



GOVERNMENT OF PUERTO RICO
Office of the Commissioner of Insurance

October 2, 2017

CIRCULAR LETTER NO. CC-2017-1911-D

TO ALL INSURERS THAT ARE AUTHORIZED TO CONTRACT PROPERTY AND HAZARD INSURANCE, GENERAL AGENTS, MANAGERS, AND ADJUSTERS

COMPLIANCE WITH THE PROVISIONS OF CHAPTER 27 OF THE INSURANCE CODE IN THE INVESTIGATION AND ADJUSTMENT OF CLAIMS ARISING FROM HURRICANE MARÍA

Dear Sirs and Madams:

In view of the state of emergency and losses suffered by our Island from the effects of Hurricane María and for the purpose of safeguarding the public interest which is our duty to protect, we must emphatically remind you of the strict compliance with the provisions of the Insurance Code and its Regulations, especially the provisions of Chapter 27 of the Code related to prohibited practices and reasonable methods for the investigation and adjustment of claims. This is a reminder of some of the concepts established in the Insurance Code and its Regulations¹ which all insurers must comply with in the investigation and adjustment of claims:

1. Provide claim forms expeditiously.
2. Acknowledge receipt, confirm or deny coverage and investigate, adjust, and resolve a claim in the shortest reasonable period of time.
3. Provide claimants with proper orientation and clear and accurate assistance, while maintaining courteous and helpful communication.
4. Make true and accurate statements and representations regarding the facts and the terms of a policy and offer reasonable explanations for the denial of a claim or settlement offer.
5. Carry out a reasonable investigation based on available information and make a swift, fair, and equitable adjustment of a claim.
6. Offer the claimant the amounts that are within the terms of the policy are fair and reasonable, and to which the claimant is reasonably entitled, while not attempting to settle a claim unreasonably for an amount that is less than what the claimant is entitled.
7. Not settle a claim without the consent or knowledge of the insured.

¹ Sections 27.150, 27.161, and 27.162 of the Insurance Code and Rule 47 of the Regulations.



8. Not force claimants to sue for recovery under the policy because they have been offered an amount that is substantially less than that to which they are entitled or because they have incorrectly been denied.
9. Not require unreasonable conditions for making the adjustment or delaying such or refusing to pay a claim under the pretext of insufficient information, when the information can be obtained with regular methods of investigation.
10. When a release form is required, that it should not be interpreted that it is a release from the obligations that were not the subject of the settlement.
11. Include with payments of claims a statement that establishes the coverage under which the payment is made, including the amounts that should be included according to the claim and coverage limits.

It is extremely important that the necessary measures be taken to expedite the resolution of all claims that are made.

Strict compliance with this Circular Letter is hereby required.

Very truly yours,

Javier Rivera-Ríos, LUCTF
Commissioner of Insurance