



GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

June 23, 2017

CIRCULAR LETTER NO.: CC-2017-1904-D

TO ALL SERVICE CONTRACT PROVIDERS

RE: REPEAL PROCESS OF RULE NO. 101 OF THE REGULATIONS OF THE PUERTO RICO INSURANCE CODE, TITLED "APPLICABLE GUIDELINES FOR SERVICE CONTRACTS"

As provided in Public Law No. 170, enacted on August 12, 1988, as amended, known as the "Uniform Administrative Procedure Act," the Office of the Commissioner of Insurance (OCI) through the Primera Hora newspaper and our web page notified on May 10, 2017, that the Office intends to repeal Rule No. 101 of the Regulations of the Puerto Rico Insurance Code, titled "Applicable Guidelines For Service Contracts" (hereinafter, Rule No. 101). This is due to the pressing need to evaluate, revise, and modify the provisions of Rule No. 101 according to the uniform regulatory criteria applicable to service contracts, as promulgated by the National Association of Insurance Commissioners (NAIC), which have been adopted in the other jurisdictions of the United States.

To address the questions posed to the OCI related to certain requirements imposed by Rule No. 101, which is still in effect, we advise you that given the process to repeal the rule that has begun in this Office, we are setting aside compliance with the requirement to file audited financial statements or in their stead, certified financial statements or information as required in paragraph E of Section 11 of Rule No. 101. This will be the case until the completion of the process of repealing this Rule or until otherwise ordered. Likewise, we also suspend the requirement to file an actuarial certification of the fees to be charged under the service contract as required in subparagraph (d), Section 7, of Rule No. 101, as well as in OCI Ruling Letters N-AM-9-66-2005 dated October 18, 2005 and CN-2016-195-AP, dated January 27, 2016, since both letters are related to the same subject matter as the provisions of this Rule.

Nothing that is stated above shall be interpreted as that we are suspending or otherwise modifying any of the provisions of Subchapter II of the Chapter 21 of the Puerto Rico Insurance Code, 26 L.P.R.A. sec. 2123 to sec. 2134, regarding service

contracts or any other provision not specifically mentioned in this letter. All processing of service contracts will be governed by the provisions of Subchapter II of Chapter 21 of the Puerto Rico Insurance Code, *ante*, the provisions of which continue to be in full force and effect.

All service contract providers are required to take note of the content of this letter.

Very truly yours,

Javier Rivera-Ríos, LUCTF
Commissioner of Insurance