March 8, 2019

CIRCULAR LETTER NO. CC-2019-1944-D

TO ALL INSURERS AUTHORIZED TO DO BUSINESS IN PUERTO RICO, THEIR MANAGERS AND GENERAL AGENTS

CATASTROPHE OR EMERGENCY RESPONSE PLAN

Dear Sirs and Madams:

As you know, Act No. 244-2018 was passed on November 27, 2018 under which a new Section 3.331 was added to the Puerto Rico Insurance Code. This section requires all insurers that are authorized to do business in Puerto Rico to establish and maintain a Catastrophe or Emergency Response Plan (hereinafter, the Response Plan), which establishes the processes for ensuring the continuity of services and operations. The Response Plan shall be certified by an professional business continuity or disaster recovery expert.

As provided in the aforementioned section of the Code, all authorized insurers, regardless of the line of insurance they write, shall submit to the Commissioner a Catastrophe or Emergency Response Plan that is duly certified by a qualified professional with credentials in the field of business continuity planning or disaster recovery planning. The planning professional in business continuity or disaster recovery who certifies the Response Plan must be a person who works internally with the insurer or an external professional contracted by the insurer.

It should be borne in mind that the Response Plan required by said law is oriented to the context of business continuity management that all businesses should adopt to ensure reestablishing operations as soon as possible after a catastrophe or an emergency. The Response Plan should include, as a minimum, without limitation, the aspects set forth in Section 3.331 of the Code, as applicable. In the case of a control structure in an insurance company, each insurer shall establish, maintain, and submit its own Response Plan.

As set forth in Section 3.331 of the Code, insurers must submit the Response Plan to this Office on or before March 31 every year. If there are no changes from the previously certified plan, the insurer shall submit the date established for a certification, stating that the plan had not undergone any changes. However, the plan must be reviewed and certified at least every five (5) years.

In consideration of the adjustments that must be made by each insurer to comply with the new requirements set forth in Act No. 244-2018, this Office is extending the deadline for submitting the Response Plan until April 30, 2019, only with regard to the current year of 2019.
The Response Plan may be physically submitted to our Office addressed to the Examinations Division or by email at the following address: mivette@ocs.pr.gov.

As provided in Section 3.331 of the Code, any insurer who fails to file the Response Plan as provided in this Section, shall be subject to an administrative fine of up to ten thousand (10,000) dollars, and/or the suspension or revocation of the certificate of authority.

The provisions herein are hereby notified and compliance is required.

Very truly yours,

Javier Rivera-Ríos, LUTCF
Commissioner of Insurance