



COMMONWEALTH OF PUERTO RICO  
OFFICE OF THE COMMISSIONER OF INSURANCE

Fermín M. Contreras Gómez  
Commissioner of Insurance

March 4, 2003

**RULING NO.: N-ES-3-25-2003**

**TO ALL ELIGIBLE SURPLUS LINE INSURERS**

**RE: 2002 ANNUAL STATEMENT AND RELATED ITEMS**

Dear Ladies and Gentlemen:

Section 10.071(l)(c) of the Insurance Code of Puerto Rico, 26 L.P.R.A. sec. 1007a(l)(c), stipulates the following:

"(l) No surplus line insurance broker shall transact an insurance contract in an unauthorized insurer that is not an eligible surplus line insurer as provided in this section. No unauthorized insurer shall be or shall be considered an eligible surplus line insurer unless the Commissioner shall determine its eligibility according to the following conditions:

(a) ...

(b) ...

(c) Before granting eligibility, the surplus line insurance broker or the unauthorized insurer shall present to the Commissioner a duly authenticated copy of its most recent annual financial statement, in English or Spanish, with all monetary values expressed in legal tender of

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the United States and containing such other additional information concerning the insurer as the Commissioner may require."

(d) ...

In addition, Section 10.072(l) of the Insurance Code of Puerto Rico, 26 L.P.R.A. sec. 1007b(l), states the following:

"(l) The Commissioner may, after a hearing, notice whereof shall be served on all surplus line brokers, withdraw the eligibility of an unauthorized insurer appearing on the list of surplus line eligible insurers upon determining that the insurer is insolvent, or that his financial situation is poor, or that he is no longer eligible under the conditions established in section 10.071 of this code."

Pursuant to Sections 10.071(1)(c) and 10.072(1), supra, and in order to determine the continuation of your eligibility as a surplus line insurer, your annual statement for calendar year ending December 31, 2002, must be filed in this Office **on or before March 30, 2003\***. The same must be presented in the official form approved by the National Association of Insurance Commissioners (NAIC) and shall be verified by the oath of at least two of the insurer's principal officers.

Nevertheless, for this year, foreign insurers organized in the United States, or with port of entry in one of a state of the United States, do not have to submit to this Office the hard copy and electronic filing of the annual statement. Instead of said filing, to comply with the aforementioned provisions, the foreign insurer shall submit to this Office an Affidavit of Filing and Financial Statement Attestation in the form enclosed, evidencing the filing with the NAIC.

Eligible surplus line insurers not organized in the United States which do not file electronically in the NAIC, must submit to this Office a hardcopy of their annual statements, including the information required on State Page (page 24) of the convention statement, approved by the National Association of Insurance Commissioners, with respect to Puerto Rico business. For those insurers that close their books on a date other than December 31 of each year, must submit, **on or before March 30, 2003\***, a transmittal letter with the following information:

1. Contact person and mailing address.
2. Date on which the insurer closes its books of account.
3. Summary of insurance business transacted in Puerto Rico during calendar year 2002.
4. Summary of investments in Puerto Rico for that calendar year.
5. Balance Sheet for the preceding calendar or fiscal year.

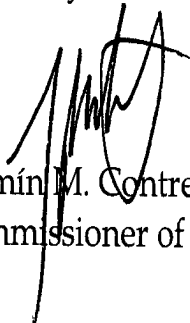
<sup>1</sup> Due date is Sunday, the filing will be accepted on March 31, 2003.

6. Date on which it is estimated the insurer can submit its annual statement to this Office.

Annual filings must follow all established instructions as specified in the *NAIC Annual Statement Instructions*. For more information regarding Annual filings, please log on to the NAIC web site at [www.naic.org](http://www.naic.org) and select Filing Instructions.

Strict compliance with the aforesaid provisions is hereby required.

Cordially,



Fermín M. Contreras Gómez  
Commissioner of Insurance

Enclosure

NAIC Company Code \_\_\_\_\_  
NAIC Group Code \_\_\_\_\_

Reporting Entity Name \_\_\_\_\_

Domiciled in \_\_\_\_\_ (State)

Mailing Address: \_\_\_\_\_

Annual Statement Contact: \_\_\_\_\_

(Name) Telephone No. E-mail Address

In the Matter of the \_\_\_\_\_ Statement )  
(Annual/Quarterly) ) **AFFIDAVIT OF FILING**  
Filing Required for the Period Ending on the ) **AND FINANCIAL**  
\_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_ ) **STATEMENT ATTESTATION**  
Mailing Date: \_\_\_\_\_

The officers of the above identified reporting entity, being duly sworn, each depose and say that on the mailing date above, a true and correct statement for the reporting period stated above and that the corresponding true and correct electronic file reflecting the statement for the above named reporting entity, has been sent to the National Association of Insurance Commissioners, according to their instructions. The statement and the corresponding electronic file are an exact and complete duplicate of the statement filed with the reporting entity's domestic state, except as to schedules, exhibits and information required to be submitted only to the reporting entity's domestic state.

Additionally, the officers of the above identified reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that for the reporting period stated above, all of the described assets in the above referenced statement were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as therein stated, and that the statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended on that date, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual, except to the extent that (1) state law may differ; or (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

----- Signature	----- Signature	----- Signature
----- (Print Name) President	----- (Print Name) Secretary	----- (Print Name) Treasurer

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires: