



GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

December 7, 2010

RULING LETTER NO.: 2010-117-SP

TO ALL INSURERS AND HEALTH SERVICES ORGANIZATIONS AUTHORIZED TO
DO BUSINESS IN PUERTO RICO

REINSURANCE INTERMEDIARIES

Dear Sirs and Madams:

Under the provisions of Section 2.030 of the Insurance Code, 26 L.P.R.A. sec. 203, the Insurance Commissioner has the authority expressly conferred by the provisions of the Insurance Code or that are reasonably implicit in said provisions.

Likewise, the Insurance Commissioner shall ensure that the oversight of insurance in Puerto Rico is carried out under the highest standards of excellence and efficiency, as well as being aligned with current needs and changes that are occurring or are foreseeable in the insurance industry.

Section 1.020 of the Puerto Rico Insurance Code provides that the term insurance includes reinsurance and establishes requirements for this critical activity in the insurance industry.

Accordingly, under the provisions of the Insurance Code reinsurance intermediation constitutes insurance intermediation, subject to the provisions of section 9.060 of the Insurance Code, and consequently, governed by the licensing and examination requirements that are part of Chapter 9.

Pursuant to the above, exercising his powers, the Commissioner has determined that an examination will be administered to candidates for a reinsurance producer license, further to the payment of the corresponding fees. As established in Article 9.120, the Insurance Commissioner may group or subdivide classes of insurance.

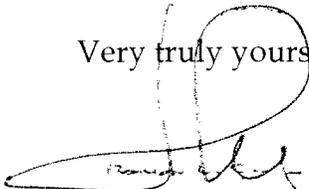
In addition to the function of reinsurance producer, there will also be a reinsurance intermediary-manager function, which is defined as any person, firm, association or

corporation having the authority to direct all or part of the reinsurance business assumed from a reinsurer (including the management of a division, department or separate office of the reinsurer) as well as the authority to act as the reinsurer's agent.

The reinsurance intermediary-producer shall be defined as a person other than an officer or employee of the ceding insurer, firm, association, or corporation that solicits, negotiates, or places reinsurance cessions or retrocessions on behalf of a ceding insurer without the authority or power to bind reinsurance on behalf of that insurer.

In view of the above, we are requiring that within thirty (30) days, to be counted from the date of this letter, any person who is interested in engaging in reinsurance intermediation in Puerto Rico shall pass an examination and obtain the appropriate license. As for reinsurance managers, these must file a request with this Office for the corresponding designation.

Very truly yours,



Ramón L. Cruz Colón, CPCU, ARe, AU
Commissioner of Insurance

