

# ANNUAL REPORT

OFFICE OF THE COMMISSIONER  
OF INSURANCE

COMMONWEALTH OF  
PUERTO RICO





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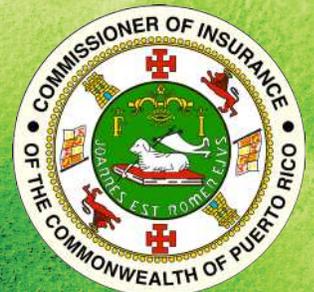
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## Message from the Commissioner

*Standing:* Mónica Riviere Vázquez, Esq. - Principal Hearing Examiner

*Sitting:* Angela Weyne Roig - Commissioner of Insurance

*Standing:* Rubén Gely Rodríguez - Deputy Commissioner of Supervision and Compliance

*Sitting:* Frances M. Cifuentes Gómez, Esq. - Director Legal Affairs Division, Marielba Jiménez Colón, Esq. - Executive Aide, Edward Rivera Maldonado, Esq. - Services Deputy Commissioner

**E**very year, the Office of the Commissioner of Insurance, has complied with its duty to submit a report that analyzes the insurance industry in Puerto Rico, which includes the financial information of insurers as well as other pertinent information about the industry. The Annual Report reflects the actual state of the industry as well as the opportunities offered. Although we acknowledge the usefulness and importance contained in this report, this year we propose a different paradigm. The publishing of this report must be aligned with the industry it represents with precise and relevant information, so it will serve as a tool to develop strategies as well as to promote investment in Puerto Rico.

During 2012 the insurance industry has demonstrated that it remains financially stable, although showing no growth. The exception is the Life and Annuities sector. Nevertheless, the industry remains one of the pillars of our economy and it is vital that it continues to develop its role as a leader, and to expand towards new horizons.

The statistical results found in this report present a great challenge for the upcoming years. They show tendencies, averages, and growth opportunities, as well as areas that need to be changed and reinforced.

It is imperative to be suitably prepared for the future by developing and implementing breakthrough strategies directed towards exploring opportunities that will strengthen the real and sustained growth of the industry.

In order to empower our office and the industry with state-of-the-art tools to successfully face the future based on the statistical analysis, I have implemented a strategic plan. The purpose of this plan is to achieve five fundamental goals. The five (5) fundamental areas in which we will be focusing our efforts will be the following:

- Strengthen and develop the International Insurance Center as an instrument of opportunity to attract foreign capital, as well as to promote business opportunities for the local insurance industry.
- Review and implement the Health Insurance Code, in accordance with the federal requirements and Puerto Rico's population needs in order to have access to quality health services.
- Integrate and develop technology into the Office of the Commissioner of Insurance, as a tool to provide a more efficient public service, as well as to better oversee our regulated entities.
- Train and certify all personnel in the office in order to become a more knowledgeable leader and regulator of the insurance industry.
- Facilitate a dialogue between all sectors regarding medical malpractice, in order to identify the true nature of the issues that generate inconformity and propose consensus.

Our focus is one of continuously challenging ourselves and leaving the status quo behind. I call on all members of the insurance industry in Puerto Rico to jointly forge what the future should be and not leave the destiny of the industry to chance. To accomplish this, I propose we reinvent ourselves, invest in our resources, position the industry with the relevance it deserves in the local economy, and continue to increase our presence in the global insurance market. Our goal is that our statistics reflect the success that we proudly achieve.



Angela Weyne Roig

Commissioner of Insurance

**“Our focus is one of continuously challenging ourselves and leaving the status quo behind.”**

# About Puerto Rico's Economy

The challenges we are now facing are the most complex, the most urgent and have the biggest financial difficulty that our society has dealt with since the second half of the twentieth century.

During the process of displaying the latest public policy, the government's operations have had to face challenges such as the following:

- A 12% reduction of the Gross National Product (GNP) since 2006 and a prolonged stagnation in economic growth which makes it more difficult to recover short term. This anemic economic growth hinders the government's collection processes and affects significantly the necessary flow of funds to finance the daily operations of its agencies and institutions.
- Levels of public debt, which exceed our productive capacity and make us extremely vulnerable to any local or global shock. They also put our credit at risk in the global financial markets.
- A complicated demographic picture characterized by a 2.2% reduction in population between 2000 and 2010, reduction in the birth rate, growth of the 65+ age group and, more recently, a rise in the migration rate. Complicating this matter further is our 41.8% labor participation rate in the formal sector, which places us among the lowest in the world.



Facing these situations, a total commitment from all sectors to redouble their efforts and to act with intelligence to shake the country from the lamenting and pessimistic paradigms is needed. It is also necessary to articulate systematic plans and solutions that break with individual interests and go beyond the electoral cycles. Our country's immense potential for a brilliant and successful future is beginning to come true through wide and inclusive focused public measures, and by the exertion of the necessary will to move the country at high speeds.

In this plan of action, every sector of our economy will have to contribute, in its own capacity and potential, to the total growth. We feel confident and enthusiastic to be able to include in this report factual findings from each sector of the Insurance Industry, which point toward a healthy financial path of growth, among which are:

- Favorable continuous results in the loss experience of the Property and Casualty sector.
- A rise in individual savings through the annuities in the Life and Disability sector.
- Strengthening of the capitalization of the Health sector, the largest in our industry.
- International investors' confidence in our international insurance and reinsurance platform.

We cannot anticipate anything other than a recovery in the economic activity, which will translate into a recovery in consumer confidence and commercial activity in general. This recovery will be supported by a solid and solvent insurance industry.

## About the Insurance Industry

The insurance industry in Puerto Rico provides a sustainable and systematic environment, enabling its institutions and citizens to face the challenges by outsmarting all the social changes inherent to it.

The industry has many important roles; among them is the loss mitigation and payment compensation for individuals, as well as for the economic sector as a whole. Another important role is that the industry must be able to help reduce, prevent and manage losses with the intervention of the insurance companies. In Puerto Rico, the Office of the Commissioner of Insurance strictly regulates these companies. The Office of the Commissioner is a member of two important associations: the National Association of Insurance Commissioners (NAIC) and Latin American Association of Insurance Supervisors (ASSAL).

The total amount of written premium and reported by the insurance companies in Puerto Rico for 2012 was \$10,577,109,445. From that amount, domestic insurers wrote 91% of the premiums, while the remaining nine percent belong to foreign insurance companies doing business in Puerto Rico.

Written Premium	Domestic	Foreign	Total
Life and Annuities	\$ 439,292,518	\$ 540,544,856	\$ 979,837,374
Disability and Health	7,623,417,831	123,757,495	7,747,175,326
Property and Casualty	1,636,132,029	213,964,716	1,850,096,745
Total	\$ 9,698,842,378	\$ 878,267,067	\$ 10,577,109,445

The statistical bias on the total distribution of premiums is well noted. This characteristic prevails through the itemized analysis of this report.

