

(H. B. 3034)
(Conference)

(No. 98-2011)

Approved June 20, 2011

AN ACT

To amend Sections 61.140 and 61.240, add Section 61.241, and amend Section 61.260 of Act No. 77 of June 19, 1957, as amended, better known as the “Insurance Code of Puerto Rico”; amend Sections 1031.01, 1031.02, 1062.08, 1062.11, 1091.01, 1092.01, 2022.01, and 2042.01 of Act No. 1 of January 31, 2011, better known as the “Internal Revenue Code for a New Puerto Rico”; and for other related purposes.

STATEMENT OF MOTIVES

Act No. 399 of September 22, 2004, known as the “Puerto Rico International Insurers and Reinsurers Act,” establishes the legal basis to develop Puerto Rico as an International Insurance Center aimed at exporting insurance and reinsurance services to international markets. Along with said legislation, which added Chapter 61 to the “Insurance Code of Puerto Rico,” Act No. 400 of September 22, 2004 was adopted to add to the “Puerto Rico Internal Revenue Code” different tax provisions that would apply to international insurers in Puerto Rico and their holding companies organized under Act No. 399.

Puerto Rico has the necessary qualities to attract this kind of economic activity, due to its geographical location and its financial, administrative, and professional services infrastructure. The Island has a sophisticated and experienced financial services industry, which includes a highly developed insurance sector as well as reliable legal and regulatory frameworks, and world-class communications and transportation systems. However, Puerto Rico lacked legislation specifically designed to facilitate the establishment of entities that export insurance and reinsurance services, which prevented it from competing with jurisdictions such as Bermuda, Cayman Islands, or Vermont, which have successfully incentivized this kind of activity for years.

Upon the adoption of Acts No. 399 and No. 400 in 2004, the Office of the Insurance Commissioner adopted the complementary regulations provided for in such legislation. Consequently, several companies have obtained certificates of authority to act as international insurers in Puerto Rico since 2006. These initial experiences have helped Puerto Rico to confirm that it is actually capable of competing in this economic field. However, this has also made evident that certain technical aspects of the aforesaid legislation need to be amended in order to adjust its provisions to the original legislative intent, that is, to provide a regulatory framework that is consistent with those existing in other jurisdictions that serve as export centers for insurance and reinsurance services. For instance, it is necessary to provide that the capital stock of international insurers and their holding companies organized under Act No. 399 are treated as property located outside of Puerto Rico for purposes of the legislation regarding estates and gifts applicable to nonresident individuals. Furthermore, it is necessary to specifically clarify all that pertains to the treatment of the benefits payable under life insurance contracts or annuities issued by international insurers to nonresident individuals or foreign corporations or partnerships. It is also necessary to guarantee the tax regime applicable to international insurers under contract for a fixed term, because it would be very difficult to develop the investment potential that these entities can generate without the security provided by such guaranty.

Given that the tax provisions in the original legislation of the International Insurance Center were incorporated in both Chapter 61 of the Insurance Code and the Internal Revenue Code in effect at the time, this bill contains not only amendments to said Chapter 61 of the Insurance Code, but also to the pertinent provisions of the Internal Revenue Code for a New Puerto Rico, adopted through Act No. 1 of January 31, 2011. The amendments in this bill also include other non tax-related provisions that must be incorporated into Chapter 61 of the Insurance Code so that the legislation pertaining to the International Insurance Center may

become an essential tool for the ongoing development of the financial service sector of Puerto Rico.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- Section 61.140 of Act No. 77 of June 19, 1957, as amended, is hereby amended to read as follows:

“Section 61.140.- Insolvency.-

The International Insurer shall be subject to the provisions set forth in Chapter 40 of this Code, except that with respect to a Branch, only the assets in trust shall be considered as the estate of the insurer. Provided, that none of the aforementioned provisions with respect to a Branch shall be construed as a limitation on the power of the Commissioner as liquidator to establish claims against the insurer’s assets.

