February 24, 2026

RULING LETTER NUMBER.: CN-2026-375-D

TO ALL INSURERS AUTHORIZED TO WRITE LIFE OR ANNUITY CONTRACTS AND TO ALL PRODUCERS AND GENERAL AGENTS ENGAGED IN THEIR MARKETING IN PUERTO RICO

COMPLIANCE WITH RULE 109 OF THE REGULATIONS OF THE INSURANCE CODE OF PUERTO RICO – "STANDARDS FOR ADVERTISEMENTS OF LIFE INSURANCE AND ANNUITIES"

I. Legal Authority:

This Ruling Letter is issued under the authority vested in the Commissioner of Insurance of Puerto Rico by Sections 2.030(11) and 2.030(12) of the Insurance Code of Puerto Rico, 26 L.P.R.A. §§ 235(11) and (12), and other applicable provisions of the Insurance Code and its Regulations.

II. Purpose:

The Office of the Commissioner of Insurance (OCI) issues this Ruling Letter to reaffirm and require strict compliance by all insurers authorized to write life or annuity contracts in Puerto Rico and all producers and general agents engaged in their promotion and marketing with the provisions applicable to the advertising, promotion, and disclosure of annuity contracts in Puerto Rico in accordance with the provisions of the Insurance Code of Puerto Rico and Rule 109 of its Regulations.

III. Background:

In recent months, the OCI has observed an increase in the promotion and dissemination of annuity products, presented to consumers as tools for financial planning and retirement planning. This increase in the promotion of these products reflects a dynamic market that offers alternatives to consumers, but requires the utmost diligence by insurers, producers, and general agents to ensure that the information provided to the public is truthful, clear, and responsible.

The OCI reaffirms its commitment to promoting a competitive, transparent, and reliable life insurance and annuity contract market, in which consumer disclosure is in strict compliance with the Puerto Rico Insurance Code, its Regulations, and other applicable provisions.

IV. Rule 109 of the Regulations of the Insurance Code

Pursuant to the authority conferred by Sections 2.030 and 13.400 of the Insurance Code, on December 17, 2024, this Office adopted Rule 109 of the Regulations of the Insurance Code of Puerto Rico, "*Standards for Advertisements of Life Insurance and Annuities*" (Rule 109). Under this Rule, Puerto Rico adopted the provisions of the Advertisements of Life Insurance and Annuities Model Regulation of the National Association of Insurance Commissioners (NAIC Model Regulation No. 570.)

The purpose of adopting Rule 109 in Puerto Rico was to set forth minimum disclosure standards that must be observed in all advertisements and promotional material related to life insurance policies and annuity contracts intended for dissemination in Puerto Rico.

In summary, Rule 109 establishes, among other things, the following:

- All advertising must be truthful, accurate, and not misleading, avoiding omissions or ambiguities regarding the returns or costs of the products.
- All advertisements, regardless of by whom written, created, designed, or presented, shall be the responsibility of the insurer, as well as the authorized representative or general agent who created or presented the advertisement. Insurers shall establish and at all times maintain a system of control over the content, form, and method of dissemination of all advertisements of their policies. All advertising material other than that provided by the insurer must have prior approval in accordance with its internal control system.
- Insurers must maintain at their principal office a complete file containing a copy of every advertisement disseminated in Puerto Rico for a period of five (5) years after discontinuance of its use or publication.
- The insurer shall file with its annual statement a certificate of compliance executed by an authorized officer stating that to the best of their knowledge the advertisements that were disseminated on behalf of the insurer in Puerto Rico during the statement year complied with all provisions of Rule 109.

- Failure to comply with these provisions is subject to the administrative penalties established in Section 2.250 of the Insurance Code of Puerto Rico.

Rule 109 applies to all insurers authorized to write annuity contracts in Puerto Rico, whether domestic or authorized, as well as to producers and general agents engaged in their promotion or sale in Puerto Rico. The provisions therein apply to all life insurance or annuity advertisements intended for dissemination in Puerto Rico.[1]

We hereby reaffirm that, in accordance with Rule 109, all advertisements, regardless of by whom written, created, designed, or presented, shall be the responsibility of the insurer, as well as the authorized representative or general agent who created or presented the advertisement. In addition, we hereby reiterate that insurers are required to establish and at all times maintain a system of control over the content, form, and method of dissemination of all advertisements of their policies. In this regard, it should be noted that Rule 109 specifically sets forth the disclosure requirements for annuity information in advertisements so that they are clear and transparent to consumers.

