



Government of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE

**BASIC REQUIREMENTS THAT SHOULD BE COMPLY FOR ACQUISITION
OFFERING OR STOCKS SALE OF DOMESTIC INSURER AND HEALTH
MAINTENANCE ORGANIZATION**

In order to determine if the transaction complies with the dispositions of the Article 29.200 of the Insurance Code of Puerto Rico, the following information should be submitted:

1. The material characteristics of the plan or purchase agreement.
2. Copy of the contract or purchase agreement between the current shareholders of the domestic insurer or health maintenance organization and the buyer.
3. Name of the shareholders that will acquire the stocks of the insurer and the percent that each one possesses in said corporation. If the acquisition is going to be done by a corporation, the name of the shareholders of said corporation should be supplied.
4. Name of the officials and directors of the buyer and insurer, after the transaction.
5. Administration agreement between the buyer and the insurer, if there be it, and changes that be proposed to do in the administrative politics and in the management of the insurer or health services organization.
6. Copy of the procedure to disclose any conflict of interest between the officers and directors of the acquiring company and the officers and directors of the domestic insurer and the health maintenance organization.
7. The new directors and officers must submit the form "Statement of Director and/or Officer".
8. Organizational chart of the buyer, including its last holding company, its shareholders, subsidiaries and affiliates and a sworn certification of the president of the buyer, properly authenticated, indicating which of these operates direct or indirectly in Puerto Rico and the classes of business that transacts in Puerto Rico. If any of it operates in Puerto Rico, should also certify it.
9. Kind of business the acquiring company transacts.
10. Dividends paid by the domestic insurer and the health maintenance organization for each of the last five years.
11. Certify if at the end of the transaction any individual will control, directly or indirectly, more than 50% of the stocks issued or in circulation of the domestic insurer or health maintenance organization.

12. Source of funds for the acquisition. If any of the funds will be provided by external sources, describe the terms and conditions of the financing plan and include copy of the agreements contracts and arrangements of said financing. The agreements shall include a clause expressing the pledge.
13. Most recent financial statements of the buyer, certified by an Authorized Public Accountant. If the buyer is organized outside of Puerto Rico and United States, the financial statements should be authenticated with the Apostille of Convention de La Haye of October 5, 1961.
14. Physical and mailing address of the acquiring company.
15. Resumé of the shareholders of the buyer, if they are natural persons, and of their directors and officials.
16. Certified copy of the resolution of the shareholders of the domestic insurer or health maintenance organization approving the sale of the referred stocks.