

Repealed Law	Reform
<p>Article 1. The purpose of this Decree with Rank, Value and Force of Law is to establish the normative framework for the control, surveillance, supervision, authorization, regulation and operation of the insurance activity, to guarantee the processes of socioeconomic transformation promoted by the State, in protection of the general interest represented by the rights and guarantees of the policyholders, insured and beneficiaries of insurance and reinsurance contracts, the contracting parties of prepaid medicine services, risk management and the members of cooperatives engaged in the insurance activity, insured and beneficiaries of insurance and reinsurance contracts, the contracting parties of prepaid medicine services, risk management and the members of cooperatives engaged in the insurance activity, in accordance with the provisions of the Organic Law of the National Financial System. This Law applies to all insurance activity developed in the territory of the Republic or materialized abroad that relate to risks or persons located therein, carried out by the regulated entities defined in this Decree with Rank, Value and Force of Law and by all those natural or juridical persons who develop operations and legal business qualified as insurance activity, prepaid medicine service providers, as well as to the persons who represent the general interest object of the present regulatory framework.</p>	<p>Article 1. The purpose of this Law is to establish the normative framework for the authorization, regulation, operation, control, supervision and oversight of the insurance activity, to guarantee the socioeconomic transformation processes promoted by the State, in protection of the general interest represented by the rights and guarantees of policyholders, insured parties, beneficiaries, contractors, users and affiliates, as the case may be, of insurance, reinsurance, prepaid medicine and risk management contracts, in accordance with the provisions of the Organic Law of the National Financial System.</p> <p>This Law applies to all insurance activity developed in the Bolivarian Republic of Venezuela, or materialized abroad that relate to risks or persons located in the national territory, carried out by the regulated entities defined in this legal instrument and by all those natural or legal persons that develop operations and legal business qualified as insurance activity, as well as to the persons that represent the general interest object of the present regulatory framework.</p>
<p>Article 2. "Insurance activity" is any relationship or operation related or connected to the insurance contract, the reinsurance contract and the risk management contract, under the terms established in the rules regulating the matter. Likewise, the following are part of insurance activity: intermediation, risk inspection, appraisal, loss adjustment, prepaid medicine services, bonds, financing of premiums or installments, trust related to insurance matters, and managed funds.</p>	<p>Article 2. "Insurance activity" is any relationship or operation related to the insurance contract, reinsurance, prepaid medicine and risk management, intermediation, bonds, financing of premiums or installments, managed funds, trusts in the insurance market, risk inspection, appraisal and loss adjustment in insurance activities, under the terms established in the rules governing the matter.</p>
<p>Article 3. The following are entities regulated by this Decree with Rank, Value and Force of Law, and consequently, they may only carry out insurance activity in the territory of the Bolivarian Republic of Venezuela with prior authorization from the Office of the Insurance Activity Superintendent: insurance companies, cooperative associations that carry out insurance activities, prepaid medicine companies, reinsurance companies, companies (initiators of premiums or quotas), risk management companies, insurance activity intermediaries, external auditors, independent actuaries, risk inspectors, appraisal experts, loss adjusters who carry out insurance operations and risk management, and representative offices or branches of foreign reinsurance companies, branches of foreign reinsurance brokerage companies.</p> <p>The guarantee funds of the National Public Administration that carry out insurance activities are exempted, without prejudice to the obligation to maintain cooperation, coordination and institutional loyalty with the Office of the Insurance Activity Superintendent.</p> <p>The regulated entities shall be obliged to maintain in their corporate or personal name the express specification of the type of insurance activity they carry out, and in all their documentation and advertising they must indicate its nature without using abbreviations.</p> <p>Only the regulated entities shall use in their corporate or personal names the words "insurance," "reinsurance" or "prepaid medicine" and their derivatives in Spanish, as well as their equivalents in any other language.</p>	<p>Article 3. Only the following regulated entities may carry out insurance activities in the territory of the Republic with prior authorization of the Office of the Insurance Activity Superintendent:</p> <ol style="list-style-type: none"> Insurance companies Reinsurance companies Prepaid medicine companies Risk management companies Premium or quota financing companies Intermediaries in the insurance business Cooperative associations engaged in insurance activities Insurance auxiliaries: Risk inspectors, loss adjusters and loss adjusters in insurance activities Representative offices or branches of foreign reinsurance companies and branches of foreign reinsurance brokerage companies <p>The following are also considered regulated entities: independent actuaries; advocates of the policyholder, insured, beneficiary, contracting party, user and affiliate; and compliance officers and external auditors, including those who perform functions related to information assets and risk management of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction.</p> <p>Guarantee funds of the National Public Administration that carry out insurance activities are exempted from this provision, without prejudice to their obligation to maintain cooperation, coordination and institutional loyalty with the Office of the Insurance Activity Superintendent.</p> <p>The regulated entities shall be obliged to maintain in their corporate or personal name the express specification of the type of insurance activity they carry out, and in all their documentation and advertising they must indicate its nature without using abbreviations. Independent actuaries and external auditors are exempted from this obligation.</p> <p>Only the regulated entities shall use in their corporate or personal names the words "insurance," "reinsurance" or "prepaid medicine" and</p>

	their derivatives in Spanish, as well as their equivalents in any other language.
<p>Article 4. For purposes of this Decree with Rank, Value and Force of Law, the following definitions shall apply:</p> <ol style="list-style-type: none"> 1. Risk Administrators: This refers to legal entities, duly authorized by the Office of the Insurance Activity Superintendent, responsible for the management and investment of funds administered jointly with the contracting party, who shall establish the controls and conditions of the risks covered by said fund, based on the claims occurring and covered in accordance with the contract entered into between the parties. 2. Affiliates: This refers to the persons covered by risk management contracts, provision of services or prepaid medicine health plans or any other modality of services adopted, having rights to the coverage of the risks foreseen in the contract. 3. Insured: This refers to the individual whose person, property or economic interests are exposed to the risk. 4. Beneficiary: This refers to the natural or legal person in whose favor the indemnity to be paid by the prepaid medicine company, insurance company, cooperative associations that carry out insurance activities and risk management companies has been established. 5. Assignment of Portfolio: This is the contract by which an insurance company, prepaid medicine company, reinsurance company or integration agency that carries out the insurance activity, duly authorized, assigns to another insurance company, prepaid medicine company, reinsurance company and integration agency, the set of insurance contracts or health plans in force, or part of them, referring to one or several branches or only some policies of some insurance branch in which they operate. 6. Assignment of Risks: This is the act by which an insurance company, prepaid medicine company, reinsurance company or integration organization performing the insurance activity, incorporated in the Bolivarian Republic of Venezuela, transfers all or part of the risk assumed when providing coverage to an asset or person by an insurance or reinsurance contract previously made to an insurance or reinsurance company, which takes over that responsibility and answers to the ceding company for the losses and claims object of the original contract corresponding to the portion of the business accepted, under the terms established between the parties by means of a reinsurance or retrocession contract. 7. Contracting Party: This refers to a natural or legal person that subscribes a service contract with a prepaid medicine company or a risk management company for its exclusive benefit, for the benefit of third parties or for the benefit of one and the other. The legal entities that underwrite group insurance contracts on behalf of the insured members of the insured group are also referred to as Contracting Parties. 8. Spin-off of companies: This refers to the legal vehicle through which the assets of a company are divided into two or more new companies, attributing to each of them a legal personality and its own assets. 9. Trust related to insurance: This is the legal relationship whereby the settlor transfers one or more assets to the trustee, who is obliged to use it in favor of the settlor or of a third-party beneficiary. For purposes of this Decree with Rank, Value and Force of Law, only insurance companies incorporated in the country may be trustees, with prior 	<p>Article 4. For purposes of this Law, the following definitions shall apply:</p> <ol style="list-style-type: none"> 1. Information assets: This refers to the physical, digital or technological means by which information is received, stored, transferred or can be visualized. This concept includes: data created or used by an organizational process in digital, paper or other media; services used for the transmission, reception and control of information; and hardware and software used for the processing, transport or storage of information and tools or utilities for the development and support of information systems, among others. 2. Risk administrator: This refers to the legal entity authorized by the Office of the Insurance Activity Superintendent, responsible for the management and investment of a fund administered jointly with the contracting party, who shall establish the controls and conditions of the risks covered by the fund, based on the claims incurred and covered in accordance with the contract signed between the parties. This definition includes the administration of the claims portfolio of the self-administered funds of insurance and prepaid medicine companies. 3. Affiliate or user: This refers to a person covered by the risk management or prepaid medicine contract. 4. Insured: This refers to the individual whose person, property or economic interests are exposed to the risk covered by the insurance contract. 5. Beneficiary: This refers to a person in whose favor the indemnity to be paid by the insurance company, prepaid medicine company or risk management company has been established. 6. Alternative Channels: These refer to legal entities with which the insurer enters into an agreement for the purpose of using its infrastructure, technological assets and relationships with a large number of members or potential policyholders, with whom it has commercial or other types of ties, to serve as a mechanism to facilitate the acquisition of an insurance product. Alternative channels involve financial institutions governed by the law regulating the banking sector, public or private utilities, commercial and industrial establishments, unions and associations. 7. Portfolio assignment: This refers to a contract whereby two or more insurance companies, prepaid medical insurance companies, reinsurance companies or intermediaries transfer all or part of the contracts relating to one or more lines of business. 8. Assignment of risks: This refers to the act by which an insurance, prepaid medicine or reinsurance company, known as the ceding company, transfers all or part of the risk assumed to an insurance or reinsurance company, known as the assignor company, which takes over this responsibility and is liable to the ceding company for the losses and claims under the original contract corresponding to the portion of the business accepted, under the terms previously established between the parties through a reinsurance or retrocession contract. 9. Coinurance: This refers to the risk dispersion mechanism whereby two or more insurance or prepaid medicine companies provide coverage for the same risk. 10. Contracting Party: This refers to a natural or legal person that subscribes a prepaid medicine or risk management



