Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE

Angela Weyne
Commissioner of Insurance

February 25, 2013

RULING LETTER NO.: 2013-149-EX

TO ALL INSURERS CONSTITUTED IN PUERTO RICO AUTHORIZED TO DO PROPERTY INSURANCE BUSINESS

CATASTROPHE RESERVE

Dear Sirs and Madams:

Section 25.030 of the Puerto Rico Insurance Code contains provisions to the effect that insurers that are constituted in Puerto Rico shall establish a catastrophe reserve, hereinafter "the reserve." This Section provides, among other things, that all domestic insurers shall annually calculate a reserve by applying to their net premiums the rate that will be determined from time to time by the Commissioner. The reserve so determined shall be added to the reserve established in previous years.

Under paragraph (2) of Section 25.030 of the Puerto Rico Insurance Code we have established that for 2012 the rate shall be one percent (1%).

The information to be used to determine the net direct premiums to which this rate will be applied should be taken from page 19 (Statutory page 14) of the insurer's annual report for 2012. The following percentages shall be applied to determine net premiums for the respective coverage:

Coverage	% of premiums underwritten in 2012
1. Fire	100%
2. Earthquake	100%
3. Commercial Non-Liability	100%
4. Multiple Peril Homeowners	85%
5. Other Allied Lines	75%

B5 Tabonuco Street Suite 216 • PMB 356 • Guaynabo, PR 00968-3029 •
Tel: (787) 304-8686 • Fax: (787) 273-6365 • www.ocs.gobierno.pr •angelaweyne@ocs.gobierno.pr

6. Automotive Physical Damage	2%
7. Land Transportation	85%
8. Maritime Peril	75%

The one per cent (1%) rate shall be applied to the amounts obtained from applying the above percentages to the net premiums, which will constitute the reserve and the amount to be deposited to the **Catastrophe Reserve Trust Fund**.

Under paragraph (1) of Section 25.040 of the Puerto Rico Insurance Code domestic insurers are required to make a deposit with the fiduciary of an amount equivalent to the reserve on or before March 11, 2013. The reserve shall be filed and accounted for according to the provisions of Rule 72 of the Regulations of the Puerto Rico Insurance Code, as amended, and the provisions of Ruling Letter N-E-2-68-95 dated March 10, 1995, as amended in Ruling Letter E-06-1611-2001, dated September 14, 2001, as may be compatible with said Rule.

Strict compliance with the provisions of this Ruling Letter is required.

Very truly yours,

SIGNED

Ángela Weyne-Roig
Commissioner of Insurance