



COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER INSURANCE

Fermín M. Contreras-Gómez
Commissioner of Insurance

April 4, 2003

CIRCULAR LETTER NO.: C-LE-3-1682-2003

TO ALL DOMESTIC INSURERS, GENERAL AGENTS, MANAGERS, AGENTS, BROKERS, ADJUSTERS, CONSULTANTS, SOLICITORS AND ATTORNEYS-IN-FACT

RE: RENEWAL OF LICENSES FOR FISCAL YEAR 2003-2004

Dear Sirs and Madams:

Section 9.420 of the Puerto Rico Insurance Code, 26 L.P.R.A. sec. 942, establishes July 1 of every year as the deadline for the renewal of all of the licenses issued by the Office of the Commissioner of Insurance of Puerto Rico, hereinafter "the OCI."

With the approval of House Bill 1541, which became law on March 27, 2003, the Puerto Rico Legislature amended the Section so that the process for renewing licenses can be distributed throughout the year on a staggered schedule.

Beginning on July 1, 2003, and pursuant to the renewal process established in that law, all licenses issued by the OCI will be renewed in a staggered schedule, according to the last two (2) digits of the Social Security number of the licensee (See Appendix A). This process is currently being used for compliance with the Continuing Education requirement. Thus, all of the continuing education requirements will be consolidated with the renewal date for the license.

In view of the fact that all of the licenses issued by the OCI during the current fiscal year expire on June 30, 2003 and so that we may be able to implement the procedure described in the previous paragraph, during the month of June we will be running the regular renewal process, with the difference that the licenses to be renewed will show the expiration date as the month assigned under the staggered renewal schedule. The following is an example to illustrate this process:

If according to the last two digits of your Social Security number your renewal month is October, your license will be renewed effective July 1, 2003 with an expiration date of October 31, 2003, so that in October you must renew your license again, but on that occasion your license will be renewed until October 31, 2004.

In order to make it possible to have all licenses renewed by July 1, 2003, all licensees must submit the license renewal application to the OCI, **before June 30, 2003**, along with a negative

certification of income tax debt and a negative certification of child support debt at ASUME. In the case of brokers, the appropriate certificate of renewal of the bond must also be enclosed with the renewal application. The renewal application may be accessed on our Web page (www.ocs.gobierno.pr.).

We advise you that any renewal application received after June 30, 2003 will not be considered by the OCI for renewal, so that the applicant must file a new license application as provided in the Insurance Code. **Likewise, no license will be renewed if the licensee has outstanding administrative fines imposed by the OCI, whether by Resolution or a final binding Order, and has not paid such fines within the deadline for such payment. The Producer Services will provide adequate and timely notice of any outstanding fines. No renewal will be granted either to licensees who have failed to submit to the OCI the Report on Insurance Business Volume for 2001 and 2002¹.**

With regard to the annual fees, Section 7.010(1) of the Puerto Rico Insurance Code, 26 L.P.R.A. sec. 701, provides that all licensees shall pay the OCI the established annual fee, on or before June 30 of each year, in order to continue to be authorized to solicit or transact any kind of insurance in Puerto Rico. However, if the expiration dates of the licenses to be renewed is in the month assigned for the staggered renewal, the licensee shall pay the annual fee for the kind of license held, but in proportion to the number of months during which the license will be in effect. In other words, following the above example, and assuming that the payment of the annual fee in this case is \$150.00, you should pay \$50.00 for the renewal from July to October 31, 2003. Then, for the renewal from November 1, 2003 to October 2004, you would pay \$150.00.

Please use Appendix B, enclosed herewith, to determine the proportionate payment that you should pay for this partial renewal. Complete applications that are received before **May 10, 2003, will be processed** before July 1, 2003.