<p>authorization of the Office of the Insurance Activity Superintendent.</p> <p>10. Managed Fund: These are the resources that public or private organizations constitute, manage and invest jointly between the contracting party and the risk management company, to cover with cost control the expenses incurred by members or users on occasion of covered claims that may arise, where the contracting party is free to choose the coverages, conditions and limits in accordance with its needs.</p> <p>This fund includes resources to cover administrative expenses and the payment of claims to individuals and service providers associated with the fund.</p> <p>11. Self-Administered Fund: This is an instrument by which resources of a public or private legal entity are allocated, whose administration and investment are carried out directly by them for the purpose of covering with cost control the expenses incurred by members or users, on occasion of covered claims that may arise.</p> <p>12. Merger of Companies: This refers to the transfer of the totality of the assets of a regulated entity with legal personality to another.</p> <p>13. Indemnity: This is the provision of the service or the amount to be paid by prepaid medicine companies, insurance companies, cooperative associations that carry out insurance activity, and risk management companies, in the event of a claim, as well as the provision to which it is obliged in the corresponding cases.</p> <p>14. Intermediaries: This refers to those who contribute with their mediation for the execution and advisory of contracts. Branches of foreign reinsurance brokerage companies may carry out intermediation operations.</p> <p>15. Solvency margin: This refers to the amount of resources necessary to cover the technical, financial or economic deviations that affect the results of insurance, reinsurance, prepaid medicine and cooperative associations that carry out insurance activities, in order to fully comply with their commitments to contracting parties, policyholders, insured parties, beneficiaries and cedents, which may be updated according to the dynamic nature of the insurance activity.</p> <p>16. Prepaid Medicine: These are medical assistance services provided directly or indirectly and are paid periodically or totally in advance by the user.</p> <p>17. Integration Organizations: These are the groupings in organizational instances, on a national scale, of cooperatives that carry out common or similar activities, which in this case is the performance of insurance activities. They must comply with the requirements for their incorporation and authorization of cooperative associations engaged in insurance activities. These integration organizations must be formed by no less than five cooperative associations.</p> <p>18. Payment of indemnity: This is the main obligation of the insurance company, the cooperative associations that carry out insurance activity, the prepaid medicine companies, and the risk administrators, consisting of the rendering of the service, repair of the damage or payment of the amount, in accordance with the sum insured contracted or service contracted, which shall be paid once the loss has occurred and been accepted.</p> <p>19. Payment of Benefits: This is the payment in money to be made by the regulated entities, as appropriate, for the insured sum established in the life insurance policies contracted, as a consequence of the eventual death and/or survival of the insured.</p>	<p>contract, either for its exclusive benefit or for the benefit of third parties.</p> <p>11. Elusion: This refers to the lack of payment or absence of response by insurance companies, prepaid medicine companies and premium or quota financing companies, in the face of the fulfillment of their obligations established in the respective contract, using artifices to avoid assuming their responsibility.</p> <p>12. Spin-off of companies: This is the legal vehicle through which the assets of a company are divided into two or more new companies, attributing to each of them legal personality and its own assets.</p> <p>13. Trust: This is a legal relationship whereby a person called "settlor" transfers one or more assets to another person called "trustee," who undertakes to use it in favor of the settlor or a third party called "beneficiary." For purposes of this law, only insurance companies incorporated in the country may be trustees, with prior authorization of the Office of the Insurance Activity Superintendent.</p> <p>14. Managed fund: This refers to a mechanism by which a company, society or public or private organization allocates an amount of money for its constitution, whose administration and investment is made jointly by the contracting party and the risk manager, for the purpose of covering with cost control the expenses incurred by the members or users on occasion of covered claims that may arise, where the contracting party is free to establish the coverages, conditions and limits in accordance with its needs. This fund should include expenses related to the administration of resources and the payment of claims to individuals and service providers associated with the fund.</p> <p>15. Self-administered fund: This refers to a mechanism whereby a company, society, or public or private organization allocates an amount of money for its constitution, whose administration and investment is carried out directly by it, for the purpose of covering with cost control the expenses incurred by members or users on the occasion of covered claims that may arise.</p> <p>16. Merger of companies: This refers to the transfer of all the assets and liabilities of one regulated entity to another.</p> <p>17. Indemnity: This refers to the main obligation of insurance companies, prepaid medicine companies and risk management companies, consisting of the payment of the agreed amount, the rendering of the service, repair of the damage or replacement of the property, in accordance with the contract.</p> <p>18. Intermediary: This refers to a natural or legal person that contributes, through its mediation, to the execution of insurance, reinsurance, prepaid medicine and risk management contracts, as well as through its advice to policyholders, insured parties, beneficiaries, contractors, users and affiliates.</p> <p>19. Solvency margin: This refers to the necessary amount of resources needed to cover the technical, financial or economic deviations that affect the results of insurance, reinsurance and prepaid medicine companies, in order to fully meet their commitments to policyholders, insured, beneficiaries, contractors, users, affiliates and ceding companies, which may be updated according to the dynamic nature of the insurance activity.</p> <p>20. Prepaid medicine: This refers to medicine through which the regulated entity undertakes with a natural person, called "user" or "affiliate," to manage medical care and the provision, directly or indirectly, of medical-assistance services related to the care and treatment of their health by means of the periodic advance payment of a fee, previously established and paid by the contracting party.</p>
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<p>20. Risk: It is the future and uncertain event that does not depend exclusively on the will of the policyholder, the insured, the beneficiary, the user or member, the materialization of which gives rise to the obligation to indemnify.</p> <p>21. Loss: This refers to a future and uncertain event on which the obligation to indemnify on the part of the Regulated Entity depends on the provisions of the contract subscribed.</p> <p>22. Regulated Entity: This refers to natural or juridical persons that may only carry out insurance activities in the national territory with prior authorization from the Office of the Insurance Activity Superintendent.</p> <p>23. Policyholder: This refers to a natural or legal person who contracts the insurance and undertakes to pay the corresponding premium to the insurance company and the cooperative associations that carry out insurance activities, and who also has the right to receive the payment of indemnities arising from the insurance contract.</p> <p>24. User: This refers to a person entitled to request and receive the services established in the respective Health Plan or risk management contract.</p> <p>25. Permanently Unserviceable or Non-Recoverable Vehicle: This shall be the vehicle that is totally destroyed or when it disappears due to unlawful removal.</p> <p>26. Total Loss: The total loss of an insured vehicle shall not include any valuation in the percentage of the sum insured, and its Indemnity shall be the contracted sum insured. A total loss of an insured vehicle is considered as such when the condition of the vehicle is: permanently unserviceable or not recoverable; or when the vehicle identification numbers have been altered or are of doubtful identification.</p>	<p>21. Microinsurance: This refers to insurance or prepaid medicine product that covers specific risks, targeted at vulnerable socioeconomic sectors, with insured amounts and premiums or quotas within their reach.</p> <p>22. Retrocession: This refers to a reinsurer's reinsurance of part or all of the risk it has previously assumed.</p> <p>23. Risk: This refers to a possible occurrence by chance of an event that does not depend exclusively on the will of the policyholder, insured, beneficiary, contracting party, user or member, which causes an economic need and whose actual occurrence or existence is foreseen and guaranteed in the contract.</p> <p>24. Inclusive Insurance: This refers to insurance or prepaid medical product that covers specific risks, aimed at excluded or underserved social sectors that are not necessarily low-income.</p> <p>25. Mass Insurance: This refers to insurance or prepaid medical product with insured sums and premiums or installments of accessible values, aimed at consumers or users with common characteristics.</p> <p>26. Claim: This refers to materialization of the risk that gives rise to the obligation to indemnify on the part of the insurance company, prepaid medicine company or risk management company.</p> <p>27. Comprehensive risk management system for money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction: This refers to a set of rules and policies adopted and implemented by the regulated entities, according to their level of risk, to mitigate the possibility that their products, services, customers and marketing channels are used to hide the origin, purpose and destination of capital of illicit origin, aimed at its legitimization, or to divert funds of any nature for the financing of terrorism and financing of the proliferation of weapons of mass destruction.</p> <p>28. Financial Technology (FINTECH): This refers to technology-enabled financial solutions involving all those financial services companies that use advanced technological processes and systems to serve as an auxiliary payment system or service provider within the insurance company or alternative channels.</p> <p>29. Reference exchange rate: This refers to the official exchange rate of the highest value currency, published by the Venezuelan Central Bank, according to the weighted average resulting from the daily operations of the active exchange desks of the participating banking institutions.</p> <p>30. Policyholder: This refers to a natural or legal person who contracts the insurance and undertakes to pay the corresponding premium to the insurance company.</p>
<p>Article 10. Insurance companies, reinsurance companies, risk management companies, companies engaged in prepaid medicine and legal entities that finance premiums or quotas are obliged to make a special contribution to finance the operation of the Office of the Insurance Activity Superintendent.</p> <p>The ministry with competence in matters of finance, at the proposal of the Office of the Insurance Activity Superintendent, shall annually fix the amount of the special contribution.</p> <p>The minister of finance, when they deem necessary and by means of a reasoned act in accordance with the public policies issued by the National Executive, may exempt public regulated entities or any of them from this application.</p>	<p>Article 10. Insurance companies, reinsurance companies, prepaid medicine companies, risk management companies and premium or quota financing companies are obliged to make a special contribution to finance the operation of the Office of the Insurance Activity Superintendent.</p> <p>The ministry with competence in matters of finance, at the proposal of the Office of the Insurance Activity Superintendent, shall fix the amount of the special contribution annually.</p>
<p>Article 11. The special contribution shall be the amount between 1.5% and 2.5% of the total amount of the following:</p> <ol style="list-style-type: none"> 1. Net premiums collected on insurance contracts, consideration for the issuance of surety bonds, and income 	<p>Article 11. The special contribution shall be the amount between 2.5% and 3.5% of the total amount of the following:</p> <ol style="list-style-type: none"> 1. Premiums collected on insurance contracts and consideration for the issuance of bonds, both net of

