



Government of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE

March 29, 1999

RULING R LETTER NO: N-E-2-105-1999

TO ALL HEALTH SERVICE ORGANIZATIONS AUTHORIZED IN PUERTO RICO

RE: ANNUAL REPORT 1998

Dear Sirs:

Section 19.090 of the Puerto Rico Insurance Code, 26 LPRC section 1909, provides that:

"Each health services organization shall annually render to the Commissioner, with a copy to the Secretary of Health, **on or before March 31**, a true statement certified by an authorized public accountant and subscribed under oath by two of its main officers, covering the preceding year. .

Said report shall be made in the forms prescribed by the Commissioner and shall include:

- (a) The economic situation of the organization, including a statement of condition, a profit and loss statement, and a statement of sources and application of funds for the preceding year, certified by an authorized public accountant;
- (b) any material change of the information submitted by virtue of § 19.030(3) of this title;
- (c) the number of persons subscribed during the year, the number of subscribers at the end of the year and the number of subscribers who terminated during the year;
- (d) a summary of the information compiled under § 19.040(1)(b)(III) of this title in the manner provided by the Secretary of Health, and
- (e) any other information related to the health services organization that may be necessary to enable the Commissioner to carry out his duties under this chapter. (Our emphasis)

Under this Section, an annual report containing a balance sheet for 1998 must be filed **no later than March 31, 1999**. The report must be filed on the most recent edition of the form adopted by the National Association of Insurance Commissioners (NAIC), with all of its appendixes and reports, including a letter with the Management Discussion and analysis (MD&A). This letter must include a discussion of the consequences of the arrival of 2000.

When the organization files the annual report using the NAIC printed form without a certification by a CPA, and instead files the financial statements audited by a CPA, the organization must file such financial statements based on statutory accounting. Therefore, in this case, the accountant's opinion should indicate whether the financial statements were prepared by the accounting principles or practices provided by the Commissioner of Insurance.

In addition, all health services organizations must complete the Report on Premiums Written For All Types of Health Care Plans and Number of Insureds that is enclosed with this Letter. The information requested in this form is as of the closing of the year, December 31, 1998, and must be filed no later than April 30, 1999.

Therefore, health services organizations are advised that failure to file any document related to the annual report, or filing such on obsolete forms or using a form or format other than those that are required herein will mean that this Office will consider that they have not been filed.

No extension of time will be granted for the required reports beyond the deadlines indicated above. Therefore, health services organizations are advised that failure to file the annual reports described above by the respective deadlines will mean that the non-compliant party will be subject to the sanctions provided in Sections 19.230 and 3.310 of the Puerto Rico Insurance Code, 26 L.P.R.A, secs. 1923 and 331.

All health services organizations are hereby ordered to strictly comply with the provisions of this letter.

Very truly yours,

SIGNED

Juan Antonio García
Commissioner of Insurance

Enclosure

Government of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE
 PO Box 8330
 Santurce, Puerto Rico 00910-8330

REPORT OF PREMIUMS WRITTEN AND CLAIMS PAID FOR ALL TYPES OF HEALTH CARE PLANS AND NUMBER OF INSURED

Name of the Organization: _____

Period: _____

Premiums written and benefits paid for all types of health care plans

	Private and Direct Payment Groups	Government Employee Groups	Participants of "Reforma"	Totals
Premiums written				
Claims and benefits paid				

Number of insureds, current health plans and current Medicare supplementary policies

	Private and Direct Payment Groups	Government Employee Groups	Participants of "Reforma" Health Plan	Totals
Number of insureds				
Number of contracts*				
Number of Medicare supplementary policies				

Number of insured children by ages

Ages	Number
Under 1 (one) year old	
From (1) to five (5) years old	
From (6) to twelve (12) years old	
From thirteen (13) to eighteen (18) years old	
Total	

Prepared by: _____
 Name

Date: _____

 Signature

*Including supplementary Medicare contracts or coverage