During the entire month of April, the OCI will carry out a massive orientation campaign directed at licensees and other sectors of the insurance industry, regarding the details of this new staggered renewal process. We trust we will have your cooperation in this initiative, the principal purpose of which is to facilitate the license renewal process. All domestic insurers, general agents, managers, agents, brokers, adjusters, consultants, solicitors and attorneys-in-fact that are authorized in Puerto Rico shall take notice of the content of this Circular Letter.

Very truly yours,

SIGNED

Fermín M. Contreras-Gómez
Commissioner of Insurance

Enclosures

¹ See Ruling Letter N-E-2-13-2002, dated February 6, 2002 and Circular Letter C-EST-3-1677-2003, dated March 6, 2003.

APPENDIX A

Staggered renewal

If your Social Security # ends in:									Your renewal month will be:
00	12	24	36	48	60	72	84	96	JANUARY
01	13	25	37	49	61	73	85	97	FEBRUARY
02	14	26	38	50	62	74	86	98	MARCH
03	15	27	39	51	63	75	87	99	APRIL
04	16	28	40	52	64	76	88		MAY
05	17	29	41	53	65	77	89		JUNE
06	18	30	42	54	66	78	90		JULY
07	19	31	43	55	67	79	91		AUGUST
08	20	32	44	56	68	80	92		SEPTEMBER
09	21	33	45	57	69	81	93		OCTOBER
10	22	34	46	58	70	82	94		NOVEMBER
11	23	35	47	59	71	83	95		DECEMBER

APPENDIX B
STEPS TO FOLLOW FOR DETERMINING PARTIAL PAYMENT OF RENEWAL

STEPS	
1. According to the kind of license you hold, identify the amount of your adjusted annual fee, using illustration A and write the number here _____	<div style="display: flex; justify-content: center; align-items: center;"> <div style="margin-right: 20px;">↓</div> <div style="margin-right: 20px;">Box</div> <div style="margin-right: 20px;">1</div> <div style="margin-right: 20px;">X</div> <div style="margin-right: 20px;">2</div> <div style="margin-right: 20px;">=</div> <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> </div> <div style="margin-top: 20px; text-align: center;">↑</div>
2. Identify the last two (2) digits of your personal Social Security number or if you are an authorized person from a corporation, use the last two (2) digits of the EIN and continue to Step 3.	
3. With the numbers identified in Step 2, find in Illustration B the month in which you should renew and write down the number shown on the last column of illustration B. _____	
4. Multiply Box 1 by Box 2 and the result will be the annual fee that you will have to pay during this partial renewal.	

ILLUSTRATION
A
PAYMENT BY KIND OF LICENSE

KIND OF LICENSE	ADJUSTED ANNUAL FEE
Individual /Corporate Agents	\$12.50 /\$25.00
Attorneys in fact	\$8.33
Solicitors	\$4.16
Individual brokers	\$41.66
Corporate brokers with a premium volume of less than one million dollars.	\$83.33
Corporate brokers with a premium volume of more than one million dollars.	\$166.66
Adjusters	\$16.66
Consultants	\$33.33
General Agents or managers that represent 2 or less insurers	\$83.33
General Agents or managers that represent 2 or more insurers	\$416.66

If you Social Security Number ends in:									Your renewal month will be:	Number of months with the license
0	12	24	36	48	60	72	84	96	JANUARY	7
1	13	25	37	49	61	73	85	97	FEBRUARY	8
2	14	26	38	50	62	74	86	98	MARCH	9
3	15	27	39	51	63	75	87	99	APRIL	10
4	16	28	40	52	64	76	88		MAY	11
5	17	29	41	53	65	77	89		JUNE	12
6	18	30	42	54	66	78	90		JULY	1
7	19	31	43	55	67	79	91		AUGUST	2
8	20	32	44	56	68	80	92		SEPTEMBER	3
9	21	33	45	57	69	81	93		OCTOBER	4
10	22	34	46	58	70	82	94		NOVEMBER	5
11	23	35	47	59	71	83	95		DECEMBER	6