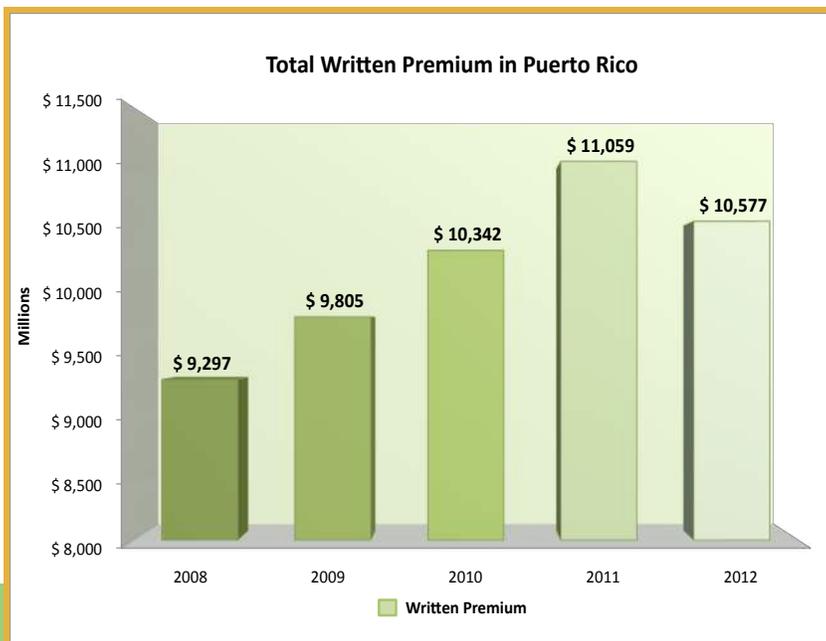
Domestic insurance companies, while controlling the vast majority of written premium in Puerto Rico, only represent 13% of the authorized insurers, as shown in the following chart:

Entity	Domestic	Foreign	Exceeding Lines	Total
Life and Disability Insurers	15	97	1	113
Property Insurers	20	136	64	220
Health Services Organizations	14	0	0	14
Reinsurers	1	47	0	48
Total	50	280	65	395

This outlook, typical of jurisdictions within the United States, is a consequence of two major factors: legislation to promote the establishment of domestic companies and a general perspective of openness regarding risk assumptions by foreign corporations.

Reinsurance is an important element due to the fact that these companies operate as stabilizers between the premiums and the correspondent risks.

The following graphs show the total volume of written premium, claims and benefits, as well as the premium income for the period between 2008 and 2012.

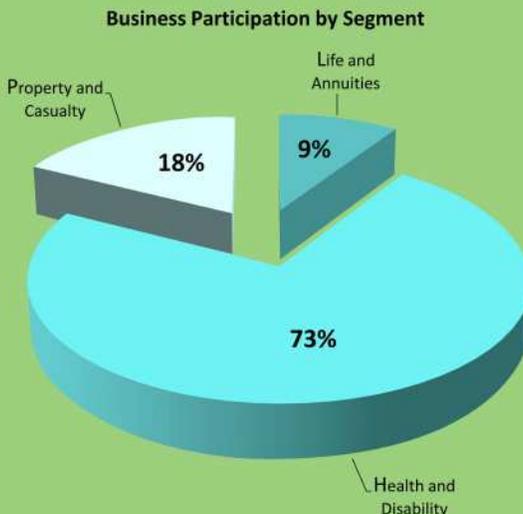


The graph shows a decrease in the total amount of written premium in Puerto Rico, primarily due to a change in the agreement with the Puerto Rico Health Insurance Administration (ASES). Effective on November 1, 2011 Triple S is in charge of providing administrative services for Mi Salud in the San Juan, Metro North, North, Northeast and West regions. As a consequence of this type of agreement, over \$500,000,000 were not accounted for as written premium due to the fact that the insurance company only acknowledges the benefits in the agreement. But even without these premiums, the volume of written premium in this sector grew by 3.3% between 2008 and 2012.

Insurance premiums were concentrated in Health and Disability policies, which were around 73% of the total written premium. Property and casualty accounted for 18% and the remaining 9% were Life and Annuities policies.

**“The Health and Disability sectors of the insurance industry represent a great source of income to receive funds from the United States economy.”**

The statistical importance of the Health and Disability sector is a result of the federally and locally funded health benefits. The graph demonstrates how the Health and Disability sector of the insurance industry represents a great source of income by means of transferring funds from the United States economy. As a result, an economic powerhouse gravitates around the Health and Disability sector, comprised by middlemen, professionals and other providers.



The following chart summarizes the total relationship between written premium and losses paid by insurance class, compared to the total activity in the United States of foreign insurers authorized to do business in Puerto Rico.<sup>1</sup>

Insurers	Premium Earned	Losses Incurred	Loss Adjustment Expenses Incurred	Loss Ratio
Domestic Insurance Property and Casualty	\$ 1,083,189,988	\$ 531,949,006	\$ 121,072,025	60.3%
Property and Casualty Foreign Insurers	\$ 138,983,864,266	\$ 84,759,178,392	\$ 16,741,119,185	73.0%
Domestic Life and/or Disability Insurers	\$ 2,481,092,043	\$ 2,063,505,051	\$ -	83.2%
Health Maintenance Organizations	\$ 5,478,279,992	\$ 4,739,554,722	\$ 29,435,832	87.1%
Foreign Life and/or Disability Insurers	\$ 393,636,428,749	\$ 342,256,934,200	\$ -	86.9%

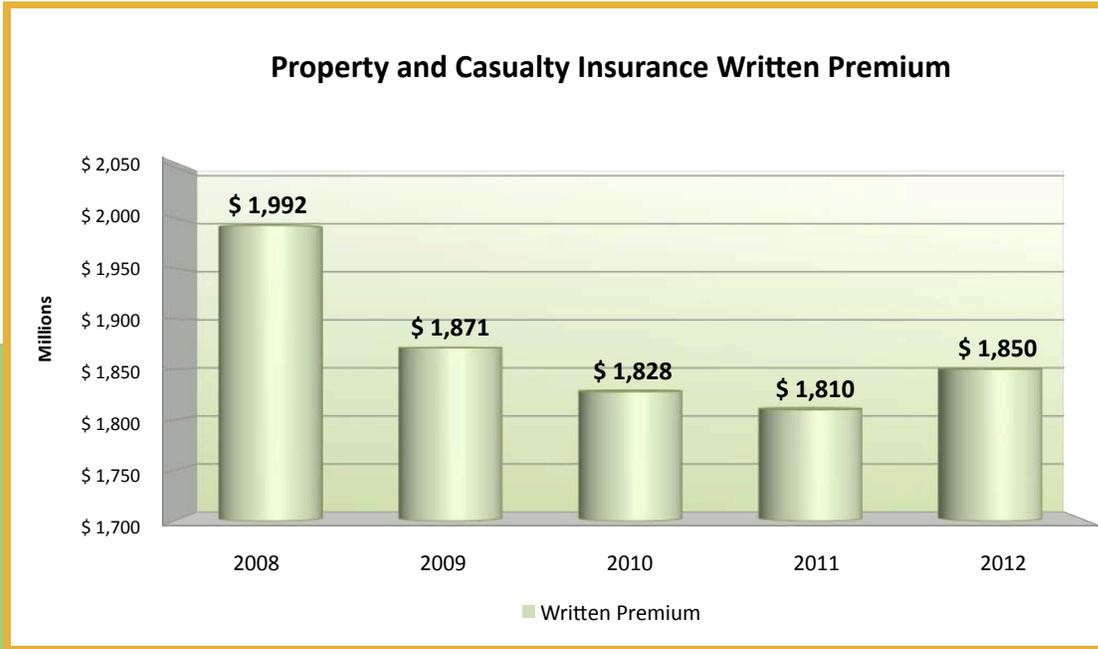
If we take as a sample the foreign insurers authorized in Property and Casualty business, the loss experience in Puerto Rico, when measured with the loss ratio, was better in comparison with the United States. A similar conclusion can be noted in the Life and Disability sector.

