



COMMONWEALTH OF PUERTO RICO

## OFFICE OF THE COMMISSIONER OF INSURANCE

August 29, 1988

Ruling No. N-C-8-23-88

TO ALL INSURERS AUTHORIZED TO WRITE PROPERTY AND  
CASUALTY INSURANCE IN PUERTO RICO

Subject: Participation in the operational results of the Insurers Syndicate for the Joint Underwriting of Medical-Hospital Professional Liability Insurance created pursuant to Chapter 41 of the Insurance Code of Puerto Rico

Dear Sirs:

We have received several inquiries regarding the way in which the members of the Insurers Syndicate for the Joint Underwriting of Medical-Hospital Professional Liability Insurance (the Syndicate) should reflect the gain or loss resulting from the operations of said syndicate.

After having analyzed the different provisions of section 41.040 of the Insurance Code of Puerto Rico, it is our opinion that:

1. Each insurer member of the Syndicate shall reflect in its books its proportional participation in the gain or loss resulting from the operations of the Syndicate, only if the Board of Directors of the Syndicate formally declares a distribution of such gain or loss, to be apportioned between the different members.

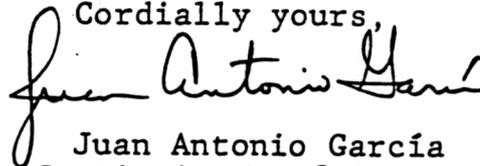
2. Such proportional participation shall be reflected by each insurer member of the Syndicate as a miscellaneous gain or loss, as the case may be, on line 12 of page 4 of the statement of income and losses of the annual statement blank of the insurer. To this effect the Syndicate will close its books on November 30 of each year, so as to allow each insurer enough time to include the corresponding participation, if any, in its annual statement blank as of December 31 of each year.

3. Any insurer which disagrees with the gain or loss distribution declared by the Board of Directors of the Syndicate,

may file in this Office a complaint on that account. The complaint must be in writing, shall specify in what respects the insurer presenting it has been grieved and the grounds in which the complaint is based.

Strict compliance with the aforesaid directives is hereby required.

Cordially yours,

A handwritten signature in cursive script that reads "Juan Antonio García". The signature is written in black ink and is positioned above the printed name and title.

Juan Antonio García  
Commissioner of Insurance