GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

October 6, 2009

Ruling Letter No. 2009-103-AP

TO ALL RATING BUREAUS, INSURERS, PRODUCERS, GENERAL AGENTS AND MANAGERS OF FOREIGN INSURERS AUTHORIZED TO TRANSACT PROPERTY INSURANCE BUSINESS IN PUERTO RICO

RE: Repeal of Rule 40 of the Puerto Rico Insurance Code Regulations

Dear Sirs and Madams:

We are pleased to inform you that Rule 40D of the Puerto Rico Insurance Code, which became effective on August 13, 2009, repeals Rule 40 on Multi-line Programs. Subsequent to the repeal of this rule, this Office has received several inquiries regarding the effects of the repeal.

It should be noted that the repeal of Rule 40 results in making the requirements for submitting multi-line programs simpler and more flexible, both for individuals and for commercial lines, to address current and future needs of the insurance industry. Consequently, the measure encourages insurers to develop more streamlined and practical insurance programs, which should be of benefit to consumers.

Having said the above, it is important to stress that Chapters 11 and 12 of the Puerto Rico Insurance Code continue to be in full force and effect. Thus, the repeal of Rule 40 does not eliminate the requirement to submit all forms, rules an applicable rates for the multi-line programs, for consideration and approval by this Office, both for individual and commercial programs. These requirements must be complied with, except with regard to class, subdivision or combined insurance rates for commercial lines, for which the requirements were suspended in Ruling letters Nos. N-AM-11-10-2001, dated December 21, 2001, No. N-AM-5-37-2003, dated May 30, 2003, and CN-AM-12-53-2004, dated December 15[1], 2004. In view of the repeal of Rule 40, insurers wishing to amend their multi-line programs may do so, provided that the amendment is submitted for consideration and approval by this Office.

B5 Tabonuco Street, Suite 216 • PMB 356 • Guaynabo, PR 00968-3029 • Ph.: (787) 304-1007 • Fax: (787) 273-6365
www.ocs.gobierno.pr

In addition, we would like to inform you that we are working on substantial issues related to multi-line programs. We will issue new regulations, if it were necessary, so that insurers' capacity to comply with their obligations is not affected, while protecting the public interest.

You are required to comply strictly with the provisions of this ruling letter.

Very truly yours,

Ramón L. Cruz-Colón, CPCU, ARe, AU
Commissioner of Insurance

---

[1]The provisions of these ruling letters were extended until July 3, 2011 in Ruling Letter 2009-1803-AP dated July 3, 2009.