



COMMONWEALTH OF PUERTO RICO  
OFFICE OF THE COMMISSIONER OF INSURANCE

March 10, 2005

CIRCULAR LETTER NO: C-ES-3-1732-2005

TO ALL REINSURERS AUTHORIZED TO TRANSACT BUSINESS IN PUERTO RICO

**2004 ANNUAL STATEMENT**

Dear ladies and gentlemen:

Sections 1.020 and 1.050(4) of the Insurance Code of Puerto Rico, 26 LPR sections 102 and 105(4), subject reinsurers to the same requirements imposed on insurers, except for sections where reinsurers are expressly excluded, or any of these where it is clear that its content is not applicable.

One of those requirements is the one stipulated in section 3.310(1) and (2) of the Insurance Code of Puerto Rico, 26 LPR sections 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 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. (Emphasis supplied).

(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."

Pursuant to the aforesaid sections, the annual statement for calendar year ending December 31, 2004, must be filed in this Office **on or before March 30, 2005**. The same must be presented in the official form approved by the National Association of Insurance Commissioners (NAIC) and shall be verified by the oath of at least two of the insurer's principal officers. For complete instructions about these reports and the Annual Statement Checklist, visit our web page at [www.ocs.gobierno.pr/forms/ia.htm](http://www.ocs.gobierno.pr/forms/ia.htm) and click in 2004 Reinsurers Annual Report Package. The diskette filing for NAIC must be in the electronic format commonly known as the "**March.PDF Filing**" (in pdf format).

Foreign reinsurers **organized** in the United States, or with port of entry in one of a state of the United States, do not have to submit to this Office the hard copy and electronic filing of the annual statement. Instead of said filing, to comply with the aforementioned provisions, the foreign reinsurer shall submit to this Office the following filings:

1. Affidavit of Filing and Financial Statement Attestation
2. Certificate of Deposit
3. Certificate of Investments in Puerto Rico Securities

Foreign reinsurers **not organized** in the United States that do not file electronically in the NAIC, must submit a hardcopy of their annual statement. In accordance with the provisions of Section 3.310(2), cited above, such foreign reinsurers, which elect to file an annual statement pertaining only to their United States business, must include also the information regarding 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, with accounting closing date other than December 31 of each year, must fill out and submit, **on or before March 30, 2005**, in lieu of the aforesaid annual statement, the Report of Reinsurers not Organized in the United States. To obtain this report, review the 2004 Not Organized Reinsurers & Surplus Lines Annual Package. In addition to this report, must submit in hard copy the following filings:

1. Report of Reinsurers not Organized in the United States and Authorized to Transact Insurance Business in Puerto Rico for the year 2004.
2. Summary of Insurance Business Transacted in Puerto Rico
3. Financial Statement for the Preceding Calendar or Fiscal Year

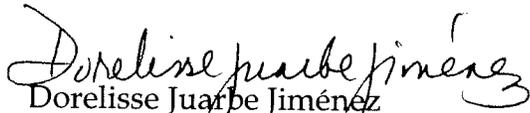
Every reinsurer that does not maintain with the Secretary of the Treasury of Puerto Rico through this Office, the deposit requested in Section 3.130 of the Insurance Code of Puerto Rico, for the protection of all its policyholders and creditors in Puerto Rico, and

whose state of domicile is a reciprocal state concerning such deposit, shall submit a the certificate from the public official invested with the authority to supervise de business of insurance in the state, showing that a deposit by such reinsurer is being held in trust in such state and maintained for said purposes.

Annual filings of reinsurers organized in the United States, must follow all established instructions as specified in the *NAIC Annual Statement Instructions*. For more information regarding annual filings, please visit NAIC web site at [http://www.naic.org/financial\\_statement\\_filing/index.htm](http://www.naic.org/financial_statement_filing/index.htm).

Strict compliance with the aforesaid provisions is hereby required.

Cordially,

  
Dorelisse Juarbe Jiménez  
Commissioner of Insurance