



GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

January 20, 2012

RULING LETTER NO.: 2012-138-AP

TO ALL PRODUCERS AND REPRESENTATIVES AUTHORIZED TO TRANSACT
PROPERTY INSURANCE IN PUERTO RICO

CONDOMINIUM POLICIES

Dear Sirs and Madams:

Some years ago the Federal Housing Administration (FHA) and Fannie Mae established certain requirements for financing apartments in condominiums with more than twenty (20) residential units.

Part of the requirements established by these federal entities was that the condominium obtain a Fidelity Bond or Fidelity Insurance to cover three (3) times the amount of the monthly maintenance for all of the apartments plus reserves for these. The Board of Directors must maintain such bond or insurance so that all directors, officers, and employees of the Board of Directors are covered, as well as all persons who are responsible for the management and administration of the condominium's funds.

It is important to emphasize to all persons engaged in marketing property insurance in Puerto Rico that these requirements must be taken into consideration when making a quotation, marketing, and writing property insurance for condominiums.

Strict compliance with this Ruling Letter is required.

Very truly yours,

SIGNED

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

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