



Commonwealth of Puerto Rico  
**OFFICE OF THE COMMISSIONER OF INSURANCE**

January 29, 2002

**Circular Letter No. ES-01-1624-2002**

**TO ALL REINSURERS AUTHORIZED TO TRANSACT INSURANCE BUSINESS  
IN PUERTO RICO**

**2001 Annual Statement**

Dear Sir or Madam:

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

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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, 2001, **on or before March 30, 2002**. The same must be filed in the official form approved by the National Association of Insurance Commissioners. For this year, insurers are required to submit to this Office and to the NAIC **one legal-sized (8 1/2" x 14") hard copy and electronic filing** of their annual statement and supplements.

All electronic filing submitted **to this Office must be in a diskette (3 1/2" floppy disk)**. **The following filing standards must also be followed:**

1. Use the annual statement software (provided by one of the five software vendor) to develop the electronic media;
2. Convert the software mentioned above to an Microsoft Excel format (.xls format);
3. Save the annual statement Excel format in a diskette;
4. Include the diskette in the same package as the hard copy filing; and
5. Accompany the hard copy and electronic filing package with the appropriate transmittal form that is available with the vendor software package.

Annual filings must follow all established instructions as specified in the *NAIC Annual Statement Instructions*.

In accordance with the provisions of Section 3.310(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 31 of each year, must submit, **on or before March 30, 2002**, 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 2001.
4. Summary of investments in Puerto Rico for that calendar year.

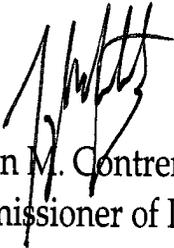
5. Balance Sheet for the preceding calendar or fiscal year.
6. Date on which it is estimated the reinsurer can submit its annual statement to this Office.

All reinsurers must also include a certification of the investments in Puerto Rico securities held as of December 31, 2001, in compliance with Section 3.160 of the Insurance Code of Puerto Rico, in the form included.

Every reinsurer which does not maintain with the Secretary of the Treasury of Puerto Rico through this Office, the deposit requested in Section 3.130 of the Insurance Code of Puerto Rico, for the protection of all its policyholders and creditors in Puerto Rico, and whose state is a reciprocal state concerning such deposit, shall submit with the annual statement filing, the certificate of the public official having the supervision over insurance in a state, showing that a deposit by such insurer is being maintained in trust in such state for said purposes.

Strict compliance with the aforesaid provisions is hereby required.

Sincerely,



Fermín M. Contreras Gómez  
Commissioner of Insurance

Enclosure



Commonwealth of Puerto Rico  
OFFICE OF THE COMMISSIONER OF INSURANCE

CERTIFICATE OF INVESTMENT IN  
PUERTO RICO SECURITIES

\_\_\_\_\_ and \_\_\_\_\_  
(President) (Treasurer)  
of \_\_\_\_\_, an insurer organized  
(Name of the Insurer)  
and existing under and by virtue of the laws of \_\_\_\_\_, do hereby  
(State or Country)  
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 \_\_\_\_\_, 20\_\_\_\_\_.

ATTESTED:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

\_\_\_\_\_  
Treasurer

(SEAL)