<p>obtained as remuneration for insurance-related trust contracts and risk management contracts</p> <ol style="list-style-type: none"> Amounts charged in health plan contracts or services subscribed by companies engaged in prepaid medicine Net interest income collected on financing granted to policyholders, contractors of health plan services in the case of companies financing premiums or quotas Net premiums collected by insurance companies and reinsurance companies for business accepted from foreign agents Insurance companies shall deduct from the reinsurance premiums paid by them, the aliquot corresponding to the contribution made, as provided in this article, calculated at the same rate used by the assignor insurance company, in which case the aliquot shall be deducted from the calculation basis of the assignor company. The provision shall also apply in the case of surety bonds. Premiums returned for null and void or cancelled contracts will not be subject to the special contribution. <p>The contribution of companies under suspension, intervention or liquidation, as well as the determination and assessment of the special contribution, in the corresponding cases, will be developed in the Regulations of this Decree with Rank, Value and Force of Law.</p>	<p>cancellations and refunds, as well as income obtained as remuneration for trust contracts</p> <ol style="list-style-type: none"> Fees charged for prepaid medical contracts, net of cancellations and refunds Income obtained as remuneration for risk management and claims management contracts Interest income collected on financing granted to insurance and prepaid medicine policyholders and contractors, in the case of companies financing premiums or installments Premiums collected by insurance and reinsurance companies, net of cancellations and refunds, on business accepted from foreign ceding companies <p>The insurance and prepaid medicine companies shall deduct from the reinsurance premiums paid by them the aliquot corresponding to the contribution made for the premium or quota collected, in accordance with paragraphs 1 and 2 of this article. The provision shall be equally applicable in the case of surety bonds.</p> <p>The regulated entities under the intervention regime are obliged to pay the special contribution under the same terms and conditions provided for operating companies.</p> <p>The guidelines, terms and conditions for the payment and payment of the special contribution will be developed in the regulations issued for such purpose.</p>
	<p>Article 12. Regulated entities and other interested parties shall pay in bolivars fees for the following concepts:</p> <ol style="list-style-type: none"> For the presentation of the examination of professional competence to obtain the authorization to act as agent: 30 times the reference exchange rate For registration in the agent's registry: 10 times the reference exchange rate For registration in the insurance broker registry or change of status from agent to insurance broker: 150 times the reference exchange rate For registration in the registry of external auditors, including those who perform functions in the area of risk management of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction: 150 times the reference exchange rate (External auditors in the field of information assets are exempted.) For registration in the registry of actuaries: 100 times the reference exchange rate For registration in the registry of compliance officers in the area of risk management of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction: 150 times the reference exchange rate For the inscription in the registers of insurance auxiliaries (natural persons): 75 times the reference exchange rate For the inscription in the registry of the defender of the policyholder, insured, beneficiary, contracting party, user and affiliate of the insurance activity: 150 times the reference exchange rate For registration in the registers of insurance auxiliaries (legal entities): 500 times the reference exchange rate For registration in the registry of insurance brokerage companies: 1,000 times the reference exchange rate For registration in the register of reinsurance brokerage companies: 2,000 times the reference exchange rate For registration in the register of foreign reinsurance companies: 5,000 times the reference exchange rate



	<p>13. For registration in the registry of branch establishments and representative offices of foreign reinsurance companies or branches of foreign reinsurance brokerage companies: 2,000 times the reference exchange rate</p> <p>The registrations referred to in this article shall be renewed every three years, in which case the interested party shall pay the equivalent of 25% of the registration fee.</p> <p>The minister with competence in matters of finance, after hearing the opinion of the Office of the Insurance Activity Superintendent, may adjust the amounts of the rates by means of a reasoned act. Any increase may not exceed two-thirds of the rates provided for in this article.</p>
<p>Article 19. The following are indispensable requirements to obtain and maintain the authorization to operate as insurance companies and risk management companies:</p> <ol style="list-style-type: none"> 1. Adopt the form of a corporation. 2. Have a minimum paid-in cash capital as follows: <ol style="list-style-type: none"> a. 540,000 Tax Units (T.U.) for companies aspiring to operate in one of the general insurance branches b. 720,000 T.U. for companies aspiring to operate in two insurance branches related to general lines c. 1,260,000 T.U. for companies aspiring to operate in general or life insurance <p>The minimum capital will be adjusted in cash, which must be paid in, every two years, before 31 March of the corresponding year, based on the value of the T.U. in effect at the close of the year immediately prior to the adjustment. Capital increases may be made by means of cash contributions from the shareholder's own resources or may be made from undistributed profits prior to the declaration of dividends.</p> <ol style="list-style-type: none"> 3. Have as its sole purpose the performance of operations permitted by this Decree with Rank, Value and Force of Law, for insurance companies and risk management companies. For such purpose, the Office of the Insurance Activity Superintendent shall issue the necessary rules to verify and guarantee compliance with this requirement. 4. Have a board of directors in charge of the administration of the company, composed of no less than five members, who may not simultaneously hold executive positions within the insurance activity, in addition to the following conditions: <ol style="list-style-type: none"> a. They must be persons of proven economic solvency and recognized moral condition, must have professional qualifications derived from having obtained a university degree, with a minimum experience of five years in the insurance activity or have outstanding and proven experience of at least 10 years in similar functions of administration, management, control or advice in the insurance activity. At least one-third of its members must be independent directors, qualified as such according to the rules of corporate governance issued by the Office of the Insurance Activity Superintendent. b. At least half of the members of the board of directors must be Venezuelan. All the members of the board must be domiciled and resident in the country, in accordance with the provisions of the law. c. The members of the board of directors may not be spouses, or maintain stable de facto unions, or be related to each other within the second degree of affinity or fourth degree of consanguinity. d. Directors who are shareholders must deposit in the regulated entity's corporate treasury a number of shares determined in the bylaws, in accordance with the provisions of the Commercial Code. 5. Indicate in its bylaws that the persons in charge of the effective direction or daily management of the company 	<p>Article 13. The following are indispensable requirements to obtain and maintain the authorization to operate as an insurance, prepaid medicine, reinsurance or risk management company:</p> <ol style="list-style-type: none"> 1. Adopt the form of a corporation and have as its sole purpose, in accordance with the regulations issued for such purpose, the performance of operations permitted by this law for insurance, reinsurance, prepaid medicine and risk management companies, as the case may be. 2. Have a minimum paid-in capital, in bolivars or in Venezuelan government securities indexed and denominated in bolivars, of the following: <ol style="list-style-type: none"> 2.1 Insurance companies: <ol style="list-style-type: none"> a. 160,000 times the reference exchange rate for companies aspiring to operate in one of the general insurance lines or 215,000 times the reference exchange rate for companies aspiring to operate in two related insurance lines b. 375,000 times the reference exchange rate for companies aspiring to operate in general or life lines, or 590,000 times the reference exchange rate for those aspiring to operate in both lines simultaneously 2.2. Reinsurance Companies: 1,100,000 times the reference exchange rate 2.3. Prepaid medicine companies: 160,000 times the reference exchange rate 2.4. Risk management companies: 130,000 times the reference exchange rate for companies that aspire to administer or manage funds in one of the risks of general lines determined by the Office of the Insurance Activity Superintendent, according to the regulations issued for such purpose, or 170,000 for those that aspire in two or more risks of these lines <p>The minimum capital shall be adjusted every two years, in bolivars or in Venezuelan Government Securities indexed and denominated in bolivars, before 31 January for insurance, prepaid medicine and risk management companies, and 31 July for reinsurance companies, of the corresponding year.</p> <p>Capital increases may be made against undistributed profits, with the prior authorization of the Office of the Insurance Activity Superintendent.</p> <ol style="list-style-type: none"> 3. Have at least five shareholders. All shares must be nominative, of the same class and not fractional. 4. Have a board of directors or administrators composed of not less than five members that meet any of the following conditions: <ol style="list-style-type: none"> a. Have professional qualifications derived from having obtained a university degree, with a minimum experience of five years in the insurance activity — in high-level positions (president, vice president, general manager or other positions of similar hierarchy or advisory), in positions of hierarchy immediately prior to those of high level.

<p>must have professional qualifications derived from having obtained a university degree, with a minimum experience of five years in the insurance activity or have outstanding and proven experience of at least 10 years in similar functions of administration, management, control or advice in the insurance activity.</p> <p>6. Have at least five shareholders. Persons owning a shareholding proportion equal to or higher than 5% must have proven experience and knowledge in the insurance activity; this requirement shall apply to the shareholders and their representatives in the case of legal entities. The Office of the Insurance Activity Superintendent will determine the rules that will establish the additional requirements and the form of verification of compliance with the same by the shareholders.</p> <p>7. The shares must be nominative and of the same class.</p> <p>8. Specify the origin of the goods and economic resources used for the incorporation of the corporation and provide the necessary information for its verification; if the same come from legal entities, they must attach all the legal and financial documentation of the same, except for those whose funds come from institutions governed by the special law that regulates banking matters.</p> <p>9. Constitute the guarantee to the nation required in the present Decree with Rank, Value and Force of Law.</p> <p>10. Submit a copy of the reservation of the commercial denomination in the Commercial Registry, and a copy of the computerized search or reservation of the trademark before the Autonomous Service of Intellectual Property.</p> <p>11. Provide the identity, profession and position of the personnel authorized by the company to address communications and represent it before the Office of the Insurance Activity Superintendent.</p> <p>12. The shareholders and the members of the board of directors may not be subject to the prohibitions set forth in this Decree with Rank, Value and Force of Law. Prior or subsequent noncompliance with the requirements of this article by duly authorized companies shall be sanctioned in accordance with the provisions of this Decree with Rank, Value and Force of Law.</p> <p>Articles 19, 20 and 140 are merged in the Reform.</p>	<p>b. Possess outstanding and proven experience of at least 10 years in high-level positions or in positions of hierarchy immediately prior to high-level positions, in the insurance activity or in companies framed in specific sectors of the economy, such as banking, capital markets, industrial, technology and services, provided that they demonstrate their professional experience. In the case of prepaid medicine companies, experience in the health sector will also be recognized.</p> <p>5. All members of the board of directors or administrators must be domiciled and resident in the country, and may not be spouses or maintain stable de facto unions with each other, or be related by kinship within the second degree of affinity or fourth degree of consanguinity, nor simultaneously hold executive positions in other regulated entities or in other companies of the financial system. Half or more must be Venezuelan.</p> <p>6. At least one-third of the members of the board of directors or administrators must be independent directors, qualified as such according to the corporate governance rules issued by the Office of the Insurance Activity Superintendent. Directors who are shareholders must deposit in the regulated entity's corporate treasury a number of shares determined in the bylaws, in accordance with the provisions of the Commercial Code.</p> <p>7. Shareholders and members of the board of directors may not be subject to the prohibitions set forth in this Law.</p> <p>8. Specify the origin of the goods and economic resources used for the incorporation of the corporation and provide the necessary information for its verification; if they come from legal entities, they must attach all the legal and financial documentation of the same, except for those whose funds come from institutions governed by the special law that regulates banking matters.</p> <p>9. Provide the guarantee to the nation required by this law.</p> <p>10. Submit, together with the application, a copy of the reservation of the commercial denomination in the Commercial Registry and a copy of the online search or reservation of the trademark before the Autonomous Service of Intellectual Property, and provide the identity, profession and position of the personnel authorized by the company to address communications and represent it before the Office of the Insurance Activity Superintendent.</p> <p>11. Not be part of an economic or financial group, in accordance with the Organic Law of the National Financial System.</p>
<p>Article 17. Insurance companies, reinsurance companies, cooperative associations engaged in insurance activities or integration organizations, prepaid medicine companies, risk management companies, as well as any other subject determined by the minister with competence in matters of finance, must constitute and maintain in the Central Bank of Venezuela the guarantee specified below:</p> <p>1. Insurance and risk management companies:</p> <p>a. 54,000 T.U. for those aspiring to operate in one of the general insurance classes or in two related insurance classes</p> <p>b. 72,000 T.U. for those aspiring to operate in general or life insurance</p> <p>c. 252,000 T.U. for those aspiring to operate simultaneously in general and life insurance</p> <p>d. Insurance companies authorized to act as trustees must additionally provide a guarantee equivalent to 12,000 T.U.</p> <p>2. Reinsurance companies: 252,000 T.U. for companies aspiring to operate simultaneously in general and life lines</p>	<p>Article 14. Insurance companies, reinsurance companies, prepaid medicine companies and risk management companies, as well as any other subject determined by the minister with competence in matters of finance, must constitute and maintain, in bolivars in the Central Bank of Venezuela or in Venezuelan Government Securities indexed and denominated in bolivars, a guarantee equivalent to 10% of the minimum capital required in article 13, numeral 2.</p> <p>The amount of the guarantees must be adjusted within 15 business days following the date of the minimum capital adjustment.</p> <p>The minister with competence in matters of finance, after hearing the opinion of the Office of the Insurance Activity Superintendent, may adjust the amounts of the guarantees to a value between 10% and 20% of the minimum capital.</p>



