COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

IN REPLY, PLEASE
REFER TO:

March 4, 2003

RULING NO.: N-ES-3-30-2003

TO ALL REINSURERS AUTHORIZED TO TRANSACT BUSINESS IN PUERTO RICO

RE: 2002 ANNUAL STATEMENT

Dear Ladies and Gentlemen:

Sections 1.020 and 1.050(4) of the Insurance Code of Puerto Rico, 26 L.P.R.A. secs. 102 and 105(4), subject reinsurers to the same requirements imposed on insurers by said Code, except as to any section where reinsurers are expressly excluded, or to any section where it is clear that its content is not applicable to reinsurers.

One of those requirements is the one stipulated in section 3.310(1) and (2) of the Insurance Code of Puerto Rico, 26 L.P.R.A. sec. 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.

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(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).

Pursuant to the aforesaid sections, the annual statement for calendar year ending December 31, 2002, must be filed in this Office **on or before March 30, 2003***.

Nevertheless, for this year, 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 insurer shall submit to this Office an Affidavit of Filing and Financial Statement Attestation in the form enclosed, evidencing the filing with the NAIC.

Foreign reinsurers not organized in the United States which do not file electronically in the NAIC, must submit a hardcopy of their annual statements. In accordance with the provisions of Section 3.310(2), cited above, such foreign reinsurers, 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.

Foreign reinsurers are also required to submit a hard copy and diskette filing of the **Certification of the Investment in Puerto Rico Securities**, which is included in our web site at **http://www.ocs.gobierno.pr/downloads/cert_inv.doc** (in MS Word format). We are including also a hardcopy of the Certification form for those reinsurers, who cannot access it in our web site address.

Notwithstanding the above, foreign reinsurers not organized in the United States, but authorized to transact insurance business in Puerto Rico, which close their books on a date other than December 31 of each year, must submit, **on or before March 30, 2003***, a transmittal letter with the following information, in lieu of the aforesaid annual statement:

1. Contact person and mailing address.
2. Date on which the reinsure closes its books of account.
3. Summary of insurance business transacted in Puerto Rico during calendar year 2002.

* Due date is Sunday, the filing will be accepted on March 31, 2003.

4. Summary of investments in Puerto Rico for that calendar year.
5. Balance Sheet for the preceding calendar or fiscal year.
6. Date on which it is estimated the reinsurer can submit its annual statement to this Office.

Every reinsurer 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; 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.
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 log on to the NAIC web site at **www.naic.org** and select Filing Instructions.

Strict compliance with the aforesaid provisions is hereby required.

Cordially,

Dorelisse Juarbe Jiménez
Chief Deputy Commissioner

Enclosure

* Due date is Sunday, the filing will be accepted on March 31, 2003.

NAIC Company Code _____
NAIC Group Code _____

Reporting Entity Name _____

Domiciled in _____ (State)

Mailing Address:_____

Annual Statement Contact:_____

(Name) Telephone No. E-mail Address

In the Matter of the _____ Statement)
(Annual/Quarterly)) **AFFIDAVIT OF FILING**
Filing Required for the Period Ending on the) **AND FINANCIAL**
_____ day of _____, 2_____) **STATEMENT ATTESTATION**
Mailing Date:_____

The officers of the above identified reporting entity, being duly sworn, each depose and say that on the mailing date above, a true and correct statement for the reporting period stated above and that the corresponding true and correct electronic file reflecting the statement for the above named reporting entity, has been sent to the National Association of Insurance Commissioners, according to their instructions. The statement and the corresponding electronic file are an exact and complete duplicate of the statement filed with the reporting entity's domestic state, except as to schedules, exhibits and information required to be submitted only to the reporting entity's domestic state.

Additionally, the officers of the above identified reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that for the reporting period stated above, all of the described assets in the above referenced statement were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as therein stated, and that the statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended on that date, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual, except to the extent that (1) state law may differ; or (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

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Signature	Signature	Signature
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(Print Name) President	(Print Name) Secretary	(Print Name) Treasurer

Subscribed and sworn to before me this _____ day of _____, 2____.

_____
Notary Public
My Commission Expires:

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER 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 (Book/Adjusted Carrying 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)

NAIC Company Code _____

Description	Cusip Number	Maturity Date	Acquisition Date	Par Value	Cost*	Book / Adjusted Carrying Value
Total						

* excluding accrued interest