



COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

May 29, 2013

RULING LETTER NO.: 2013-151-EX

TO ALL PROPERTY AND CASUALTY INSURERS

REIMBURSEMENT TO POLICYHOLDERS OF AMOUNTS RECOVERED IN EXCESS FROM THE ASSESSMENTS OF THE PUERTO RICO MISCELLANEOUS INSURANCE GUARANTY ASSOCIATION

Dear Sirs and Madams:

Pursuant to Section 38.160 of the Puerto Rico Insurance Code, insurers may include in their insurance policy rates and premiums a portion that may be sufficient to recover the amount that the insurer member pays to the Puerto Rico Miscellaneous Insurance Guaranty Association. This may be done after deducting any amount that the Association may have returned to the insurer member. That is to say, the rates or premiums will contain the amount that may be calculated and may be reasonable for the recovery of the assessments that the insurer member has paid and the rates so charged will not be considered to be excessive.

In Circular Letter E-05-1651-2002, dated May 3, 2002 and Ruling Letter N-AE-07-12-2002, dated July 12, 2002, the Office of the Commissioner of Insurance required all property and casualty domestic insurers to file a report every semester to inform payment and recovery of assessments, as provided in Section 38.160. This Office has become aware of the fact that several property and casualty insurers have made recoupments in excess of the amounts that such insurers paid to the Guaranty Association. It should not be understood in any manner that said Ruling Letter N-AE-07-12-2002 sanctions excess recoupments by the mere fact of requiring reports of such recoupments.

This Office reiterates that no insurer may recover amounts in excess of the assessment that was paid and any insurer that has incurred or may incur excess recoveries must reimburse such to the policyholders who were specifically affected. Notwithstanding the above, this Office recognizes that the amounts

that were charged in excess in some cases could be less than the cost of issuing a check. With a view to encourage cost-saving and procedural efficiency for the benefit of all of the parties, it is provided as an exception that in such cases insurers may return the excess amount charged by granting the policyholder a credit for the appropriate amount. In order for the insurer to choose the option of reimbursement through credits, the policyholder that was unduly charged must be a customer of the insurer at the time of issuing the credit. Otherwise, the Insurer shall reimburse the excess amounts collected, by issuing a check, regardless of the amount and the cost of issuing the check.

In view of the above, we are requiring that within thirty (30) to be counted from the date of this letter, insurers who have excess recovery amounts proceed to send reimbursement checks for such, or otherwise give the policyholders the appropriate credit.

Strict compliance with this Ruling Letter is required.

Very truly yours,

A handwritten signature in black ink, appearing to read "Angela Weyne-Roig". The signature is fluid and cursive, with a large initial "A" and "W".

Angela Weyne-Roig
Commissioner of Insurance