

Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE
P. O. Box 11217 - Fernández Juncos Sta.
Santurce, Puerto Rico

Circular Letter #A 8-298-61
August 7, 1961

TO ALL COMPANIES AUTHORIZED UNDER SECTION 4.020 or 4.030
OF THE INSURANCE CODE OF PUERTO RICO

We are presently reviewing Insurance Policy forms which have been approved by this office, and are being used by the Companies, with the purpose of determining their compliance with the Insurance Code of Puerto Rico.

We have noticed that several group insurance forms do not comply with Chapters XIV and XVIII of our Insurance Code. The mentioned Chapters XIV and XVIII which we are referring to here are amended provisions of the Insurance Code which were introduced somewhat later after the effective date of the Code. Chapter XVIII is Act No. 63 approved June 19, 1959 and Chapter XIV is Act No. 64 approved June 6, 1960. Copy of this legislation could be obtained from the Department of State, San Juan, Puerto Rico.

Although there are several provisions of the mentioned chapters that have to be looked into with the view of amending existing policies, we should like to emphasize in provisions of Section 14.090, which requires that group insurance forms shall contain a provision stipulating that the insurer shall issue to the policyholder for delivery to each insured person, an individual certificate stating the protection to which the insured is entitled, who shall be paid the insurance benefit and granted all rights under the conditions established in paragraphs 1, 2, and 3 of Article 14.100. A similar applicable provision is missing from some Group Credit Life Insurance forms.

In connection with the above, we have found that some companies have never submitted for our approval certificates of Individual Insurance in order to comply with the provision mentioned above and which said policies should contain.

We hereby suggest that all companies issuing policies which provisions are in conflict with the Insurance Code of Puerto Rico withdraw such non complying forms and submit new forms amended accordingly.

In the mean time and to be applied to all policies issued since the effective date of the Insurance Code of Puerto Rico we refer you to provisions of Section 11.240, which we quote hereby:

"11.240 - Validity of Noncomplying Forms.- (1) Any insurance policy, rider, or endorsement issued after the effective date of this code and otherwise valid, which contains any condition or provision not in compliance with the requirements of this code, shall not be rendered invalid thereby, but shall be construed and applied in accordance with such conditions and provisions as would have applied had such policy, rider, or endorsement been in full compliance with this Code."

Cordially yours,


Jorge Soto García