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Approved: Fernando Chardon
Secretary of State
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Assistant Secretary of State

TRANSLATION

Commonwealth of Puerto Rico

AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION

San Juan, Puerto Rico

Regulation for the Automobile Accident Social Protection Act (Law No. 138) as Amended

The following rules promulgated by the Board of Directors of the Automobile Accident Compensation Administration, in the exercise of the authority granted to it by the Automobile Accident Social Protection Act, approved on June 26, 1968, as subsequently amended, are approved and promulgated by means of this regulation, for the knowledge and guidance of all persons covered by said law.

Rule I

EFFECTIVENESS OF REGULATION

The Social Protection Act shall be governed by these rules, which shall be applicable to all natural persons involved in motor vehicle accidents, who are protected by said Law, commencing on January 1st. 1970.

Rule II

PAYMENT OF PREMIUMS

Rule 2.1 Obligation to Pay Premiums

Any owner of a motor vehicle using the public roads

of the Commonwealth of Puerto Rico shall have to pay at the time of registration thereof or of the annual renewal of his license in the Department of Public Works, the insurance premium which is annually determined by the Administration with the approval of the Commissioner of Insurance, including those vehicles which are introduced into Puerto Rico by automobile dealers, or any other person, whether they are new or used. Those vehicles which are registered after the commencement of the fiscal year shall only pay an amount proportionate to the remaining number of months until the termination of said fiscal year, including the month on which the vehicle is registered.

Rule 2.2. Time for Payment of Premium

The premium shall be paid at the time of registration of the vehicle or of the annual renewal of its license at the Department of Public Works. No vehicle shall be insured under Law 138 of 1968, as amended, until the annual premium established by the Administration is paid.

Rule 2.3. Motor Vehicles and Trailers-Payment of Premium

Any owner of a motor vehicle who uses the public roads of the Commonwealth shall have to pay the insurance established by the Administration. Such premium shall also have to be paid by the owners of all types of trailers subject to the use of license plates.

Rule 2.4. Duty of Owner, Lessee or Borrower to Report

Any person who should have been operating a motor vehicle and who should have an accident in which there should be involved natural persons, shall have to report it immediately to the Automobile Accident Compensation Administration and to the Police of Puerto Rico.

Rule 2.5. Confidential License Plates.

Any vehicle bearing a confidential license plate shall be obliged to pay the annual premium established by the Administration, without taking into consideration the use to which said vehicle is destined.

Rule 2.6. Vehicles with Registration or License Plates from Another Place Other than the Commonwealth of Puerto Rico.

Any vehicle which has a license plate or registration which is not that of the Commonwealth of Puerto Rico and which is not registered with the Department of Public Works of the Commonwealth of Puerto Rico shall have attached to its license plate a distinctive mark prepared and provided by the Automobile Accident Compensation Administration as evidence of having paid the annual premium established by the Administration. The Department of Public Works shall not grant the transit license which is required by law, until payment of the insurance established by the Law. The payment of said premium shall be computed by full months beginning at the time when said vehicle enters into the territory of the Commonwealth of Puerto Rico.

Rule 2.7. Insurance on Motor Vehicles Having Exhibition License Plates.

Any natural or juridical person who is engaged in the sale of new motor vehicles shall have to pay the annual premium established by the Administration for the number of provicional license plates which he receives for his vehicles in demonstration. This premium shall be computed on the basis of the number of license plates which the Department of Public Works devotes solely and exclusively for demonstration vehicles.

Rule 2.8. Insurance on New Motor Vehicles Which are Registered for the First Time.

Any person who buys a new vehicle shall have to pay the annual premium established by the Administration, from the day in which the sale is consummated. Payment of said premium by the buyer of the vehicle shall cover the dues to obtain coverage under the insurance created by Law 138 of 1968, as amended.

Rule 2.9. Payment of Premiums in Cases of Vehicles Which Pay Excise Taxes

The Department of the Treasury shall collect the premium established by the Administration before authorizing the removal from the pier of a vehicle introducedinto the territory of the Commonwealth of Puerto Rico.

Rule 2.10. Place for Payment of Premium

Owners of motor vehicles shall pay the corresponding premiums at the Office of Internal Revenue of the Commonwealth

of Puerto Rico or at any other place designated by the Department of Public Works.

