



COMMONWEALTH OF PUERTO RICO

OFFICE OF THE COMMISSIONER OF INSURANCE

Circular Letter: LVI-II-1026-86

February 24, 1986

TO ALL INSURERS AUTHORIZED TO TRANSACT INSURANCE
BUSINESS IN PUERTO RICO AND TO ALL GENERAL AGENTS
OR MANAGERS OF SUCH INSURERS

Subject: Terminations of agency
or management contract

Dear Sirs:

It has been our experience during the last years that some of the insurers authorized to transact insurance business in Puerto Rico are not complying fully with Section 3.340(2) of the Insurance Code of Puerto Rico, 26 LPRA sec. 334(2). The same establishes the following:

"(2) An insurer appointing any person as its general agent or manager to represent it as such in Puerto Rico shall file notice of the appointment with the Commissioner on forms prescribed and furnished by the Commissioner."

Once a person is appointed as general agent or manager of an insurer, he is legally bound to comply with the provisions of the Insurance Code of Puerto Rico and its Regulations concerning their business relations. If the insurer revokes his appointment, but does not notify this Office, it may result in unnecessary administrative proceedings for violations of the obligations imposed by said Code its Regulations to the general agents and managers.

We consider that in order to have our records as accurate as possible, the insurer must notify this Office the appointment of its production personnel, as well as the revocation of said appointment.

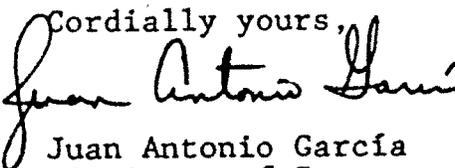
Therefore, we are hereby requiring that every insurer authorized to transact insurance business in Puerto Rico inform this Office the termination of its general agency appointments or the revocation of the appointments of their managers.

Likewise, we consider that the general agent or manager also has the duty to notify this Office the termination of his appointment.

Those notifications should be made within the thirty (30) days period from the termination of the appointment.

Strict compliance with the aforesaid provisions is hereby required.

Cordially yours,

A handwritten signature in cursive script that reads "Juan Antonio García". The signature is written in dark ink and is positioned above the printed name and title.

Juan Antonio García
Commissioner of Insurance