



GOVERNMENT OF PUERTO RICO

Office of the Commissioner of Insurance

September 26, 2017

NORMATIVE LETTER NUM.: CN-2017-220-D

TO ALL PROPERTY AND CASUALTY INSURERS AUTHORIZED TO DO BUSINESS IN PUERTO RICO AND TO ALL PUBLIC AND INDEPENDENT ADJUSTER

RE: METHOD TO PROVIDE A PROMPT AND FAIR ADJUSTMENT OF COMMERCIAL POLICY CLAIMS ARISING FROM HURRICANE MARIA

The urgency with which claims arising from Hurricane Maria are heeded and resolved are crucial for the prompt restitution of insurance consumers and, thus, recuperate our Island from the catastrophes caused by this event. Hence, pursuant to the state of emergency decreed by the Governor of Puerto Rico, Honorable Ricardo A. Rosselló Nevarez, on September 17, 2017, number OE-2017-047, and the powers and authority conferred upon the Commissioner of Insurance, under Article 2.030 of the Puerto Rico Code of Insurance, Act No. 77 of June 9th, 1957, as amended, the Office of the Commissioner of Insurance states the following orders applicable to all property and casualty insurer to procure the prompt and fair adjustment of policy claims arising from Hurricane Maria, within key-priority social-economic sectors.

With this in mind, and to help our economy and society normalize as soon as possible, it is essential that claims made by insureds that constitute part of these key-priority social-economic sectors are attended with priority and urgency. As per "key-priority social-economic sectors," we are enclosing the following sectors: hospitals; homes for the elderly; healthcare providers; fuel distribution and retailing; telecommunications; lodging and hospitality; food distribution; supermarkets; restaurants; banking; pharmacies; pharmaceuticals; ice factories; hardware stores; academic institutions; and any other entity that the Commissioner of Insurance expressly determines onward. The orders and directives contained herein do not apply to personal policy claims or any other social-economic sector not mentioned above.

For these key-priority social-economic sectors, all property and casualty insurer must establish, immediately, a prompt adjustment procedure with which insureds will be notified, in writing, of the approval or denial, total or partial, of its claim, within fifteen (15) working days after receiving the claim and the completed loss report. Any notification made to an authorized representative of the insurer will be considered as a notification made to the insurer. It is the casualty and property insurer's responsibility to have the appropriate number of independent adjusters, including emergency adjusters, to attend the volume of claims received as a consequence of Hurricane Maria. Requests for extension of time for the resolution of claims will not be considered, unless the insurer provides sufficient proof all efforts made and demonstrating



the extraordinary necessity of such extension of time.

In any case where there is no dispute regarding coverage, it shall be the duty of the property and casualty insurer to offer the key-priority social-economic sector claimant those amounts that, within the policy limits, are fair and reasonable, in addition to the investigation performed by the insurer showing that the amount claimed is fair and reasonable. If any dispute arises regarding one or more aspects of the claim, the insurer will pay the portion corresponding those amounts lacking dispute, independently from the amounts disputed, so long as such payment can be made without prejudice to both parties.

Any amount of a claim settled, total or partially, and those claims or part of a claim where there is no dispute regarding coverage must be payed to the claimant key-priority social-economic sector claimant within ten (10) working days from the day the insurer received claimant's acceptance of the settlement offer or partial payment of the claim. As used in this normative letter, "working days" is considered in regard to the ordinary work calendar, beginning on September 26, 2017, which does not include Saturdays, Sundays or holidays.

Be advised, the present normative letter does not exempt any property and casualty insurer from complying with any other disposition contained in the Insurance Code, Act. 77-1957, *supra*, that does not contravene with the orders and directives contained herein. Strict compliance with the aforesaid provisions is hereby required. Non-compliance with the aforesaid provisions will carry the imposition of severe sanctions.

Cordially,

SIGNATURE

Javier Rivera Ríos, LUCTF
Comisionado de Seguros

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