

SUPERINTENDENCE OF PRIVATE INSURANCE

SUSEP CIRCULAR 439, JUNE 27, 2012

Establishes conditions of authorisation for corporations and entities to operate with microinsurance and provides other provisions.

THE DELEGATE SUPERINTENDENT OF THE SUPERINTENDENCE OF PRIVATE INSURANCE (SUPERINTENDÊNCIA DE SEGUROS PRIVADOS – SUSEP), as set forth in Article 36, Item "b", of Decree-Law 73, dated November 21, 1966, in Item 2 of CNSP Resolution 16, dated October 25, 1979, and in CNSP Resolution 244, dated December 06, 2011, considering the contents of Susep Procedure 15414.002278/2012-79,

DECIDES:

Art. 1. To establish the conditions of authorisation for corporations and entities to operate in the field of microinsurance and provides other provisions.

Art. 2. The constitution, transformation, authorisation and cancellation concerning the operation of an insurance company exclusively established to work with microinsurance, herein defined as microinsurance company, depends on previous and expressed approval by the Superintendence of Private Insurance.

§1 The previous authorisation to operate with microinsurance encompasses property and personal microinsurance.

§2 The insurance companies which operate exclusively with microinsurance shall be able to participate in DPVAT insurance consortiums, as long as they effectively work with microinsurance.

§3 According to the previous paragraph, the annual income resulting from the DPVAT insurance consortiums shall not be greater than 50% (fifty per cent) of the total income of the insurance company which exclusively operates with microinsurance.

Art. 3. Insurance companies and open complementary pension fund entities already constituted may operate with microinsurance by means of a specific request of authorisation for such a purpose.

I – the authorisation granted to insurance companies shall refer to the insurance line in which such companies are already authorised to operate according to:

a) the insurance companies authorised to operate with personal insurance shall be able to obtain authorisation to operate solely with personal microinsurance;

b) the insurance companies authorised to operate with property insurance, shall be able to obtain authorisation to operate solely with property microinsurance;

c) the insurance companies authorised to operate with personal and property insurance, shall be able to obtain authorisation to operate solely with personal and property microinsurance;

II – authorisations granted to open complementary pension fund entities to operate with microinsurance shall be limited to the provision of a lump sum payment for death or disability coverage.

Art. 4. The same norms for constitution and authorisation to operate which are applicable to insurance companies are also applicable to microinsurance companies.

Sole paragraph. The retention limit for microinsurance companies shall be equivalent to 3% (three per cent) of the Adjusted Net Worth, though an upper limit may be established upon request.

Art. 5. The business plan to be presented by non-specialised companies or entities which wish to operate with microinsurance, in addition to what is defined in the specific norm, must contain an estimate of the income share that will result from microinsurance operations in relation to their gross income.

Art. 6. The hypotheses of suspension or termination of the authorisation to operate defined in the specific norm shall apply to companies and entities authorised to operate with microinsurance, without prejudice to other penalties that may be applied.

§1 In addition to the aforementioned hypotheses, SUSEP shall suspend the authorisation granted to microinsurance companies to operate in case of non-compliance with guaranteed upper limits, insured capital or benefit, for covers offered in microinsurance plans, established in the specific norm.

§2 In an instance of companies that do not exclusively operate with microinsurance, failure to comply with the limits referred to in § 1 shall result in the suspension of the authorisation granted to operate with microinsurance.

§3 If the company or entity does not cease its operations by the last day of the suspension period, the measure taken shall be the cancellation/termination of the authorisation to operate.

Art. 7. The norms applicable to insurance companies in general with regards to the election concerning statutory bodies, statutory reforms, increase and reduction of capital, transfer of corporate control, transfer of accounts, demergers, incorporations, mergers, transformations, installations, alterations, closure of premises, change of social object, change of location, and

cancellation of authorisations to operate, shall also apply to microinsurance companies.

Art. 8. Insurance companies operating exclusively with microinsurance must create, within their organisational structure, an ombudsman office with the necessary autonomy to meet the claims from consumers and, when appropriate, revise the procedures of the company it represents.

Art. 9. This Circular shall enter into force on the date of its publication.

CARLOS ROBERTO AMORELLI DE FREITAS
Delegate Superintendent