

Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE
P. O. Box 3508 - Old San Juan Station
San Juan, Puerto Rico 00904

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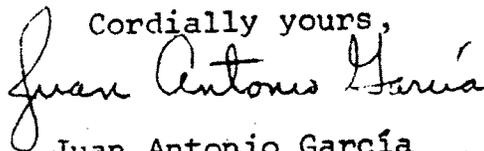
TO ALL INSURERS AND MANAGERS OF FOREIGN INSURERS
AND GENERAL AGENTS AUTHORIZED TO TRANSACT PROPERTY
AND CASUALTY INSURANCE IN PUERTO RICO

For quite sometime, this Office has received a number of complaints regarding the practice of some property and casualty insurance companies of requiring a prospective insured to secure insurance on some specific coverages as a condition for the issuance of the policy containing the coverages applied for by the insured. Said practice is popularly known in the insurance industry as "convoy". This situation is of much concern to this Office since it is adversely affecting the public interest.

We are hereby expressing our concern specifically to the automobile insurance companies due to the fact that this Office has approved a substantial increase in rates for Private Passenger Automobile Property Damage Liability Insurance and Private Passenger Automobile Physical Damage Insurance. Based on the data submitted, this Office approved the mentioned increase in rates for the aforementioned automobile coverages effective on May 30, 1973, in order to avail the industry and the public with adequate and non-excessive rates for each coverage. The practice of requiring automobile liability insurance with automobile physical damage insurance, at this time, may result detrimental for the insuring public because it forces the public, specially automobile double interest insureds, to spend more money than what they can possibly afford to spend.

We are hereby urging all insurance companies to refrain from using the practice of requiring automobile liability insurance as a condition for selling automobile physical damage double interest insurance.

Cordially yours,



Juan Antonio García
Acting Commissioner of Insurance