The protection provided by the insurance guaranty associations under Chapters 38 and 39 of this Code shall not apply to the International Insurer, notwithstanding any reference made in Chapter 40 of this Code. Provided, further, that in the event of the insolvency of an international insurer, the definition of ‘Assets’ that appears in this Chapter shall apply.

If a financial institution has granted financing to an International Insurer, taking as guarantee or collateral securities or accounts in pledge, the liquidation of such securities or accounts by the financial institution as a set-off mutual credit in accordance with the financing contract to settle the debts of the International Insurer, if it meets the requirements of paragraph (2) of Section 40.270 of this Code, shall be subject to the exception provided in paragraph (5)(d) of Section 40.050 with regard to the stay provided in paragraph (3) of that same Section.”

Section 2.- Section 61.240 of Act No. 77 of June 19, 1957, as amended, is hereby amended to read as follows:

“Section 61.240.- Tax Treatment.-

(1) Except as provided in subsection (16) of this Section, the income derived by the International Insurer or by an International Insurer Holding Company that complies with Section 61.040 of this Chapter shall not be included in the gross income of such entities and shall be exempt from the taxes imposed under Sections 1000.01 *et seq.* of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended. Income derived by the International Insurer or by an International Insurer Holding Company that complies with Section 61.040 of this Chapter by reason of the liquidation and/or dissolution of its operations in Puerto Rico shall be treated as income derived from the operations allowed under this Act, thus shall have the same treatment, and shall not be included in the gross income of such entities.

(2) The shareholders or partners of an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of this Chapter shall not be subject to the income tax imposed under the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, nor to municipal license taxes imposed by Act No. 113 of July 10, 1974, as amended, known as the ‘Municipal License Tax Act,’ with respect to distributions in total or partial liquidation of an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of this Chapter.

(3) The income derived from dividends and profit sharing, in the case of a partnership, distributions in total or partial liquidation, or other income items similar thereto received from an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of this Chapter, shall be exempt from taxation pursuant to Sections 1000.01 *et seq.* of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, and from the payment of municipal license taxes imposed by Act No. 113 of July 10, 1974, as amended, known as the ‘Municipal License Tax Act’, as amended. Amounts received by a nonresident individual or a foreign corporation or partnership not engaged in trade or business

in Puerto Rico as benefits or interest of any kind under a life insurance or annuity contract issued by an International Insurer, shall be exempt from income taxes in accordance with Sections 1000.01 *et seq.* of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, and from the payment of municipal license taxes under the ‘Municipal License Tax Act,’ as amended.

(4) Except as provided in subsection (16) of this Section, the International Insurer or International Insurer Holding Company that complies with Section 61.040 of this Chapter shall not be required to file corporate, partnership, or insurance company tax returns, as provided in Sections 1061.02, 1061.03, and 1061.12 of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended. An International Insurer or an International Insurer Holding Company that complies with Section 61.040 of this Chapter and is organized as a corporation of individuals, pursuant to the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, shall not be required to file the returns and reports required under Section 1061.07 of said Code. However, an International Insurer Holding Company that complies with Section 61.040 of this Chapter shall submit to the Commissioner and to the Secretary of the Treasury of Puerto Rico the Certification required under Section 61.040(6) of this Chapter.

(5) The provisions of Section 1062.08 of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, that impose the requirement to deduct and withhold at the source the income tax on payments made to nonresident individuals shall not apply to an amount received on account of benefits or interests of any kind under a life insurance or annuity contract or the interest (including original issue discount, letters of credit, and other financial guarantees), dividends, partnership interest, distributions in total or partial liquidations, or other similar income items received from an International Insurer or an International Insurer Holding Company, as applicable, that complies with Section 61.040 of this

Chapter, provided that these individuals are not engaged in trade or business in Puerto Rico.

(6) The provisions of Section 1062.10 of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, that impose the requirement to deduct and withhold at the source the income tax on payments made for an interest attributable to alien nonresident shareholders on the income of a corporation of individuals shall not apply with respect to the attributable interest of the nonresident shareholders not engaged in trade or business in Puerto Rico, of an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of this Chapter.