<p>3. Prepaid medicine companies: 54,000 T.U. for companies aspiring to operate in health plans</p> <p>4. Cooperative Associations:</p> <ol style="list-style-type: none"> 27,000 T.U. to operate in one of the general insurance or prepaid medicine branches 37,000 T.U. to operate in two or more of the branches 60,000 T.U. to operate in one or more of the general and prepaid medicine branches simultaneously <p>When the cooperative association carries out insurance activities only with members, the corresponding guarantee shall be equivalent 10% of the amounts indicated.</p> <p>5. Integration Organizations: 125,000 T.U.</p> <p>The minister with competence in matters of finance, having heard the opinion of the Office of the Insurance Activity Superintendent, may adjust the amounts of the guarantees established in this article, which shall not be less than 10% of the minimum capital.</p> <p>The Regulations of this Decree with Rank, Value and Force of Law shall establish the form and opportunity for the constitution and accreditation of the guarantees required in this article.</p>	
<p>Article 21. Any person shall be temporarily barred from being a promoter, shareholder, president, director, manager, administrator and insurance intermediary, as well as from exercising activities as internal or external auditor, accountant or systems auditor, actuary, loss adjuster, risk inspector or appraiser in insurance companies, reinsurance companies, cooperative associations that carry out insurance activities, insurance or reinsurance brokerage companies, premium or quota financing companies, prepaid medicine companies and risk management companies, if any of the following applies to them:</p> <ol style="list-style-type: none"> Exercises public functions, except in the case of teaching, assistance or short-term missions abroad — This prohibition shall not apply to representatives of public sector agencies on the boards of directors of companies in which they have a shareholding. Is subject to the benefit of arrears and unrehabilitated defaulters Has been subject to criminal conviction for crimes against property, crimes of corruption or financial crimes provided for in the legislation of the Republic, by means of a final and definitive sentence, within 10 years following the completion of the sentence when disqualification has been established as an accessory penalty Has been subject to a commutation of the penalty of deprivation of liberty for any of the benefits established by law, either during the criminal trial or after the final sentence has been issued, during the 10 years following the sentence referred to the completion of the sentence when disqualification has been established as an accessory penalty Has responsibility in the facts that originated the application of prudential measures, the intervention or liquidation of the company in which they were performing their functions, after demonstrating their responsibility for the facts that gave rise to the aforementioned situations, within five years from the date of the decision Has had its authorization to operate as insurance intermediary, risk inspector, appraiser and loss adjuster revoked for having acted in complicity with insurance companies, risk management companies or prepaid medicine companies to the detriment of the contracting parties, policyholders, users, affiliates, insured or beneficiaries, or for disposing in any way of the money collected in its management or for not having immediately delivered it to the companies financing premiums or quotas, 	<p>Article 15. Any person shall be barred from being a shareholder, president, director, manager, administrator and intermediary in the insurance activity, as well as from exercising activities as internal or external auditor, accountant or auditor of information assets, external auditor in matters of risk management of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction, or as actuary or insurance assistant, in insurance companies, reinsurance companies, prepaid medicine companies, risk management companies, premium or quota financing companies, or insurance or reinsurance brokerage companies, if any of the following applies to them:</p> <ol style="list-style-type: none"> Exercises public functions, except in the case of teaching, assistance or short-term missions abroad — This prohibition shall not apply to representatives of public sector agencies on the boards of directors of companies in which they have a shareholding. Is subject to the benefit of arrears and unrehabilitated defaulters Has been the subject of a criminal conviction for serious crimes, by means of a final and definitive sentence, during the following 10 years Is subject to a commutation of the penalty of deprivation of liberty for any of the benefits established by law, either during the criminal trial or after the final sentence has been pronounced, during the following 10 years Has responsibility in the facts that originated the application of administrative measures, the intervention or liquidation of the company in which they were performing their functions, prior demonstration of their responsibility for the facts that gave rise to the aforementioned situations, during the 10 years following the date of the decision Has had the authorization to operate as an insurance or auxiliary insurance intermediary revoked for having acted in complicity with insurance, reinsurance, prepaid medicine, risk management companies or premium or quota financing companies, to the detriment of policyholders, insured, beneficiaries, contracting parties, users and affiliates, or for disposing in any way of the money collected in its management or for not having delivered it to the respective regulated parties within the corresponding periods of time, during the 10 years following the date of the act of revocation of the authorization



<p>to the insurance companies or prepaid medicine companies within the time limits established by law, insured or beneficiaries or for disposing in any way of the money collected in its management or for not having delivered it immediately to the companies financing premiums or quotas, to the insurance companies or prepaid medicine companies within the corresponding time limits, within the five years following the date of the act of revocation of the authorization</p> <p>7. Has agreed, as shareholder, for the purpose of avoiding the application of administrative measures, to replenish or increase the capital of the company and the same has not materialized without just cause, provided that the intervention of the company takes place – In this case the impediment will be maintained within 10 years from the date of the intervention.</p>	
<p>Article 40. Insurance contracts entered into with foreign companies not authorized to develop the insurance activity in the Republic shall not be valid; likewise, they shall not be valid when the risk is located in the national territory. Excepted from this provision are reinsurance operations carried out in accordance with the present Decree with Rank, Value and Force of Law, the norm that regulates the matter of insurance and reinsurance contracts, as well as the operations provided for in international agreements validly subscribed and ratified by the Republic.</p> <p>The minister with competence in matters of planning and finance, prior to the opinion of the Office of the Insurance Activity Superintendent, for reasons of opportunity and convenience of the State, shall establish the cases and conditions under which insurance abroad of risks located in the national territory, which are not possible to insure with companies established in the country, may be authorized, provided that such impossibility has been reliably demonstrated.</p>	<p>Article 17. Insurance or prepaid medicine contracts entered into with foreign companies shall not be valid when the risk is located in the national territory, nor shall reinsurance operations be carried out with foreign companies not registered in the corresponding registry, except for those provided for in international agreements validly signed and ratified by the Republic.</p> <p>The minister with competence in matters of finance, prior to the opinion of the Office of the Insurance Activity Superintendent, for reasons of opportunity and in the interest of the State, shall establish the cases and conditions under which insurance abroad of risks located in the national territory, which are not possible to insure with companies established in the country, may be authorized, provided that such impossibility has been reliably demonstrated.</p>
<p>Article 28. The opening, change of domicile, transfer or closing of the premises, offices, branches or agencies of the regulated entities with legal personality shall be notified to the Office of the Insurance Activity Superintendent at least 30 continuous days prior to its execution; within the same period, the regulated entity shall inform the public through publication in a newspaper of national circulation and in a newspaper of the locality where the company has its headquarters if it is not in the Metropolitan Area of Caracas.</p> <p>When the company is subject to a regime of administrative measures, the opening, transfer or closing of offices, branches or agencies shall require prior authorization from the Office of the Insurance Activity Superintendent. The opening of offices, branches or agencies abroad and whenever the control of foreign companies is acquired, will require prior authorization from the Office of the Insurance Activity Superintendent. The requests for authorization referred to in this article shall be decided within a period not exceeding 30 working days.</p> <p>The cessation of the respective operations must be notified to the Office of the Insurance Activity Superintendent at least 30 continuous days in advance; within the same period, the regulated entity shall inform the public through publication in a newspaper of national circulation and in a newspaper of the locality where the company has its headquarters if it is not located in the Metropolitan Area of Caracas.</p>	<p>Article 22. The opening, change of domicile, transfer or closing of premises, offices, branches or agencies of the regulated entities shall be notified to the Office of the Insurance Activity Superintendent at least 30 working days prior to its execution; within the same period, the regulated entity shall inform the public through publication in a newspaper of national circulation, in print or digital form, and in a newspaper of the locality where the opening, change of domicile, transfer or closing occurs. Likewise, radio, text messages and social networks may be used as notification mechanisms.</p> <p>When the regulated entity is subject to a regime of administrative measures, the opening, transfer or closing of premises, offices, branches or agencies shall require prior authorization from the Office of the Insurance Activity Superintendent.</p> <p>The opening of premises, offices, branches or agencies abroad, and whenever the control of foreign companies is acquired, will require prior authorization from the Office of the Insurance Activity Superintendent.</p> <p>The requests for authorization referred to in this article shall be decided in less than 30 working days.</p>
	<p>Article 25. The regulated entities are prohibited, as applicable, from the following:</p> <ol style="list-style-type: none"> 1. Granting loans, except in the following cases: <ol style="list-style-type: none"> a. Loans granted under work incentive programs, such as home equity loans for the purchase of a primary residence b. Documented or automatic loans on life insurance policies c. Loans granted to insurance intermediaries 2. Carrying out any operation of a credit nature to finance, directly or indirectly, the premiums or installments of the



