



COMMONWEALTH OF PUERTO RICO  
**OFFICE OF THE COMMISSIONER OF INSURANCE**

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January 22, 2008

RULING LETTER.: 2008-88-AP

TO ALL INSURERS AUTHORIZED IN PUERTO RICO TO UNDERWRITE ALL KINDS OF INSURANCE, EXCEPT LIFE AND DISABILITY INSURANCE, AND TO ALL MANAGERS, GENERAL AGENTS, AGENTS AND INSURANCE BROKERS

**EFFECT OF THE PROVISIONS OF RULING LETTERS N-AM-11-10-2001 AND N-AM-5-37-2003 ON THE SUSPENSION OF RATE FILING REQUIREMENTS FOR CERTAIN CLASSES, SUBDIVISIONS OR COMBINATIONS OF INSURANCE, INCLUDING INSURANCE FOR COMMERCIAL PROPERTY FOR OCEANFRONT CONDOMINIUMS, PURSUANT TO ARTICLE 12.080 OF THE PUERTO RICO INSURANCE CODE**

Dear Sirs and Madams:

 On December 21, 2001, the Office of the Insurance Commissioner of Puerto Rico ("OIC") issued Ruling Letter N-AM-11-10-2001, suspending rate filing requirements for certain classes, subdivisions or combinations of insurance listed therein. Subsequently, on May 30, 2003, Ruling Letter N-AM-5-37-2003 was issued for the purpose of amending the aforementioned Ruling Letter to include property insurance for oceanfront condominiums as one of the subdivisions for which the rate filing requirements for the class were to be suspended. The effective dates of the provisions of both Ruling Letters originally expired on December 31, 2003.

Ruling Letter C-AM-12-1765-2006 of December 7, 2006 once again extended said provisions for another year, until December 31, 2007.

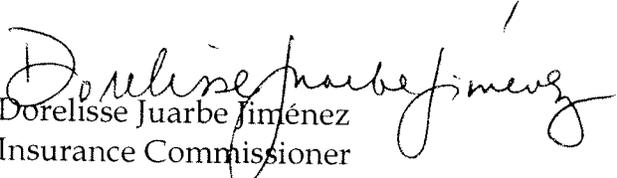
As we advised you in said letter, in order to make a final decision regarding the desirability of continuing to suspend the rate filing requirements for such classes, subdivisions or combinations of insurance, an evaluation regarding the impact that the suspension of the rate filing requirements has had on the insurance market and for consumers has been included in the proposed revision of the Puerto Rico Insurance Code, which is still being drafted at the OIC with the collaboration of the insurance industry and the Inter American University of Puerto Rico Law School. We are hereby

extending the effective dates of said Ruling Letters to December **31, 2009**. Notwithstanding the above, we advise you that the OIC may at any time reinstate the rate filing requirements for these classes of insurance, if said evaluation showed that the protection of public interest warrants such a decision.

We reiterate that the suspension of the rate filing requirements for Commercial Property Insurance for Oceanfront Condominiums is limited to the condominiums defined in Ruling Letter No. N-AM-5-37-2003 as oceanfront condominiums, in other words, those that are located at no more than 1,000 feet from the seaside. We likewise reiterate that no increase above 170% of the annual premium for Group I, Group II, and Special risks, and Earthquakes may be applied for coverage for Oceanfront Condominiums as defined in said Ruling Letter. Insurers who use such a rate to calculate premiums for condominiums that do not qualify as oceanfront condominiums shall be subject to severe sanctions.

All of the provisions in the aforementioned Ruling Letters remain in full force and effect, except as regarding their effective dates. We remind you that the provisions of these Ruling Letters only exempt you from the rate filing requirement, not from annual reports or insurance forms. Therefore, you are required to comply strictly with all the remaining provisions of the Puerto Rico Insurance Code, especially with Articles 12.150, 12.320, 27.080, 27.090, and 27.100 of the Code, regarding the requirements for statistical reports, submission of policies for auditing by the rating organism, and the prohibition of unfair differentiation and illegal incentives, respectively.

Cordially yours,

  
Dorelisse Juarbe Jiménez  
Insurance Commissioner

Authorize by:  
State Elections Commission Commonwealth of Puerto Rico  
CEE-SA-08-3254