



COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

Ruling Letter No. N-E-10-06-87
October 8, 1987

A TO ALL DOMESTIC INSURERS

RE: List of Shareholders of Domestic
Insurers

Dear Sirs:

In Circular Letter No. E-9-783-79, dated September 19, 1979, it was requested that all domestic insurers should submit to this Office, on or before March 31 of every year, a list of their shareholders as of the 31st of December of the preceding year, showing the number of shares owned by each and the percentage that this number is of all outstanding stock.

An analysis of these lists of shareholders shows that several of the shareholders of the majority of insurer are in turn corporations.

The provisions of Section 3.040(6) and (7) of the Puerto Rico Insurance Code, 26 LPRA sec. 304(6) y (7), stipulate the following:

“To qualify and hold authority to transact insurance in Puerto Rico as insurer, an insurer must:

(1)...

(6) Fully comply with, and qualify according to, the other provisions of this title. The Commissioner may refuse the authorization to do business in Puerto Rico to a stock insurer if the majority of stocks in circulation of said insurer are owned or controlled directly or indirectly by a single individual; or if one single individual has faculty to dispose freely of the assets of the insurer.

(7) Comply with the following additional requirements:

(a) That no bank, finance company, savings and loan association, trust company or any other institution engaged in the business of lending money in Puerto Rico, except companies that are engaged exclusively in financing individual insurance premiums or may jointly possess or control directly or indirectly a substantial part of the insurer's shares.

(b) That the insurer has no direct or indirect substantial financial interest or is owned or controlled directly or indirectly by any entity or corporation in which any of the institutions described in paragraph (a) of this section, also have, directly or indirectly a substantial financial interest or relationship as owner subsidiary or affiliate."

According to the above, and so that the Commissioner of Insurance may responsibly perform the supervisory role of the Office, according to the powers vested in us in Section 2.030(3) of the Puerto Rico Insurance Code, all domestic insurers are hereby required to submit, on or before March 31 of every year, along with a list of the shareholders of the insurers, a list of the individual shareholders (natural persons) of each of the corporate shareholders on the list.

Strict compliance with the provisions of this letter is hereby ordered.

Very truly yours,

SIGNED

Juan Antonio García
Commissioner of Insurance