

Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE
P. O. Box 11217 - Fernandez Juncos Sta.
Santurce, Puerto Rico.

TO ALL COMPANIES WRITING LIFE INSURANCE AND TO ALL THEIR
GENERAL AGENTS OR MANAGERS IN PUERTO RICO

Circular Letter No. A 10-301-61
October 30, 1961

Gentlemen:

This is in reference to our Circular Letter No. C 6-265-60, dated June 23, 1960, informing you of the approval of Act No. 64 of June 6, 1960, regarding group life insurance.

In the above mentioned circular letter we stated that no group life insurance policies should be issued to any but those groups which are eligible as defined by Section 14.010 of our Insurance Code and that such new policies as may be issued should conform to the provisions of Act No. 64 of June 6, 1960. It was also ordered that no group life insurance policies presently in force be renewed unless they conform to the provisions of Act No. 64 of June 6, 1960 as regards the types of groups that may be covered as well as the standard provisions required to be in every group life insurance policy by said Act.

Several inquiries have been made to this office regarding the application of the provisions of Act No. 64 to policies issued prior to its effective date.

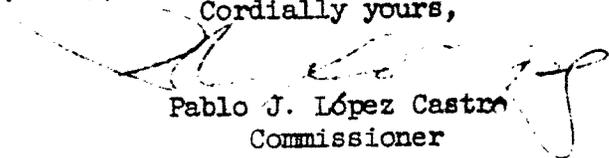
In order to further clarify the effect of Circular Letter C 6-265-60, you are hereby advised that upon the renewal of any such policies, Act No. 64 of June 6, 1960, shall apply in full force as if it were the issuance of a new policy. It is the position of this office that said renewals are in fact new contracts.

Also, we have observed that various group life insurance policy forms approved by this office prior to the enactment of Act No. 64 of June 6, 1960, contain provisions granting dependents life insurance. According to the provisions of Act No. 64, it is not permissible in Puerto Rico to write dependents life insurance under a group life insurance policy.

We wish to remind you that under policies of group credit life insurance the maximum amount of insurance on the life of each individual debtor shall at no time exceed his debt or \$10,000, whichever is less. This provision applies to new policies as well as to policies which are renewed.

Your cooperation is respectfully requested in order to have all group life insurance policy forms, previously approved, in conformity with the provisions of Act No. 64 of June 6, 1960.

Cordially yours,


Pablo J. López Castro
Commissioner