Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE

January 29, 2002

Circular Letter No. ES-01-1625-2002

TO ALL INSURERS AUTHORIZED TO TRANSACT PROPERTY AND CASUALTY INSURANCE BUSINESS IN PUERTO RICO

2001 Annual Statement and Related Items

Dear Sir or Madam:

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).

P.O. Box 8330, Santurce, Puerto Rico 00910-8330
Tel. (787) 722-8686, Fax (787) 722-4400

Pursuant to the aforesaid section, the annual statement for calendar year ending December 31, 2001, must be filed in this Office **on or before March 30, 2002**. 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 Analysis letter.

For this year, insurers are required to submit to this Office and to the NAIC **one legal-sized (8 ½" 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 ½" 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 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.

Every insurer 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.

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, and 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. 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 page 15, must also be sent by all insurers to the Puerto Rico Property and Casualty Insurance Guaranty Association, to the following address:

Puerto Rico Property and Casualty
Insurance Guaranty Association
P. O. Box 364967
San Juan, Puerto Rico 00936-4967

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 COMMSSIONER 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:

_____
President

_____
Secretary

_____
Treasurer

(SEAL)

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

* excluding accrued interest