Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE

January 29, 2002

Circular Letter No. ES-01-1626-2002

TO ALL DISABILITY INSURERS AUTHORIZED TO TRANSACT 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).

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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 and 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 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, 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 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

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, 2001, and must be also presented on or before March 31, 2002.

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

Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE

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

Insurer's Name _____

Calendar Year _____

Premium Written and Claims Paid for All Kinds of Healthcare Plans

	Private Groups and Individuals	**Government Employees Groups**	**Government Health Insurance[1]**	**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[1]**	**Totals**
Number of Insureds				
Number of Healthcare Plans[2]				
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 trough eighteen (18) years	
Total	

Prepared by:_____ _____
Name Title

_____ _____
Signature Date

[1] 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 Reforma de Salud"

[2] Including Medicare Supplement Policies in Force