	<p>insurance or prepaid medicine contracts subscribed, or the resources for the constitution or replenishment of the funds on the occasion of the risk management contracts subscribed (The financing of premiums or installments is not considered as financing of premiums or installments when it does not contain a surcharge.)</p> <ol style="list-style-type: none"> 3. Granting discounts on the premiums of insurance contracts or on the premiums of prepaid medicine contracts, without the prior approval of the Office of the Insurance Activity Superintendent 4. Carrying out transactions secured, directly or indirectly, with its own shares or debentures 5. Insuring under the coinsurance regime the assets or persons of the organs and entities of the Public Power, related to health, life, transportation of goods in general and land vehicles risks 6. Carrying out insurance, reinsurance, counter-guarantee and intermediation operations, including the payment of commissions, bonuses or other remunerations, with natural or juridical persons not authorized by the Office of the Insurance Activity Superintendent or with foreign reinsurance companies not registered in the registry kept for such purposes by the Office of the Insurance Activity Superintendent 7. Carrying out reinsurance or counter-guarantee operations with reinsurance companies with which they have a shareholding, legal, economic, financial, organizational, administrative or associative relationship, or constitute a decision-making or management unit in accordance with the provisions of this Law; nor insuring or reinsuring, directly or indirectly, their own risks or assets, or those belonging to other legal entities in which they have a shareholding interest 8. Conditioning the contracting of a health policy, service or plan to the subscription of other policies, services or plans, as well as the access to banking or financial services, or the acquisition of other goods or services to the purchase of insurance policies or prepaid medicine contracts 9. Subscribing insurance policies or prepaid medicine contracts without charging the cash consideration or its corresponding equivalents 10. Terminating the insurance or prepaid medicine contract for failure to pay the installments corresponding to the financing of insurance premiums or prepaid medicine premiums 11. Offering insurance or prepaid medicine plans with sweepstakes or allowing the insurance activity to be associated with plans of this nature 12. Rejecting the payment of indemnities with generic arguments without clearly stating the factual and legal reasons on which they are based; to consider the payment claimed not appropriate, the simple indication of the clause of the contract or legal rule that in their opinion exempts it from its responsibility is not sufficient
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	<ol style="list-style-type: none"> 13. Paying providers of supplies or services of insurance or prepaid medicine contracts, services or consumption not rendered, at prices higher than those offered to the general public 14. Canceling the intermediation codes assigned to insurance intermediaries and preventing them from continuing to represent the contracting parties, policyholders, insured or beneficiaries 15. Decreeing dividends or distributing profits as provided for in its bylaws, in the following cases: <ol style="list-style-type: none"> a. Obligations other than those arising from insurance, reinsurance and prepaid medical contracts, and capital and legal reserves are not reasonably supported by the company assets not assigned to the representation of technical reserves b. The company does not comply with the provisions of uncommitted shareholders' equity and solvency margin. c. The assets eligible to represent the technical reserves do not exceed the aforementioned reserves d. The company is subject to the permanent inspection regime or to prudential measures dictated by the Office of the Insurance Activity Superintendent <p>In any case, companies may not declare dividends or distribute profits as provided for in their bylaws without prior approval of their financial statements by the Office of the Insurance Activity Superintendent.</p> 16. Increasing capital without having eliminated losses from previous years 17. Carrying out fund raising operations other than those provided for in this Law, except for those authorized by the Office of the Insurance Activity Superintendent by the regulations issued for such purpose, with the prior approval of the minister with competence in matters of finance 18. Making premium or contribution adjustments for high claims during the period for which the insurance premium or prepaid medical contribution has been calculated 19. Denying or conditioning immediate coverage in emergency cases foreseen in the health insurance or prepaid medicine contracts; or alleging pre-existing or acquired diseases, defects or congenital malformations as grounds for claim rejection 20. Refusing to receive claims from third parties arising from accidents covered by civil liability insurance policies, when the conditions of the contract so provide 21. Issuing bonding contracts without the backing of the respective counter-guarantee and reinsurance or counter-guarantee contracts 22. Carrying out operations or owning as shareholders foreign mercantile companies incorporated in jurisdictions qualified as low taxation jurisdictions by the competent body in matters of customs and tax administration 23. Carrying out operations included in the tontine and chatelusian systems, their derivatives or similar, as well as subscribing contracts of accounts in participation in relation
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	to the insurance activity, without affecting the reimbursements for good experience
	Article 26. The minister with competence in matters of finance, in view of the existing economic conditions or technical requirements, upon request of the Office of the Insurance Activity Superintendent, may modify the multiplicative factor established for the determination of the minimum capital established in this Law.
	<p>Article 30. Insurance and prepaid medicine plans are considered mandatory as established by the National Executive. The regulated entities are obliged to subscribe the contracts of such insurance or prepaid medicine plans, as the case may be.</p> <p>The Office of the Insurance Activity Superintendent shall establish in a general and uniform manner the insurance contracts, prepaid medicine contracts, rates and other documents for the commercialization of insurance or mandatory plans, or when there are reasons that justify it in the general interest protected by this Law.</p>
	<p>Article 31. Insurance companies, prepaid medicine companies and risk management companies are obliged to make an annual contribution of up to 1% of the income net of cancellations and refunds, obtained from the premiums of the health insurance contracts, the fees of the prepaid medicine contracts and the remunerations for the health risk management contracts, as the case may be, destined for the National Treasury.</p> <p>The Office of the Insurance Activity Superintendent will establish the percentage, guidelines, terms and conditions for the payment of this contribution, with prior approval of the Ministry of Finance.</p>
	<p>Article 35. Insurance, reinsurance and prepaid medicine companies must constitute and maintain a supplementary reserve for current risks due to insufficient premiums or insufficient contributions, as the case may be, to the extent that the amount of the reserve for current risks or current contributions is not sufficient to meet the commitments assumed with policyholders, beneficiaries, users or members.</p> <p>The Office of the Insurance Activity Superintendent, through the regulations it may issue for this purpose, shall establish the applicable classes, the method of calculation and other principles by which insurance, reinsurance and prepaid medicine companies shall be governed in the constitution of these reserves.</p>
	<p>Article 55. Microinsurance, inclusive insurance and mass insurance offered by insurance and prepaid medicine companies must be intended to cover the following sectors:</p> <ol style="list-style-type: none"> 1. Microinsurance: Vulnerable socioeconomic sectors, in accordance with the regulations issued for this purpose by the Office of the Insurance Activity Superintendent 2. Inclusive insurance: Social sectors excluded or neglected by the coverage available in the insurance market, including: retirees, pensioners, senior citizens, people with physical or mental disabilities, micro-entrepreneurs, entrepreneurs, artisans, rural population, ethnic groups, agricultural and livestock producers, fishermen and fish farmers 3. Mass insurance: Any social sector with common characteristics, with affordable sums insured and premiums
	<p>Article 56. Insurance and prepaid medicine companies, provided they are authorized to operate in the corresponding branch, may commercialize the following coverages:</p> <ol style="list-style-type: none"> 1. Microinsurance: Health, funeral, personal accident, individual life, group life, fire and allied lines, burglary, automobile and other damage coverages for residences or businesses, as regards specific and eminent risks for the target sector, lower than those established in a traditional policy 2. Inclusive insurance: Health, funeral, personal accident, individual life, group life, fire and allied lines, burglary,



	<p>automobile, residential and commercial, agricultural, livestock, fishing and aquaculture</p> <p>3. Mass insurance: Individual life, group life, funeral, personal accident, health, fire, burglary, combined residential, combined commercial, automobile, agricultural, livestock, miscellaneous, employer's liability, business liability and general liability</p> <p>The Office of the Insurance Activity Superintendent, by means of the regulations issued for this purpose, shall establish the scope and characteristics to be met by these products. Likewise, in consideration of the social interest, it may limit, add or condition the coverage allowed, as well as the risks and amounts covered.</p>
	<p>Article 57. Insurance and prepaid medicine companies may place microinsurance, inclusive insurance and mass insurance directly, or through insurance intermediaries or alternative channels.</p> <p>Products placed through alternative channels must be available to be contracted directly or through insurance intermediaries.</p> <p>Insurance companies, prepaid medicine companies and alternative channels will be able to contract providers specialized in remote services, as well as the use of financial technology (FINTECH). The Office of the Insurance Activity Superintendent will regulate the use of these mechanisms through norms.</p>
	<p>Article 58. Insurance and prepaid medicine companies shall only place through alternative channels the personal accident, funeral, individual life, group life and vehicle liability branches, provided that they are authorized to operate in these branches. Subject to the authorization of the Superior Body of the National Financial System (OSFIN), the Office of the Insurance Activity Superintendent may, through regulations issued for such purpose, extend the coverage of the branches of personal insurance that may be offered through these channels.</p> <p>The alternative channels with which insurance and prepaid medicine companies enter into contracts for the placement of microinsurance, inclusive insurance and mass insurance must be registered in the registry kept by the Office of the Insurance Activity Superintendent for such purposes and comply with the regulations issued by the same.</p>
	<p>Article 59. The regulated entities must design, implement and maintain an Integral Risk Management System for Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, the composition, operation and subject matter of which shall be governed by the regulations issued for such purpose by the Office of the Insurance Activity Superintendent.</p>
	<p>Article 60. The Office of the Insurance Activity Superintendent, as a supervisory, control, inspection and oversight body, shall have within its structure an Integral Risk Management System for Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, which shall be governed by the regulations it may issue for such purpose.</p>
	<p>Article 62. Insurance and prepaid medicine companies are obliged to reinsure in the domestic market not less than 30% of the ceded premiums, the only exception being when it is not possible to place such percentage in the country due to causes attributable to the domestic reinsurance companies, in which case, the part not transferred abroad may be ceded. The Office of the Insurance Activity Superintendent will verify compliance with this obligation and its exception through subsequent control mechanisms as it may deem convenient.</p> <p>The Office of the Insurance Activity Superintendent through regulations may modify this minimum percentage of assignment or fix it per branch, as well as establish the principles and criteria that shall govern, with the prior approval of the minister with competence in matters of finance.</p>
	<p>Article 69. The following may not be appointed as representatives of foreign reinsurance companies for the acceptance of reinsurance risks in the national territory: insurance companies, prepaid medicine companies, those who perform insurance or prepaid medicine</p>



