



COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

August 24, 2015

CIRCULAR LETTER NO.: CC-2015-1864-CM

TO ALL ENTITIES THAT ARE AUTHORIZED TO COLLECT PAYMENT FOR
COMPULSORY LIABILITY INSURANCE

**COMPULSORY NOTICE ON THE CONSUMER'S RIGHT TO SELECT
COMPULSORY LIABILITY INSURANCE AND PROHIBITION OF UNDUE
INTERVENTION WITH THAT RIGHT**

Dear Sirs and Madams:

During the first months of the implementation of the Selection Form as provided in Public Law 245-2014, we have noticed that several Authorized Entities are not displaying the notice required in Section 2 of that law, which provides in its relevant part the following:

“General Provisions for Compulsory Liability Insurance

(g) ...

All authorized entities shall have the obligation to display in a visible location a notice to consumers in each establishment located in the area where license fees are paid. This notice, which shall be printed in at least 45 point type shall include the following text:

All persons have the right to select the insurer of their preference for the compulsory liability insurance. The Selection Form will be used for this purpose.” (Our emphasis.)

It is extremely important that all Authorized Entities display the notice in question to advise all owners of a motor vehicle of the right to select the insurer of his or her preference to provide Compulsory Liability Insurance, free of any intervention or undue influence by insurers and Authorized Entities. This is as provided in Section 7 of Public Law No. 245-2014 which we quote below:

“Penalties

(a) Any insurer, the Joint Underwriting Association or authorized entity for the collection of compulsory liability insurance will incur in a violation if it in any way unduly intervenes with the insured’s selection process for the purpose of favoring one insurer over another, including the Joint Underwriting Association, provides false information about another insurer or about the selection process, makes the selection for the insured or takes any other action that has the effect of an undue intervention in the free selection process of the insured with regard to the provider of the compulsory liability insurance (...).

(b) Any insurer, the Joint Underwriting Association or entity authorized for the collection of compulsory liability insurance that incurs any of the violations established in this section, will be penalized with a fine of not less than two thousand five hundred dollars (\$2,500) per incident (...). (Our emphasis)

Accordingly, Ruling Letter Number CN-2015-189-LR dated May 21, 2015, provides in part the following:

“V. Prohibited Practices during the selection process for an insurer on the CLI Selection Form

A. ...

C. No AE or intermediary acting on its own behalf or through third parties will attempt to influence, limit, coerce or interfere with the will of the consumer when the consumer is selecting the CLI insurer of his or her preference on the Selection Form.”

In conclusion, we remind all Authorized Entities that they must display this notice and abstain from unduly influencing consumers regarding the selection of an insurer to write the compulsory liability insurance. We also note that failure to comply with these duties will be subject to the sanctions provided by law.

Very truly yours,

SIGNED

Ángela Weyne-Roig
Commissioner of Insurance