



COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

April 28, 2006

CIRCULAR LETTER NUM.: C-C-4-1762-2006

TO ALL INSURERS AUTHORIZED IN PUERTO RICO, FOREIGN INSURERS, REINSURERS, ELIGIBLE SURPLUS LINES INSURERS, NON-PROFIT ASSOCIATIONS, HEALTH MAINTENANCE ORGANIZATIONS, AUTOMOBILE CLUBS, CONTRACT SERVICE PROVIDERS, GENERAL AGENTS, MANAGERS, RESIDENT AGENTS AND BROKERS, NON-RESIDENT AGENTS AND BROKERS AND SURPLUS LINES BROKERS:

CONTINGENCY PLAN FOR THE TEMPORARY CLOSING PERIOD TO BEGIN ON MAY 1ST, 2006

Dear Ladies and Gentlemen,

 In view of the budgetary crisis faced by the government of the Commonwealth of Puerto Rico, the Office of the Insurance Commissioner of Puerto Rico ("OCI"), will remain closed from May 1st of the current year until further notice. In consideration to the necessary services provided by this office to the insurance industry, we have designed a contingency plan to see to some issues which require our immediate attention. Said contingency plan is as follows:

Customer Services Area

Services to the Producer

1. Provisional Licenses

The Unit for Producer Services of the OCI will provide services, on a limited hourly schedule, from May 1st until May 5, 2005, to the sole purpose of receiving and processing applications for provisional licenses to all qualified persons, pursuant to Act Number 78 of April 27, 2006. Our hours for services will be from 9:00 AM to 3:00 PM.

Due to the fact that this Unit will be operated by volunteer staff, we will only be processing and issuing temporary licenses which applications are accompanied by appointment from an insurer, check or money order payable to the Secretary of the Treasury, a complete

application form and any other document deemed pertinent to the issuance of this license. It will also be necessary that the applicant appear in person to have his photo ID taken.

2. License Renewal and Continuing Education

All regular insurance licenses which term expires during the time we remain closed, will be deemed in effect until 15 days from the day the temporary closing measure ends.¹ In the same way, Continuing Education requirements will be in effect until 15 days after the Department reopens. Approval for Continuing Education courses will be suspended until further notice.

As to those people who have a provisional license in effect at present and who had been scheduled for testing during the time the OCI remains closed, their licenses will remain in effect until the new rescheduling notice for their test, which date shall be served notice to the applicant at any given moment after the closing period is lifted.

As to the Certificates of Authority, should the OCI temporary closing be extended until the 30th of June, their effective date will be extended until July 15, 2006, by which date they shall be required to submit their requests for renewal by mail or at the window.

3. Testing for Insurance License Applicants

As to the tests to be administered for insurance license applicants, the notices served for testing appointments are deemed to be cancelled until further notice.

Customer Services and Prompt Payment to Insurance Providers

The Units for Customer Services and Prompt Payment to Providers will cease their functions until the OCI closing period is lifted. For this reason, the terms that are presently running on complaints and investigations pertinent to each respective unit, are hereby interrupted until further notice.

Client Services Unit

The Unit for Clients Services will not be in operation until the closing is lifted.

Supervision and Compliance Area

Actuarial Analysis Unit

The Unit for Actuarial Analysis will cease operations until the OCI operations are reopened. Consequently, terms for evaluation and approval of filings submitted through any filing method (mail, window or SERFF) will be interrupted until further notice.

¹ For example, should your license expire on May 15 and the department reopens on June 1st, the licensee will need to renew his authorization by June 15.

Financial Examination Unit

The Financial Examination, Admissions and Financial Analysis Units will cease operations until the closing of the OCI is lifted. However, the circulation of risks function will continue into effect throughout the duration of the closing period; the terms applicable to an Impairment Order, issued under the provisions of Article 29.390 of the Puerto Rico Insurance Code, will not be interrupted. Any other term applicable to undergoing Examinations, Examination Reports, Admissions or Mergers, among others, shall be deemed interrupted until the closing is lifted.

Anti Fraud Special Investigations

The Anti Fraud Special Investigations Unit will cease operations until OCI's closing period is ended. Pursuant to this, terms presently running on all pending investigation cases shall be interrupted until said time.

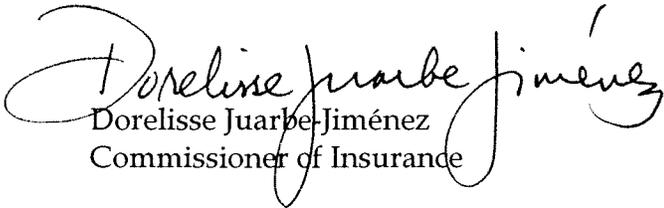
Administration Area

During the time we remain closed, the documents filing window will remain closed. We will only receive mail, which we will acknowledge "received" on the date we reopen. All other Units in this Area will remain totally closed (Human Resources, Finance and Budget, General Services and the Statistical Unit).

Should the closing period not occur on May 1st, 2006, all agency operations will continue as usual. Should the closing be postponed for another date beyond May 1st, 2006, the dispositions contained in this circular letter shall be applied as herein explained.

It is required that all entities served with the present Circular Letter, take notice of its contents and comply with its provisions.

Cordially,


Dorelisse Juarbe Jiménez
Commissioner of Insurance