

**GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE
CHECK LIST FOR CREDIT INSURANCE**

COMPANY: _____
FORM NUMBER: _____

REGULATION	REQUIREMENTS	Reference /Page/ Paragraph
CREDIT LIFE INSURANCE		
Chapter 14 of the Insurance Code of Puerto Rico	§ 1401	Definitions. No life, endowment, or group or blanket annuity insurance policy shall be issued for delivery in Puerto Rico unless it conforms to one of the descriptions established in this section.
	§ 1404	Grace Period Provision
	§ 1405	Incontestability Provision
	§ 1406	A provision setting forth the conditions, if any, under which the insurer reserves the right to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of his coverage.
	§ 1407	Age falsely stated Provision
	§ 1411	Special form in case of creditors' and debtors' insurance.
Chapter 18 of the Insurance Code of Puerto Rico	§ 1805(1)	The insured credit life insurance sum shall not be greater than the original debt.
	§ 1805(2)	The credit life insurance coverage shall be subscribed so that the amount payable at the time of the death of the insured debtor shall not exceed the net debt at that time.
	§ 1805(3)	The provisions of subsection (2) of this section notwithstanding, the insurer may underwrite, optionally, the credit life insurance coverage in such a manner that, in addition to the amount established in said subsection, three (3) months of payments pending at the time of the death of the insured may be covered, including interest and surcharges corresponding exclusively to said pending payments; Provided, That the debtor must choose the type of coverage he/she wishes to acquire in those cases whereby the creditor offers more than one type.
ADDITIONAL REQUIREMENT		
The application should include the different kind of credit insurance available for the debtors selection. The application should include the options to select life insurance as a net indebtedness or a net indebtedness plus 3 month of maximum delinquency period.		
DISABILITY CREDIT INSURANCE AND UNEMPLOYMENT CREDIT INSURANCE		
Chapter 17 of the Insurance Code of Puerto Rico	§ 1701(3)	No group disability insurance policy shall be issued for delivery in Puerto Rico, unless it is in agreement with one of the descriptions contained in in § 1401 of this title.
	§ 1703	Grace Period Provision
	§ 1704	Time limit for certain defenses
	§ 1705	The policy shall contain a provision stipulating the conditions, if any, under which the insurer reserves to itself the right to require a person eligible for insurance to present evidence of individual insurability satisfactory to the insurer.

**GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE
CHECK LIST FOR CREDIT INSURANCE**

REGULATION		REQUIREMENTS	Reference /Page/ Paragraph
Chapter 18 of the Insurance Code of Puerto Rico	§ 1806(1)	The total number of installment payments payable by the disability credit insurance and the unemployment credit insurance in the case of claims, shall not exceed the aggregate sum of the unpaid periodic installments of the gross debt and the amount of each installment shall not exceed the amount of the original gross debt divided by the number of installments.	
	§ 1806(2)	Notwithstanding the provisions of subsection (1) of this section, the insured amount for disability and unemployment credit insurance underwritten in connection with regard to a rotating account plan and a credit card shall not exceed the gross debt corresponding to said amount if periodic installments are used. Subject to the limits established by the policy, the periodic installments shall not be less than the minimum amount the debtor should pay.	
GENERAL PROVISIONS APPLICABLE TO ALL KIND OF CONSUMER CREDIT INSURANCE			
Chapter 18 of the Insurance Code of Puerto Rico	§ 1802(2)	The provisions of §§ 1401--1411 of this title shall also apply to credit life insurance, in all that which is not in conflict with the provisions of this chapter.	
	§ 1802(3)	The provisions of §§ 1701--1705 of this title shall also apply to credit disability insurance in all matters not in conflict with the provisions of this chapter.	
	§ 1804	The types of consumer credit insurance defined in § 1803 of this title, may be underwritten in a separate or combined form in individual policies or in collective policies by insurers licensed to contract insurance pursuant to § 402 of this title, as well as by insurers licensed to contract insurance pursuant to § 403 of this title.	
	§ 1807(1)	For credit insurance offered to and selected by a debtor prior [to] or along with the credit transaction related to the insurance, the term of the insurance shall commence on the date the credit transaction is executed, subject to acceptance by the insurer.	
	§ 1807(2)	For credit insurance coverage offered to and selected by a debtor on a date subsequent to the date the credit transaction related to the insurance is executed, the insurance shall commence on a date not prior to the date the selection was made by the debtor, nor later than thirty (30) days after said date, subject to acceptance by the insurer.	
	§ 1807(3)	Notwithstanding the provisions of subsections (1) and (2) of this section, when a group insurance policy provides coverage with regard to existing debts as of the effective date of the policy, the insurance policy related to said debts shall not commence prior to the effective date of the group insurance policy.	
	§ 1807(4)	In no case shall the debtor be charged for insurance, nor shall the creditor or the insurer withhold premiums for periods prior to the effective date of the policy to which said charge is related.	
	§ 1807(5)	The term of any consumer credit insurance shall not extend beyond the termination date specified in the policy. The termination date of the insurance may be prior to, simultaneous with, or subsequent to the expiration date of the debt to which it is related, subject to all other provisions of this chapter.	
	§ 1807(6)	The term of any consumer credit insurance shall not extend beyond fifteen (15) days from the expiration date of the debt, except when the same is extended without any additional cost to the debtor or except when it is extended pursuant to a written agreement signed by the debtor in relation to a credit transaction or debt renewal, refinancing or consolidation. If the debt is paid in full through its renewal, refinancing or consolidation prior to the date scheduled for the termination of the insurance, any insurance in effect must have terminated before any new insurance may be subscribed in relation to the renewed, refinanced or consolidated debt.	

**GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE
CHECK LIST FOR CREDIT INSURANCE**

REGULATION	REQUIREMENTS	Reference /Page/ Paragraph	
Chapter 18 of the Insurance Code of Puerto Rico	§ 1807(7)	In any case that the insurance is terminated prior to its scheduled termination date, an appropriate refund or credit for any unearned insurance charge that the debtor has paid for periods subsequent to said termination, shall be made to the debtor, except that no such refund shall be made nor credit granted for unused insurance, if the insurance is terminated as a result of the insurer's compliance with his/her obligation under the contract.	
	§ 1807(8)	An insured debtor may terminate the consumer credit insurance at any time by giving advance notice to the insurer. The individual policy or certificate of group insurance may require for said notice to be given in writing, or for the insured to turn in the policy or certificate, or both actions.	
	§ 1807(10)	No creditor shall require the applicant for credit to acquire consumer credit insurance, as defined in this chapter, as a condition to grant credit, or if said insurance is acquired, that it be provided through a specific agent or by a specific insurer.	
	§ 1808(1)	Before a debtor chooses to purchase consumer credit insurance, with regard to a credit transaction, the insurer who provides this insurance shall furnish the following information, in writing, to the debtor:	
		(a) That the purchase of consumer credit insurance is optional and not a condition to obtain approval of credit.	
		(b) If more than one kind of consumer credit insurance is being offered to the consumer, whether the debtor can purchase separate coverage or only as a package.	
		(c) Eligibility conditions.	
		(d) That if the consumer has another policy that covers the risk, it is possible that he/she will not need the insurance that is being offered.	
		(e) That, within thirty (30) days after receiving the individual policy or the group insurance certificate, the debtor may cancel the coverage, and be entitled to receive reimbursement or full credit for the total unearned premium. After said term has elapsed, the debtor may cancel the policy or certificate at any time during the term of the credit transaction and receive full reimbursement or credit for the total unearned premium.	
		(f) A brief description of the coverage, including a description of the quality, term, any exception, limitation or exclusion, the insured event, any waiting period or exclusion period, any deductible, any applicable provision for a release from the payment of premiums, to whom the benefits shall be paid, and the premium rate that applies to each coverage or to all the coverages if it is a joint coverage policy.	
	(g) If the premium is financed in the credit transaction, it shall be subject to [finance] charges equal to those that apply to said transaction.		
	§ 1808(2)	The disclosure required by subsection (1) of this section shall be provided by the insurer involved as follows:	
		(a) With regard to consumer credit insurance offered concurrently with the extension of credit or offered through direct correspondence, the disclosure shall be made clearly and conspicuously, in writing.	
(b) With regard to consumer credit insurance offered subsequently to the extension of credit or which is not offered through direct correspondence, the disclosure may be verbal; provided, that the written disclosure is provided to the debtor by the insurer no later than ten (10) days after the offer, or on the date on which any other written information is provided to the debtor, whichever of the two dates occurs first.			

**GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE
CHECK LIST FOR CREDIT INSURANCE**

REGULATION	REQUIREMENTS	Reference /Page/ Paragraph	
Chapter 18 of the Insurance Code of Puerto Rico	§ 1808(3)	All consumer credit insurance shall be evidenced by an individual policy or a group insurance certificate, which shall be remitted to the debtor.	
	§ 1808(4)	The individual policy or group insurance certificate shall include the following, in addition to any other provisions required by law:	
		(a) The name and address of the insurer's home office.	
		(b) The name or names of the debtor or debtors.	
	§ 1808(4)	(c) The premium that the debtor shall pay for each kind of coverage, separately, or for every coverage if it is a joint coverage policy, except that in the case of rotating credit accounts and credit card plans, the type and base rate shall be specified.	
		(d) A full description of the coverage or coverages including the amount and term thereof as well as any exception, limitation or exclusion.	
		(e) A statement to the effect that benefits will be paid to the creditor to reduce or extinguish the unpaid debt and that when the amount of the insurance benefit exceeds said debt, any excess shall be paid to a beneficiary who is not the creditor appointed by the debtor, or to the debtor's estate.	
	§ 1808(4)	(f) If the term of the insurance is less than the term of the credit transaction, a statement to such effect on the cover of the individual policy, or the group insurance certificate written in boldface of a size that is not less than ten (10) points.	
	§ 1808(6)	The application, the notice of the proposed insurance, or the insurance certificate may be used to meet all the requirements of subsections (1) and (4) of this section, provided they contain all the information required therein.	
§ 1808(7)	The debtor shall have thirty (30) days from the date he/she receives the individual policy or the group insurance certificate to review the coverage purchased. The debtor, at any time during said period can communicate with the creditor or the corresponding insurer and request that the coverage be cancelled. The individual policy or group insurance certificate may require that the petition for cancellation be made in writing or that the policy or certificate be returned, or both actions.		
§ 1808(8)	If the risk is not accepted, all premiums paid shall be returned or credited to the person entitled thereto within thirty (30) days subsequent to the application for insurance.		
§ 1808(9)	For the purposes of subsection (5) of this section, an individual policy or group insurance certificate that is sent together with a rotating account and credit card plan, or any consumer credit insurance requested by the debtor subsequent to the effectiveness of the debt, shall be understood to have been delivered at the time the debt was incurred, or at the time the debtor chose to purchase the insurance, if the delivery occurs within thirty (30) days from the effectiveness of the policy.		
§ 1808(10)	Any individual policy or group insurance certificate that is delivered together with the rotating account and credit card plan shall continue in effect from its effective date while said rotating account and credit card plan persists, unless the individual policy or group insurance certificate is terminated according to its terms, on a prior date.		

**GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE
CHECK LIST FOR CREDIT INSURANCE**

REGULATION		REQUIREMENTS	Reference /Page/ Paragraph
Chapter 18 of the Insurance Code of Puerto Rico	§ 1810(1)	Each insurer that issues consumer credit insurance shall register the lists of the premium rates to be used in relation to said insurance with the Commissioner. The insurers may revise said lists from time to time, and in said case, shall be filed in the Office of the Commissioner. No insurer shall issue any consumer credit insurance coverage whatsoever for which the premium rate exceeds the rate registered before the Commissioner and which is in effect at that time.	
	§ 1810(2)	Any formula used to determine the reimbursement of premiums shall be submitted to, and approved by the Commissioner, provided it meets with the requirements of this Article.	
	§ 1810(4)	The amount charged to a debtor for any consumer credit insurance shall never be greater than the premiums charged by the insurer, as figured at the time the charge to the debtor is determined.	
	§ 1812	No agreements shall be made under which a person or organization, other than the insurer or his/her authorized claims representative, shall adjust or settle claims. The creditor shall not be designated as claims representative of the insurer.	
Rule XLI of the Regulations of the Insurance Code of Puerto Rico	Section 2	The Premium rate of \$0.65 per annum per each \$100 of the initial indebtedness is set forth as the maximum premium rate to be charged by any authorized insurer in Puerto Rico for credit life insurance.	
	Section 4	In case of the termination of the insurance prior to the scheduled maturity date of the indebtedness, any refund of the amount paid by the debtor for insurance shall be paid promptly or credited to the person entitled to such refund, provided, however, that no authorized insurer shall make any refund if the amount thereof is less than one dollar.	
	Section 5	Application for deviation	
	Section 6	Premium rates schedules	
Chapter 18 of the Insurance Code of Puerto Rico	§ 1811	Any consumer credit insurance policy shall be delivered or issued for delivery in Puerto Rico solely by licensed life or disability insurers.	
	§ 1809	Any policy form, insurance certificate, printed attachment or consumer credit insurance endorsement form to be delivered or issued for delivery, must be previously presented to the Commissioner and approved by the latter.	
Circular Letter No. 2007-1775-AV of June 15, 2007		As a requirement, the below certification must be completed, signed and included with the filing.	

CERTIFICATION

I _____ have reviewed or supervised the preparation of the above form(s) and certify that the same comply with all of the applicable requirements of the Credit Insurance Check List and that the filing does not contain dispositions previously disapproved or required to be corrected by the Office of the Commissioner of Insurance of Puerto Rico. I also acknowledge responsibility for the validity, accuracy and completeness of the contents of the transmittal letter and enclosures with this filing.

Signature: _____

Date: _____