(7) The provisions of Section 1062.11 of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, that impose the requirement to deduct and withhold at the source income tax on payments made to foreign corporations not engaged in trade or business in Puerto Rico shall not apply to the amount of any benefit or interest of any kind received under a life insurance or annuity contract or the interest (including the original issue discount, letters of credit, and other financial guarantees), dividends, partnership interest, distributions in total or partial liquidations, or other similar income items, received from an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of this Chapter.

(8) Income derived by an alien nonresident individual, not engaged in trade or business in Puerto Rico, on account of benefits or interest of any kind received under a life insurance or annuity contract or interest (including the original issue discount, letters of credit, and other financial guarantees), dividends, partnership interests, or other similar income items, received from an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of this Chapter, shall not be subject to the payment of the taxes imposed

under Section 1091.01 of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended.

(9) Income derived by a foreign corporation not engaged in trade or business in Puerto Rico, on account of benefits or interest of any kind received under a life insurance or annuity contract or interest (including the original issue discount, letters of credit, and other financial guarantees), dividends, partnership interest, or other similar income, received from an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of this Chapter, shall not be subject to the taxes imposed under Section 1092.01 of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended.

(10) The income derived by an International Insurer, as defined in Section 61.020(4) of this Chapter, shall not be subject to the taxes imposed under Section 1092.02 of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended.

(11) None of the provisions of this Section shall be construed as to limit the powers of the Secretary of the Treasury to apply the provisions of Section 1040.09 of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, to an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of this Chapter, or to any other person.

(12) ...

(13) ...

(14) The provisions of Sections 1111.01 through 1111.11 of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, shall not apply to International Insurers.

(15) The Commissioner, along with the Secretary of Economic Development and Commerce and the Secretary of the Treasury, shall promulgate rules and regulations as necessary for the implementation of this Section.

(16) Notwithstanding any provisions to the contrary in Subtitle A of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, or Subtitle A of the

‘Internal Revenue Code of 1994,’ as amended, and in this Code, during each of the taxable years beginning after December 31st, 2008, and before January 1st, 2012, every International Insurer and every International Insurer Holding Company shall be subject to a special five percent (5%) tax on the amount of its net income for the taxable year, computed in accordance with the provisions of Subtitle A of the ‘Internal Revenue Code for a New Puerto Rico’ or Subtitle A of the ‘Internal Revenue Code of 1994,’ as amended, whichever applies, as amended[sic], regardless of the provisions of this Code. In addition, for each taxable year beginning after December 31st, 2011, every International Insurer shall be subject to a four percent (4%) tax on the amount of its net income in excess of one million two hundred thousand dollars (\$1,200,000) computed without taking into account the exemption provided in the first paragraph of this Section and without including for these purposes the income from segregated asset plans that the International Insurer may have established. Likewise, for each taxable year beginning after December 31st, 2011, every segregated asset plan of an International Insurer other than a Class 5 Authority shall be subject to a four percent (4%) tax on the amount of its net income in excess of one million two hundred thousand dollars (\$1,200,000), which shall be paid exclusively with the funds of such segregated asset plan; provided that such net income shall be computed as if the segregated asset plan were an International Insurer. The Secretary of the Treasury shall prescribe by regulations, circular letter or other administrative determination or general communication, the forms or returns to be filed with respect to the aforementioned taxes; provided that in the case of International Insurers with segregated asset plans subject to taxation, the International Insurer shall report and pay the tax owed by each one of said segregated asset plans.

(17) For purposes of Section 2010.01 *et seq.* of the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, the value of any amount payable by an International Insurer under a life insurance or annuity contract to a Puerto Rico

nonresident, shall be exempt from the taxes on estates and gifts imposed under said Sections. Any stock or partnership interest certificate of a partner of an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of this Chapter which are owned by a Puerto Rico nonresident, and any bonds, notes, or other debt obligations of an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of this Chapter that are owned by a Puerto Rico nonresident, shall be exempt from the estate and gift taxes imposed under these Sections.”

