

Commonwealth of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE
P. O. Box 11217 - Fernández Juncos Station
Santurce, Puerto Rico - 00910

Circular Letter No. A-8-360-64
August 27, 1964

TO ALL COMPANIES AUTHORIZED TO WRITE
DISABILITY INSURANCE IN PUERTO RICO, THEIR
GENERAL AGENTS AND MANAGERS

Gentlemen:

The Honorable Legislative Assembly of Puerto Rico passed Senate Bill 640, which became Act No. 109 upon approval by the Governor on June 27, 1964. For your information, we are including below an unofficial translation of Act No. 109.

ACT NO. 109

To amend Section 11.120 of Act No. 77 of June 19, 1957, as amended, known as the Insurance Code of Puerto Rico.

STATEMENT OF MOTIVES

It is of general knowledge that state and municipal hospitals frequently furnish, in emergency and accident cases, hospitalization services to persons insured against such events with insurance companies, hospital services associations and other entities.

The annual costs incurred by the rendering of these services represents a considerable sum of money which must be absorbed from public funds. Thus, it is logical that said insuring organizations reimburse the state and municipal governments the cost of these emergency or accident services.

Many disability insurance policies issued in Puerto Rico include clauses expressly providing that no benefits shall be provided to the insureds when they are treated in governmental hospitals.

The purpose of this amendment is to authorize the Commissioner of Insurance of Puerto Rico to disapprove or withdraw his previous approval to any policy including this type of provision and thus allow governmental hospitals to

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recover the expenses incurred in the treatment to these insureds in cases of emergency or accidents not covered by Act No. 45 of April 18, 1935, as amended, known as the Workmen's Accident Compensation Act.

Be it enacted by the Legislative Assembly of Puerto Rico:

Section 1.- Section 11.120 of Act No. 77 of June 19, 1957, as amended, known as the Insurance Code of Puerto Rico, is amended to add thereto Item No. 8, which shall read as follows:

"(8) If it is one concerning disability insurance, as defined in Section 4.030 of the Insurance Code, and it does not provide benefits when the insured, by reason of emergency or accident, not covered by Act No. 45 of April 18, 1935, as amended, known as the Workmen's Accident Compensation Act, receives hospitalization treatment in state or municipal hospitals".

Section 2.- This act shall become effective ninety (90) days after its approval.

It should be noted that in accordance with the provisions of Section 2 of Act No. 109, the new addition to Section 11.120 of the Insurance Code will become effective as of September 25, 1964.

Cordially yours,


Jorge Soto García
Commissioner of Insurance