



GOVERNMENT OF PUERTO RICO
Office of the Commissioner of Insurance

November 7, 2017

CIRCULAR LETTER NO.: CC-2017-1916-D

TO ALL PROPERTY AND CASUALTY INSURERS, PUBLIC AND INDEPENDENT ADJUSTERS, PRODUCERS, AND REPRESENTATIVES AUTHORIZED TO TRANSACT INSURANCE IN PUERTO RICO

CLARIFICATION OF THE PROCEDURE FOR GRANTING SPECIAL PERMITS FOR PUBLIC AND INDEPENDENT EMERGENCY ADJUSTERS DURING A GENERAL CATASTROPHE TO PARTNERSHIPS OR CORPORATIONS AND APPLICANTS FROM FOREIGN COUNTRIES

This past October 4, 2017, the Office of the Commissioner of Insurance (hereinafter, “OCI”) issued Ruling Letter No. CN-2017-223-D setting forth the requirements and conditions for granting emergency adjuster permits during a general catastrophe and to ensure the fitness and competence of the applicants for special permits to act as emergency adjusters, among other matters.

After this Ruling Letter was issued, this Office has received repeated concerns and questions related to the requirements to be met by partnerships and corporations for granting the special permit for public or independent emergency adjusters. Likewise, we have received concerns and questions related to granting special emergency adjuster permits to applicants from foreign countries outside of the jurisdiction of the United States. We find, therefore, that it is warranted to clarify the following:

A. Partnerships or Corporations Applying for Emergency Adjuster Licenses

No partnership or corporation may act as an emergency adjuster in the adjustment of claims arising from a general catastrophe, unless it holds a special emergency adjuster permit that has been duly issued by the Commissioner of Insurance as provided in Ruling Letter No. CN-2017-223-D. The Commissioner of Insurance may grant a special permit to act as an emergency adjuster to a domestic partnership, subject to meeting the following requirements:

(1) Domestic Partnerships - Applications for Emergency Adjuster Licenses:

- (a) Complete and submit to the OCI the “Application for Special Permit as an Emergency Adjuster” (Form OCI-AE-2017-01),
- (b) Show that the business name has been registered with the Department of State of Puerto Rico and that the principal place of business is in Puerto Rico, and
- (c) Each partner or member of the partnership shall appear on the special permit and meet



the requirements for granting the permit as though they were holders of the permit in an individual capacity.

In the case of corporations, the Commissioner of Insurance may grant a special permit to act as an emergency adjuster to a domestic corporation subject to meeting the following requirements:

(2) Domestic Corporations - Applications for Emergency Adjuster Licenses:

- (a) Complete and submit to the OCI the “Application for Special Permit as an Emergency Adjuster” (Form OCI-AE-2017-01),
- (b) Provide evidence that the corporation is organized pursuant to the laws of Puerto Rico and has its principal place of business in Puerto Rico, and
- (c) At least one (1) of its directors shall appear on the special permit and meet the requirements for granting such as though the person held the permit in an individual capacity. Likewise, all natural persons that are designated to act as emergency adjusters on behalf of the corporation shall appear on the special permit and meet the requirements for granting such as though they were holders of the permit in their individual capacity.

With regards to a non-resident of Puerto Rico partnership or corporation, the Commissioner of Insurance may grant a special emergency adjuster permit to those that meet the following requirements:

(3) Partnerships and Corporations- Non-Resident Applications for an Emergency Adjuster License:

- (a) Complete and submit to the OCI the “Application for Special Permit as an Emergency Adjuster” (Form OCI-AE-2017-01),
- (b) Be organized under the laws of a State or jurisdiction of the United States or foreign country outside of the jurisdiction of the United States,
- (c) Provide evidence that pursuant to the laws of Puerto Rico it is duly registered and authorized to do business in Puerto Rico,
- (d) Designate a natural person who is a resident of Puerto Rico as the person who is responsible for the partnership’s or corporation’s compliance with the provisions of the Insurance Code of Puerto Rico, the regulations and standards adopted pursuant to such, and all other laws of Puerto Rico,
- (e) Natural persons residing in Puerto Rico who are designated as the responsible individual shall submit the power of attorney or corporate resolution provided by the partnership or corporation authorizing the person to act as such.
- (f) In the case of a corporation, at least one (1) of its directors shall appear on the special permit and meet the requirements for granting such as if the person were a holder of the permit in an individual capacity. Likewise, every natural person who is designated to act as an emergency adjuster on behalf of the corporation shall appear on the special permit and meet the requirements for granting such as though the person were a holder of the permit in an individual capacity, and

- (g) In the case of a partnership, each partner or member of the partnership shall appear on the special permit and meet the requirements for granting such as though the person were a holder of the permit in an individual capacity.

