



COMMONWEALTH OF PUERTO RICO  
OFFICE OF THE COMMISSIONER OF INSURANCE

WHEN ANSWERING  
PLEASE REFER TO

October 13, 1987

Ruling Letter No. N-AM-I-7-02-87

TO ALL GENERAL AGENTS, AGENTS, AND INSURANCE BROKERS  
AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN PUERTO RICO

RE: Identity of the insurer in correspondence sent by insurance producers

Dear Sirs:

It is a matter of great concern for this Office that most insureds are unaware of the name of the insurer that writes their insurance policies. Frequently, and on being asked who their insurer is, the persons who visit this Office every day to request services report as the name of their insurer, the name of the general agent or of the broker who obtained or placed the policy for them.

This situation may be due to the fact that the general agent, the agent or the broker is the person who has the most contact with the insured. It may also be due to the prominent display of the name of the insurer's representative or of the broker on the invoices and other correspondence received by the insured.

The lack of knowledge of the name of the insurer prevents the insured from being able to fully exercise his or her rights under the insurance contract for which a premium was paid. We must emphasize that in the majority of cases related to insurance contracts the Puerto Rico Insurance Code imposes obligations on the insurer and not on the insurer's representative, even when the latter was the party that issued the policy and is the only person whose name and address is known to the insured. Furthermore, in view of the fact that the insurer's representative or the broker has no obligation to comply with the obligations that the Puerto Rico Insurance Code imposes expressly on the represented insurer any communication from the insured to assert rights which is directed at the representative or the broker, could fail to have the desired effect for the mere fact of being addressed to the incorrect party.

Section 27.040 of the Puerto Rico Insurance Code prohibits that any person should make or disseminate anything that contains a misrepresentation with regard to insurance business. To this effect, Section 27.040(5) of the Puerto Rico Insurance Code, 26 LPRA *sec.* 2704(5), provides the following:

" No person shall make or disseminate orally or in any other manner any advertisement, information, matter, statement, or any other type of communication or expression:

(1) ...

(5) Containing any assertion, representation, or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business, which is untrue, deceptive, or misleading."

Although we acknowledge that the situation alluded to in this ruling letter is not the product of deliberate acts of any person, and much less do we believe that there has been a deliberate representation with an intent to deceive, the truth is that the manner in which our insurance industry is operating has created this deceptive representation without there being the intention of doing so.

Section 27.020 of the Code, 26 LPRA *sec.* 2702, explicitly prohibits any person in Puerto Rico from engaging in any act or practice that is set forth in the Code as a deceptive act or practice in the insurance business. Specifically, the section provides as follows:

"No person shall engage in Puerto Rico in any act or practice which is prohibited in this chapter, or which is defined therein as, or determined pursuant thereto to be, an unfair method of competition or an unfair or deceptive act or practice in the business of insurance."

For the reasons set forth above, this Office considers that we should take action that will protect the public interest.

In view of the above and in consideration that under Section 11.200 of the Code, 26 LPRA *sec.* 1120, all insurance policies should be issued by the representative on behalf of and in representation of the insurer. The following guidelines are hereby established:

1. On any policy that is directed at an insured that contains any document, whether an invoice, rider, changes, etc., with the letterhead or logo of a representative of the insurer, whether the general agent or the agent, the name of the insurer in representation of which it is being sent shall be identified prominently on such documents.

2. Any written document, whether a cancellation notice, invoice, etc., sent subsequently to the insured with regard to an insurance policy that has already been issued should identify in a prominent manner the insurer on behalf of which it is sent, regardless of whether it bears the logo or the letterhead of the insurer's representative.

3. Any policy issued on behalf of and in representation of an insurer that contains documents with the logo or letterhead of the insurer's representative or of the broker shall contain a notice indicating the name and address of the natural or legal person to whom the insured may address any correspondence regarding the policy.

The requirements may be complied with by using a rider or a rubber stamp on the document that contains, as applicable, the above requirements. The rider or rubber stamp to be used is subject to prior approval by the Commissioner of Insurance.

Failure to comply with the provisions of this Ruling Letter will result in the applications of sanctions with full force as provided by law.

The provisions of this Ruling Letter enter into effect on December 1, 1987.

Very truly yours,

SIGNED

Juan Antonio García  
Commissioner of  
Insurance