<sup>1</sup> Total business in the United States and its territories.

# Property and Casualty Insurance

**P**roperty and Casualty insurance policies make our normal way of life possible by promoting commercial trading, developing infrastructure and controlling risk management parameters, both in the personal and commercial levels.

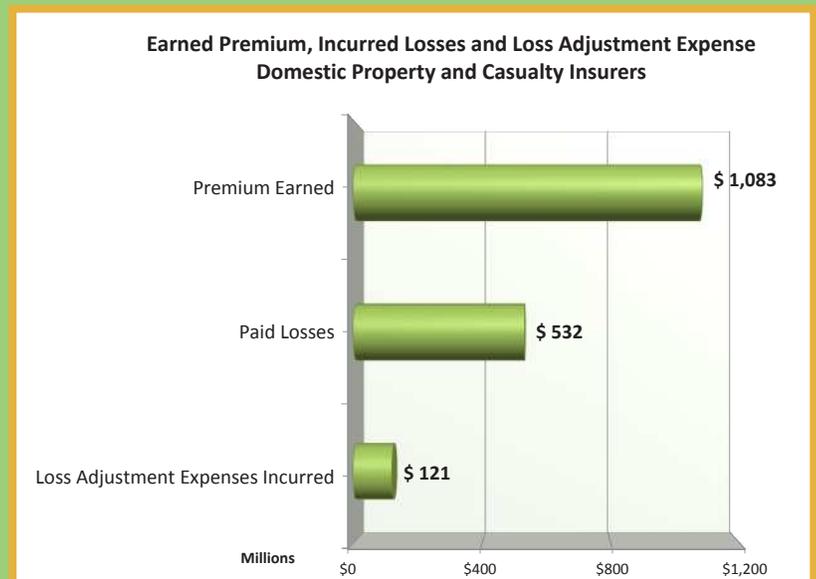
The following graph shows the Property and Casualty insurance written premium between 2008 and 2012:



There has been a marginal growth in written premium under Property and Casualty policies, surpassing the slow-down tendency of previous years. Nevertheless, if we analyze this line of business for the past five years, it shows a downturn of -1.8% each year. The Property and Casualty sector had a 1% annual growth in the United States for the same period. This developing premium trend is crucial in order to make projections about the sector and its capacity to absorb major losses in the future.

The next graph offers detailed information on the earned premium, the losses, and the loss adjustment expenses incurred in the domestic Property and Casualty sector.

The incurred losses under the Property and Casualty segment for this period is of 60.3%, less than the expected national<sup>2</sup> average of 65% or less. This shows that this segment is financially viable, at the underwriting result levels. Reinsurance companies benefit from this, as discussed further on.



<sup>2</sup> 2012 General Benchmarking Guidelines Prepared by the NAIC Financial Regulatory Services Division.

The historic series of written premium and paid losses shown in the following graph directly specifies the trade-off between the insurance companies and their policyholders.

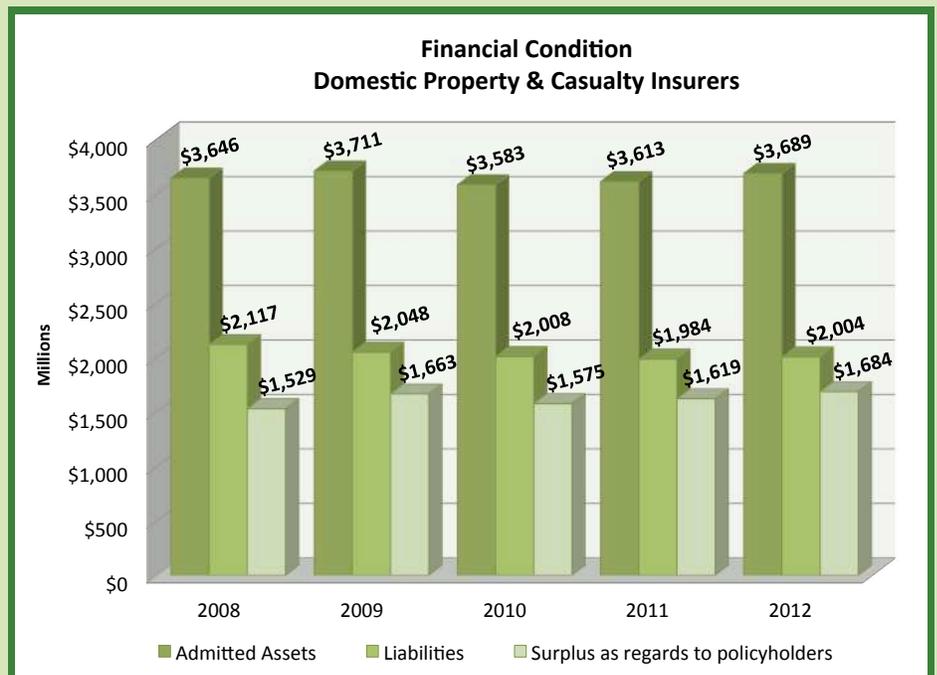


What follows is a comparative analysis of all Property and Casualty insurers doing business in Puerto Rico, including the total of written premium vs. paid losses.



**From the perspective of cash flow it is notable that between 2008 and 2012 there was a decrease in written premium of 7.1% and a reduction on paid losses of 10.5%.**

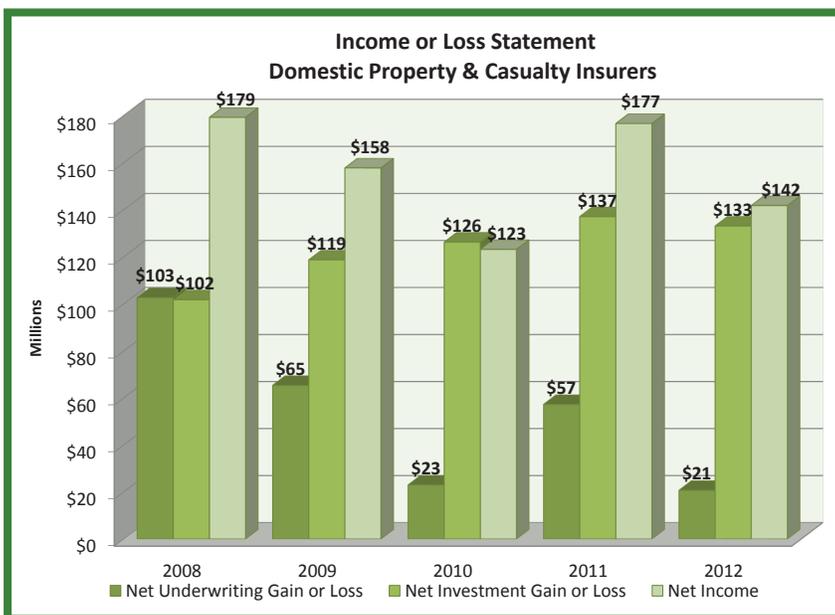
By guaranteeing a solid insurance platform of domestic Property and Casualty insurers, domestic capital is also secured. In addition, risk management efforts have fertile grounds for further developing, nurturing other financial ventures that gravitate around the insurance industry.



