



Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE

List of Requirements for the Organization of Local Insurers

I. Requirements for organization:

1. Articles of incorporation, as required in Article 28.050 of the Puerto Rico Insurance Code.
2. The incorporators shall submit:
 - a. Resumé
 - b. Certification of police record
 - c. Five-year investigation report
3. Organization fees by certified check or postal money order made out to the Secretary of the Treasury (Secretario de Hacienda):
 - a. Application for organization and authorization: \$350.00.
 - b. Filing of Articles of Incorporation: \$1.00 for every \$1,000 of authorized capital; mutual insurer, \$1.00 for every \$1,000 of required excess. Fees shall no be less than \$500 nor more than \$5,000.

II. Requirements for financial organization:

1. Application for solicitation permit, which shall comply with the requirements of paragraphs (1) and (2) of Article 28.070 of the Puerto Rico Insurance Code, and shall include the documents indicated in Paragraph (3) of said article.
2. Application for sales representative license, as required in Article 28.130 of the Puerto Rico Insurance Code.
3. Organization bond, as required by Article 28.100 of the Puerto Rico Insurance Code.
4. By-laws as required under Article 29.080 of the Puerto Rico Insurance Code.
5. Fees by certified check or postal money order made out to the Secretary of the Treasury (Secretario de Hacienda):
 - a. Solicitation Permit \$250.00
 - b. Sales Representative License \$ 50.00

III. Requirements for authorization of local insurers:

1. Application for authorization for a local insurer.
2. The officers and directors of the proposed insurer shall submit to the Office, the enclosed form "Statement of Director and/or Officer," duly completed and notarized.
3. Corporate seal and logo to be used in correspondence.
4. Two copies of all policies, endorsements, and application forms.
5. Two copies of the rate manuals to be used
6. Evidence of being a member or subscriber of rating entities, in a separate letter
 - (a) The insurer shall authorize the Insurance Commissioner to accept the forms and rates held by rating entities on behalf of the insurer.

- (b) the rating entities shall certify to the Insurance Commissioner that the insurer is a member or a subscriber.
- 7. Submit evidence of membership in the Puerto Rico Assigned Risk Plan, if intending to underwrite automotive liability insurance
- 8. Minimum and excess capital required (Articles 3.090 and 3.120 of the Puerto Rico Insurance Code).
- 9. Statutory deposit of assets eligible for deposit (Article 8.020 of the Puerto Rico Insurance Code) as required in Article 3.151 of the Puerto Rico Insurance Code.
- 10. Investment required in Puerto Rico securities, as required in Article 3.160 of the Puerto Rico Insurance Code.
- 11. Consent to act as general agent of the local insurer using the enclosed form.
- 12. Appointment of general agent or manager of the local insurer using the enclosed form.
- 13. Application for an insurance agent's license.
- 14. Authorization fees:
 - Certificate of authorization: \$26,287.00

NOTICE

1. We will not authorize any insurer to do insurance business in Puerto Rico until such time as insurer, to our satisfaction, has recruited personnel with extensive experience in the management and administration of insurance companies and expert managerial staff, particularly in the areas of underwriting and accounting, which are necessary for the successful operation of the kind of insurance the insurer intends to underwrite.
2. We will only authorize the classes of insurance for which policies have been submitted, and such policies have been approved by this Office at the time of authorization, or evidence of membership in rating organizations for such classes of insurance as are being solicited.
3. An insurer providing life insurance may not be authorized to underwrite any other kind of insurance except disability insurance.
4. Mortgage loan insurance may be negotiated only by a stock corporation insurer and shall be underwritten **solely** to insure loans secured by pledged real estate.
5. Once the insurer has complied with the authorization requirements, this Office will carry out a pre-authorization examination of the insurer at insurer's main place of business.
6. The agent and appointed general agent shall comply with all the documents and fees as required under the Puerto Rico Insurance Code. Said agent and general agent shall contact the Licensing and Examination Division of this Office for said purpose.