter Number E-I-10-1242-91 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 14".

All insurers must also include with the regular annual statement the information required on page 15 of said statement, with respect to Puerto Rico business only, in the manner prescribed therein.

The annual statement of a foreign insurer not organized in the United States must include, with respect to Puerto Rico business only, the information required on page 15 of the convention statement approved by the National Association of Insurance Commissioners.

Notwithstanding the above, eligible surplus line insurers not organized in the United States, which close their books on a date other than December 31 of each year, must submit, **on or before March 30, 2000**, 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 insurer 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 insurer can submit its annual statement to this Office.

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
 Juan Antonio García
 Commissioner of Insurance

by

[Signature]
 RESUMEN DE OPERACION

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:

 Secretary

 President

 Treasurer

(SEAL)

**PERCENTAGE DISTRIBUTION OF THE TOTAL PREMIUMS WRITTEN IN PUERTO RICO
DURING 1999 BY THE MEMBERS OF THE SYNDICATE AND PERCENTAGE DISTRIBUTION
OF THE PARTICIPATION OF THE MEMBERS OF THE SYNDICATE IN ITS PROFITS AND
LOSSES FOR 2000**

INSURERS	(1) TOTAL PREMIUMS WRITTEN (In Thousands)	(2) % PARTICIPATION 100%
ACA FINANCIAL GUARANTY CORPORATION	782	0.070
ACE INSURANCE COMPANY	47,849	4.288
ACE PROPERTY AND CASUALTY INSURANCE COMPANY	-	0.000
ACE AMERICAN INSURANCE COMPANY	28	0.003
AFFILIATED FM INSURANCE COMPANY	98	0.009
ALLIANZ INSURANCE COMPANY	1,667	0.149
ALLSTATE INSURANCE COMPANY	8,841	0.792
AMBAC ASSURANCE CORPORATION	1,029	0.092
AMERICAN BANKERS INSURANCE CO. OF FLORIDA	565	0.051
AMERICAN CASUALTY CO. OF READING PENNSYLVANIA	339	0.030
AMERICAN INSURANCE COMPANY, THE	112	0.010
AMERICAN INTERNATIONAL INS. CO. OF P. R.	117,490	10.528
AMERICAN MOTORIST INSURANCE CO.	577	0.052
AMERICAN SECURITY INSURANCE COMPANY	8	0.001
AMEX ASSURANCE COMPANY	1,016	0.091
AMWEST SURETY INSURANCE COMPANY	91	0.008
ANTILLES INSURANCE COMPANY	21,122	1.893
ATHENA ASSURANCE COMPANY	-	0.000
ATLANTIC MUTUAL INSURANCE COMPANY	201	0.018
AUTOMOBILE INS. CO. OF HARTFORD CONNECTICUT	-	0.000
BCS INSURANCE COMPANY	49	0.004
CAPITAL MARKETS ASSURANCE CORPORATION	-	0.000
CARIBBEAN AMERICAN PROPERTY INSURANCE. CO.	3,360	0.301
CENTENNIAL INSURANCE COMPANY	495	0.044
CGU INSURANCE COMPANY	2	0.000
CHARTER OAK FIRE INSURANCE COMPANY, THE	-	0.000
CHUBB INDEMNITY INSURANCE COMPANY	-	0.000

