



## PRESS RELEASE

**Due to irregularities in taking out insurance policies for CODELCO unions**

### **CMF sanctions Chilena Consolidada Seguros de Vida, its directors and former CEO**

- *The Commission fined the insurance company UF 7,500 after a series of breaches, including non-compliance with obligations to report payments accrued in favor of CODELCO's labor unions under concepts of premium reimbursement; non-compliance with instructions on reimbursement and premium reimbursement for favorable experience without having such status; and non-compliance with rules on the form, content, and presentation of financial statements.*
- *Former CEO José Manuel Camposano was fined UF 2,500 for breaching the duties of due care and diligence established for managers by Law No. 18,046 on Corporations. Former Chairman of the Board Hernán Felipe Errázuriz and former director Jorge Molina Sanhueza were fined UF 600 each for the same reasons.*

**December 27, 2021** — The Board of the Financial Market Commission (CMF) sanctioned Chilena Consolidada Seguros de Vida S.A. (the Company), former Chairman of the Board Hernán Felipe Errázuriz, former director Jorge Molina, and former CEO José Manuel Camposano. The sanctions arise from a series of irregularities detected in taking out life and personal accident insurance policies between the company and CODELCO Unions No. 1, 2 and 3 from the Chuquicamata Division, as well as its corresponding counterpart in the Radomiro Tomic Division (the Unions).

Resolution No. 7,392 by the Board of the CMF is based on background information gathered through the sanctioning procedure conducted by the Commission's Investigation Unit. It includes the self-complaint filed by the Company as part of a compensated cooperation procedure; the complaint sent by the former Insurance Intendancy of the Commission; and the testimonies, instruments, records, and disclaimers provided to the sanctioning dossier, both by the Investigation Unit and all other parties involved.

According to the Resolution by the Board, **the infractions committed by the Company, its former CEO and the general directors under investigation are considered serious.** Not only do **they affect the legitimate interests of anyone who**

**pays premiums and has the right to be informed about benefits and burdens of the insurance contract, but also undermine the trust placed in the insurance market itself.**

## **Detail of Infractions and Fines**

The Company is fined UF 7,500 for the following:

- Non-compliance with the instructions stated on Circular Letter No. 2,123 of the CMF **by not adding payments accrued in favor of the Unions under the concept of premium reimbursement** to the personal and accident insurance policies taken out.
- Non-compliance with the instructions stated on Circular Letter No. 1,763 of the CMF by **making payments to the Unions themselves instead of those who made premium payments — 50 percent to CODELCO and 50 percent to the Unions.** These were filed as premium reimbursements for favorable experience without having such status.
- Non-compliance with the instructions stated on Circular Letter No. 2,022 of the CMF on the form, content, and presentation of financial statements **by making payments to the Unions which are not consistent with the insurance business** and, in turn, inconsistently registering them in the Company's accounting records.

This fine is in accordance with the compensated cooperation procedure set forth in Article 38 of Decree Law No. 3,538. **The Company filed its self-complaint in February 2020, and its subsequent cooperation allowed the Commission's Investigation Unit to gather necessary evidence.** As a result, the Company's fine was halved.

Former CEO José Manuel Camposano is fined UF 2,500 for the following:

- Breaching the duties of due care and diligence set forth in Article 41 of Law No. 18,046 on Corporations, and in accordance with Article 50 of said Law, given that in view of the irregular situations regarding the aforementioned insurance policies with the Unions:
  - Failed to carry out in a timely manner actions intended to correct them, at least between December 23, 2017 and January 2019.
  - Failed to inform the Company's Board of Directors, or each director, of these irregularities in a timely manner.
  - Failed to ensure the submission of reliable information in the Company's financial statements, considering making payments to the Unions is not consistent with the insurance business as well as their inconsistent registering in accounting records.
  - In a presentation dated April 25, 2019, Mr. Camposano replied in his capacity as the Company's CEO to Ordinary Official Letter No. 12,247 dated April 23, 2019. Mr. Camposano omitted to inform the Commission, at least on a preliminary basis, of the irregularities being

investigated by the Company and the steps taken regarding the consulted insurance policies.

Former Chairman of the Board Hernán Felipe Errázuriz is fined UF 600 for the following:

- Breaching the duties of due care and diligence set forth in Article 41 of Law No. 18,046 on Corporations and Article 78 of Supreme Decree No. 702.

Having been informed by the CEO of the Company, in his capacity as Chairman of the Board, at least since March 8, 2019 of irregularities regarding the policies associated with the Unions. Despite having relevant background information on the matter, he did not disclose it to the rest of the Board until an ordinary meeting held on May 28, 2019.

Former director Jorge Molina Sanhueza is fined UF 600 for the following:

- Breaching the duties of due care and diligence set forth in Article 41 of Law No. 18,046 on Corporations and Article 78 of Supreme Decree No. 702.

Having been informed, at least since March 2019 of irregularities regarding the policies associated with the Unions, did not disclose it to the rest of the Board.

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