Rule III

ACCIDENT REPORT

Rule 3.1. Information to be Furnished in the Accident Report

In every accident report the following information shall be furnished:

1. Circumstances of the accident (date, hour, place and description of accident)

2. Description of vehicles involved (license plate, make, year, name of owner)

3. Name of the persons injured (address, age, occupation, place of present employment, of last employment, number of dependents, description of the injuries, place where he received medical treatment)

4. Name and address of persons who have knowledge of the accident.

Rule IV

PROCEDURE FOR CLAIMS

Rule 4.1. Procedure to be followed upon filing a claim

Any person having the right to file a claim of any kind under this Accident Social Protection Act shall file his claim with the Administration within fifteen (15) days following the date of the accident, together with a written report stating

in a clear and concise manner what is indicated under preceding Rule 3.1. The claimants shall submit to the Administration, within a period of sixty days following the date of the accident, all the evidence which it could be reasonably possible to obtain through a diligent and prompt action with respect to the circumstances of the accident and the loss suffered, and any other data or evidence which may be required from him, it being understood that any evidence which is not submitted within the above mentioned period shall not be considered unless it is authentically proved that it was impossible to obtain it by diligent means because he had no knowledge of its existence, after having conducted an adequate investigation.

Rule 4.2. Procedure to be followed in filing a claim by persons who have a right to death benefits.

Persons who have a right to death benefits shall file their claim within one year after the death of the victim and shall notify the Administration of the accident within thirty days following the date of the accident and shall comply with all the conditions established in the preceding rules, unless any other person has made such notification on behalf of the victim. Said claimants shall also submit to the Administration all such other additional evidence and the corresponding certificates of the Registry of Vital Statistics which may be required to establish their interest.

Rule 4.3. Manner of Sending the Accident Report.

The accident report shall be filed with the Administration through the District Office where the accident occurs, either sending it by certified mail or delivering it personally, or in any other authentic manner accepted by law.

No claim of any kind may be initiated before the Administration for damages suffered if the written report in the form, manner and within the periods prescribed by the Law and this regulation has not been made, unless in the judgment of the Administration there has been just cause for the delay.

Rule 4.4. When a Late Report May be Accepted.

The claimant who shows that it was impossible for him to make the report on time but who reported as soon as circumstances permited him to do so, may be relieved from the foregoing provisions if in the judgment of the Executive Director the excuses and reasons adduced by the claimant are meritorious.

Rule 4.5. Report in the Case of a Minor or a Person Subject to Guardianship Who is the Victim of an Accident.

If the victim is a minor or is a person subject to guardianship, the person having the patria potestas or the custody of the minor, or the guardian, as the case may be, shall be obliged to report the accident immediately after he has knowledge thereof. The foregoing shall not be an obstacle for the minor, or the person subject to guardianship to make the aforesaid report on his own initiative, within the time prescribed,

if the person having the patria potestas or custody or guardianship should not make it.

Rule 4.6. Conclusions of the Executive Director

As soon as any person claims to have a right to receive benefits under the law, and after considering the evidence presented to substantiate said claim, the Executive Director shall make a determination in writing as to whether or not the claim of said person is covered by the law. The Executive Director shall notify his decision to the claimant in writing and if the latter should not be in agreement with same, he may request the holding of a public hearing, by giving written notice by mail, return-receipt-requested, addressed to the Executive Director, within a period of thirty days from the date of the deposit in the mail of the Administrator's determation. Claimants shall also have this right in case any benefits which they may have been receiving under the law are suspended by order of the Executive Director.

Rule 4.7. Manner in Which the Public Hearings Shall be Held

Any claimant who does not agree with the decision of the Executive Director shall have the right to a just,inexpensive and prompt public hearing. Said hearing shall be held before the Executive Director or the examiner designated by him. The claims shall be resolved taking into consideration the oral proof and any other type of evidence presented and which forms a part of the file of the claim. The claimant

shall have the opportunity at said hearing to bring to the consideration of the Administration all the evidence which he may deem necessary, and shall also be entitled to explain, examine and present evidence contrary to all the evidence considered by the Administration, including cross-examining the witnesses of the Administration and calling the persons who prepared the documentary evidence to testify so that they can be cross-examined.

The Administration may, on its part, require the attendance of the persons who prepared the documentary evidence on behalf of the claimant, to be cross-examined.

All the proceedings during the hearing shall be conducted in an informal manner. All oral evidence shall be heard and all documents presented by the claimant shall be considered. The decisions shall be just, equitable and impartial. A record shall be kept of the proceedings and of all the testimony given before the Executive Director or the examiner, in a tape recording, but the testimony given shall not be transcribed unless an appeal is subsequently filed.

Rule 4.8. Determination and Conclusions After the Hearing and Service Thereof

After the hearing is held, the Executive Director shall make his determinations and conclusions considering the evicence presented. Said determinations and conclusions shall be notified in writing

to the claimant. Every determination of a claim shall be accompanied by a printed form in which the claimant shall be advised of his right to request the reconsideration or to appeal from the final determination of the Executive Director and said printed form shall also have blank spaces to be filled by the person who desires to request the reconsideration or file an appeal.

