



COMMONWEALTH OF PUERTO RICO  
OFFICE OF THE COMMISSIONER OF INSURANCE

IN ANSWERING  
PLEASE REFER TO:

June 28, 2002

RULING LETTER NO.: N-E-06-17-2002

TO ALL DOMESTIC INSURERS, GENERAL AGENTS AND MANAGERS OF FOREIGN  
INSURERS AUTHORIZED TO TRANSACT PROPERTY AND CASUALTY INSURANCE  
IN PUERTO RICO

Re: Application of Rule 29 to all Commercial Lines Policies

Dear Sirs and Madams:

Circular Letter CA-I-12-1249-91, dated December 23, 1991, among other matters, postponed the application of the provisions of Rule 29 of the Regulations of the Puerto Rico Insurance Code to commercial lines property and casualty insurance.

In order to prevent the tacit extension of credit for the payment of premiums on commercial lines policies, which could clearly constitute a prohibited discount to the detriment of the financial solvency of the insurer, and consequently to the other policyholders, we are extending the application of Rule 29 to all commercial lines.

Accordingly, the provisions of Rule 29 will be applicable to all policies, endorsements, and bonds that may be issued, whether as new business or as renewals, beginning January 1, 2003.

Insurers who are members or subscribers of the Insurance Service Office, Inc., (ISO) rating organization should use endorsement IL-01-36, approved by this Office. Insurers who are not affiliated with the ISO must submit to this Office the endorsement they will use to comply with the provisions of the rule on or before September 1, 2002.

Under Rule 29 insurers may provide the insured under commercial lines policies with payment

plans, which must be submitted to this Office for prior approval. Insurers who have filed a payment plan for individual lines policies, and which has been duly approved by this Office, may use such for commercial lines policies. Payment plans may not accrue more than eight percent (8%) interest and the installments may not extend beyond six (6) months.

Strict compliance with the provisions of this Ruling Letter is required.

Very truly yours,

SIGNED

Fermin Contreras Gómez  
Commissioner of Insurance