As shown below, even when there was a moderate asset and surplus growth within the Property and Casualty sector, it retained its liquidity and a positive yield rate.

Ratio	2012	2011	2010
Cash Ratio	84.5%	86.7%	87.4%
Current Ratio	28.7%	21.7%	19.8%
Return on Revenue	11.7%	14.1%	9.6%
Combined Ratio	98.6%	95.5%	98.8%

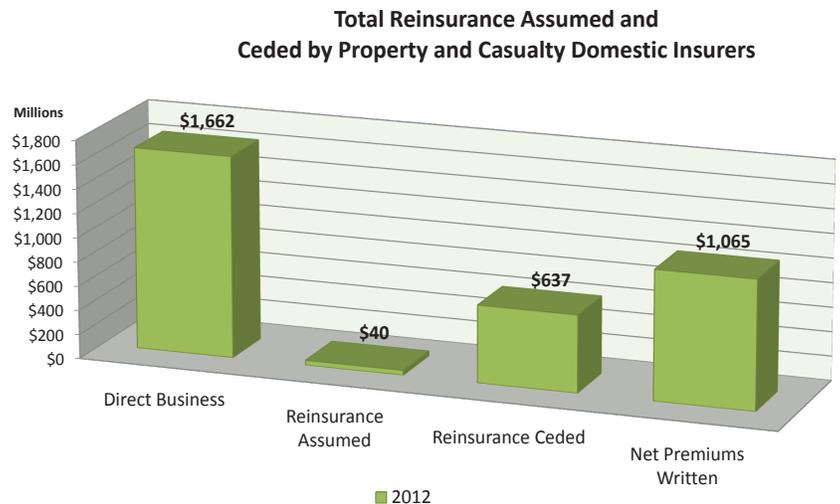
The next chart shows the results of the net underwriting gain, the net investment gain and the net income after income tax.



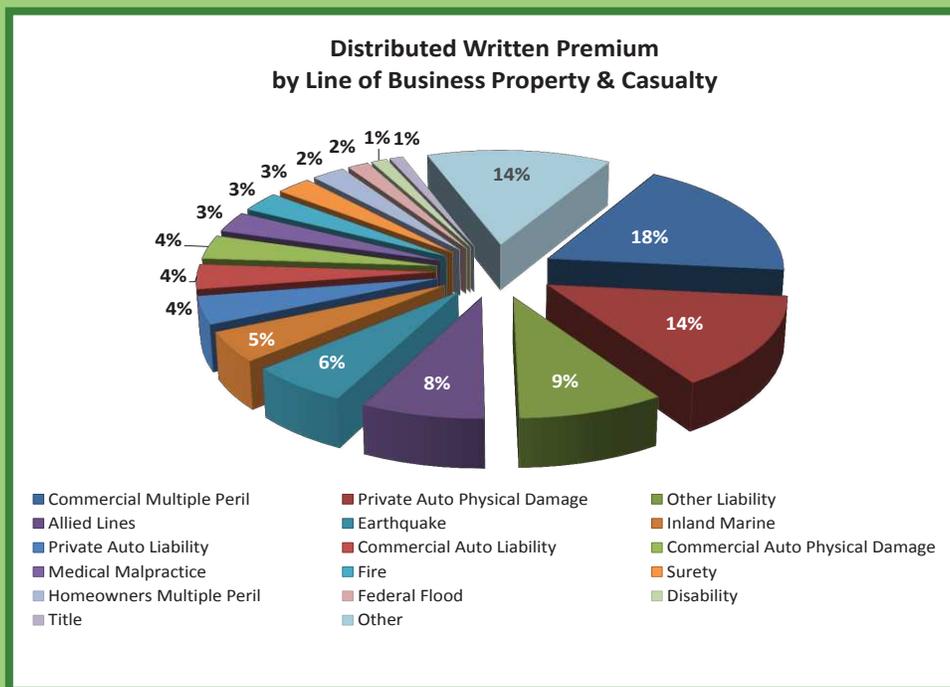
During the past five years, the net investment gain has become the backbone of the domestic Property and Casualty insurers' net income.

While it is certain that the insurance companies are solely responsible before policyholders, reinsurance companies play an important role in the local insurance industry. As shown in the next graph, the reinsurance business is a method in which insurance companies hand over part of the risk incurred, in order to minimize possible losses.

In the following graph, Property and Casualty insurers are clearly net cedents. The Property and Casualty segment, represents in terms of assumed premiums, \$637 million to the reinsurers that write business in Puerto Rico, a business that is divided in proportional and not proportional. Previously, it was identified that the average loss ratio in the sector was favorable to insurers and therefore to reinsurers in their proportional treaties. In the absence of a major catastrophic event, reinsurers with not proportional treaties were also benefited.



The next pie chart shows the composition of Property and Casualty written premium, distributed by lines of business, representing more than 1% of the total written premium by insurance companies doing business in Puerto Rico.



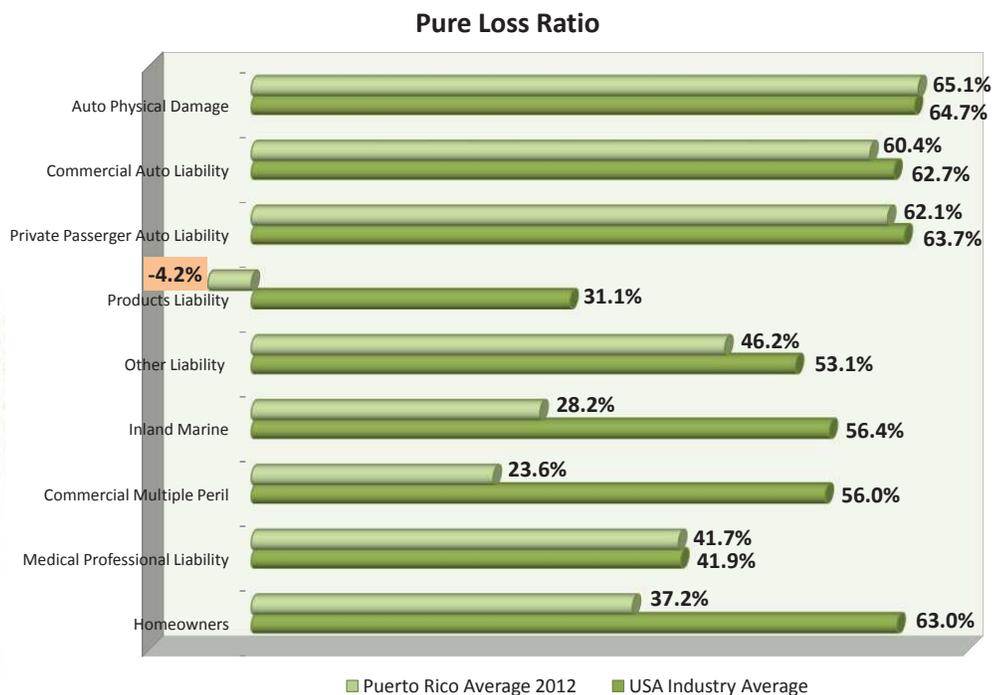
The pie chart to the left, shows how the lines of business of commercial multiple peril (18%), private auto physical damage (14%), other liability (9%) and allied lines (8%) represent almost 50% of the total written premium under the Property and Casualty segment.

