

COMMONWEALTH OF PUERTO RICO

OFFICE OF THE COMMISSIONER OF INSURANCE

Circular Letter No. C-5-1316-93
May 12, 1993

TO ALL INSURERS AUTHORIZED TO TRANSACT PROPERTY
AND CASUALTY INSURANCE IN PUERTO RICO

RE: Statutory Meeting of the Insurers
Syndicate for the Joint Underwriting
of Medical-Hospital Professional
Liability Insurance

Gentlemen:

Section 41.040 of the Insurance Code of Puerto Rico created the Insurers Syndicate for the Joint Underwriting of Medical-Hospital Professional Liability Insurance (the Syndicate) to provide said insurance to qualified applicants. The Syndicate shall be composed of all insurers authorized in Puerto Rico to contract insurance of the kinds defined in sections 4.040 (property), 4.050 (marine and transportation), 4.060 (agricultural), 4.070 (vehicle), 4.080 (casualty) and 4.090 (surety) of the Insurance Code of Puerto Rico. Said insurers shall be members of the Syndicate and their participation in the same shall be an indispensable condition to continue writing insurance in the Commonwealth of Puerto Rico.

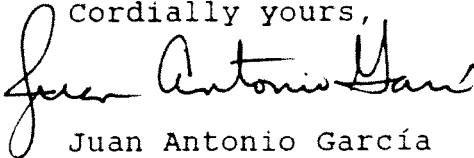
Section 41.040(3) and (4) of the Insurance Code of Puerto Rico, stipulates that the Syndicate shall operate under the supervision and direction of a Board of Directors which shall consist of seven insurers elected by its members, and by two private citizens, representing the public interest, appointed by the Governor of Puerto Rico. The members of said board shall be elected annually in a meeting of the members, or their authorized representatives, on the date and place designated by the Commissioner of Insurance.

Pursuant to section 41.040(4), supra, a meeting of the members of the Syndicate is hereby called to take place on May 27, 1993 at 9:30 am at the Office of the Commissioner of Insurance, Cobian's Plaza Building, 1607 Ponce de León Avenue, Stop 23, Santurce, Puerto Rico. In said meeting two directors of the Syndicate will be elected, and several matters regarding the preceding year of operation of the Syndicate will be discussed, including the submission of the corresponding reports from the Board of Directors, copy of which we enclose.

The votes of the members in said election shall have weight in the proportion that the net direct premiums written by each member during the preceding calendar year for the aforesaid kinds of insurance bear to the total net direct premiums written in Puerto Rico by all the members of the Syndicate in said year for such kinds of insurance. For this purpose, a distribution of the premiums written by all members of the Syndicate for the aforementioned kinds of insurance, as well as of the premiums written for Medical-Hospital Professional Liability Insurance during 1992 will be distributed at the meeting.

A Designation of Authorized Representative form is also enclosed. The same should be completed by your President or Secretary, or any other authorized representative, and returned to us in time for the meeting. In said designation form you may appoint any representative of your own. If you do not wish to designate a representative of your own, you may appoint Mr. Manuel Rodríguez, President of American International Insurance Company of Puerto Rico as your representative, in which case the designation form must be executed and returned to us before the meeting.

Due to the great importance of this matter, we strongly urge you to designate an authorized representative who shall vote on your behalf in said meeting.

Cordially yours,

Juan Antonio García
Commissioner of Insurance

Enclosure

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DESIGNATION OF AUTHORIZED REPRESENTATIVE

WHEREAS, _____ is an
(Insurer's Name)
insurer duly authorized to write property, marine and transportation, agricultural, vehicle, casualty and surety insurance in the Commonwealth of Puerto Rico and thus is member of the Insurers Syndicate for the Joint Underwriting of Medical-Hospital Professional Liability Insurance.

WHEREAS, a meeting shall be held on May 27, 1993, to elect the Board of Directors of said Syndicate pursuant to Section 41.040 of the Insurance Code of Puerto Rico.

THEREFORE, _____ hereby
(Insurer's Name)
appoints and names Mr. _____ to be its representative and to vote on its behalf at said meeting and upon any question or questions which may come before such meeting.

This _____ day of _____.

President or Vice President

Secretary

Corporate Seal