(18) Upon issuing a certificate of authority to an International Insurer, in accordance with this Chapter, the Commissioner, along with the Secretary of Economic Development and Commerce, shall also issue a tax exemption decree which shall state in detail all that pertains to the tax treatment provided by the different paragraphs of this Section. As a requirement to grant the decree and as provided in the regulations adopted pursuant to subsection (15) of this Section, the Commissioner and the Secretary of Economic Development and Commerce may impose on the International Insurer additional conditions regarding employment or economic activity. The tax exemption decree so detailed including the income tax rates provided in subsection (16) of this Section, shall be considered as a contract between the International Insurer, its stockholders, partners, or owners and the Government of Puerto Rico, during the effectiveness of the decree, and such contract shall be deemed to be the law between the parties. The decree shall be effective for fifteen (15) years beginning on January 1st, 2012, or on the date of issue, if later, unless such certificate of authority of the International Insurer is revoked, suspended, or not renewed before the expiration thereof, in which case, the decree shall become ineffective as of the time of such revocation or non renewal, or during the suspension period, as the case may be. The decree shall not be transferrable; however, it shall not be rendered ineffective as a result of a change of control over the shares of the International Insurer or due to the merger

or consolidation thereof or because the International Insurer converts to a stock or mutual insurer, as the case may be, as long as such change of control, merger or consolidation, or conversion is approved the Commissioner in accordance with this Chapter. Any International Insurer whose certificate of authority has been issued before the effective date of this Act, shall be issued a decree under the same terms provided in this subsection with an effective term beginning on January 1st, 2012, and shall not be required to meet any other condition. No decree shall be issued after December 31st, 2019.

(19) Subject to the conditions or requirements prescribed by regulations pursuant to subsection (15) of this Section, any International Insurer holding a decree issued pursuant to subsection eighteen (18) of this Section, may file an application for the renewal thereof for an additional term of fifteen (15) years with the Commissioner and the Secretary of Economic Development and Commerce. Such application shall be filed with the Commissioner not more than twenty-four (24) months or less than six (6) months before the expiration of the decree, and include the information required by Commissioner and the Secretary of Economic Development and Commerce to such purpose. Likewise, before the expiration of the renewal period, the International Insurer may apply for another renewal for an additional term of fifteen (15) years.”

Section 3.- A new Section 61.241 is hereby added to Act No. 77 of June 19, 1957, as amended, to read as follows:

“Section 61.241.- Benefits Exempt from Seizure.-

(1) Except as provided by subsection (3), any benefits (including the cash value and proceeds) to be provide to the owner, insured or beneficiary under a life insurance or annuity contract issued by an International Insurer shall:

(a) Inure exclusively to the benefit of the person for whose use and benefit the insurance or annuity contract is designated in the contract; and

(b) Be fully exempt from and not subject to:

- (i) attachment, execution, or other seizure;
- (ii) appropriation or application by any legal or equitable process or by operation of law to pay a debt or other liability of the owner, insured or beneficiary, either before or after the benefits are provided; and
- (iii) a demand in a bankruptcy proceeding of the owner, insured or beneficiary.

(2) The provisions in subsection (1) shall apply regardless of whether:

- (a) The power to change the beneficiary is reserved to the owner or insured; or
- (b) The owner or insured or his/her estate is a contingent beneficiary.

(3) The exemptions provided in subsection (1) do not apply to:

- (a) A premium payment made in fraud of a creditor, subject to the applicable statute of limitations for recovering the payment;
- (b) A debt of the owner, insured or beneficiary secured by a pledge of the insurance policy or the proceeds of the policy; or
- (c) A child support lien or levy established in accordance with the applicable law; or
- (d) A debt of the person for whose use and benefit the insurance or annuity has been designated under the contract, if such debt has been incurred by the person after the date on which the benefit under the contract was made available for his/her use.

(4) This Section does not prevent an insured, owner, or annuitant from assigning, in accordance with the terms of the life insurance or annuity contract:

- (a) Any benefits to be provided under an insurance policy or annuity contract; or
- (b) Any other rights under the policy or contract.

