



COMMONWEALTH OF PUERTO RICO

## OFFICE OF THE COMMISSIONER OF INSURANCE

(UNOFFICIAL TRANSLATION)

Normative Letter L-I-5-51-92  
(DATED) May 13, 1992

TO ALL INSURERS, FOREIGN AND DOMESTIC

Re: Rule XLVII  
Payment of claims within  
fifteen (15) days,  
acknowledgement of  
receipt by virtue of  
payment

Rule XLVII of the Rules and Regulations of the Insurance Code of Puerto Rico defines the violations that constitute unfair practices in claims adjustments.

Article 5(a) of the aforementioned rule (section 204-6005) provides the following:

" (a) Every insurer, upon receiving notice of a claim, shall make written acknowledgement of said notice within the next fifteen working days of its receipt. Notification given to an insurer's agent shall be considered as notification to the insurer if the agent has been authorized by the latter to receive notice of such claims. If notice is given to the insurer's agent and he has not been authorized to receive the same, the agent is obliged to notify the claimant, within the following seven days, indicating the person to whom the notice shall be made and his or her address.

The above mentioned article establishes the term in which the insurer should follow up on the claim once it is filed. The purpose is to require from the insurer the mechanisms for a rapid investigation and claims adjustment.

In investigations performed by this office, claim files are reviewed in order to determine if unfair practices have taken place in the adjustment of claims. In some cases there is no acknowledgement of receipt, instead, payment is made within the fifteen (15) day period following the receipt of the claim.

The purpose of Rule XLVII is to define unfair practices and require from the insurer methods for a rapid investigation and claims adjustment. Specific procedures have been established by Rule XLVII in order to avoid unfair practices. Clearly, the culmination of these procedures must be the quick determination of the source of the claim and suitable payment when appropriate.

Payment in less than 15 days is the best indication that the investigation of the claim was initiated and has been terminated. Furthermore, payment sets forth the insurer's position in respect to the claim, being that the check in payment is an indication of such. In these circumstances it would be meaningless to require merely formal procedures when the insurer's conduct exhibits a good practice in claims adjustments and not an unfair practice. For these reasons, hereafter, when payment is made within fifteen days of receiving the claim, it will not be necessary to acknowledge receipt of the same independently.

Cordially,

(SIGNED RALPH J. REXACH)

Ralph J. Rexach  
Commissioner of Insurance