Rule 4.9. Petition for Reconsideration.

Any claimant may present a petition for reconsideration within five (5) days following the date of notice of the final determination of the Executive Director. The Executive Director may, within five (5) days following the filing of said petition, notify his determination, and in such cases the period to appeal before the Board of Directors shall begin to count from the date on which the notice of the amended determination was made. The petition for reconsideration shall be served on the Executive Director by certified mail, return-receipt-requested, and in the same there shall be stated the grounds on which said petition is based.

If the Executive Director fails to take any action with respect to the petition for reconsideration within five (5) days following the filing of the petition for reconsideration, it shall be understood that the same has been summarily denied and in such event the period fixed for the filing of an appeal shall not be interrupted.

The Executive Director may reconsider his determination motu proprio within twenty (20) days counting from the date of the notice of the final decision of the Director.

Rule 4.10. Appeal from the Final Decision of the Executive Director Before the Board of Directors

Any claimant may appeal from the final decision of the Executive Director by sending by certified mail, return-receipt-requested, within thirty (30) days following the date of deposit in the mail of the notice of the final decision of The Executive Director, or of the date of delivery of the notice of said final decision to the claimant, a writ of appeal addressed to the Secretary of the Board of Directors of the Administration. In said writ of appeal the claimant shall state the grounds on which he bases his appeal, setting forth the final decision of the Administrator or the part thereof with which he is not in agreement, and shall also notify said writ to any other person who may be involved in the case. The claimant may use the printed form referred to in Rule 4.8 after completing the same.

Rule 4.11. Hearings Before the Board of Directors.

A public hearing shall be held in any case on appeal from a denial of a claim and said hearing may be held before the full Board, a single member of the Board, or one or more examiners designated by it. At said hearing there shall only be admitted as appellant's evidence that which was submitted to the consideration of the Executive Director when he entered

his decision. To that effect the Executive Director shall cause a certified copy of the file of the case and a transcript of the oral evidence to be sent to the Board. The parties may stipulate that the record be limited to part of the file or of the transcript of the oral evidence. Nevertheless, the Board may order the presentation of the additional evidence which it may deem pertinent.

Whenever the case is not heard by the full Board, the conclusions and recommendations of the members who were present or of the examiner, together with a transcript of the evidence and any other evidence and considerations pertinent to the questions presented before the hearing shall be submitted to the other members of the Board for their final decision. After the corresponding public hearing is held, the Board shall decide in accordance with the existing evidence, notifying or reversing the action of the Executive Director, or may enter the resolution which under the law should have been entered.by the Executive Director, or remand the case to him. In such proceedings the claimant shall have the right to appear on his own right or represented by counsel.

Rule 4.12. Admission of Evidence

The rules of evidence which prevail in the General Court of Justice of Puerto Rico shall not be binding in any proceeding before the Executive Director or before the Board.

Rule 4.13. Assistance by Counsel and Fees for his Professional Services

In cases in which the claimant is not in agreement with the decision of the Executive Director denying his claim and requests a public hearing, he may retain the services of an attorney if he so desires and the latter may only collect as fees 10% on the excess over the amount previously granted by the Executive Director, or of the total amount if the claim had been denied and subsequently, in any of the stages of the administrative or judicial revisions, the Executive Director is reversed or the amounts are increased. This percentage shall be paid from the compensation of the victim or beneficiary.

The attorney's fees shall be paid immediately after all proceedings are concluded, and no disbursement may be made until the expiration of the terms provided by law and this Regulation to request the revisions of the administrative decisions. The check for attorney's fees shall be made to the name of the attorney or attorneys of record.

Rule 4.14. Inhibition-Conflict of Interests

No examiner nor the Executive Director may intervene in the determination of a claim in the following cases:

1. When there is relationship by consanguinity or affinity up to the fourth degree with the claimant.

2. When he had been a doctor or attorney for the claimant in connection with the same facts from which the claim arises.

3. When there is an interest in the results of the claim.

Rule V

RECOVERY PROCEEDINGS AND PRESCRIPTION

Rule 5.1. Term for Recovery.

In any cases where the Administration should have the right to recover from the person who caused the damages, the Administration may file a judicial claim against the person responsible within one year following the date on which the final resolution of the case becomes final and unappealable.

In the event there should appear any new type of disability or illness within the period prescribed by law, as a direct consequence of the accident, the Administration may reopen the case, and the prescriptive period which the Administration has to recover from the person who caused the damages shall thus be interrupted

Rule 5.2. Recovery in Case of Negligence or Fault.