Pursuant to the provisions of Section 7(N) of Rule 109, we reaffirm that no producer or authorized representative may use terms such as "financial planner," "investment adviser," "financial consultant," or "financial counseling" in such a way as to imply that he or she is generally engaged in an advisory business in which compensation is unrelated to sales unless that actually is the case. This provision does not preclude persons who hold some form of recognized financial planning or consultant designation from using this designation even when they are only selling insurance, nor is it intended to preclude persons who are members of a recognized trade or professional association having such terms from citing membership to the association.

Furthermore, in accordance with the provisions of Section 7(T) of Rule 109, no advertisement may state or imply that it consists of an introductory, initial, or special offer, or that applicants will receive substantial advantages not available at a later date, or that the offer is available only to a specified group. Also, the words "special" or "limited" may not be used to refer to the enrollment period. In turn, no advertisement may offer a policy that indicates they are offering a reduced initial premium rate in a manner that excessively emphasizes or overemphasizes the availability and the amount of the reduced initial premium.

[1] In variable contracts and other registered products where disclosure requirements are established pursuant to federal regulation, this rule shall be interpreted so as to eliminate any conflict with the established federal regulation.

As provided in Section 8(B) of Rule 109, advertisements for these business lines shall also not make unfair or incomplete comparisons of policies, benefits, dividends, or rates of other insurers. Advertisements shall clearly identify the name of the insurer and shall not use a trade name, insurance group designation, name of the parent company of the insurer, name of a particular division of the insurer or reinsurer, service mark, slogan, symbol, or reference without disclosing the name of the insurer.

V. Compliance and Oversight

The OCI requires strict compliance with Rule 109 and the standards governing the disclosure and marketing of life insurance or annuity contracts provided for in the Insurance Code of Puerto Rico and its Regulations.

It should also be noted that, pursuant to Section 2.250 of the Insurance Code of Puerto Rico and Rule 109 of the Regulations of the Insurance Code, all advertisements disseminated in Puerto Rico, regardless of by whom written, created, designed, or presented, shall be the responsibility of the insurer, including producers, general agents, or third parties, and such responsibility includes the duty of oversight and prior control over its content and method of dissemination.

In view of the above, all insurers authorized to write life and annuity contracts in Puerto Rico, and all producers and general agents engaged in their marketing are hereby required to comply with the following:

1. Review and update advertising materials approval procedures and internal compliance controls in accordance with the provisions of Rule 109.
2. Ensure the truthfulness and clarity of all information disclosed about benefits, returns, and costs in accordance with the provisions of Rule 109.
3. Maintain the necessary compliance documentation and submit the compliance certification required by Rule 109, starting with the 2025 annual statement.

For the purpose of this Ruling Letter, the term “advertisement” includes printed material, digital material, audiovisual material, social media, seminars, electronic presentations, web pages, content distributed by electronic means, or any other means of dissemination intended for the Puerto Rico market. Insurers shall retain evidence of such disclosure for the applicable period of time established by regulation.

The OCI will continue overseeing the marketing practices of life insurance policies and annuity contracts, in order to protect consumers and strengthen the integrity of the insurance market in Puerto Rico.

We encourage all participants in the sector to familiarize themselves with the requirements set forth in Rule 109 and to incorporate them in their processes, thereby ensuring responsible and reliable service as provided by law.

It should also be noted that Section 11(C) of Rule 109 provides that life and annuity insurers must file with the OCI, along with its annual statement, a Certificate of Compliance executed by an authorized officer of the insurer, attesting compliance with the requirements of this Rule. Since Rule 109 became effective on January 16, 2025, the first Certificate subject to the rule shall be the one included in the 2025 annual statement, which must be filed by **March 31, 2026**.

Strict compliance with the provisions of Rule 109 is hereby required. A copy of Rule 109 is available on the OCI website under **Regulations.**

The OCI may require documentary evidence of compliance at any time and will take the appropriate administrative measures in the event of non-compliance.

In accordance with the regulatory standards adopted in Puerto Rico and best practices recognized at the national level for the oversight of the insurance market, the Office of the Commissioner of Insurance reaffirms its commitment to consumer protection and the integrity of the life insurance and annuity market. Strict compliance with Rule 109 is an integral part of the framework for overseeing market conduct and will be subject to ongoing evaluation by this Office pursuant to the authority conferred by the Insurance Code of Puerto Rico.

Very truly yours,

SIGNED

Suzette Del Valle-Lecároz, Esq.
Commissioner of Insurance