(5) If an insurance or annuity contract, issued by an International Insurer prohibits a beneficiary from assigning or commuting benefits to be provided or other rights under the contract, an assignment or commutation or attempted assignment or commutation of the benefits or rights by the beneficiary is void.”

Section 4.- Section 61.260 of Act No. 77 of June 19, 1957, as amended, is hereby amended to read as follows:

“Section 61.260.- Powers of the Commissioner.-

(1) ...

...

(6) The Commissioner may establish one or more regulations, categories, or special designations to classify those International Insurers that, in accordance with Section 61.050, have obtained an authorization to transact insurance as Class 1 Authority, Class 2 Authority, Class 3 Authority, Class 4 Authority, or Class 5 Authority, or a combination thereof, and that also meet, on a voluntary basis, the requirements or rules established under said regulations for such purposes.”

Section 5.- Section 1031.01 of Act No. 1 of January 31st, 2011, better known as the “Internal Revenue Code for a New Puerto Rico,” is hereby amended to read as follows:

“Section 1031.01.- Gross Income.-

(a) ...

...

(b) Exclusions from Gross Income.- The following items shall be excluded from the definition of gross income:

(1) Life Insurance.- There shall be excluded from gross income:

(A) Amounts received under a life insurance contract paid by reason of the death of the insured, whether in a lump sum or in installments, but if such amounts were withheld by the insurer under an agreement to pay interest thereon, the interest payments shall be included in the gross income; and any

amount received, upon authorization by the Secretary of the Treasury, under a life insurance contract on the life of an insured who has a terminal illness, and as certified by a competent medical authority shall result in death in one year or less.

(B) Life Insurance from International Insurers.- Amounts received by a nonresident individual or a foreign partnership or corporation not engaged in trade or business in Puerto Rico as benefits or interests of any kind in connection with a life insurance contract issued by an International Insurer.

...”

Section 6.- Section 1031.02 of Act No. 1 of January 31st, 2011, better known as the “Internal Revenue Code for a New Puerto Rico,” is hereby amended to read as follows:

“Section 1031.02.- Exemptions from Gross Income.-

(a) The following income items shall be exempt from taxation under this Subtitle:

(1) Annuities.-

(A) ...

(B) ...

(C) Annuities from International Insurers.- Amounts received by a nonresident individual or a foreign partnership or corporation not engaged in trade or business in Puerto Rico as benefits or interests of any kind under a life insurance contract issued by an International Insurer.

...”

Section 7.- Section 1062.08 of Act No. 1 of January 31st, 2011, better known as the “Internal Revenue Code for a New Puerto Rico,” is hereby amended to read as follows:

“Section 1062.08.- Tax Withholding at Source in the Case of Nonresident Individuals.-

(a) ...

...

(3) Exceptions.- The provisions of this Section shall not apply to:

(A) dividends received from International Banking Entities organized under the provisions of Act No. 52 of August 11, 1989, known as the ‘International Banking Center Regulatory Act,’

(B) amounts from any benefits or interests received under a life insurance or annuity contract, interests (including the original issue discount, letters of credit, and other financial guarantees), dividends, partnership interest, distributions in a total or partial liquidation, or other income items similar to these received from an International Insurer or by an International Insurer Holding Company that complies with Section 61.040 of the Insurance Code of Puerto Rico.

...”

Section 8.- Section 1062.11 of Act No. 1 of January 31st, 2011, better known as the “Internal Revenue Code for a New Puerto Rico,” is hereby amended to read as follows:

“Section 1062.11.- Tax Withholding at Source on Foreign Corporations and Partnerships Not Engaged in Trade or Business in Puerto Rico.-

(a) ...

...

(3) Exceptions.- The deduction and withholding provided in this subsection shall not apply with respect to:

(A) ...

(B) ...

(C) the amount of any benefits or interests received under a life insurance or annuity contract, interest (including the original issue discount, letters of credit, and other financial guarantees), dividends, distributions in total or partial liquidation or other income items similar to those received from international insurers or from international insurer holding companies which are in compliance with Article 61.040 of the Insurance Code of Puerto Rico.