In cases where there has been negligence or fault other than the cases established under Section 6(1) of the law, the Administration may proceed against the person who caused the damages in order to be indemnified for all expenses incurred by it pursuant to the provisions of the law.

Rule VI

OTHER SOURCES OR INSURANCE

Rule 6.1. Reimbursement to the Administration from Other Sources or Insurance.

The other sources or insurance to which the law refers, which are bound to make payments for medico-surgical services and hospitalization, shall, before making the corresponding payment, investigate whether the Administration has a right to be reimbursed for all benefits paid by it to the victim.

If the Administration has a right to such reimbursement, the payment shall be made separately in favor of the Administration and of the victim, for the respective amounts pertaining to them.

Rule 6.2. Indemnity.

If in such cases such other sources or insurance bound to make payment should make it without taking into consideration the interests of the Administration, and if the latter could not recover from the victim the corresponding amount, the Administration shall have the right to be indemnified for such loss by the other source or insurance.

Rule VII

MEDICAL TREATMENTS

Rule 7.1. Medical Examination.

The victim, at the request of the Administration, shall submit to the medical examination or medical treatment provided

by the Administration. The refusal or opposition of the victim, without just cause, to such examination or treatment shall deprive him and/or his beneficiaries, as the case may be, of the right to receive any compensation under the law; it being provided that if the victim should not appear before the physician for medical treatment immediately after the occurrence of the accident, nor explain his delay to the satisfaction of the Administration, the latter may deprive him of his right to receive any compensation, but under no circumstances may deny to the victim the medical assistance which in the judgement of the Administration is considered necessary to try to obtain his complete recovery. However, when the victim shall have satisfactorily explained his delay, the Administration shall be bound to pay him compensation in the manner provided by law.

During the period of treatment of the victim, under the conditions established by the Law, he shall have the right to be examined and receive treatment at the hours and places authorized by the Administration.

When, due to the nature of the Accident, in the discretion of the Administration, it should be necessary for the injured person to enter and be treated in a government or a private hospital, said hospital may charge the Administration for the treatment and hospitalization of said injured person the amount agreed with the Administration or its representatives.

In the event of total disability, whether total permanent or total temporary, the victim, at the request of the Administration, shall be bound to appear before the doctors which the Administration designates, to submit to a physical examination for the purpose of determining whether the disability has ceased in the period during which he has received his compensation, which shall be discontinued as soon as such disability ceases or his compensation is exhausted or if he should fail to appear where the Administration so requires.

When by order of the Administration, the medical, hospitalization, convalescence, rehabilitation or medicine services are discontinued, the beneficiary may appeal from such determination within thirty days following the notification of said determination.

Any person who is discharged in the understanding that he has recovered and should again feel sick and has a relapse, must go to the District Office where he shall be referred to be reexamined.

Rule VIII

COMPENSATION FOR MEDICAL AND HOSPITALIZATION SERVICES

Rule 8.1. Proof of Medical and Hospitalization Expenses.

The Administration shall not pay medical and hospitalization expenses if there is not proved to its satisfaction the need for the services rendered due to an emergency which required such services.

Rule 8.2. Determination of Days of Hospitalization.

The Administration shall also have the power to determine the number of days of hospitalization which are reasonable and necessary, which shall be paid only in accordance with the established rates, both to hospitals under a contract or without it.

Rule IX

MANNER OF DETERMINING INCOME

Rule 9.1. Determination of Weekly Salary.

To determine the weekly salary in the events provided under Sections 4(3)(b) and 4(3)(e) of the Law, there shall be taken into consideration the pay rolls and the amount paid for social security, which information the employer shall be obliged to submit under oath or permit his books to be examined. The above procedure may also be used in cases where no income tax returns have been filed.

Rule X

COLLECTION OF WEEKLY COMPENSATION FOR LOSS OF INCOME

Rule 10.1. Requirements for the qualification of the Victim to Receive Payment for Loss Of Income

The disability must become total, whether total permanent or total temporary, within twenty (20) days following the date of the accident, and must prevent him from engaging in any type of employment or occupation for which he is qualified by education, experience or training.

Rule 10.2. Period During Which No Benefit Will be Paid.

This benefit shall not be paid during the first fifteen (15) days subsequent to the date in which the disability commences.

Rule XI

MANNER OF PAYMENT

Rule 11.1. Payments to Beneficiaries in Cases of Death.

