

Commonwealth of Puerto Rico  
OFFICE OF THE COMMISSIONER OF INSURANCE

Circular Letter: L-4-291-61

April 14, 1961

TO ALL INSURANCE COMMISSIONERS:

Gentlemen:

National Plans, Inc. or Insurance Plans, Inc. are seeking to become established in Puerto Rico. It will be a local operation.

Their activities will consist of the sale of "stamps" to retail establishments which will in turn dispense these "stamps" on a dollar for dollar basis to their customers, said "stamps" to be used for the "purchase" of term life insurance, when a certain amount of "stamps" is acquired by the customer.

We have been advised that the insurance will ultimately be written by a licensed agent of the insurer involved. The cost of the policy would be paid by National Plans to a duly licensed company in our jurisdiction. Such payment would be met out of the fee charged by National Plans to the retail stores.

We are wondering if such a plan has been introduced in your jurisdiction and if so, what has been your position as to it. For example, the following questions arise in our minds:

1. What would be the position of an entity engaging in above described activities as regards your Department? Would you require that they be licensed as insurance agents?

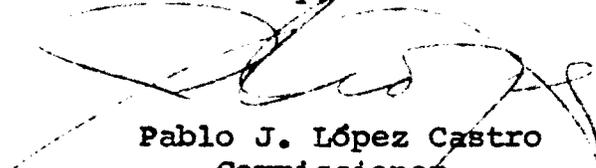
2. Are the retail establishments, which will dispense or sell these "stamps" to the customers, in fact engaged in the sale of insurance and therefore should they also be licensed as agents?

3. If such a plan operates in your jurisdiction, what steps have you taken to assure that when the customer of the retail stores turns in his quota of stamps the promised life policy will be issued?

We would appreciate any comments or advises you may have as to this situation and especially as to the problems posed above.

Thank you for your cooperation in this matter.

Cordially,



Pablo J. López Castro  
Commissioner

---