\*Others include the following: Maritime Transportation, Mortgage Guarantee, Machinery and boilers, Financial Guarantees, Fidelity, Credit, Product Responsibility, aircrafts, housebreaking and robbery, workers compensation insurance, multiple risks for farmers and growers.

Finally, the next graph shows the pure net loss ratio under the main lines of business for domestic Property and Casualty insurers, in comparison to the “2012 General Benchmarking Guidelines”.<sup>3</sup>

Of all the lines of business, with the exception of the auto physical damage, the pure net loss ratio in Puerto Rico is less than the industry average in the United States.

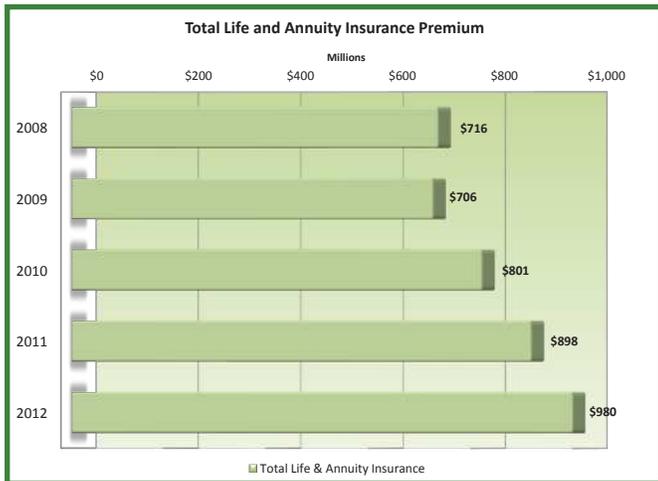
Please refer to the attachment section for detailed performance charts of Property and Casualty key indicators.



<sup>3</sup>Prepared by the NAIC Financial Regulatory Services Division.

# Life and Annuity Insurance

The next graph shows the performance of total written premium for Life and Annuities from 2008 until 2012.

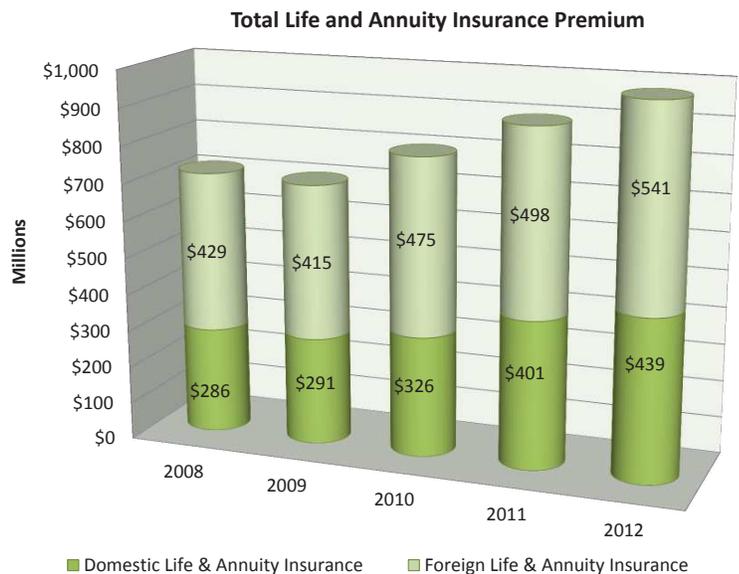


The line of business for Life and Annuities reflects an increase in written premium, in which annuities show the biggest rise by 12% and life insurance grew by 2%, for a total increase of 8.1% during the last five years. In comparison, the segment demonstrates an increase of only 0.4% in the United States for the same period.

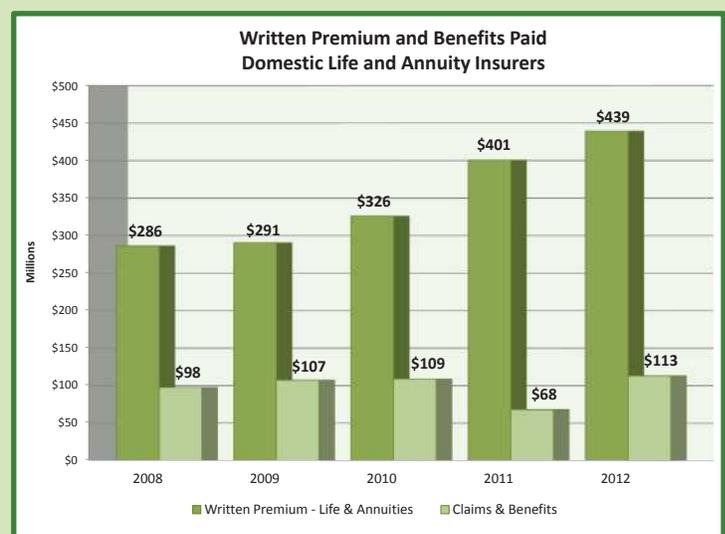
Foreign Life and Annuity insurance companies have the biggest portion in the market, probably due to the fact that important global competitors maintain a huge presence, generating more volume. Also, the weight of the investment and administrative requirements for insurance companies, compared to the moderate return of the sector must be noted.

Foreign insurers reflect an increase of 26% while domestic companies reflect 53%.

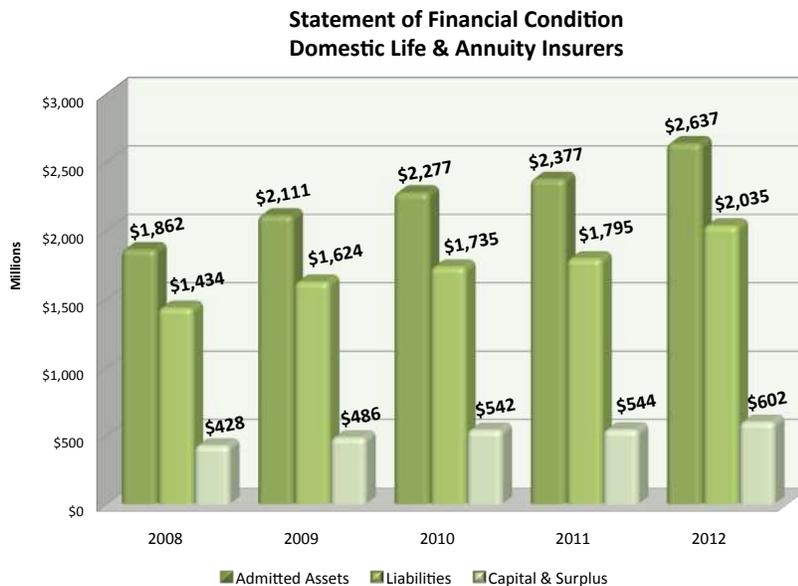
As shown in the graph, domestic Life and Annuity insurers grew twice as much as foreign companies during the period of 2008 to 2012.



From a Cash Flow perspective, written premium increased 53% and claims and benefits grew 15%. Due to the nature of the products in this sector, the foregoing trend is a clear indication of an increased thriftiness in the economy and a change in the investment policy of the people in Puerto Rico.