Payments to the beneficiaries in case of death shall be made in weekly payments which shall not exceed $50 per family unit. In the absence of a family unit, there shall be paid up to a maximum of $25 per week per person, but never to exceed a total of $50 per week. When there is a family unit and there are beneficiaries who do not belong to the family unit, there shall be paid to the family unit a maximum of $50 and to the other beneficiaries, amounts which shall not exceed $15 per person.

Rule 11.2. Payments to Beneficiaries who are Minors or Disabled in cases of Death or Other Cases.

When the beneficiaries in death cases and in all other cases in which there shall be any type of benefit payable in cash, are minors or disabled, the compensation shall be paid through the person in charge of the minor and with whom he lives or through his guardian. No payment shall be made through the father or mother who has abandoned or neglected his obligations to his child before the occurrence of the death of the

victim and in such cases the payment shall be made through the person who has had the beneficiary minor or disabled under his care and attention before the death of the victim occurred.

Rule 11.3. When it Shouldbe Necessary to Appoint a Guardian in Order to Make Payments.

In cases in which it is necessary to appoint a guardian in order to make the payments, the Administration shall conduct the judicial proceedings necessary to obtain his designation and this shall be conducted without any cost to the minor or disabled.

Rule 11.4. Obligation of a Person who Qualifies as Beneficiary to Furnish Information Regarding Other Plans of Insurance or Other Sources

Any person who qualifies as a beneficiary under the law shall have the obligation to furnish all the necessary information with respect to other benefits from other insurance plans or other sources to which he should be eligible and for which a deduction is provided by the Law.

Rule XII

DETERMINATION OF ECONOMIC DEPENDENCY OF BENEFICIARIES

Rule 12.1. Authorization to the Administration from the Relatives of the Victim to Photocopy the Victim's Income Tax Returns.

In order to determine the economic dependency of the victim's relatives in case of death, as well as to determine

the income of the victim, the relatives shall authorize the Administration to photocopy the income tax returns filed by the victim.

Rule 12.2. Obligation to Submit all Documentary Evidence Which the Administration Requires to Establish Their Rights.

Persons who claim rights under Law 138 of 1968 as has been amended shall submit all documentary evidence which the Administration requests for the purpose of establishing their rights to participate in the benefits which this Law grants to them, as well as to prove their economic dependency on the victim and their inability to subsist without his help, as well as to show that such dependency has not ceased while benefits are being received.

RULE XIII

CESSATION OF DEPENDENCY

Rule 13.1. When Shall Dependency and the Right to Compensation Cease.

The right to compensation of the widow, widower, common-law wife or husband, as well as dependents of the victim, shall cease if he or she gets married or lives in cuncubinage. The foregoing shall also be applicable in cases in which the beneficiary parents (father, mother, foster father or foster mother) get married or live in public concubinage.

RULE XIV

VICTIM WHO IS HIS OWN EMPLOYER

Rule 14.1. Examination of Income Tax Returns

When the victim is his own employer his income tax

returns shall be examined.

In all cases in which the Administration requires as evidence the income tax returns, the persons who have to submit them shall authorize the Administration to obtain certified copies thereof from the Department of the Treasury.

Any person may refuse to submit copies of his income tax returns and in such cases shall forfeit all his rights under the law, except benefits for medical treatment and benefits for dismemberment.

Rule 14.2. When no income tax return is filed because the business is too small.

When a victim who is his own employer does not file returns because his business is too small, his income shall be determined taking into consideration the income of other merchants in the same business in the same community, and who have a volume of business equal or similar to that of the victim. There shall be used as reference statistics and reports of other governmental agencies.

Rule XV

PAYMENT TO MINORS OR DISABLED WHEN THEY ARE THE VICTIMS

Rule 15.1. Manner in which payments shall be made.

The payments shall be made through the person who has the patria potestas over the minor or disabled.

In cases where the disabled or minor is under the care of another person who has not the patria potestas nor the legal guardianship, the Administration shall conduct the corresponding judicial proceedings to have the court determine to whom shall the payments be made for the benefit of the minor or disabled, always bearing in mind the best interests of the minor or disabled.

Rule XVI

COURT DECISION WITH RESPECT TO ANY PART OF THIS REGULATION

Rule 16.1. If any rule, paragraph, subparagraph, section or part of any of these rules should be declared unconstitutional or null by a court of competent jurisdiction, said decision shall not affect, prejudice or annul the rest of these rules nor the rule to which said paragraph, subparagraph, section or part of the rules pertains, but its effect shall be strictly limited to the rule, paragraph, subparagraph, section or part of the rule declared unconstituional or null.

ANGEL RIVERA
President
BOARD OF DIRECTORS
AUTOMOBILE ACCIDENT
COMPENSATION ADMINISTRATION