	intermediation functions, risk administrators and premium or quota financiers, as well as their shareholders, directors, administrators and employees.
<p>Article 145. To obtain and maintain the authorization to operate as a company financing premiums or quotas of health policies or plans, the company must comply with the following requirements:</p> <ol style="list-style-type: none"> 1. Submit the draft of the articles of incorporation and bylaws prior to their registration in the corresponding Mercantile Registry. This document must comply with the provisions of this Decree with Rank, Value and Force of Law, its Regulations and the rules issued by the Office of the Insurance Activity Superintendent. 2. Establish as its sole and exclusive corporate purpose the financing of insurance premiums for policyholders. 3. Have a capital stock not less than the equivalent of 270,000 T.U. for its incorporation. As from the second year of operations, the capital may not be less than 15% of the total insurance premiums financed in the immediately preceding fiscal year. In no case may the amount resulting from the application of this percentage be less than the minimum capital required. 4. All the shares are nominative and of the same class. 5. Have a minimum of five shareholders, at least two of whom must be natural persons with proven experience and knowledge in financial matters, and experience in the insurance business of at least three years. 	<p>Article 71. The following are indispensable requirements to obtain and maintain the authorization to operate as a premium or quota financing company:</p> <ol style="list-style-type: none"> 1. Adopt the form of a corporation and have as its sole purpose the financing of premiums or contributions for insurance policyholders or prepaid medicine contractors. 2. Have a minimum capital, in bolivars or in Venezuelan Government Securities indexed and denominated in bolivars of 80,000 times the reference exchange rate. As from the second year of operations, the capital must be higher than 15% of the total premiums or installments financed in the immediately preceding fiscal year. In no case may the amount resulting from the application of this percentage be less than the minimum capital required. <p>Capital increases may be made with a charge to undistributed profits, with the prior authorization of the Office of the Insurance Activity Superintendent.</p> <ol style="list-style-type: none"> 3. Own a minimum of three shareholders. All shares must be nominative, of the same class and not fractional. 4. Have a board of directors, composed of no less than three members, who have professional qualifications derived from having obtained a university degree, with a minimum experience of three years in the insurance or financial activity, or have outstanding and proven experience of at least five years in those activities; in both cases, in high-level positions (president, vice president, general manager or other positions of similar hierarchy or advice), or in positions of hierarchy immediately prior to the high-level ones. 5. All members of the board of directors must be domiciled and resident in the country, and may not be spouses or maintain stable de facto unions with each other, or be related by kinship within the second degree of affinity or fourth degree of consanguinity, nor simultaneously hold executive positions in other regulated entities or in other companies of the financial system. At least half of the members must be Venezuelan. 6. At least two-thirds of the members of the board of directors must be independent directors qualified according to the corporate governance rules issued by the Office of the Insurance Activity Superintendent. Directors who are shareholders must deposit in the regulated entity's corporate treasury a number of shares determined in the bylaws, in accordance with the provisions of the Commercial Code. 7. Shareholders and members of the board of directors may not be subject to the prohibitions set forth in this Law. 8. Specify the origin of the goods and economic resources used for the incorporation of the corporation and provide the necessary information for its verification; if they come from legal entities, they must attach all their legal and financial documents, except for those whose funds come from institutions governed by the special law that regulates banking matters. 9. Submit together with the application a copy of the reservation of the commercial denomination in the Commercial Registry and a copy of the computer search or reservation of the trademark before the Autonomous Service of Intellectual Property and Identification, as well as the profession and position of the personnel authorized by the company to address communications and represent it before the Office of the Insurance Activity Superintendent.



	<p>10. Have a head office that serves as the main seat of its operations and indicate its address and the address of the branches, if any.</p> <p>11. Submit a copy of the contract model to be used to finance premiums or installments, which must comply with the conditions required in the rules that regulate the contractual relationship in the insurance activity and those dictated by the Office of the Insurance Activity Superintendent. These contract models, their modifications and other documents that form part of the same must be previously approved.</p> <p>12. Not be part of an economic or financial group, in accordance with the Organic Law of the National Financial System.</p>
<p>Article 151. The following are causes for suspension of the authorization as an insurance premium or quota financing company:</p> <p>1. Modification of any of the requirements that require prior authorization from the Office of the Insurance Activity Superintendent without authorization having been granted.</p> <p>2. Failure to comply with contractual obligations with respect to insurance companies or contractors.</p> <p>3. The causes established by the Regulations of this Decree with Rank, Value and Force of Law and the rules issued by the Office of the Insurance Activity Superintendent.</p> <p>The administrative act agreeing to the suspension shall indicate the term of the suspension, and the corresponding marginal note shall be recorded in the premium or quota financing companies' Registry Book.</p>	<p>Article 72. The following are causes for suspension of the authorization as a premium or quota financing company:</p> <p>1. The modification without prior approval of any of the requirements that require the authorization of the Office of the Insurance Activity Superintendent.</p> <p>2. Failure to comply with contractual obligations with respect to the contracting parties, insurance companies or prepaid medicine companies.</p> <p>3. When the company financing premiums or installments so requests for any justified cause in the opinion of the Office of the Insurance Activity Superintendent.</p> <p>4. Those established by the regulations of this Law and the rules issued for such purpose by the Office of the Insurance Activity Superintendent.</p> <p>The administrative act agreeing to the suspension shall indicate the term of the suspension, which may not exceed three years, and the corresponding marginal note shall be recorded in the Register of Premium or Quota Funders.</p>
<p>Article 152. The following are causes for revocation of the authorization to operate as premium or quota financing companies:</p> <p>1. That, in the opinion of the Office of the Insurance Activity Superintendent, it ceases payment or arrears in the payment of its obligations</p> <p>2. Failure to maintain the minimum capital stock indicated in this Decree with Rank, Value and Force of Law.</p> <p>3. Facilitating through any modality that an insurance or prepaid medicine company incurs in the financing of premiums or quotas, directly or indirectly.</p> <p>4. Failure to comply with the provisions of this Decree with Rank, Value and Force of Law, its Regulations and the rules issued by the Office of the Insurance Activity Superintendent.</p> <p>Once the revocation of the authorization has been declared, the commercial company may not request its authorization again until a period of more than three years has elapsed. The shareholders, directors and administrators of the revoked regulated entity may not be members of another company that performs activities subject to this Decree with Rank, Value and Force of Law, until the referred period has elapsed.</p>	<p>Article 73. The following are causes for revocation of the authorization to operate as a premium or quota financing company:</p> <p>1. Ceasing payments or arrears in the payment of its obligations</p> <p>2. Failure to maintain the minimum capital indicated in this Law.</p> <p>3. Facilitating through its structure that an insurance or prepaid medicine company incurs in the financing of premiums or fees, directly or indirectly.</p> <p>4. Failure to comply with the provisions of this Law, its regulations and the rules issued for such purpose by the Office of the Insurance Activity Superintendent.</p> <p>Once the revocation of the authorization has been declared, the corporation may not request its authorization again until a period of five years has elapsed. The Office of the Insurance Activity Superintendent may additionally, according to the cause of revocation, disqualify for up to the same period of time, the shareholders, directors and administrators of the revoked regulated entity to be members of another company that performs activities subject to the present Law.</p>
	<p>Article 78. Insurance companies, reinsurance companies, prepaid medicine companies, risk management companies, premium or quota finance companies, insurance brokerage companies and reinsurance brokerage companies shall submit to the Office of the Insurance Activity Superintendent the analytical financial statements in due time and through the mechanisms and means it may determine.</p>
<p>Article 69. Insurance companies, prepaid medicine companies, insurance brokerage companies and reinsurance companies, insurance brokers and premium or quota financing companies, cooperative associations engaged in insurance activities and risk management companies must close their financial year as of 31 December of each year, and reinsurance companies as of 30 June of each year. Likewise, they must prepare in the form established by the Office of the Insurance Activity Superintendent monthly analytical</p>	<p>Article 79. Insurance companies, prepaid medicine companies, risk management companies, premium or quota financing companies, insurance brokerage companies and reinsurance brokerage companies shall close their financial year as of 31 December of each year, and reinsurance companies as of 30 June of each year.</p>



<p>financial statements and submit them within the period established by the Office. The annual financial statements shall be accompanied by the reports of external auditors and independent actuaries prepared in accordance with the regulations issued by the Office of the Insurance Activity Superintendent.</p>	<p>The regulated entities, as applicable, within 60 continuous days following the close of the fiscal year, must submit the following information:</p> <ol style="list-style-type: none"> 1. Statement of financial position, income statement and analysis of the groups of accounts, including: assets, liabilities, expenses and income, accompanied by the corresponding accounting and statistical annexes, as well as the detailed relations; signed by those who exercise the executive, administrative or financial functions and those of the accounting area 2. External audit report and the respective letter to management, signed by a public accountant in the independent practice of the profession, registered in the Register of External Auditors of the Office of the Insurance Activity Superintendent 3. Certification of the technical reserves and the corresponding report, signed by an independent actuary registered with the Office of the Insurance Activity Superintendent, based on the regulations issued for such purpose 4. Solvency margin and unencumbered equity corresponding to the last quarter of the fiscal year, signed by the person exercising the executive function of the regulated entity and by the independent actuary registered with the Office of the Insurance Activity Superintendent, accompanied by the certification of the minutes of the board of directors at which they were presented 5. Report and account presented by the Board of Directors to the Shareholders' Meeting, accompanied by the Commissary's report. 6. Minutes of the ordinary general shareholders' meeting that heard and approved the provisions of paragraphs 1, 3, 4 and 5 of this article, together with the list of shareholders and members of the board of directors for the fiscal year ended 7. Accounting and statistical information and any other necessary information in accordance with the regulations issued by the Office of the Insurance Activity Superintendent <p>Insurance, reinsurance, prepaid medicine and risk management companies may publish their financial statements in a newspaper of national circulation, in print or digital form, and in their respective web portals, prior to their submission to the Office of the Insurance Activity Superintendent, in which case the publication must expressly state that they have not been authorized.</p> <p>Once the administrative procedure corresponding to the inspection has been completed, the Office of the Insurance Activity Superintendent shall order the publication of the financial statements of the regulated entity in a newspaper of national circulation, in print or digital form, and in its respective web portal.</p>
<p>Article 72. When in the financial statements submitted by insurance companies, reinsurance companies, premium or quota financing companies, cooperative associations engaged in insurance activities, prepaid medicine companies, risk management companies, insurance brokerage companies and reinsurance brokerage companies, the Office of the Insurance Activity Superintendent, after administrative proceedings, determines that there are serious irregularities, it shall order the statements to be drawn up again and published with the observations indicated, once approved by the shareholders' meeting, without prejudice to the actions and sanctions to which they may be subject.</p> <p>Serious irregularities shall be understood as those in which actions and omissions are verified, which, by virtue of their amount or technical reasonableness, affect the general interest protected by this Decree with Rank, Value and Force of Law.</p> <p>The Office of the Insurance Activity Superintendent shall forward to the Public Prosecutor's Office a certified copy of the administrative file with the respective ruling determining the serious irregularity, together with</p>	<p>Article 80. When it is determined, after an administrative procedure, that there are irregularities in the submitted financial statements, or when the Office of the Insurance Activity Superintendent deems convenient, the Office shall order the statements to be drawn up again with the observations indicated, then submitted for approval at an extraordinary shareholders' meeting and published, without prejudice to any actions and penalties that may be applicable.</p>



