DEPARTMENT OF STATE
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Approved . Hon. Luis G. Rivera Marín
Secretary of State

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REGULATION TO ESTABLISH GUIDES FOR POLICIES SALES AND PROMOTIONS FROM THE PUERTO RICO STATE INSURANCE FUND CORPORATION THROUGH INSURANCE COMPANIES

SECTION I – INTRODUCTION

The State Insurance Fund Corporation (SIFC), through its authorized officials, executes the formalization of policies in our regional offices and many intermediate service dispensaries. Generally, we rely on employers to comply by seeking the instruction they need and to visit our facilities to complete the policy formalization process. On the other hand, insurance companies sell and promote insurance policies at a dynamic pace and a larger scale. The achievement of collaborative agreements between SIFC and insurance companies will better enable employers to comply with the workers' insurance policy as mandated by law.

SECTION II – LEGAL BASIS

This regulation is issued in pursuant to the powers conferred to the SIFC's Governing Board and the SIFC's Administrator, under sections 1B-3 and 1B-4 contained in Law Number 45 of April 18, 1935, as amended, known as "Workers Accident Compensation System Act"; and Law Number 170 of August 12, 1988, as amended, known as "Uniform Administrative Procedure Act".

SECTION III – PURPOSE

The purpose of this Regulation is to establish guides for selling and promoting workers' insurance policies through insurance companies duly authorized by the Insurance Commissioner of Puerto Rico, in order to insure more employers and increase SIFC's revenues.

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SECTION IV – APPLICABILITY

Dispositions within this Regulation will be applicable to all Insurance Companies possessing all necessary licenses and certifications in order to sell and promote workers' insurance policies authorized by the Insurance Commissioner of Puerto Rico.

SECTION V – DEFINITIONS

In pursuant to this Regulation, the following terminology is defined to be interpreted according to these meanings:

a. **Administrator** – Chief Executive Officer of the State Insurance Fund Corporation (SIFC).

b. **Insurance Company** – An Insurance Company duly authorized by the SFIC in order to sell and promote workers' insurance policies, and has the capacity, experience, resources, licenses and certifications necessary to manage an insurance business in Puerto Rico.

c. **State Insurance Fund Corporation (SIFC)** – An instrumentality of the Government of Puerto Rico, created in pursuant to the Workers Accident Compensation System Act, Law Number 45 of April 18, 1935, as amended.

d. **Quote** – A document that establishes the insurance premium amount to be paid by an employer when signing into a workers' hazard insurance policy.

e. **Employer** – Natural person or legal entity that hires one or more workers in exchange for compensation.

f. **Self-Employer Policy** – (An individual as an employer) Policy issued to an employer who is a natural person, owner of their production means in a self-entrepreneurship, works full time and their annual gross income does not exceed one million dollars ($1,000,000.00).

g. **Workers' Insurance Policy** – Policy issued by the State Insurance Fund Corporation that provides coverage to employers and workers within the occurrence of job-related injuries.

h. **Household Policy** – Permanent policy that covers home maintenance activities and household services.

i. **Permanent Policy** – Workers' insurance policy that covers continuous, recurrent activities or activities within an undetermined time frame.

j. **Self-Employer** – Natural person who owns their means of production in a self-entrepreneurship, works full time and their annual gross income does not exceed one million dollars ($1,000,000.00)

SECTION VI – GENERAL DISPOSITIONS

A. RULES FOR SALES AND PROMOTIONS OF INSURANCE POLICIES

1. Insurance companies will only be allowed to process policies for employers who have never had a workers' insurance policy issued before by the SIFC, or to employers who have not had a valid workers' insurance policy during the last two (2) fiscal years prior to the insurance quote.
2. If an employer has a valid permanent insurance policy and needs to make amendments within such policy, the insurance company will refer the employer to SIFC's Operations Processing Area.
3. When an insurance company is unable to quote a policy because such policy has not been active within the last two (2) years, the insurance company must refer the employer to SIFC's Operations Processing Area to make arrangements for a new policy.
4. The insurance company will be limited to sell and promote Self-Employer Policies and Household Policies only.
5. The insurance company will use the electronic application (app) provided by the SIFC to quote policy premiums.
6. When an agreement on the insurance premium quote is reached, the insurance company will send such agreement with all documentation attached and the corresponding payment to the SIFC.
7. The policy will begin its coverage from the moment the payment is received by the insurance company

8. On a daily basis, personnel assigned to SIFC's Operations Processing Area will print insurance policy quotes and formalized policies. Personnel will revise the policies thoroughly and if any mistake is detected, they will proceed to correct it.
9. The insurance company will have fifteen (15) days after the closing date of the month to submit the total payment for their formalized policies to the SIFC's Operations Processing Area.
10. Insurance companies shall be required to keep their certifications and licenses in current, valid status in order to be allowed to provide services, including licenses issued for such purposes by the Insurance Commissioner of Puerto Rico and the SIFC.
11. Insurance companies will provide support to employers during their process of policy renewal at the end of the fiscal year.
12. Services provided by insurance companies will be non-delegable.

B. REQUIREMENTS FOR INSURANCE PREMIUM QUOTING

1. SELF-EMPLOYER POLICY

The insurance company will require the following documents in order to quote a Self-Employer Policy premium:

a) Application for Insurance Quotation (CFSE 02-121) properly filled out by the employer.

b) Copy of Tax Returns from the last taxable period. If such tax return is not available, a sworn declaration must be submitted declaring the amount of annual income and its sources.

c) Copy of Merchant Registration Certificate or a Sales and Use Tax Exemption (IVU Exemption) Certificate.

d) Copy of an official identification document (ID) with photo, issued by any agency or instrumentality of the Government of Puerto Rico or the United States of America.

2. HOUSEHOLD POLICIES

The insurance company will require the following documents in order to quote a Household Policy:

a) Application for Insurance Quotation (CFSE 02-121) properly filled out.

b) Copy of an official identification document (ID) with photo, issued by any agency or instrumentality of the Government of Puerto Rico or the United States of America.

SECTION VII – PROVISOS

This Regulation neither limits nor substitutes any job functions performed by SIFC employees, and does not affect other valid regulations.

If any section, subsection or any part of this document is declared null by a competent Court, such declaration of nullity will not affect the rest of the dispositions declared herein, so the rest of this Regulation will remain valid.

SECTION VII – APPROVAL

This Regulation was approved by the State Insurance Fund Corporation's Governing Board, under Resolution Number A-50-2017 of May 24, 2017.

SECTION IX – VALIDITY

This Regulation will be valid from the time of its approval, signature and promulgation. It will go into effect thirty (30) days after being filed before the State Department of the Government of Puerto Rico.

Jesús M. Rodríguez Rosa, MIS
Administrator

24/mayo/2017
Date