INSURERS	(1) TOTAL PREMIUMS WRITTEN (In Thousands)	(2) % PARTICIPATION 100%
CINCINNATI INSURANCE COMPANY, THE	18	0.002
COLONIAL PENN FRANKLIN INSURANCE COMPANY	-	0.000
COMMERCIAL UNION INSURANCE COMPANY	69	0.006
COMPANIA DE FIANZAS DE PUERTO RICO	2,435	0.218
CONNIE LEE INSURANCE COMPANY	-	0.000
CONTINENTAL CASUALTY COMPANY	5,236	0.469
CONTINENTAL INSURANCE COMPANY, THE	474	0.042
COOPERATIVA DE SEGUROS MULTIPLES DE P. R.	123,028	11.024
EASTERN AMERICA INSURANCE COMPANY	-	0.000
ELECTRIC INSURANCE COMPANY	553	0.050
EMPLOYERS INS OF WAUSAU A MUTUAL COMPANY	304	0.027
EXECUTIVE RISK INDEMNITY, INC.	507	0.045
FACTORY MUTUAL INSURANCE COMPANY	5,461	0.489
FARMINGTON CASUALTY COMPANY	-	0.000
FEDERAL INSURANCE COMPANY	20,515	1.838
FIDELITY & DEPOSIT COMPANY OF MARYLAND	255	0.023
FINANCIAL SECURITY ASSURANCE, INC.	8,252	0.739
FIREMAN'S FUND INSURANCE COMPANY	641	0.057
FIRST AMERICAN INSURANCE COMPANY	6,421	0.575
FRONTIER INSURANCE COMPANY	925	0.083
GENERAL INSURANCE COMPANY OF AMERICA	495	0.044
GENESIS INSURANCE COMPANY	2,096	0.188
GREAT AMERICAN INSURANCE COMPANY	216	0.019
GREENWICH INSURANCE COMPANY	-	0.000
GUARANTY NATIONAL INSURANCE COMPANY	10,205	0.914
GULF INSURANCE COMPANY	256	0.023
HARTFORD ACCIDENT & INDEMNITY COMPANY	-	0.000
HARTFORD FIRE INSURANCE COMPANY	217	0.019
HARTFORD STEAM BOILER INSPEC & INS. CO., THE	944	0.085
HIGHLANDS INSURANCE COMPANY	2	0.000
HORACE MANN INSURANCE COMPANY	55	0.005

INSURERS	(1) TOTAL PREMIUMS WRITTEN (In Thousands)	(2) % PARTICIPATION 100%
INDEMNITY INSURANCE CO. OF NORTH AMERICA	325	0.029
INSURANCE COMPANY OF NORTH AMERICA	1,205	0.108
INSURANCE CORPORATION OF HANNOVER	21	0.002
INTEGRAND ASSURANCE COMPANY	74,877	6.710
INTERNATIONAL FIDELITY INSURANCE COMPANY	184	0.016
LEGION INSURANCE COMPANY	6	0.001
LIBERTY MUTUAL FIRE INSURANCE COMPANY	829	0.074
LIBERTY MUTUAL INSURANCE COMPANY	2,379	0.213
MARYLAND CASUALTY COMPANY	-	0.000
MBIA INSURANCE CORPORATION OF ILLINOIS	-	0.000
MORTGAGE GUARANTY INSURANCE CORPORATION	7,494	0.672
MUTUAL PROTECTIVE INSURANCE COMPANY	4,748	0.425
MUTUAL SERVICE CASUALTY INSURANCE COMPANY	-	0.000
NAC REINSURANCE CORPORATION	-	0.000
NATIONAL FIRE INSURANCE CO. OF HARTFORD	-	0.000
NATIONAL INSURANCE COMPANY	388	0.035
NATIONAL SURETY CORPORATION	70,610	6.327
NATIONAL UNION FIRE INS. CO. OF PITTSBURGH	31	0.003
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY	-	0.000
NATIONWIDE MUTUAL INSURANCE COMPANY	1,987	0.178
NEW HAMPSHIRE INSURANCE COMPANY	42,409	3.800
NEW YORK MARINE AND GENERAL INSURANCE CO.	-	0.000
NEWPORT BONDING & SURETY COMPANY, INC.	21	0.002
NORTHBROOK PROPERTY & CASUALTY INS. COMPANY	1,349	0.121
NORTH RIVER INSURANCE COMPANY	-	0.000
OLD REPUBLIC INSURANCE COMPANY	-	0.000
PAN AMERICAN INSURANCE COMPANY	905	0.081
PHICO INSURANCE COMPANY	25,389	2.275
PHOENIX ASSURANCE COMPANY OF NEW YORK	5,928	0.531
PHOENIX INSURANCE COMPANY	7	0.001
	-	0.000

