



COMMONWEALTH OF PUERTO RICO  
OFFICE OF THE COMMISSIONER OF INSURANCE

RULING LETTER NO. N-OE-02-54-93

April 8, 1993

TO ALL DOMESTIC INSURERS, ALL GENERAL AGENTS AND MANAGERS OF  
FOREIGN INSURERS AND ALL ADJUSTERS

**RE: Section 27.162 of the Puerto Rico Insurance Code**

Dear Sirs:

Section 27.162(1) of the Puerto Rico Insurance Code, 26 L.P.R.A. sec. 2716(b) provides the following:

“(1) The investigation, adjustment and resolution of any claim shall be made in the shortest reasonable period of time within the first forty-five (45) days after all the documents needed to resolve said claim have been submitted to the insurer. The first period may only be extended under extraordinary circumstances, but such extension shall never exceed the term of ninety (90) days from the date the claim was submitted. In those cases in which the insurer needs time in addition to the ninety (90) days, it shall thus be requested in writing to the Commissioner twenty (20) days before the expiration of said ninety (90) days, and the claimant shall also be notified thereof. If the Commissioner finds that the request for additional time is unreasonable, either because it is not duly justified or that the additional time requested is excessive, the Commissioner shall notify the insurer that said extension is not permissible and that the insurer should, therefore, resolve the claim during the term established by regulations or within the additional term granted in said notice. (2) The Commissioner may require the immediate settlement and resolution of any claim at any time if the Commissioner deems that the same has been unduly and unfairly delayed or deferred.

(3) This section does not relieve any person in any way whatsoever of complying with the provisions of section 27.161 of this Code or any other applicable regulation related to such. Further to the other penalties provided in this Code, the Commissioner may, after a hearing has been held, suspend, revoke, or refuse to renew the certificate of authority of any insurer that violates the provisions of this section, as well as section 27.161.”

On January 23, 1993, the Honorable Supreme Court of Puerto Rico issued an opinion for case CE-92-86, delivered by the Honorable Associate Justice Jaime B. Fuster-Berlingeri, which discusses and resolves the scope of said section. Our highest Court specifically concludes that the 90-day term provided in Section 27.162, *supra*, constitutes the maximum term the insurer has to investigate, adjust, and resolve claims. It is further decided that said term begins the moment the claim is filed with the insurer regardless if said filing does not include the documents required by the insurer.

The interpretation made by the Supreme Court ratifies the interpretation this Office has made of such section for years.

We require strict compliance by insurers with Section 27.162 of the Puerto Rico Insurance Code, as interpreted by this Office and ratified by the Honorable Supreme Court. Failure to comply with this section will entail the application of severe penalties.

Very truly yours,

SIGNED

Juan Antonio García  
Commissioner of Insurance