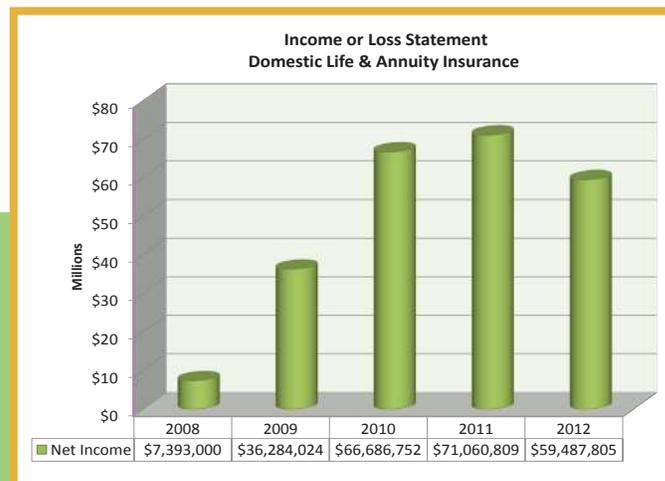
The following chart shows the aggregate financial condition of the Life and Annuity insurers.



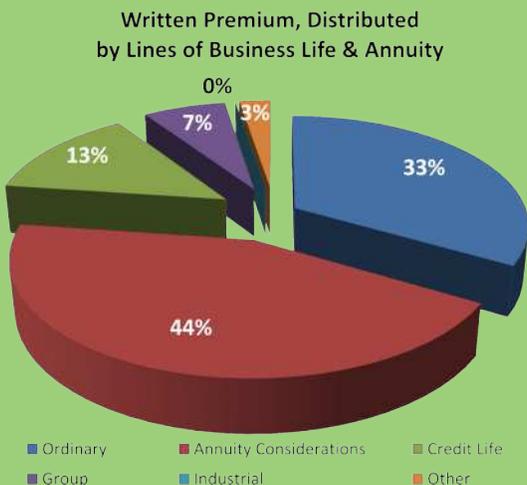
As shown next, the Life and Annuity sector maintains liquidity and demonstrates a positive performance on admitted assets.

Ratio	2012	2011	2010
Loss Ratio	83.2%	87.4%	84.6%
Return on Assets	2.4%	3.1%	3.0%
Return on Revenue	2.4%	2.9%	2.6%

Life and Annuity insurers have multiplied their net income, due to an increase of 53% in written premium since 2008. The evident decrease shown between 2011 and 2012 may indicate that perhaps underwriting rates have reached optimum levels.



The next pie chart shows the composition, by lines of business, of the Life and Annuity sector.



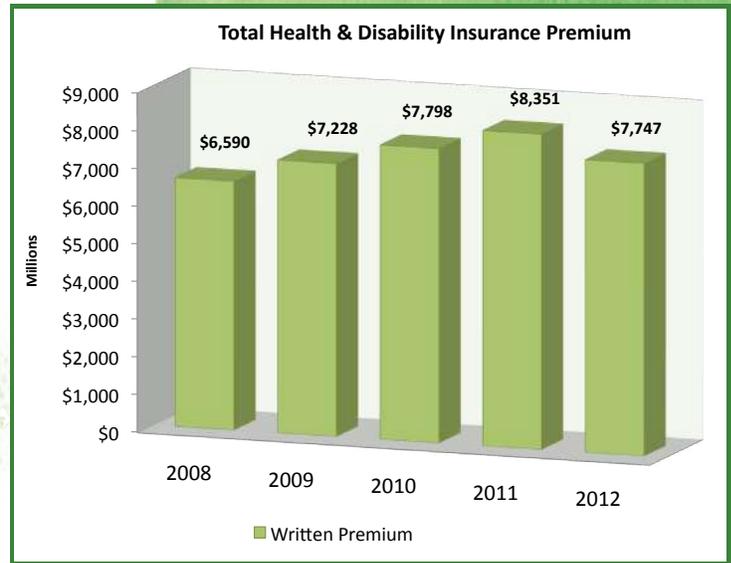
Annuities represent 44% of the total volume for this segment. This thriftiness in Puerto Rico's economy is surely most welcome. Demographic factors, such as the average population age, must also contribute to this strengthening.

Detailed information is included in the attachment section of this report.

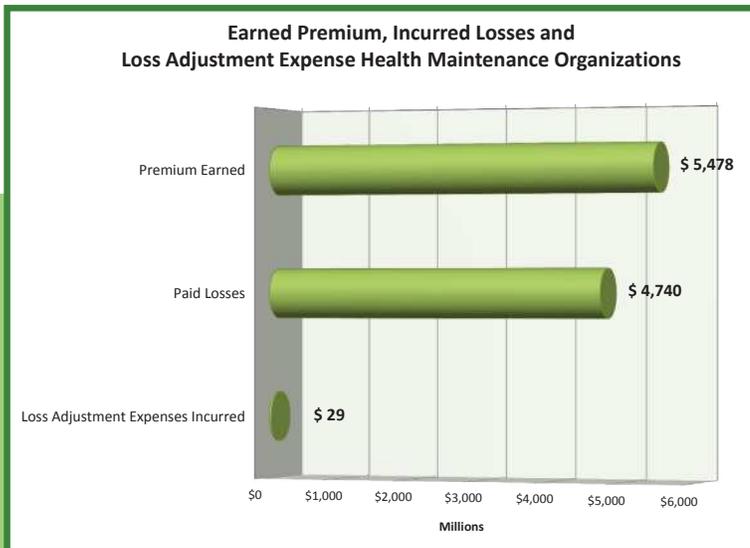
# Health Insurance

**H**ealth insurance providers play an important role by making quality health care and adequate living standards accessible to Puerto Rico's population.

The next graph shows the performance of written premium under the Health and Disability segment, from 2008 until 2012, showing a decrease in the total amount of written premium. This decrease is due, primarily, to a change in the agreement by the Puerto Rico Health Insurance Administration (ASES), effective on November 1, 2011, which changed from insurer providers to health program administrators in the San Juan, Metro North, North, Northeast and West regions. As a result, \$500,000,000 were not accounted for as written premium.



However, during the past five years, Health and Disability had a 4.1% increase versus a 4.7% growth in the United States.



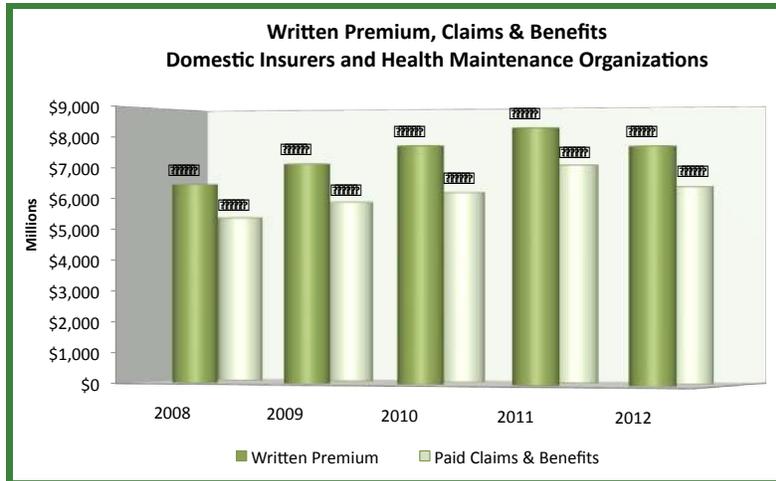
See markers showing earned premium, incurred losses and loss adjustment expenses incurred for Health Maintenance Organizations (HMO's).

