



GOVERNMENT OF PUERTO RICO  
Office of the Commissioner of Insurance

Javier Rivera-Ríos  
Commissioner of Insurance

January 21, 2020

**RULING LETTER NO. CN-2020-258-D**

**TO ALL APPLICANTS FOR A VARIABLE PRODUCTS SALES LICENSE, LIFE AND ANNUITY INSURERS AUTHORIZED IN PUERTO RICO, AND THE GENERAL PUBLIC**

**AMENDMENT TO RULING LETTER NUMBER 2008-93-PR TO ALLOW FOR VALIDATING THE EXAMINATION ON VARIABLE ANNUITIES WITH THE CERTIFICATION OF THE SALES AUTHORIZATION FOR THAT PURPOSE ISSUED BY THE OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS (OCFI)**

Dear Sirs and Madams:

Greetings. Under Sections 9.160, 9.161, 9.070, and 9.170 of the Insurance Code of Puerto Rico, the requirements are hereby established for natural persons or legal entities to be authorized by the Office of the Commissioner of Insurance (“OCI”) to engage in the business of selling variable annuity contracts in Puerto Rico. The aforementioned provisions, along with Rule 45 of the Regulations of the Code and Ruling Letter No. 2008-93-PR set forth the specific requirements for obtaining a license for the sale of variable products, including authorization by the Commissioner of Financial Institutions for such purpose, through passing Series 6 and SIE examinations<sup>1</sup> and secondly, passing an examination on the same subject at the OCI, among other requirements.

Furthermore, the Insurance Code vests the Commissioner with the power to establish the appropriate means for measuring the qualifications and competence required for each kind of license being applied for. In its relevant part, Section 9.110 (6) states that:

“[a]s a substitute for the examination, the Commissioner of Insurance may adopt any other mechanism which in the opinion of the Commissioner is a better and more efficient way of measuring the qualifications and competence required for the kind of license being applied for. The alternative of establishing a

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<sup>1</sup> See Section 7.1 of the Regulations of the Uniform Securities Act of Puerto Rico, Regulation No. 6078, which adopts the requirements established by the former NASD, which is now the Financial Industry Regulatory Authority (FINRA).



mechanism that would substitute the examination will not be available for the adjuster, power-of-attorney, consultant, solicitor, and producer licenses, except when the latter two are applied for with regard to solicitation and sales of variable contracts.”

As provided in the above cited statute, Section 8 (c) of Rule 45 provides that “[a]pplicants for licenses as variable contract agents will not have the obligation to take the examination required in paragraph (b) of this section if at the time the application is submitted they show **evidence that they have satisfactorily passed an examination that the Commissioner accepts as satisfactory as an alternative examination.**” (Our emphasis)

Having evaluated the OCFI’s requirements for a person to be authorized to sell variable contracts, the OCI has determined that that process complies with the required rigor to certify that the person who as examined has adequate knowledge of the subject of variables contracts as required in the Insurance Code. Therefore, henceforth, as a substitute for the examination for the examination for the variable annuity contracts license offered by the OCI, the certification of passing the examination required by the OCFI for authorizing the sale of variable contracts will be validated according to the provisions of the Uniform Securities Act of Puerto Rico.<sup>2</sup> It should be noted that the remaining requirements established in Rule 45 and Chapter 9 of the Insurance Code, including holding the corresponding license for transacting life insurance, continue to be in effect and are to be strictly complied with.

In consideration of the above, Ruling Letter No. 2008-93-PR is hereby amended to eliminate the requirement to pass an examination for the sale of variable annuities contracts at the OCI, as provided in the ruling herein. The remaining requirements established in Ruling Letter No. 2008-93-PR will continue to be in effect.

This ruling will enter into effect immediately. Strict compliance with the provisions of this letter is hereby required.

Very truly yours,

**Javier Rivera-Ríos, LUTCF**  
Commissioner of Insurance

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<sup>2</sup> Act No. 60, enacted on June 18,1963, as amended.