

## CMF publishes for second consultation regulation on parametric insurance, earthquake technical reserves

- *The second proposal on parametric insurance includes feedback on the number of insurable risks, new indices to use, and payment trigger dates.*

**June 24, 2025** – The Financial Market Commission (CMF) published for a second consultation today a **regulatory proposal on parametric insurance** pursuant to the Fintech Act – which promotes competition and financial inclusion – and the Commission's mandate to foster market development.

The regulation incorporates feedback from the first public consultation held between September 16 and November 4, 2024. It expands the range of insurable risks, introduces new indices, and defines payment trigger dates.

Under parametric policies, insurers pay the compensation agreed upon after meeting a specific index threshold, without requiring the insured party to prove the occurrence or amount of loss (even if no physical damage occurs). For example, a parametric earthquake policy might cover a defined geographic area and pay compensation when seismic activity in said area exceeds a predetermined magnitude on the Richter or Mercalli scales.

To date, general insurers were limited to traditional policies with compensations based on actual losses. Both the Fintech Act and this regulation will now allow them to offer parametric insurance. The proposal sets out criteria for parametric insurance, including permissible indices; insurable risks; and requirements to file out policies according to Article 11 of the Insurance Act.

Separately, **the proposed amendment to General Rule No. 306 on technical reserves for non-pension insurance under Decree Law No. 3,500 of 1980** aims to modify treatment of technical reserves for earthquake-specific parametric contracts. It ensures these reserves reflect said contracts' automatic index triggers, fixed insured sums, and binary payout structure. It also introduces specific methodologies to calculate the Earthquake Catastrophe Reserve and the Unearned Risk Reserve.

These proposals remain open to comments until July 25, 2025. Details are available in the [Regulations Under Consultation section](#) of the CMF website, along with a [Regulatory Report](#) outlining its main provisions and impact assessment.

---

Communication & Image Area — Financial Market Commission (CMF)

Contact: [prensa@cmfchile.cl](mailto:prensa@cmfchile.cl) | [Press Room](#) | [Subscribe to Relevant CMF Information](#)