COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

April 19, 2007

RULING LETTER NO.: 2007-81-CO

TO ALL LOCAL INSURERS, HEALTH SERVICE ORGANIZATIONS, NON-PROFIT INSURANCE ASOCIATIONS, GENERAL AGENTS OR MANAGERS OF FOREIGN INSURERS AUTHORIZED TO DO INSURANCE BUINESS IN PUERTO RICO, AND TO ALL PRODUCERS, AUTHORIZED REPRESENTATIVES AND ADJUSTERS

AMENDMENT TO RULING LETTER NO. 2007-79-CO, REGARDING THE PROCEDURE FOR REQUESTING EXTENSION OF TIME FOR ADJUSTMENT AND RESOLUTION OF CLAIMS

Dear Sir or Madam:

On January 23, 2007, the Office of the Insurance Commissioner of Puerto Rico ("OIC"), issued Ruling Letter No. 2007-79(CO), in order to reiterate the guidelines established in Ruling Letter No. N-I-4-52-2004 dated April 26, 2004.[1]

In order to clarify certain questions that have arisen after said Ruling Letter was issued, the OIC deems it necessary to amend the Letter as indicated below.

In Ruling Letter No. N-I-4-52-2004, the OIC had advised that no extensions of time would be granted nor requests for extensions of time would be considered in which it was stated that the adjustment and resolution of a claim could not be made because the claimant had not provided the insurer with all the necessary and required documents for said adjustment and resolution. It was further stated that in such cases, the licensee should deny the claim. This guideline was reiterated in Ruling Letter No. 2007-79(CO).

Ruling Letters No. N-I-4-52-2004 and No. 2007-79(CO) are hereby amended to establish that when a claimant has not provided the insurer with all the necessary and required documents for the adjustment and resolution of a claim, the insurer shall resolve the claim

[1] Specifically, the "OIC" made it clear that it was recapitulating what had already been established in Ruling Letter No. N-I-4-52-2004, requirements which, based on the evaluations made of requests for time extensions received appeared as most frequently the cause of non-compliance. In addition, it was clarified that it should not be interpreted that the requirements that were not mentioned in the letter were being revoked.

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as provided in the Puerto Rico Insurance Code. However, should the insurer resolve the claim by denying it because the claimant has not submitted all of the necessary and required documents for the adjustment and resolution of said claim, we remind the insurer of its duty to educate the claimant regarding the requirements with which a claimant must comply when submitting a claim as were as the documents to be submitted. In addition, the insurer shall advise the claimant of his or her right to resubmit the claim, and also indicate the time period in which re-filing may be done under the terms of the policy.

Furthermore, Ruling Letter No. 2007-79(CO) provided that if the OIC did not notify its determination with regard to an extension of time within fifteen (15) days of the submission of such request, it was to be understood that the request had been denied.[2]

Ruling Letter No. 2007-79(CO) is hereby amended to clarify that once a request for an extension of time is received, the OIC shall have fifteen (15) days to notify the licensee in writing of its determination. Pursuant to Article 27.162 of the Puerto Rico Insurance Code, <u>if the Commissioner deems that the request for additional time is unreasonable, whether because it has not been duly justified or the additional time is excessive</u>, the Commissioner will notify the insurer that the time extension is not warranted insurer to resolve the claim within the term provided for in the regulation or within such additional time as is granted upon said notification.

We emphasize that with the exception of the guidelines mentioned above, all other guidelines established in Ruling Letters No. N-OE-5-54-93, April 8, 1993; No. N-OE-5-58-93, June 8, 1993; No. N-C-5-70-95, December 27, 1995; No. N-I-4-52-2004, April 26, 2004; and No. 2007-79(CO), January 23, 2007, remain in full effect.

We hereby require that all local insurers, health service organizations, non-profit insurance associations, all general agents and managers of foreign insurers that are authorized to engage in the insurance business in Puerto Rico, and producers, authorized representatives, and adjusters, strictly comply with the provisions of this Ruling Letter and the guidelines established in Ruling Letters No. N-I-4-52-2004 and No. 2007-79-CO.

Cordially yours,

Dorelisse Juarbe Jiménez
Insurance Commissioner

[2] The letter modified the effect that failure by the "OIC" to notify its determination within the 15 days provided by law would have on requests for extensions.