Corporations or partnerships that are submitting an application and hold an adjuster license or special emergency adjuster permit granted in a State or jurisdiction of the United States that is accredited by the NAIC or by a foreign country need not have their principal place of business in Puerto Rico. However, the responsible person who is designated by the corporation or partnership shall keep an office or place of business in Puerto Rico that is accessible to the public, at which claims are processed, as authorized under the special emergency adjuster permit.

If a partnership or corporation at the time of submitting the “Application for Special Permit as an Emergency Adjuster” (Form OCI-AE-2017-01) fails to provide evidence of registration or incorporation at the Department of State, the partnership or corporation shall have a term of fifteen (15) calendar days, to be counted from the date on which the application was submitted to this Office, in which to include the appropriate evidence of registration or incorporation. Otherwise, the application that has been submitted will not be considered.

B. Individual Applicants Residing in Foreign Countries outside of the Jurisdiction of the United States¹

Persons residing in a foreign country outside of the jurisdiction of the United States who are seeking to work in the United States or its territories, including Puerto Rico, shall have a work permit, as provided in federal immigration legislation. To that effect, we emphasize that all persons residing in foreign countries outside of the United States who are applying for special emergency adjuster permits, whether as an independent or public adjuster, shall provide evidence of their authorization to work in the jurisdiction of the United States, at the time of submitting the “Application for Special Permit as an Emergency Adjuster” (Form OCI-AE-2017-01).

All residents in a foreign country outside of the United States shall provide evidence of their legal status to work in the jurisdiction of the United States using any of the following forms: (a) Permanent Resident Card (“Green card”), (b) “Employment Authorization Document” (EAD), or (c) permanent or temporary work visa approved by the United States Citizenship and Immigration Service (USCIS) authorizing the person to work in the jurisdiction of the United States. B1 and B2 visas for visitors for business, pleasure or medical treatment will not be accepted for working in the jurisdiction of the United States. See, the federal regulation that is applicable to visas for “Temporary visitors for business or pleasure,” 22 C.F.R. §41.31.²

¹ Refer to the following links of the U.S. Citizenship and Immigration Services for more information: <https://www.uscis.gov/es/trabajar-en-los-estados-unidos/informacion-para-empleadores-y-empleados>; <https://www.uscis.gov/es/tarjeta-verde/tramite-y-procedimientos-para-la-tarjeta-verde/documento-de-autorizacion-de-empleo>; <https://www.uscis.gov/es/trabajar-en-los-estados-unidos>; <https://www.uscis.gov/es/tarjeta-verde/tramite-y-procedimientos-para-la-tarjeta-verde/autorizacion-de-empleo/autorizacion-de-empleo-en-circunstancias-apremiantes>.

² The term “business,” as used in the Immigration and Nationality Act 101(a)(15)(B), refers to conventions, conferences, consultation, and other lawful activities of a commercial or professional nature. It does not include employment or work.

Employers that are seeking to employ or contract the services of one or more foreign nationals to act representing them as emergency independent adjusters shall also provide evidence of compliance with the requirements of federal regulations regarding the verification and confirmation of authorization to work in Puerto Rico, for each applicant for a special emergency adjuster permit that is a resident of a foreign country that the insurer is seeking to employ or contract, whether for services rendered or as an independent contractor.

C. Penalties

No natural person or legal entity may perform or carry out claims adjustments business, without an adjuster license or a special emergency adjuster permit, as provided in Ruling Letter No. CN-2017-223-D, the Insurance Code of Puerto Rico, its regulations, and standards adopted thereunder. Likewise, no foreign person, whether a natural person or a legal entity, may perform or carry out claims adjustments business or any other kind of insurance business, without being duly authorized to work in the jurisdiction of the United States.

Pursuant to Section 9.480 of the Insurance Code of Puerto Rico, 26 L.P.R.A. §953i, all holders of an adjuster license or special emergency adjuster permit or licensees that violate or in any manner assist in the violation of any of the provisions of Ruling Letter No. CN-2017-223-D, the Insurance Code of Puerto Rico, or its regulations and standards adopted under such, may be denied an adjuster license or special emergency adjuster permit issued by the Commissioner of Insurance or have the license or special permit revoked or suspended, as well as being levied with the corresponding administrative fine for each infringement.

For the reasons set forth above, all holders of an emergency adjuster permit shall have the duty to know and comply with the provisions of the Insurance Code of Puerto Rico, its regulations, and standards adopted under such, and the prohibition of unfair practices in the adjustment of claims, including, but not limited to, Section 9.300 of the Insurance Code of Puerto Rico, 26 L.P.R.A. §951q.

Very truly yours,

Javier Rivera-Ríos, LUTCF
Commissioner of Insurance