

SUPERINTENDENCE OF PRIVATE INSURANCE

SUSEP CIRCULAR 442, JUNE 27, 2012

*Regulates the operations of
microinsurance correspondents*

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 Articles 8, §4 and 10 of CNSP Resolution 244, dated December 06, 2011 and considering the contents of Susep Procedure 15414.002278/2012-79,

DECIDES:

Art. 1. To regulate the operations of microinsurance correspondents.

Art. 2. Insurance companies and open complementary private pension fund entities that meet specific conditions to operate with microinsurance, may contract and/or enter into an agreement with a legal entity as a microinsurance correspondent, which terms may include the following services:

I – provision and promotion of microinsurance plans on behalf of the insurance company or entity, even by remote means;

II - receipt of microinsurance plan proposals on behalf of the insurance company or entity;

III - collection and provision to the insurance company or entity of personal information and documentation regarding insureds, participants and prospects;

IV - collection of microinsurance premiums on behalf of the insurance company or entity;

V - receipt of claim notifications on behalf of the insurance company or entity;

VI - payment of compensations, insured capital or benefit on behalf of the insurance company or entity;

VII - assistance to insureds or participants, and their beneficiaries, even by remote means, on behalf of the insurance company or entity;

VIII - provision of logistic and administrative support to the insurance company or entity, aiming at the maintenance of microinsurance contracts; and

IX - provision of other control services, including data processing related to operations as established in the contract on behalf of the insurance company or entity.

Sole paragraph. The agreed remuneration for the services provided should be expressly stated in the contract or agreement signed between the parties.

Art. 3. Companies and entities are forbidden to sign contracts or agreements with other legal entities whose main activity is to commercialise microinsurance plans.

Art. 4. The microinsurance correspondent acts on behalf of and under the guidelines of the contracting/covenanting insurance company or entity, which assumes full responsibility for the services provided by the contracted or covenanted party to insureds, participants, and their beneficiaries, as well as the completeness, reliability, safety and confidentiality of the operations carried out, and compliance with applicable laws and regulations concerning those operations.

§1. The payment of premiums to the microinsurance correspondent shall be considered as being made to the insurance company or entity, which becomes responsible for all contractual obligations arising thereof.

§2 The insurance companies or entities must provide adequate and clear information about the rights and obligations regarding the microinsurance products they commercialise.

Art. 5. Upon conclusion or renewal of the contract or agreement with a legal entity as a microinsurance correspondent, the contracting/covenanting insurance company or entity should verify the existence of facts or evidence that may discredit the contracted or covenanted party, including their administrators, establishing preventive and corrective measures to be taken in the event of finding, at any time, such facts. Those measures may include the suspension of services and the termination of the contract or agreement.

Art. 6. Contracts and agreements for the provision of services as a microinsurance correspondent should include clauses addressing the following:

I - Full responsibility by the insurance company or entity with regards to the services provided by the microinsurance correspondent, even in the event of transference of such services to third parties, in whole or in part;

II - Permission of full and unrestricted access by Susep to the microinsurance correspondent's premises and to contracts and agreements entered under the terms of this Circular, as well as to all information, data and documents related to the contracted or covenanted party, including data related to third parties holding transference document and to the microinsurance services provided by them;

III - In the event of transference of the contract to third parties, in whole or in part, the microinsurance correspondent must obtain prior consent by the insurance company or entity;

IV - Public disclosure by the microinsurance correspondent of its condition of service provider to the insurance company or entity, identified by the name as it is known in the market, describing the products and services offered, plus disclosure of telephone numbers of the contracting or covenanting company customer and ombudsman services, by means of visible signs kept in the premises where services are provided to microinsurance consumers, and by other means, when appropriate, for public services;

V - A statement asserting that the contracted or covenanted party is fully aware of the fact that carrying out transactions meant to be exclusively executed by insurance companies or entities, or other operations prohibited by law, makes the infringing microinsurance correspondent subject to the penalties established by the insurance legislation in force;

VI - A statement asserting that the microinsurance correspondent is forbidden:

a) to collect from insured or participants and their beneficiaries any amounts for services provided as a microinsurance correspondent or with regards to a microinsurance plan, other than those specified by the insurance company or entity;

b) to advertise or promote microinsurance products without prior consent by the insurance company or entity, or untrustworthy information present in the microinsurance plan offered;

c) to link any of their products to compulsory purchase of microinsurance plans; and

d) to issue, in its favour, payment booklets or securities related to services provided as a microinsurance correspondent, or collect on its own initiative, and for no specific reason, amounts related to the products and services provided by the insurance company or entity.

Art. 7. The contract or agreement with a legal entity as a microinsurance correspondent must be signed prior to the beginning of operations and kept at the disposal of Susep, at the headquarters of the insurance company or entity, and, by means of certified copies, at the headquarters, and, if applicable, at all the premises of the microinsurance correspondent.

Art. 8. The insurance company or entity shall make appropriate technical documentation available for the microinsurance correspondent and its customer service team, keeping a permanent channel of communication with the objective of providing information about products and services, in order to meet timely demands from insureds, participants, and their beneficiaries.

Art. 9. The insurance company or entity shall adjust their internal control and audit systems in order to monitor services provided by their microinsurance correspondents to insureds, participants, and their beneficiaries, making such systems compatible with the complexity and range of the services provided.

§1. The insurance company or entity shall implement a plan to control the quality of the services provided by the microinsurance correspondent, taking into account, among other factors, the demands and complains of insureds, participants, their beneficiaries, and other users.

§2. The plan referred to in § 1 shall contain administrative measures to be undertaken by the insurance company or entity in case of irregularities or failure to comply with established standards, including the possibility of suspension of services and early termination of the contract or agreement.

§3. Susep may establish procedures to be integrated to the controls defined by this Article either alternatively or cumulatively:

I – to determine the adoption of additional controls and procedures, establishing deadlines for their implementation, if Susep concludes that the controls carried out by the insurance company or entity of the activities of their microinsurance correspondents are inadequate;

II – to recommend the suspension of services or the termination of contracts and agreements, as established in § 2 of this Article; and/or

III – to establish previous authorisation by Susep as a necessary condition to contract new correspondents.

Art. 10. The insurance company or entity shall keep an updated list of their microinsurance correspondents in a web page accessible to stakeholders, with the following information:

I - corporate name, trading name, address of commercial premises and taxpayer number (CNPJ) of each contracted or covenanted company;

II - addresses of customer service points, as well as related corporate names and taxpayer numbers (CNPJ); and

III - a list of services included in the contract or agreement, specified per customer service point.

Art. 11. The insurance company or entity shall provide Susep with the following information procedure:

I – to assign a Director responsible for the contracts with microinsurance correspondents and for the services provided by them;

II – to inform about new contracts or agreements entered with companies or entities as microinsurance correspondents, as well as updates and termination of such agreements, describing the services provided as defined in Art. 2 of this document, up to the 20th day of the month, following the month in which the aforesaid took place.

III – to prepare annual reports about the services provided by their microinsurance correspondents.

Art. 12. The insurance company or entity shall segregate information related to complaints against its microinsurance correspondents presented by insureds, participants, beneficiaries and other stakeholders to their ombudsman's and support services department.

Art. 13. Microinsurance correspondents, in accordance with this Circular, are subject to the penalties laid down in insurance law, if they perform, on their own account and order, non-authorized insurance brokerage operations or other operations exclusively pertaining to insurance companies and open complementary private pension fund entities.

Art. 14. Legal provisions and regulations in force shall apply to cases

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other than those referred to in this Circular.

Art. 15. This Circular shall enter into force on the date of its publication.

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