

(H. B. 1709)

**(No. 196)**

(Approved September 7, 2006)

## **AN ACT**

To entrust the Insurance Commissioner with the task of making it possible for insurers to market insurance industry products through electronic commerce, the Internet in particular; to authorize such practice by the insurance companies; to authorize regulations for the same and for other purposes.

### **STATEMENT OF MOTIVES**

The Government of Puerto Rico is responsible for promoting free competition and for informing consumers of the product alternatives available in the insurance industry. It is an integral part of the duty to inform and disclose that the Office of the Insurance Commissioner must perform so that the citizenry may make its own decisions.

The Internet, as well as other modalities of electronic commerce, constitutes an alternative in the search for the different products offered by the insurance industry. This Legislature is committed to maximizing access to information, and providing all possible sources of access to potential insurance policy holders to acquire their insurance policies.

To uphold any policy of objection or prohibition over the use of electronic commerce for local insurance industry activities would place them at a disadvantage before the reality of the offerings of other companies in the fifty states.

In view of this, it is meritorious to entrust the Insurance Commissioner with the promotion and regulation of the practice by insurers of providing the products of the insurance industry through electronic commerce, the Internet in particular, and for other purposes.

**BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:**

Section 1.- To authorize insurers to market products of the insurance industry through electronic commerce, the Internet in particular, and to entrust the Insurance Commissioner with making possible and regulating insurance industry access through electronic commerce.

Section 2.- The Insurance Commissioner shall amend or adopt the pertinent administrative standards, rules and regulations in order to temper them to the provisions of this Act, taking into consideration, among other factors, that sales are made only through intermediaries, the confidentiality and security of the information furnished by consumers on the Internet, and that alterations of the information furnished by consumers to the insurers and vice versa is prevented.

Section 3.- The Insurance Commissioner shall set aside the item of funds needed to comply with this Act in his/her operating budget.

Section 4.- This Act shall take effect ninety (90) days after its approval. The provisions that are in conflict with this Act shall not apply; all provisions that do not conflict with this Act shall remain in effect.

## CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 196 (H.B. 1700) of the 4<sup>th</sup> Session of the 15<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to entrust the Insurance Commissioner with the task of making it possible for insurers to market insurance industry products through electronic commerce, the Internet in particular; to authorize such practice by the insurance companies; to authorize regulations for the same and for other purposes,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 15<sup>th</sup> of December of 2006.

Francisco J. Domenech  
Director