

March 4, 2024

**RULING LETTER NO. CN-2024-351-D**

**TO ALL INSURERS THAT PARTICIPATE IN COMPULSORY LIABILITY INSURANCE**

**EXTENSION OF COMPULSORY LIABILITY INSURANCE COVERAGE DURING THE EXTENSION PERIOD FOR THE EFFECT AND RENEWAL OF MOTOR VEHICLE REGISTRATION AND STICKERS PROVIDED IN RESOLUTION NO. 2024-08 DATED FEBRUARY 29, 2024 OF THE P.R. DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS.**

To Whom It May Concern:

On February 29, 2024, the Secretary of the Department of Transportation and Public Works (DTOP), Ms. Eileen M. Vélez-Vega, found the need to issue Resolution No. 2004-08, extending the effect and renewal of motor vehicle registration and stickers with an expiration date of February 2024 until **March 15, 2024**.

In the Resolution, the DTOP advises that for the public to process the registration and renewal in the most expeditious and efficient manner, and so as not to affect the necessary procedures for the renewal of motor vehicle registration and stickers, it is necessary to extend the terms for the effect and renewal of motor vehicle registrations and stickers whose expiration date was February 2024. Therefore, through Resolution No. 2024-08, the DTOP extends to March 15, 2024 the term for the effect and renewal of motor vehicle registrations and stickers that expired during February 2024.

To address this situation, the Office of the Commissioner of Insurance of Puerto Rico (OCI), hereby establishes the provisional process to be followed by insurers that provide compulsory liability insurance to also extend the continuity of coverage and process such claims as may arise during the extended period for the effect of motor vehicle registration and stickers, as provided below:

1. Insurers that provide compulsory liability insurance that were providing **coverage as of February 29, 2024**, for vehicles to which the extension of the effect applies, will be the insurers that provide coverage for the insured vehicle during the extended period as provided up to **March 15, 2024**. Therefore, all insurers that provide compulsory liability insurance will have the obligation to honor the claims of the insureds that chose that insurer during the 2023-2024 period as though they were vehicles with stickers in effect as of the date to which the extension of coverage applies.

In the event that the extension period for the effect of registration and stickers provided in Resolution 2024-08 of the DTOP extends beyond March 15, 2024, the same principle set forth here will be applied for registrations of vehicles that expire on or after March 15, 2024, as may be provided by the DTOP.

2. The extension of coverage provided in this letter does not apply to vehicles insured by compulsory liability insurance whose registrations expired before February 1, 2024 since their stickers were already expired before the extension was granted for the effect and renewal of motor vehicle registrations and stickers.

3. Once the extended term provided herein ends, the insureds whose renewal date for their vehicle registrations is within the extension period must renew their stickers and pay the premium for the compulsory liability insurance to have insurance coverage up to the date of the next renewal of the sticker. In these cases, when the insured renews the motor vehicle registration for the 2024-2025 period, the effective date of the compulsory liability insurance will be retroactive to February 1, 2024. If the extension of the effective term for vehicle registrations lasts beyond March 15, 2024, the retroactivity of the effective date of the compulsory liability insurance will depend on the extension that may be established by the DTOP

If the consumer decides not to renew the sticker for a vehicle within the extended term, that is to say, on or before March 15, 2024, the vehicle will automatically be left without SRO coverage as of March 16, 2024, or the date that may be established, in the event that the effective of the stickers is extended by the DTOP.

4. To ensure the efficient handling of claims that may arise during the extension of the terms for the effect and renewal of the stickers, once such extension expires, the insureds for whom the renewal date for their vehicle registrations is within the extension period, will remain insured by the insurer that was selected on the Selection Form for 2023-2024, since in these cases, the compulsory liability insurance will be automatically renewed with the insurer that provided coverage during the extended period of coverage. In such cases, the “Selection Form” may not be used, whether on paper or in electronic format, and it will be deemed that the selection was not made since it is an automatic renewal due to the fact that the insurer assumed the risk during the extension period provided in Resolution 2024-08 of the DTOP.

5. As administrator of the compulsory liability insurance, the ASC will act as a facilitator in the process of transferring the premiums paid by the insureds whose renewal date for their vehicle registration falls within the extended period provided in DTOP Resolution No. 2024-08. Once the extended period is finished and the insured has timely renewed the vehicle registration, the ASC will transfer the premiums it receives from the respective Authorized Entities for the vehicles benefited by the extension, to the compulsory liability insurance insurer that appears in its records as the insurer for that vehicle during the 2023-2024 registration period.

If an insured, in spite of being subject to the extension, decides to complete in a timely manner the process of paying the renewal fees for the sticker of the vehicle and the premium using the “Selection Form,” whether on paper or an electronic format, the selection that is made

will be honored, and the process established herein will not apply. Therefore, the extension will only apply to vehicles with an original expiration date of February 29, 2024, and that as of March 1, 2024, whose stickers have not been renewed, and consequently the compulsory liability insurance has not been paid as of that date, as provided in this Letter.

6. For drivers whose vehicles are insured under traditional liability insurance that expired under their own terms (nonrenewal) before February 29, 2024, or if there is any other particular situation in which it is not possible to identify a specific insurer for the vehicle during the 2023-2024 period, it will be understood that those vehicles will be insured by ASC during the extended period provided in DTOP Resolution 2024-08 or that the DTOP may extend in this matter. In this case, the ASC will provide coverage for such vehicles for accidents that may occur during the extended period of the terms under DTOP Resolution 2024-08 or any extension that may be provided. When the insured renews the registration, the compulsory liability insurance (SRO) for the 2024-2025 period will automatically be renewed with the ASC.

7. For insureds whose registration expires within the extended effective period and who have a traditional liability policy with an insurer that participates in the SRO "Selection Form" which was canceled before the expiration date of the vehicle registration, that insurer shall provide SRO coverage during the extended effective period decreed by the DTOP and will also honor the claims that may arise during that period. When the insured renews the registration, the SRO for the 2024-2025 period will automatically be renewed with that insurer and the ASC will transfer to that insurer the SRO premium for that period. In such situations, the ASC will not have the obligation to provide coverage during the extended effective period nor the renewal for the 2024-2025 period.

8. If the motor vehicle registration is not renewed within the extended period of coverage, the vehicle will be left without SRO coverage the day after the end of the extended effective period decreed by the DTOP.

9. The following constitute unfair practices::

a. Denying coverage to an insured whose sticker expired on February 29, 2024 (or a subsequent period if the effective period and renewal are extended), for not having paid the premium of the compulsory liability insurance for the 2024-2025 period, if the traffic accident occurred during the period in which the extension of coverage applied due to the extension of the effective term and renewal of motor vehicle registration and stickers as provided by the DTOP.

b. Refusing to pay claims for traffic accidents covered in the extension under the argument that the premium for the next effective period had not been received because the extended term under DTOP Resolution 2024-08 was in effect.

10. In the event that any insurer should incur any of the practices included in paragraph nine (9) of this letter, this Office may impose the sanctions that are provided in the Insurance Code of Puerto Rico.

Strict compliance with the provisions of this letter is hereby required.

Very truly yours,

SIGNED

**Alexander S. Adams-Vega, Esq.**  
Commissioner of Insurance of Puerto Rico