

Rule 23

Insurance of the Commonwealth, its branches, entities, corporations, authorities and municipalities

Section 1: Government insurance contracts in general

Insurance covering the risks of the Commonwealth of Puerto Rico, its branches, entities, corporations, authorities and municipalities, hereinafter, Government insurance contracts, are subject to the provisions of this Rule.

Dossier 481, January 7, 1958

Section 2: Rates

Current rates registered with the Commissioner and rates whose registration is not required will not be applicable to Government insurance contracts.

Dossier 481, January 7, 1958

Section 3: Rate quotations

Insurers or their general agents will provide quotations for Government insurance contracts at the fairest and most equitable rates taking into account the volume of the risk and reasonable administrative and production costs. It should also be taken into consideration that there are no intermediaries in placing this insurance.

Dossier 481, January 7, 1958

Section 4: Approval of policies, etc.

Policies, riders, and other documents that are part of Government insurance contracts will be subject to approval by the Commissioner of Insurance as are the forms used for individual insurance.

Dossier 481, January 7, 1958

Section 5: Copy for the Secretary of the Treasury

When entering into a Government insurance contract, whether through bidding or otherwise, insurers, their general agents or other representatives shall include a copy of the contract in addition to those required in individual contracts. This copy, which will be sent to the Secretary of the Treasury, may be an insurance memorandum or equivalent document indicating the covered risk, riders, coverage limits, rates,

premiums, reinsurance percentage (when applicable), discounts or any other information related to the risk.

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Section 6: Department records, etc.

All departments, branches, entities, corporations and authorities of the Commonwealth of Puerto Rico shall maintain records and shall submit the information set forth below:

- (A) Policy registry:
 - (a) All policies must be recorded in a policy registry and show the following information:
 - (1) Policy number;
 - (2) Name of the insurance agency;
 - (3) Name of the insurance company;
 - (4) Type of insurance;
 - (5) Value of the insurance or liability limit, in the case of liability insurance;
 - (6) Date on which the policy or insurance is effective;
 - (7) Term of the insurance, whether for one or two years, etc.;
 - (8) Amount of premium;
 - (9) Observations: This space is for any comment of observation or notice to be made to clarify the information being submitted.
 - (b) Policies are recorded in the registry as soon as they are submitted by the insurance companies.

- (B) Form for registering policies:
 - (a) To facilitate gathering the information requested in subsection (A) of this Section the form provided by the Commissioner of Insurance will be used.
 - (b) Entities that are obligated to gather the information are free to select the kind and size of paper, and whether they are loose leaf or bound sheets.
 - (c) It is compulsory and essential that such registry contain the information specified on the form and that the items be precise.
 - (d) To facilitate understanding of the use of the form, detailed and concise instructions are provided on the back regarding how each space must be completed.

- (C) Record of losses:
 - (a) All claims submitted to an insurance company must be duly recorded in a record of losses, which shall contain the following information:
 - (1) Number of the policy that covers the risk being claimed.
 - (2) Name of the claimant, whether the insurer or a third party, depending on the kind of insurance.
 - (3) Date of the accident or the cause or reason for the claim.
 - (4) Estimate of damages. An estimate is made by the insurance company or the company's adjuster for all claims, on a tentative basis until the claim is finally settled. This amount must be shown in this column.
 - (5) Date of payment, whether partial or full payment.
 - (6) Amount paid; when partial payments are made they will be recorded individually stating that the payment is a partial payment in the space titled "observations."
 - (7) Observations. This space is for any comment or notation.
 - (b) As soon as the claim is received it shall be noted in the record and the information shall be completed so that the insured will be able to determine at all times what losses the company has had under each of the policies that are in effect.

- (D) Record of losses form
 - (a) To facilitate the information required in subsection (C) of this Section the form provided by the Commissioner of Insurance shall be used.
 - (b) As with the form used to record the policies, all entities that are obligated to gather the information are free to select the kind and size of paper, and whether they are loose leaf or bound sheets.
 - (c) It is imperative that the record contain the information that appears on the form and the items in each space be precise.
 - (d) To facilitate understanding of the use of the form, detailed and concise instructions are provided on the back regarding how each space must be completed.

- (E) All information gathered by calendar year (January 1 to December 31) must be sent to the Office of the Commissioner of Insurance no later than March 31 of each year.
 - *Dossier 511, June 13, 1958*