...”

Section 9.- Section 1091.01 of Act No. 1 of January 31st, 2011, better known as the “Internal Revenue Code for a New Puerto Rico,” is hereby amended to read as follows:

“Section 1091.01.- Tax on Nonresident Alien Individuals.-

(a) Income Not Related to Trade or Business in Puerto Rico.-

(1) General Rule.-

(A) ...

(B) The provisions of this subsection shall not apply to the interests (including the original issue discount, letters of credit, and other financial guarantees), dividends, partnership interest, or other income items similar to these that are received from international insurers or from international insurer holding

companies that comply with Section 61.040 of the Insurance Code of Puerto Rico or to the amount of any benefits or interests received under a life insurance or annuity contract issued by an International Insurer.

...”

Section 10.- Section 1092.01 of Act No. 1 of January 31st, 2011, better known as the “Internal Revenue Code for a New Puerto Rico,” is hereby amended to read as follows:

“Section 1092.01.- Tax on Foreign Corporations.-

(a) Tax on Foreign Corporations Not Engaged in Trade or Business in Puerto Rico.-

(1) General Rule.-

...

(4) The provisions of paragraph (1) of this Section shall not apply to the interests (including the original issue discount, letters of credit, and other financial guarantees), dividends, partnership interest, or other income items similar to those received from international insurers or from international insurer holding companies that comply with Section 61.040 of the Insurance Code of Puerto Rico or the amount of any benefits or interests received under a life insurance or annuity contract issued by an International Insurer.

...”

Section 11.- Section 2022.01 of Act No. 1 of January 31st, 2011, better known as the “Internal Revenue Code for a New Puerto Rico,” is hereby amended to read as follows:

“Section 2022.01.- Definition of Gross Decedent’s Estate.-

(a) ...

(e) ...

(f) International Insurer or by an International Insurer Holding Company.- The estate of a nonresident alien decedent shall not include the right to receive income from an International Insurer or by an International Insurer Holding Company, or shares, interests, bonds, notes, or other obligations of any of these entities.”

Section 12.- Section 2042.01 of Act No. 1 of January 31st, 2011, better known as the “Internal Revenue Code for a New Puerto Rico,” is hereby amended to read as follows:

“Section 2042.01.- Definition of Gift.-

(a) ...

(b) ...

(2) Shares.- All shares issued by a domestic corporation or partnership, other than an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of the Insurance Code of Puerto Rico, and

(3) Any intangible property physically located in Puerto Rico, except: (i) bonds, notes or other obligations issued or to be issued by the Government of Puerto Rico or its municipalities, or by public authorities or corporations of either the Government or the municipalities, for money taken on loan when both the person making the gift and the person receiving the gift are nonresidents of Puerto Rico; (ii) bonds, notes and other debt obligations issued by an International Insurer or an International Insurer Holding Company that complies with Section 61.040 of the Insurance Code of Puerto Rico; (iii) the value or proceeds of any insurance policy or annuity contract issued by an International Insurer; and (iv) the value of the premium payments made directly or indirectly with respect to said policy or contract when both the person making the gift and the

person receiving the gift are nonresidents of Puerto Rico. The location of these bonds, notes or other obligations shall not be taken into account when determining whether this exemption applies.

...”

Section 13.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 98-2011 (H. B. 3034) (Conference)** of the **5th Session of the 16th Legislature** of Puerto Rico:

AN ACT to amend Sections 61.140 and 61.240, add Section 61.241, and amend Section 61.260 of Act No. 77 of June 19, 1957, as amended, better known as the "Insurance Code of Puerto Rico"; amend Sections 1031.01, 1031.02, 1062.08, 1062.11, 1091.01, 1092.01, 2022.01, and 2042.01 of Act No. 1 of January 31, 2011, better known as the "Internal Revenue Code for a New Puerto Rico"; and for other related purposes.

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, on this 27th day of June, 2014.

Juan Luis Martínez Martínez
Acting Director