



# Client Alert

May 27, 2008

## MINIMUM CAPITAL REQUIREMENTS FOR INSURANCE AND SURETY COMPANIES

On May 23, 2008, the Ministry of Treasury and Public Credit (*Secretaría de Hacienda y Crédito Público*) published the “Ruling on the minimum paid up capital that insurance companies must have for each transaction or line” (*Acuerdo sobre el capital mínimo pagado que las instituciones de seguros deben afectar para cada operación o ramo*) (the “Insurance Ruling”) and the “Ruling on the minimum paid up capital stock that surety companies must have for each line” (*Acuerdo sobre el capital mínimo pagado que las instituciones de fianzas deben afectar para cada ramo*) (the “Surety Ruling”) (the “Rulings”) in the Official Gazette of the Federation.

### A. Minimum Paid Up Capital of Insurance Companies for the year 2008

Pursuant to the Insurance Ruling, insurance companies must comply with the minimum capital requirements as follows:

<u>Lines of Business</u>	<u>Minimum Paid Capital (UDIS)</u>	<u>Minimum Paid Capital (Pesos)</u>
Life	6’816,974	\$26’811,042.85
Pensions	28’000,000	\$110’123,524.00
Accidents and Health:		
a) Personal Accident and/or Medical Expenses	1’704,243	\$6’702,758.74

<b><u>Lines of Business</u></b>	<b><u>Minimum Paid Capital (UDIS)</u></b>	<b><u>Minimum Paid Capital (Pesos)</u></b>
b) Health, including Medical Expenses	1'704,243	\$6'702,758.74
Property and Casualty:		
a) One line	5'112,730	\$20'108,280.17
b) Two lines	6'816,974	\$26'811,042.85
c) Three or more lines	8'521,217	\$33'513,801.60
d) Mortgage Insurance	12'200,000	\$47'982,392.6
e) Financial Guarantee	33'200,000	\$130'575,035.6
Re-bonding:		
a) One line In one or more of the sublines	3'655,154	\$14'375,658.54
b) Two lines In one or more of the sublines	4'873,538	\$19'167,542.10
c) Three or more lines In one or more of the sublines	6'091,923	\$23'959,429.59

**B. Minimum Paid Up Capital of Surety Companies for the year 2008**

Pursuant to the Surety Ruling, surety companies must comply with the minimum capital requirements as follows:

<b><u>Lines of Business</u></b>	<b><u>Minimum Paid Capital (UDIS)</u></b>	<b><u>Minimum Paid Capital (Pesos)</u></b>
a) One line In one or more of the sublines	7'310,308	\$28'751,317.08
b) Two lines  In one or more of the sublines	9'747,077	\$38'335,088.14
c) Three or more lines In one or more of the sublines	12'183,846	\$47'918,859.19

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Jáuregui, Navarrete y Nader, S.C., has published Articles about the following legal matters that may be of your interest:

*Difficulties in drafting an arbitration clause in credit syndicate or credit restructuring agreements* (2008)

*The place of the arbitration, a comparative analysis in Latin America* (March 2008)

*Deregulation of Credit, Financial Leasing and Factoring Activities in Mexico* (May 2006)

*Amendments to the Insurance Law* (April 2006)

*New Mexican Securities Market law* (January 2006)

The Articles abovementioned may be consulted at the web page:

<http://www.jnn.com.mx>

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Should you have any question in connection with the matters of this Bulletin, we will gladly give you additional information or legal consultancy for your specific case.

In case of requiring additional information, please contact any partner of Jáuregui, Navarrete y Nader, S.C., listed below. In case you want to receive vía e-mail Bulletins or Articles distributed by Jáuregui, Navarrete y Nader, S.C., in the future, please send us your data including your e-mail address to [jnn@jnn.com.mx](mailto:jnn@jnn.com.mx).

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This publication of Jáuregui, Navarrete y Nader, S.C., contains information and comments about legal and actual matters that may be of interest for our clients and friends.

The foregoing is not a thorough investigation of the matter nor may it be considered as legal consultancy. The reader must, in all cases, require legal consultancy about his particular case before carrying out any action related with the matters referred herein.

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