



GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

July 12, 2012

RULING LETTER NO.: 2012-145-D

TO ALL INSURERS AUTHORIZED TO WRITE INSURANCE IN PUERTO RICO

Dear Sirs and Madams:

In 2008, Section 27.162 of the Insurance Code was amended, reiterating that insurers have a term of ninety (90) days in which to adjust, investigate, and resolve claims. However, the amendment provided that in cases in which the insurer could not resolve a claim within such term, the insurer should conserve documents showing just cause in the case record.

In order to clarify what this Office considers to be just cause, we are hereby establishing that this term includes the following:

- (a) When the insured or claimant is not cooperating or is not submitting relevant information on the claim - The insurer shall provide evidence in the claim record that there was periodic follow-up with the insured or claimant to request the necessary missing information.
- (b) Highly complex claims - Catastrophic losses, large or numerous losses, or claims where it is necessary to retain specialized experts and in which closing the claim would be to the detriment of the insured or the claimant. In these cases, periodic documentation must be included in the claim record of the progress being made with the claim, as well as an estimate of the time needed to resolve the case.
- (c) Claims submitted to government agencies or before the courts, in which the nature of the controversy prevents the insurer from determining the validity of the claim - In these cases, documentation should be included periodically in the record indicating the progress of the claim.

It is important to emphasize that each claim must be adequately documented in terms of all of the efforts that have been made to solve the claim in the shortest possible period of time. The lack of documentation will be taken as prima facie evidence that there is no just cause for delaying the resolution of the claim beyond the time permitted by law.

Finally, we remind all insurers that no provision of this Ruling Letter will have the effect of limiting the duties and obligations of the insurer pursuant to Section 27.161 of the Puerto Rico Insurance Code.

Strict compliance with the provisions of this letter is required.

Very truly yours,

SIGNED

Ramón L. Cruz-Colón, CPCU, ARe, AU
Commissioner of Insurance