<p>a copy of the publication referred to in this article and other proceedings, for the purpose of determining the configuration of a criminal offense. The same documentation shall be forwarded to the Office of the Ombudsman, for the pertinent purposes within the framework of its competencies.</p>	
<p>Article 90. The Office of the Insurance Activity Superintendent, in the exercise of its regulatory powers established in the present Decree with Rank, Value and Force of Law, and to order the regulated entities to carry out conducts intended to remedy noncompliance with the rules regulating the activity, shall act in accordance with the following inspection procedure:</p> <ol style="list-style-type: none"> 1. The procedure shall be initiated ex officio, by means of an administrative act issued by the Office of the Insurance Activity Superintendent, in which the officer or officers who will carry out the inspection at the headquarters of the regulated entity shall be attributed the pertinent powers in accordance with the transferring technique of competence considered appropriate, in accordance with the provisions of the Organic Law of Public Administration, and the regulated entity must be notified of the administrative act, in accordance with the provisions of the Organic Law of Administrative Procedures. 2. The officials carrying out the inspection must request from the regulated entity through an official act, the documents, books, files and all information of any nature necessary to comply with their attributions. The regulated entity shall provide the information within three working days, when it must be at its main office; and within five working days, if the information requested is located outside the territorial area where the main office is located. 3. The inspection at the headquarters of the regulated entity shall not exceed two months as from the notification of the act of initiation and shall culminate in the notification signed by the Office of the Insurance Activity Superintendent, accompanied by the general report and the special report or reports, if any; and may be extended for the same period once, by a reasoned act. In the general report and the special report or reports, the inspecting officer or officers shall record the alleged conducts contrary to the rules regulating the insurance activity and the possible instructions necessary to correct them. 4. Once the notification has been made, the regulated party will have a period of 15 working days to present their evidence and argue their reasons. 5. Upon expiration of the aforementioned period, the Office of the Insurance Activity Superintendent shall have a term of 30 working days, extended once only for an equal period, to ratify, modify, revoke or annul the content of the act or acts, and order the regulated parties to carry out the necessary actions to remedy the noncompliance with the rules regulating the insurance activity, and in cases of infringement will apply the appropriate administrative sanctions, in accordance with the provisions of this Decree with Rank, Value and Force of Law; and if applicable, it will inform the Public Prosecutor's Office of the alleged criminal offenses. <p>When in a proceeding in which the Office of the Insurance Activity Superintendent issues administrative measures pursuant to the provisions of this Law and considers that new measures should be applied because the situation has not been remedied, it shall be sufficient to notify the person in question of this fact and grant them a period of five working days to exercise their right to defense, after which the Office of the Insurance Activity Superintendent may proceed, within the following 15 working days, to issue the new measures or the intervention of the regulated entity.</p> <p>In all matters not provided for in this Decree with Rank, Value and Force of Law, the provisions of the law regulating administrative procedures shall apply.</p>	<p>Article 81. The Office of the Insurance Activity Superintendent, in the exercise of its regulatory powers set forth in this Law, may order any of the following inspection procedures:</p> <ol style="list-style-type: none"> 1. Partial: To investigate a specific fact, act or document 2. General: To verify the reasonableness and adequacy of the financial statements, the economic-financial situation, the administrative organization and compliance with legal provisions by the regulated entities 3. Permanent: When any of the assumptions that give rise to the application of the administrative measures provided for in this Law is evidenced or when from the results of the partial or general inspections there are well-founded reasons to order it. <p>The form and terms of the inspection procedures shall be set forth in the regulations of this Law, the rules issued for such purpose and the Organic Law of Administrative Procedures.</p>
	<p>Article 104. Insurance brokerage companies and reinsurance brokerage companies shall have a minimum capital, in bolivars or in Venezuelan Government Securities indexed and denominated in bolivars, which shall be adjusted every two years, before 31 January of the corresponding year:</p>



	<ol style="list-style-type: none"> 1. Insurance brokerage companies: 15,000 times the reference exchange rate 2. Reinsurance brokerage companies: 45,000 times the reference exchange rate <p>Capital increases may be made against undistributed profits, with the prior authorization of the Office of the Insurance Activity Superintendent.</p>
	<p>Article 114. The Office of the Insurance Activity Superintendent, by virtue of the analysis of the professional experience of the applicant, shall grant the authorization to act as appraisal expert, loss adjuster and risk inspector only in the insurance lines for which the interested party has professional qualification.</p> <p>Legal entities may be registered as appraisers, loss adjusters and risk inspectors, provided that their main purpose is the performance of that activity and the natural persons involved in the appraisals, adjustments and inspections are authorized to act as such.</p>
	<p>Article 119. The Office of the Insurance Activity Superintendent shall require, through the regulations it may issue for such purpose, all the documents it deems necessary to proceed with the registration of the participation of foreign capital in the insurance activity. Once the registration has been effected and the qualification of the company issued, the competent agency in matters of foreign investments must be notified within 10 days following issuance.</p> <p>In the case of the authorization of reinsurance brokerage companies, these companies must demonstrate and prove that the shareholders have at least five years of experience in insurance brokerage in the country of origin, as well as submit certification issued by the controlling body of their country of origin or where they have performed the insurance brokerage work.</p>
<p>Article 129. Insurance companies, cooperative associations engaged in insurance activities and prepaid medicine companies are obliged to attend to and resolve the claims presented to them by policyholders, insured parties, beneficiaries or contracting parties, users or members with respect to the regulated parties, on the occasion of the controversies derived from the execution of the contract and any other operation related to the insurance activity.</p> <p>The minister with competence in matters of finance will authorize the creation of the offices of the Office of the Insurance Activity Superintendent responsible for the defense of rights, and for such purposes the figure of the Ombudsperson of the policyholder, insured, beneficiary, contracting party, user and affiliate is created, and the internal regulations will establish the attributions of the same.</p>	<p>Article 121. The Office of the Insurance Activity Superintendent shall create the directorate for the defense of the policyholder, insured, beneficiary, contracting party, user and member. Its organization and attributions shall be established in the internal regulations of the competent body, as well as in the rules issued on the matter.</p> <p>Insurance and prepaid medicine companies shall have in their structure a defense unit to attend and receive complaints, claims or grievances, and shall be in charge of the defense of the policyholder, insured, beneficiary, contracting party, user and member, in accordance with the regulations issued for that purpose by the Office of the Insurance Activity Superintendent.</p>
<p>Article 153. Any person who, without being authorized to do so, uses in his signature, corporate name, trade name, products or services, the words "insurance," "insurer," "insurance company," "cooperative association engaged in the insurance activity," "reinsurance," "reinsurer," "reinsurance company," "reinsurance company," "prepaid medicine company," "risk management companies," "company financing premiums or quotas," policy or terms related or derived from those words, or equivalent in their translation into languages other than Spanish, with the intention of making believe that they are authorized to carry out the referred activity, shall be sanctioned with a fine of 2,000 U.T. to 30,000 U.T., without prejudice to the measures that may be adopted according to this Decree with Rank, Value and Force of Law and the criminal liability that may be applicable.</p>	<p>Article 125. A fine of 20,000 to 50,000 times the reference exchange rate shall be given to any person who, without being authorized to do so, uses in his signature, corporate name, trade name, products or services the words "insurance," "reinsurance," "prepaid medicine," "risk management," "insurance company," "insurer," "reinsurance company," "reinsurer," "prepaid medicine company," "risk management company," "premium or quota financing company," policy or terms related to or derived from those words, or equivalent in their translation into languages other than Spanish, with the intention of making it appear that they are authorized to carry out the referred activity, without prejudice to the criminal liability that may be applicable.</p>
<p>Article 154. The regulated entities with legal personality, as the case may be, that commit the following violations shall be sanctioned with a fine:</p> <ol style="list-style-type: none"> 1. From 2,000 T.U. to 24,000 T.U., when they fail to comply with the administrative measures, or impede or hinder the exercise of the functions of the Office of the Insurance Activity Superintendent 2. From 4,000 T.U. to 48,000 T.U., when they fail to comply with the requirements to obtain and maintain the authorization to operate established in this Decree with Rank, Value and Force of Law 	<p>Article 126. The regulated entities, as the case may be, that commit the following violations shall be sanctioned with a fine:</p> <ol style="list-style-type: none"> 1. From 5,000 to 20,000 times the reference exchange rate, when they fail to comply with the administrative measures, or impede or hinder the exercise of the functions of the Office of the Insurance Activity Superintendent, or from 3,000 to 6,000 times the reference exchange rate, when they fail to comply with the rules or instructions issued by the competent body 2. From 10,000 to 25,000 times the reference exchange rate, when they carry out operations of transfer, alienation or