Both Health and Disability insurers and the Health Maintenance Organizations in Puerto Rico showed a positive yield rate.

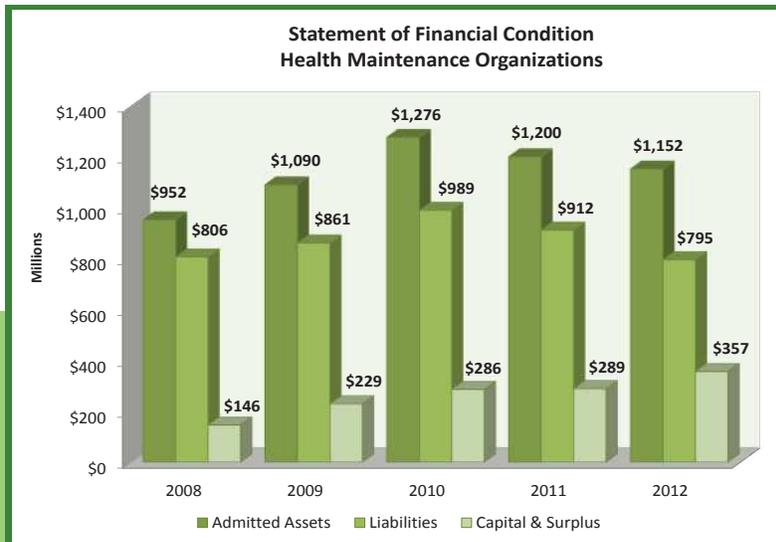
Ratio	2012	2011	2010
Medical Loss Ratio	86.5%	87.4%	84.6%
Combined Ratio	97.2%	97.6%	94.8%
Profit Margin Ratio	2.5%	1.9%	2.2%

Comparing the domestic medical loss ratio of 86.5% with the average in the United States of 85.3%, there is a difference of +1.2%, while the domestic industry's combined ratio is 97.2% with a difference of +0.4% for the United States 96.8%. Profit margin ratio by local industry is 2.5% in comparison to the average in the United States of 2.9%, a -0.4% difference.

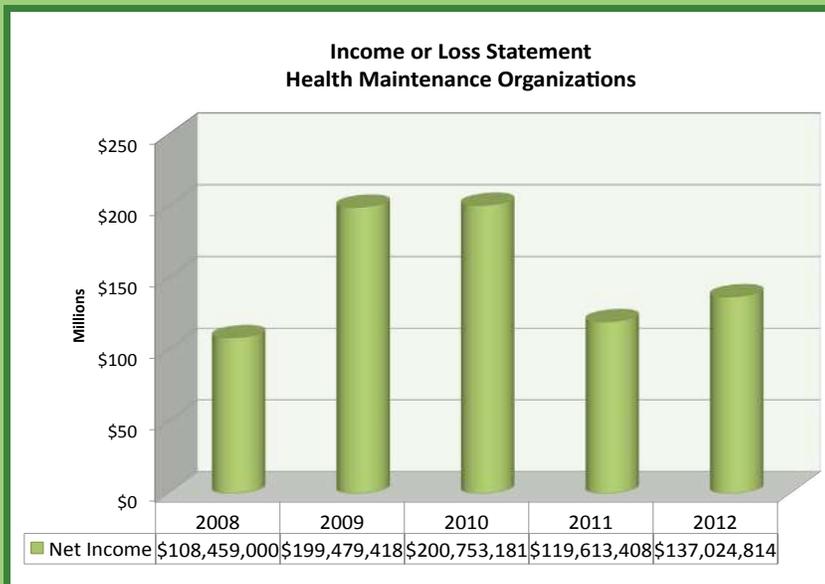
The following comparative analysis further explains the observable decreasing behavior of written premium and paid losses by insurance companies and Health Maintenance Organizations in Puerto Rico.



The following graphs show the general outlook of this important line of business:



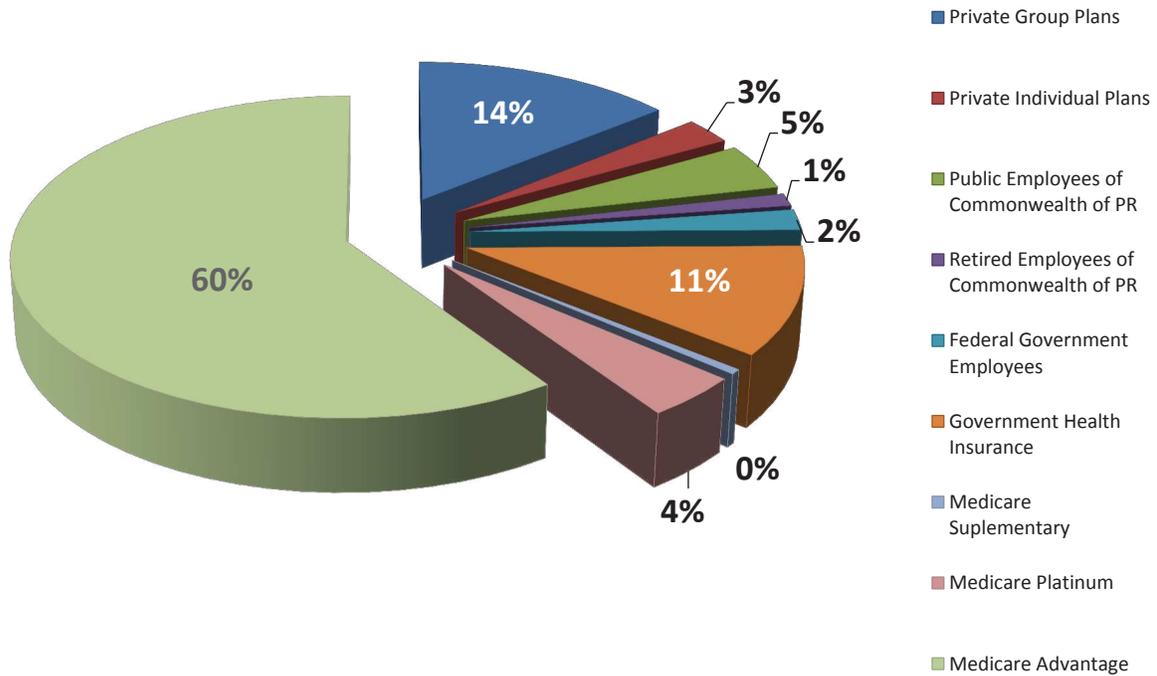
An increase of 144% in capital and surplus for this sector is the most significant change of the previous chart, as a consequence of consistent positive margins and a new legislation regarding Risk Based Capital enforced during this period.



**“A 4.2% average growth in written premium allowed the health maintenance organizations an average growth of 6.1% in Net Income.”**

The next pie chart shows the composition of written premium, distributed by lines of business.

### Distributed Written Premium by Line of Business Health



This chart demonstrates how “Medicare Advantage” leads the health insurance market with 60% of the total written premium. The private group plans hold 14% and the government health insurance, providing health care for poverty-stricken families (Mi Salud), represents 11% of the market. Subsidized plans (state or local) account for 71% of the segment, including both Medicare Advantage and Mi Salud, while private plans, groups and individual, top the Mi Salud state funded program.

Detailed charts explaining key indicators to the performance of the health insurance sector are included in the attachment section of this report.



