Rule 30

Credit for cancellation of policies at the date of issue

Dossier 683, December 8, 1960

Section 1: Term for cancellation
In order to obtain credit for the franchise tax as provided in Section 7.050 of the Insurance Code with regard to cancellations that are retroactive to the date of issue, the insurer, manager or authorized general agent must cancel the policy within the term established in said Section.

Section 2: Notice and recording of cancellation
The notice to effect the cancellation referred to in Section 2 of this rule, shall clearly state that the policy is cancelled on a specific date and which shall be no later than the forty-fifth day after the date of issue. The cancellation must be recorded in the policy registry within ten (10) days from the date of cancellation.

Section 3: Certified mail form
The insurer, manager or authorized general agent will obtain from the Postal Service the form certifying that mail addressed to the insured has been sent through the Postal Service. The insurer or the insurer’s authorized agent will attach this form to the copy of the cancellation notice that was sent to the insured. This record will be kept in Puerto Rico, at the offices of the manager or authorized general agent or of the insurer if the insurer is a domestic insurer, and will be subject to periodic inspection by the examiners of the Office of the Commissioner of Insurance.