

MARKET BULLETIN

REF: Y4101

Title	Chile: General Rule 197
Purpose	Access for Foreign insurance companies to direct MAT business in Chile
Type	Event
From	Cameron Murray, Senior Manager, International Regulatory Affairs
Date	19 December 2007
Deadline	None

Background

The *Superintendencia de Valores y Seguros* ('SVS')¹, has enacted a new regulation relating to MAT insurance business, in light of the Free Trade Agreement between Chile and the European Union. Effective from November 15th, 2007 Lloyd's has been approved, under Regulation No.197, to transact direct marine, aviation, and transportation business in Chile.

General rule Number 197 is applicable to foreign insurance companies and foreign insurance intermediaries.

Impact upon Lloyd's trading rights

Before the enactment of General Rule 197, any Chilean citizen or company was free to buy insurance from a foreign insurer. However, foreign insurers and intermediaries were not allowed to solicit or broke for direct business within Chile.

General rule 197 allows foreign insurance companies to solicit/broke/offer and write on a direct basis in Chile, all insurance connected directly with:

- International marine transport
- International commercial aviation
- Goods in international transit

Included in the above classes are Civil Liability, Vessel and Aircraft hull insurance, and cargo insurance. Excluded from the above are loan insurances and civil liability for the transportation of passengers.

¹ Chilean insurance regulator

Policy requirements

As an 'approved foreign insurer' Lloyd's has been allocated the registration code 'AS002'. This code will need to be included on all direct MAT placements in the 'information' section on the slip.

Contracts may be written in English.

Parties are free to choose law and jurisdiction for the contract.

Lloyd's Attorney-in-Fact, Emilio Sahurie Luer, can be nominated as nominee for service of suit. Should an alternative individual be nominated, a Power of Attorney giving the individual the appropriate powers needs to be lodged with the Insurance Regulator by the Lloyd's Attorney-in-Fact.

Taxation

The classes of business mentioned in general rule 197 are, as they have been for some time, exempt for the special 22% offshore tax.

Reporting Requirements

There are no reporting requirements in this regard.

Further information

For further information, please contact:

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