## International Insurance Center

**E**stablished under Law No. 399 of 2004, the International Insurers and Reinsurers Division, also known as the International Insurance Center (IIC), completed its eighth year of service in 2012. Up-to-date, sixteen (16) insurance companies have been authorized under its tenure, nine of them still working by the end of 2012. At least four others insurance companies are expected to start operating during this year. The key to attract this new initiative has been a prompt response from the Office of the Commissioner and the security of a stable tax environment secured by a decree system.

A variety of operational plans do business, from the IIC classified as Captive Insurers, International Insurers and Reinsurers, Run-Offs, and International Private Placement Products Platforms.

Segregated asset plans have proved to be successful, especially due to the competitive international legislation in Puerto Rico. Nineteen (19) new P&C Captive Protected cells were organized in 2012 and in the Life and Disability sector it has reached over one billion dollars in assets.

Foreign insurers have invested \$12 million in Puerto Rico assets, and the International Insurance Center has brought another \$12 million to Puerto Rico's economy in rights and taxes.

Future development for the IIC will rest on the proactive promotional efforts of the Department of Economic Development and Commerce, in conjunction with a cooperative and agile regulator. It will also be utterly important to identify new markets and objectives, combined with professional, fair, and flexible legislation around these new markets. In addition, the Office of the Commissioner of Insurance needs to have an active and proactive relationship with the regulatory associations, the National Association of Insurance Commissioners (NAIC), and the Latin American Association of Insurance Supervisors (ASSAL) in order to further help develop the IIC. Finally, the current impact and the future of the IIC will depend on how professional sectors, understand its potential, promote and grow with it.



## Directors Office of the Commissioner of Insurance



**Standing:** Lcda. Monica Riviere Vázquez – Principal Hearing Examiner, Doris Díaz Díaz – Director Investigation División, Maritza Ayala Aybar - Director General Services Division, Dennise Pérez Serrano – Director Customer Services Division

**Sitting:** Rosa I. Vázquez Lugo – Director Examiner Division, Wilma Orozco Fanfán – Director Licensee Services



**Standing:** Zelma I. Pérez Pérez – Director Human Resources, Edward Rivera Maldonado, Esq. - Deputy Commissioner of Services, Rut Noemí Rodríguez Rivera - Chief Information Officer, Rubén Gely Rodríguez – Deputy Commissioner of Supervision and Compliance

**Sitting:** Frances M. Cifuentes Gómez, Esq. – Director Legal Affairs Division, Marielba Jiménez Colón, Esq. - Executive Aide, Wanda Marrero Berríos - Principal Accountant Financial Division

## New Legislation and Regulations

The insurance industry continued to experience important changes in 2012, not only as a consequence of the industry's internal factors, like mergers and acquisitions, but also as a result of external factors, such as, legislation, regulation and normative letters that particularly affected the health sector. These laws were primarily enacted in response to the federal health reform, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act. The legislation and regulations approved during 2012 were the following:

- **Law No. 51 of March 7, 2012** – A new chapter, Chapter 44, was incorporated to the Insurance Code of Puerto Rico, in order to regulate holding insurance companies or health services organization systems in the insurance industry. This law will regulate the operations of the insurers' subsidiaries, merging companies, controlling interests on acquisitions, and acquisitions of control in the insurance business, within their parent companies, as well as other administrative matters.
- **Law No. 101 of June 1, 2012** - Amends sections 43.010 and 43.020 of the Insurance Code of Puerto Rico in order to set out the requirement to possess a life insurance broker license as a condition to obtain the license required to work in viatical agreements or per diem agreements.
- **Law No. 199 of August 22, 2012** - Amends section 26.030 of the Insurance Code of Puerto Rico with the objective of reducing the term for "unclaimed funds" from seven (7) years to five (5) years.
- **Law No. 203 of August 23, 2012** - Amends the Health Insurance Code of Puerto Rico to add nine (9) new chapters: Chapter 14: Health Information Protection, Chapter 16: Limited Health Organizations, Chapter 18: Health Professionals or Health Providers Credentials Verification, Chapter 20: Health Services Organizations or Insurance Companies Assessment and Quality Service Improvements, Chapter 24: Benefit Usage and Allocation, Chapter 26: Providers Network Availability for Healthcare Plans Coordinators, Chapter. 28: External Independent Revision, Chapter 52: Incorrect Label Use, and Chapter 72: Wrongful Discriminatory Practices Against Abused Victims.
- **Law No. 265 of September 25, 2012** - Amends section 30.050 of the Insurance Code of Puerto Rico with the objective of clearing the reach and content of some dispositions related to the payment of health services claims.
- **Law No. 278 of August 29, 2012** - Amends section 41.050 of the Insurance Code of Puerto Rico to include in the medical malpractice coverage of the Government of Puerto Rico, intensive care doctors, pediatricians, obstetricians and surgeons who work in the neonatal and pediatric intensive care units of the Hospital San Antonio in Mayagüez.
- **Ruling Letter No. 2012-136 of February 14, 2012** - Requires all insurance companies or healthcare providers prior to engaging in business with third parties to fill an informative form in order to maintain a registry.
- **Ruling Letter No. 2012-137 of April 9, 2012** - Provides the circumstances under which the documents, material or information received or shared by the Commissioner, will be considered confidential.
- **Ruling Letter No. 2012-138 of April 9, 2012** - Requires that prior to making any quote, marketing effort, or subscription for property insurance located in buildings, all federal agencies requirements must be taken into consideration, including those of The Federal Housing Administration, Fidelity Bond or Fidelity Insurance.
- **Ruling Letter No. 2012-139-EX of February 6, 2012** - Has the proportions to determine the net direct premiums for the purposes of establishing reserves for catastrophic insurance losses pursuant to Section 25.030 of the Insurance Code of Puerto Rico.
- **Ruling Letter No. 2012-140-AV of February 7, 2012** - Provides that as of June 1, 2012, our Office will only accept submissions of fees for health care plans and complementary coverage to Medicare through the SERFF program , otherwise they will be rejected and returned without prior evaluation.

- **Ruling Letter No. 2012-142-AF of March 19, 2012 and Ruling Letter No. 2012-142-AF (E) of March 30, 2012-** Requires that all local insurers and health services organizations present their operational plan to our office no later than April 15, 2012. Extended term of thirty (30) days, until May 15, 2012 was approved.
- **Ruling Letter No. 2012-145-D of July 12, 2012** - Clarifies what constitutes just cause pursuant to Section 27.162 of the Insurance Code, which provides that the insurers will have a period of ninety (90) days to adjust, investigate, and resolve their claims, and if the insurer cannot resolve a claim on that term, shall maintain documents proving just cause.
- **Ruling Letter No. 2012-146 of August 28, 2012** - Eliminates Ruling Letters No. N-C-2-84-97 and N-L-12-38-2003 of February 26, 1997 and December 2, 2003, respectively, on the proper use of credit and debit cards for insurance transactions.
- **Ruling Letter No. 2012-148 of September 28, 2012** - Clarifies regulation requirements of the compulsory liability insurance policy in accordance with Rule LXX (70) of the Insurance Code of Puerto Rico, as amended on December 28, 2000.

The background of the page is a watercolor-style illustration. It features a large, irregular shape in shades of green and yellow, resembling a map of Puerto Rico. The colors are blended and textured, with some areas appearing darker and more saturated than others. The overall effect is artistic and organic.

# Attachments (CD)