INSURERS	TOTAL PREMIUMS WRITTEN (In Thousands)	% PARTICIPATION 100%
PREFERRED RISK INSURANCE COMPANY	30,730	2.754
PROGRESSIVE CASUALTY INSURANCE COMPANY	210	0.019
PUERTO RICAN AMERICAN INSURANCE COMPANY	90,351	8.096
RELIANCE INSURANCE COMPANY	5,765	0.517
RELIANCE NATIONAL INDEMNITY COMPANY	1,352	0.121
RELIANCE NATIONAL INSURANCE COMPANY	1,842	0.165
RELIANCE SURETY COMPANY	-	0.000
REPUBLIC INSURANCE COMPANY	469	0.042
RICHPORT INSURANCE COMPANY	-	0.000
RLI INSURANCE COMPANY	808	0.072
ROYAL & SUNALLIANCE ISURANCE (PUERTO RICO), INC.	74,921	6.714
SEABORD SURETY COMPANY	1,001	0.090
SECURITY INSURANCE COMPANY OF HARTFORD	5,693	0.510
SEGUROS TRIPLE S, INC.	77,249	6.922
ST. PAUL MEDICAL LIABILITY INSURANCE COMPANY	-	0.000
ST. PAUL FIRE & MARINE INSURANCE COMPANY	5,398	0.484
STANDARD FIRE INSURANCE COMPANY	35	0.003
THE TOKIO MARINE & FIRE INSURANCE COMPANY, LTD.	1,533	0.137
THE TRAVELERS INDEMNITY COMPANY	46	0.004
THE TRAVELERS INDEMNITY COMPANY OF AMERICA	-	0.000
THE TRAVELERS INDEMNITY COMPANY OF CONNECT.	14	0.001
TOWER BONDING & SURETY COMPANY, INC.	2,911	0.261
TRANSCONTINENTAL INSURANCE COMPANY	37	0.003
TRAVELERS CASUALTY AND SURETY COMPANY	93	0.008
UNITED FINANCIAL CASUALTY COMPANY	-	0.000
UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY	51	0.005
UNITED PACIFIC INSURANCE COMPANY	-	0.000
UNITED SERVICES AUTOMOBILE ASSOCIATION	4,181	0.375
UNITED STATES FIDELITY AND GUARANTY COMPANY	3,771	0.338
UNITED STATES FIRE INSURANCE COMPANY	-	0.000
UNITED SURETY & INDEMNITY COMPANY	18,020	1.615

INSURERS	(1) TOTAL PREMIUMS WRITTEN (In Thousands)	(2) % PARTICIPATION 100%
UNIVERSAL INSURANCE COMPANY	140,834	12.620
UTICA MUTUAL INSURANCE COMPANY	872	0.078
VIGILANT INSURANCE COMPANY	9	0.001
VIRGINIA SURETY COMPANY, INC.	-	0.000
WAUSAU UNDERWRITERS INSURANCE COMPANY	57	0.005
WESTCHESTER FIRE INSURANCE COMPANY	3,484	0.312
WESTPORT INSURANCE CORPORATION	134	0.012
XL SPECIALTY INSURANCE COMPANY	68	0.006
ZURICH INS. U.S. BRANCH (ZURICH AMERICAN INS. CO.)	7,629	0.684
	1,115,961	100.000

* Includes 1.056% of the excess of 20% of the total malpractice premium written by this insurer.

**DISTRIBUTION OF THE TOTAL MALPRACTICE PREMIUMS WRITTEN IN
PUERTO RICO DURING THE YEAR 1999**

INSURERS	(1) TOTAL PREMIUMS WRITTEN	(2) %
AMERICAN CASUALTY CO. OF READING PENNSYLVANIA	35,652	0.109
AMERICAN INTERNATIONAL INS. CO. OF PUERTO RICO	6,875,571	21.056
CONTINENTAL CASUALTY COMPANY	980,008	3.001
FRONTIER INSURANCE COMPANY	83,235	0.255
LEGION INSURANCE COMPANY	5,041	0.015
NATIONAL FIRE INS. COMPANY OF HARTFORD	5,461	0.017
PHICO INSURANCE COMPANY	5,385,584	16.493
RELIANCE INSURANCE COMPANY	801,205	2.454
SEGUROS TRIPLE-S, INC.	4,129,237	12.645
ST. PAUL FIRE & MARINE INSURANCE COMPANY	1,252,708	3.836
ZURICH AMERICAN INSURANCE COMPANY	5,500	0.017
Sub-Total	19,559,202	59.898
SIMED	13,095,025	40.102
	\$ 32,654,227	100.000

PERCENTAGE TO BE DISTRIBUTED AMONG THE MEMBERS OF THE SYNDICATE:

100% - TOTAL OF COL. (3) = 100% - 1.056 = 98.944%