

**GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE
REVIEW REQUIREMENTS CHECK LIST
LIFE INSURANCE POLICIES WITH INDETERMINATE OR ADJUSTABLE PREMIUM**

COMPANY: _____
FORM NUMBER: _____

REGULATION	REQUIREMENTS	Reference /Page/ Paragraph	
Circular Letter AV-IV-6-846-81 of September 28, 1981	Section A (1)	It must be stated in the policy that adjustments in premiums will be by class and based upon changes in future expectations for such factor as investment earnings, mortality, persistency and expenses.	
	Section A (2)	The policy must describe the insurer's contractual right to adjust the premiums.	
	Section A (3)	The Grace Period provision should refer to the premium due, rather than the premium stated in the policy .	
	Section A (4)	The policy shall set forth in equal prominence the initial premium and a maximum guaranteed premium scale.	
	Section A (5)	The policy shall describe the frequency with which premiums for in-force policies shall be reviewed to determine whether an adjustment in premiums should be made.	
	Section B(1)	The insurer must include with its policy filing a statement similar to the following: The _____(Company)_____ of hereby states that:	
	Section B(1)(a)	The initial premium scale is lower than the premium the Company would charge for a policy with fixed premiums having similar benefits and provisions issued at the same time in the same risk class.	
	Section B(1)(b)	The Company will maintain in its home or principal office a complete description of the projected assumptions underlying the initial premium scale and all subsequent revised adjustable premium scales. Such information shall be subject to inspection by the Corrmisioner.	
	Section B(1)(c)	Changes in the table of premiums for in-force policies do not include an upward change in the maximum guaranteed premium applicable to such policies.	
	Section B(2)(a)	The insurer must notified when any changes in the premium rate scale become effective.	
	Section B(2)(b)	The pricing assumptions for in-force policies, unless they are subject to an initial guaranteed period, must be reviewed whenever the premiums for new issues are changed, but in no event more often than once each policy year or less often than once every five policy years.	
	Section B(2)(c)	Any filing of new plans and/or a change in premiums on in-force policies shall be accompanied by a statement of actuarial opinion stating that the assumptions are reasonable, appear to be self-supporting and for future years on in-force policies such assumptions do not discriminate unfairly between new issues and in-force policies.	

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Circular Letter AV-IV-6-846-81 of September 28, 1981	Section B(2)(d)	An adjustment in premiums cannot distribute past gains or recoup past losses but will be based on changes in future expectations for such factors as: interest earnings, mortality, persistency and expenses. The statement of actuarial opinion shall include a statement that the revised premium scale does not unfairly discriminate among adjustable premium policyholders.	
	Section C	Policy cash values must be fixed at issue.	
		Minimum cash values required by § 1328 and minimum reserves required by § 510 of the Insurance Code of Puerto Rico, will be determined on the basis of the maximum premium scale.	
	Section D	Advertising material for the adjustable premium product must be available for our review.	
	Section D(1)	The advertising material should include equal prominence to the initial premium scale and maximum guaranteed premiums.	
Section D(2)	If any non-guaranteed premium rates are shown, prominent disclosure must be given to their non-guaranteed nature and the fact that they may change.		
INDIVIDUAL CONTRACTS			
Chapter 13 of the Insurance Code of Puerto Rico of Puerto Rico	§ 1303	Right to Examine the Policy	
	§ 1304	Beneficiary Provision	
	§ 1305	Grace Period Provision	
	§ 1306	Entire Contract Provision	
	§ 1307	Incontestability Provision	
	§ 1308	Misstatement of Smoking Status Provision	
	§ 1309	Misstatement of Age or Sex Provision	
	§ 1311	Participation in Surplus	
	§ 1312	Policy Loan	
	§ 1313	Table of Installments	
	§ 1314	Reinstatement Provision	
	§ 1315	Settlement on Proof of Death Provision	
	§ 1326	Limits of Liability	
	§ 1327	Incontestability after reinstatement	
§ 1332	Nonforfeiture law		
Chapter 11 of the Insurance Code of Puerto Rico	§ 1114(2)	Every policy to be effective in Puerto Rico shall be offered in the Spanish language and shall be issued in the English language at the option of the proposed insured. In the interpretation of said policies, the text that is of most benefit to the insured shall prevail. The provisions of this subsection shall not apply to such insurance which the Commissioner, through regulations to that effect, may exclude because of its technical nature or volume.	

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Ruling Letter N-AV-3-107-99 of April 6, 1999	Section 1	Each submission of Spanish translations must include a certification by an authorized representative of the insurer stating that each translated form is a true and faithful translation of the corresponding English form approved by our Department.	
		The certification that must be used for this purpose is attached to the mentioned Ruling Letter.	
GROUP CONTRACTS			
Chapter 14 of the Insurance Code of Puerto Rico	§ 1404	Grace Period Provision	
	§ 1405	Incontestability Provision	
	§ 1406	A provision setting forth the conditions, if any, under which the insurer reserves the right to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of his coverage.	
	§ 1407	Age falsely stated Provision	
	§ 1408	Provision to facilitate payment	
	§ 1409	Issuance of certificate Provision	
	§ 1410	Conversion Provision	
	§ 1411	Special form in case of creditors' and debtors' insurance.	
ADDITIONAL REQUIREMENTS			
Circular Letter No. 2007-1775-AV of June 15, 2007	As a requirement, the below certification must be completed, signed and included with the filing.		

CERTIFICATION

I _____ have reviewed or supervised the preparation of the above form(s) and certify that the same comply with all of the applicable requirements of the Indeterminate Life Insurance Check List and that the filing does not contain dispositions previously disapproved or required to be corrected by the Office of the Commissioner of Insurance of Puerto Rico. I also acknowledge responsibility for the validity, accuracy and completeness of the contents of the transmittal letter and enclosures with this filing.

Signature: _____

Date: _____