

Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE
San Juan, Puerto Rico

Circular Letter No. E-7-556-73

July 9, 1973

TO ALL AUTHORIZED INSURERS AND THEIR GENERAL AGENTS OR MANAGERS

Highlights of Act No. 73, approved May 31, 1973, to amend Sections 102; 103; 105; 316; 317; 329; 412; 511; 702 and 3623 of Act No. 77; approved June 19, 1957, as amended, known as the Insurance Code of Puerto Rico.

The following is a summary of the amendments to the Insurance Code of Puerto Rico, made by the above captioned Act.

Section 102 was amended to include reinsurance in the definition of insurance.

Section 103 was reworded to relate the definition of insurer with the definition of "contracting insurance" established by Section 105.

Section 105 was amended to include "reinsuring" in the definition of "contracting insurance."

Section 316 was amended to increase the required investment in Puerto Rico securities to one half of the minimum required capital or surplus instead of one fourth as it used to be. It also makes this requirement applicable to domestic insurers, instead of only to foreign insurers.

Section 317 (1)(j) (application for authority) was amended to make optional the designation of a general agent by a reinsurer.

Section 329. Paragraph (4) of this section, was amended to exclude reinsurers from complying with this section.

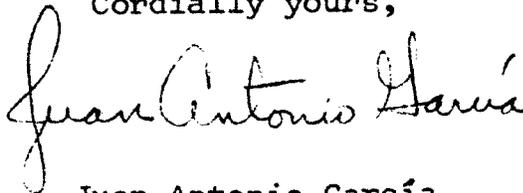
Section 412 was reworded to eliminate subparagraph (b) and renumber subparagraph (c) as (b) in order to conform this section with the requirement that reinsurers must also qualify for admission. However, the Commissioner may still permit reinsurance with non-authorized insurers by written approval.

Section 511. This section was reworded to conform it with the requirement that reinsurers must qualify for admission.

Section 702. This section was amended in its paragraph (4) to make it non applicable to reinsurance premiums assumed.

Section 3623. This section, applicable to fraternal societies, was reworded to conform it with the new requirements applicable to reinsurance business.

Cordially yours,

A handwritten signature in cursive script that reads "Juan Antonio García". The signature is written in dark ink and is positioned below the typed name.

Juan Antonio García
Acting Commissioner of Insurance