

**Press
RELEASE**



The CMF sets up for consultation a regulation that makes the representative assets of technical reserves and risk equity of insurers more flexible

April 13th, 2018. – So as to contribute to the development of the insurance industry, the Financial Market Commission (CMF) today set up for consultation comments from the market and public in general, a regulation that makes the investment regime of the insurance companies more flexible.

The regulatory proposal specifically seeks to adjust the regulation that establishes the limits and requirements to representative assets of technical reserves and equity risk. On the one hand, it is proposed to increase the issuance limit from 20% to 30% for the investment that the insurance companies maintain in mutual and investment fund shares, either domestic or from abroad.

On the other hand, the regulation proposes to make the requirements which insurance companies have to participate in the syndicated loan business more flexible, allowing them to reduce the participation in the loan as of the eighth year of the participating bank or financial institution supervised by the Superintendencia of Banks (SBIF), from 5% to 2% of the granted capital, as well as that of the agent or credit leader.

It is worth mentioning that the global economic scenario of low interest rates has motivated the CMF to work in regulatory development which make more flexible the investment regime allowing insurance and reinsurance companies to diversify its investment portfolios, enabling them to increase with the appropriate safeguards, their partaking in assets which present better long-term expected returns, which is expected to translate into a better offer of pensions from insurance companies.

Link to the regulation in process

http://www.cmfchile.cl/institucional/legislacion_normativa/normativa_tramite.php

Direct Link to the Regulatory Report.

http://www.cmfchile.cl/institucional/legislacion_normativa/normativa_tramite_ver_archivo.php?id=2018041323&seq=1

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