

Rule 38

Accounting Methods; Automotive Clubs or Associations

Dossier 773, May 17, 1962

Section 1: Accounting Methods

All automotive clubs or associations that operate or are organized under Chapter 21 of the Insurance Code, 26 L.P.R.A. sec. 2101 and ss., will keep accounts for all of their business and transactions at their main offices in Puerto Rico, in an appropriate fashion and according to generally accepted accounting methods. Such account books, contracts, receipts, records, and all other information related to such business and transactions will be managed and organized in such a manner that the financial situation of the automotive club or association may be easily determined, and the financial statements and reports filed with the Office of the Commissioner of Insurance may be verified at any moment.

Section 2: Indispensable Records and Documents

The following records and documents will be an indispensable part of the accounting system of the automotive club or association:

- (a) Copies of all contracts issued to members or associates, which are numbered and kept in numerical order.
- (b) Copies of invoices, which are numbered and kept in numerical order and will constitute the original receipt. The invoice will show the date, contract number, name, and address of the member; period of the contract, kind of service, premium or fee charged, name of the producer, and the commission paid.
- (c) A registry of contracts that have been issued showing the entry date, the contract number, name of the member or associate, and the member's address, effective date, term, kind of service, premium or fee charged, the producer, and the commission.
- (d) A registry of premium or fees for written insurance and premium or fees for coverage currently in effect. This registry will show the number, effective date, and term of the contract; premium or gross fees written, cancelled premium or fees and expirations; premiums or fees in effect, and an analysis of such as of December 31 in terms of earned or unearned premium or fees.
- (e) A registry of claims received. This registry will show the date of the claim, the number of the claim, the claimant, the contract number, the kind of service involved, estimated reserve, and columns to indicate whether or not the service was provided and the date of such action.