



COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

December 21, 2007

CIRCULAR LETTER NO.: 2007-1788-PR

TO ALL DOMESTIC INSURERS, FOREIGN INSURERS AND GENERAL AGENTS

APPOINTMENT OF GENERAL AGENTS AND AUTHORIZED REPRESENTATIVES

Dear Sirs and Madams:

Article 3.340 of the Puerto Rico Insurance Code, 26 L.P.R.A., sec. 334, defined and regulated the authorization of general agents and insurance managers in Puerto Rico. The amendments to Chapter 9 of the Insurance Code in Public Law 10, enacted on January 19, 2006, as amended, and the inclusion of general agents under the new Article 9.040, have prompted many questions with regard to the scope of this legislation and its effect on the licenses held by insurance general agents.

The Ruling Letter Number N-A-8-76-2006 dated August 28, 2006 issued by the Puerto Rico Insurance Commissioner (OIC) was directed at clarifying several issues regarding the effect of said amendments. Nevertheless, it must be reiterated that the license held by a general agent is completely separate from the license of authorized representative, so that all applicants for either of these licenses must comply with the particular requirements for each license. Therefore, this circular letter is being issued to clarify the confusion that has apparently been caused by these two categories, particularly with regard to the matter of appointments in each case.

Appointment of general agents and/or manager

Pursuant to Article 9.212 of the aforementioned Puerto Rico Insurance Code, Public Law No. 10, enacted on January 19, 2006, in order to obtain a general agent's license the applicant shall complete the following forms as appropriate:

- The general agent of a foreign insurer

- **“OCS-FORM-A”**(CERTIFICATE OF CONSENT TO BE SUED AND APPOINTMENT OF AGENT ON WHOM LEGAL PROCESS MAY BE SERVED, APPOINTMENT OF GENERAL AGENT OR MANAGER) and,
- **“OCS FORM-B”** (WRITTEN CONSENT).
- The general agent of a domestic insurer shall complete these forms
 - **“OCS- Modelo-A1”** (NOMBRAMIENTO DE AGENTE GENERAL DE ASEGURADOR DEL PAÍS) and,
 - **“OCS-Modelo-B1”** (CONSENTIMIENTO PARA ACTUAR COMO AGENTE GENERAL DE ASEGURADOR DEL PAÍS).

It should be noted that these forms are different and separate from the forms used by insurers to appoint an authorized representative. Article 9.040 of the aforementioned Public Law 10 defines the functions of the general agent with regard to the insurer as separate from the functions provided in Article 9.022 for the category of authorized representatives.

Annual license fee

The annual fees for a general agent’s license are the same for an individual or corporate license. Fees are as follows:

| | |
|--|-------------|
| | |
| General Agent | |
| (i) Representing two (2) or fewer insurers | \$ 1,051.00 |
| (ii) Representing more than two (2) insurers | \$ 5,257.00 |
| | |

Nevertheless, regarding fees to be paid with the application for a general agent’s license for partnerships and corporations, paragraph (4) of Article 9.160 provides the following:

“The Commissioner shall collect fees for each person in excess of three (3) persons, who is designated in the partnership’s or corporation’s producer or general agent license as provided in Article 7.010 of the Code for an individual producer’s or a general agent’s license, as the case may be.”

Therefore, general agents that hold a license for more than three authorized individuals shall multiply the annual fee according to the number of insurers represented by the number of authorized individuals in excess of three persons to determine the respective fees to be paid.

In the case of corporations or partnerships that hold an authorized representative's license and in turn apply for a general agent's license, such corporations or partnerships shall notify the OIC, through a Corporate Resolution of the names and personal information of the individuals that are to represent them, provided that they are other than those that appear on the corporate authorized representative's license. Otherwise, it shall be construed that the same authorized individuals will be shown on both licenses. The OIC will only process appointments that are notified in writing within fifteen (15) days of the date of the contract executed for such purpose and on the form required by the Producer Services Unit.

Appointment of authorized representatives

Pursuant to Article 9.063 of the aforementioned Public Law 10, **insurers** that wish to appoint an authorized representative shall complete and file an appointment form, **OCS-SP-NA-A**.

General agents that wish to appoint an authorized representative shall complete and file form **OCS-SP-NA-AG**. These forms are available on the Web page www.ocs.gobierno.pr.

However, insurers or general agents who wish to appoint an authorized representative who has never had a license shall use form **OCS-SP-Parte D**.

All insurers, general agents and other members of the insurance industry are required to comply with the provisions set forth herein.

Cordially yours,

Dorelisse Juarbe Jiménez
Insurance Commissioner