<p>3. From 5,000 T.U. to 60,000 T.U., when they carry out operations of transfer, alienation or encumbrance, portfolio assignment, merger or spin-off of legal entities, without the prior authorization of the Office of the Insurance Activity Superintendent</p> <p>4. From 1,000 T.U. to 12,000 T.U., when they do not publish the extract of the portfolio assignment document or do not send it to the Office of the Insurance Activity Superintendent</p> <p>5. From 3,000 T.U. to 36,000 T.U., when policies, documents, rates or advertising are used without the prior approval of the Office of the Insurance Activity Superintendent</p> <p>6. From 4,000 T.U. to 48,000 T.U., when they do not replace the assets suitable for the representation of the technical reserves</p> <p>The sanctions provided for in this article shall be applied without prejudice to the criminal liability and the measures that may be appropriate to adopt pursuant to this Decree with Rank, Value and Force of Law.</p>	<p>encumbrance, portfolio assignment, merger or spin-off of legal entities, without the prior authorization of the Office of the Insurance Activity Superintendent, or from 2,000 to 4,000 times the reference exchange rate, when they do not publish the extract of the portfolio assignment document or do not submit it to the competent body</p> <p>3. From 10,000 to 25,000 times the reference exchange rate, when using policies, contracts, documents, tariffs or advertising without the prior approval of the Office of the Insurance Activity Superintendent</p> <p>4. From 25,000 to 50,000 times the reference exchange rate, for noncompliance with the design, implementation and operation of the Integral Risk Management System for Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, as well as for noncompliance with other obligations imposed by the rules governing this matter</p> <p>5. From 2,000 to 5,000 times the reference exchange rate, when they do not provide within the terms and conditions established by the Office of the Insurance Activity Superintendent the data, information or documents required</p> <p>6. From 5,000 to 20,000 times the reference exchange rate, when insurance companies, prepaid medicine companies and insurance brokerage companies do not pay commissions to intermediaries or bonuses and incentives within the terms contemplated in the tariff of commissions, bonuses and incentive plans approved by the Office of the Insurance Activity Superintendent</p> <p>7. From 20,000 to 30,000 times the reference exchange rate, when insurance companies, prepaid medicine companies, risk management companies and insurance brokerage companies pay commissions, bonuses or retributions of any kind, regardless of their denomination or form, to persons who are not authorized or are suspended to act as intermediaries in the insurance activity in accordance with this Law</p> <p>8. From 25,000 to 50,000 times the reference exchange rate, when the directors, board members, administrators, executives, internal auditors, commissioners, attorneys-in-fact, managers or actuaries of insurance companies, reinsurance companies, prepaid medicine companies, risk managers, premium or quota financiers and independent actuaries or external auditors, without just cause, do not comply or fail to comply with the administrative measures dictated by the Office of the Insurance Activity Superintendent based on the provisions of this Law</p> <p>9. From 10,000 to 25,000 times the reference exchange rate, when insurance and prepaid medicine companies do not comply with the subscription of mandatory insurance and prepaid medicine plans</p> <p>10. From 5,000 to 20,000 times the reference exchange rate, when they condition the subscription of an insurance, prepaid medicine or risk management contract to the contracting or acquisition of other policies, services, goods or contracts, or when they pay to suppliers services or consumption not rendered or prices higher than those offered to the general public</p> <p>11. From 25,000 to 50,000 times the reference exchange rate, when they violate the prohibition against carrying out operations without technical basis or with unauthorized foreign companies, or in any of the assumptions of prohibition foreseen in this Law</p> <p>12. From 3,000 to 6,000 times the reference exchange rate, when they do not appear, without justified cause, to comply with the conciliatory acts provided for in this Law.</p>
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	<p>The penalties provided for in this article shall be applied without prejudice to criminal liability and the measures that may be adopted in accordance with this Law.</p>
	<p>Article 127. The regulated entities, as the case may be, that incur in the following violations shall be sanctioned with a fine:</p> <ol style="list-style-type: none"> 1. From 25,000 to 50,000 times the reference exchange rate, when they subscribe reinsurance contracts in which there is no real transfer of risk or whose purpose is to conceal their true financial situation 2. From 4,000 to 10,000 times the reference exchange rate, when they refrain from remitting to the Office of the Insurance Activity Superintendent, under the terms provided for in this Law, its regulations and the rules issued for such purpose, reinsurance and retrocession contracts, on risks located in the Republic 3. From 2,000 to 4,000 times the reference exchange rate, when they fail to notify the change of domicile, opening, closing, transfer, substitution of premises, offices, branches or agencies, as well as representative offices of foreign reinsurance companies 4. From 10,000 to 25,000 times the reference exchange rate, when insurance, reinsurance and prepaid medicine companies cede their risks in reinsurance in contravention of the provisions of this Law
<p>Article 155. Insurance companies, cooperative associations, prepaid medicine companies and reinsurance companies that commit the following violations shall be sanctioned with a fine of 12,000 T.U. to 36,000 T.U.:</p> <ol style="list-style-type: none"> 1. They have a deficit in uncommitted equity with respect to their solvency requirement 2. They show insufficiency in the coverage of technical reserves or have not constituted or represented the technical reserves in the amounts and types of assets or in the percentages required in this Decree with Rank, Value and Force of Law or in the rules issued by the Office of the Insurance Activity Superintendent 3. They do not comply with the economic and financial requirements, or carry out operations without a technical basis, to guarantee compliance with the contracts and health plans 	<p>Article 128. Insurance, reinsurance and prepaid medicine companies that commit the following violations shall be sanctioned with a fine of 25,000 to 50,000 times the reference exchange rate:</p> <ol style="list-style-type: none"> 1. They have a deficit in uncommitted equity with respect to their solvency requirement in accordance with the rules issued for such purpose 2. They fail to establish or maintain technical reserves as required by this Law 3. They show insufficient coverage of technical reserves in accordance with the provisions of this Law 4. They do not represent the technical reserves in the types of assets or percentages required by this Law or by the rules issued for such purpose by the Office of the Insurance Activity Superintendent
<p>Article 157. The insurance company, reinsurance company, cooperative association that carries out insurance activity, or prepaid medicine company that includes clauses that limit the direct relationship between the insurance company and its reinsurer or between the policyholder, the insured or the beneficiary and the reinsurer, when they make a cession that exceeds 50% of the coverage of the insurance contract, shall be sanctioned with a fine of 12,000 T.U. to 24,000 T.U.</p>	<p>Article 129. The insurance, reinsurance or prepaid medicine company that includes clauses in their contracts that limit the direct relationship between the assignor and the assignee; or when they make an assignment that exceeds 50% of the coverage of the insurance or prepaid medicine contract and limit the direct relationship between the policyholder, the insured, the beneficiary, the contracting party, the user or the affiliate and the reinsurer, shall be sanctioned with a fine of 5,000 to 15,000 times the reference exchange rate.</p>
<p>Article 163. Insurance companies that issue surety bonds shall be sanctioned with a fine of 30,000 T.U. to 48,000 T.U., if the surety bond contracts are issued under the following circumstances:</p> <ol style="list-style-type: none"> 1. Without the prior approval of the Office of the Insurance Activity Superintendent 2. Underwritten by those who are not qualified to commit the insurance company for patrimonial purposes 3. They do not establish the subrogation of the rights, actions and guarantees that the secured creditor has against the debtor 4. They do not stipulate the expiration of the actions against the insurance company at the expiration of a period of time that may not exceed one year, counted from the date on which the secured creditor has knowledge of the event giving rise to the claim. 5. They do not contemplate the obligation of the secured creditor to give notice of any circumstance that may give rise to the claim as soon as it becomes aware of it 	<p>Article 130. A fine of 10,000 to 25,000 times the reference exchange rate shall be given to insurance companies that issue surety bond contracts that: are not previously approved by the Office of the Insurance Activity Superintendent or subscribed by those who are not qualified to commit the insurance company patrimonially; do not establish the subrogation of the rights, actions and guarantees that the creditor has against the debtor or do not stipulate the expiration of the actions against the insurance company at the expiration of a period of time that may not exceed one year, counted from the date on which the creditor has knowledge of the event giving rise to the claim; do not contemplate the obligation of the creditor to notify any circumstance that may give rise to the claim as soon as it becomes aware of it; or do not indicate the exact amount guaranteed and its duration.</p> <p>Insurance companies issuing financial guarantees, sureties or bonds on first demand shall be sanctioned with a fine of 25,000 to 50,000 times the reference exchange rate.</p>

<p>6. They fail to indicate the exact amount guaranteed and its duration. Insurance companies issuing financial guarantees, sureties or bonds at first demand shall be sanctioned with a fine of 60,000 T.U. to 84,000 T.U.</p>	
<p>Article 166. Insurance companies, cooperative associations engaged in insurance activities, prepaid medicine companies, risk management companies, premium and quota financing companies, and insurance intermediaries who offer insurance, coverage or contracts without having the characteristics attributed to them in the offer, shall be sanctioned with a fine of 12,000 T.U. to 30,000 T.U.</p>	<p>Article 131. Insurance companies, prepaid medicine companies, risk management companies, premium or quota financing companies and insurance activity intermediaries, who offer insurance, coverage, contracts or services, without having the characteristics attributed to them in the offer, shall be sanctioned with a fine of 25,000 to 50,000 times the reference exchange rate.</p>
<p>Article 167. The member of the board of directors, counselor, advisor, executive officer, employee, internal auditor, commissioner, actuary or accountant of an insurance company, prepaid medicine company, cooperative association engaged in insurance activities, risk management company, reinsurance company, insurance brokerage company, reinsurance brokerage company or company financing premiums or quotas, who falsifies the truth about financial statements, financial information, technical reserves, uncommitted equity, solvency margin, investments or any other data, as the case may be, with which it induces to deceive, or that carries out reinsurance operations in which there is no real transfer of risk, shall be sanctioned with a fine of 4,000 T.U. to 12,000 T.U. and prohibited from engaging in the insurance or reinsurance activity for a term of up to 10 years, without prejudice to the criminal penalties.</p> <p>This prohibition will imply the impossibility of exercising the activities regulated by this Decree with Rank, Value and Force of Law directly or as an employee, counselor, advisor or consultant of any of the regulated entities.</p>	<p>Article 132. The member of the board of directors, board member, advisor, executive officer, employee, commissioner, actuary, accountant, internal and external auditor, including the one who performs functions in the area of information assets and risk management of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction, of the regulated entities who misrepresents the truth about the financial statements, statistical or financial information, technical reserves, solvency margin, uncommitted equity, investments, report on the execution of the annual operating plan for the management of money laundering risks, financing of terrorism and financing of the proliferation of weapons of mass destruction, or any other data, with which it may mislead, or that carries out reinsurance operations in which there is no real transfer of risk, shall be punished with a fine of 50,000 to 100,000 times the reference exchange rate, and prohibited from the insurance or reinsurance activity for a term of up to 10 years, prior administrative proceeding, without prejudice to any criminal sanctions that may be applicable.</p>
<p>Article 169. Insurance companies, cooperative associations engaged in insurance activities, risk management companies, prepaid medicine companies and reinsurance companies that evade, delay without just cause the fulfillment of their obligations, or reject in a generic manner the claims formulated by policyholders, insured parties, beneficiaries, contracting parties, users or associates, within the applicable legal or contractual conditions and terms, shall be sanctioned with a fine of 2,000 T.U. to 15,000 T.U.</p> <p>The penalties contained in this article shall also apply to insurance companies acting as reinsurers or surety companies that withhold, reject with generic arguments or evade compliance with their obligations.</p>	<p>Article 133. Insurance companies, prepaid medicine companies and risk management companies that evade or delay, without justified cause, the fulfillment of their obligations or reject in a generic manner the claims formulated by policyholders, insured parties, beneficiaries, contracting parties, users or affiliates, within the applicable legal or contractual conditions and terms, shall be sanctioned with a fine of 10,000 to 25,000 times the reference exchange rate.</p>
<p>Article 172. The regulated entities, system auditors and commissioners shall be sanctioned, in the case of natural persons, with a fine of 1,000 T.U. to 4,000 T.U., and in the case of legal entities, with a fine of 12,000 T.U. 24,000 T.U., in the following cases:</p> <ol style="list-style-type: none"> 1. They violate the financial and accounting rules and instructions set forth in this Decree with Rank, Value and Force of Law or issued by the Office of the Insurance Activity Superintendent 2. Their financial statements do not conform to the models contained in the Accounting Manuals or to the regulations issued by the Office of the Insurance Activity Superintendent 3. They contravene the rules on: <ol style="list-style-type: none"> a. Shareholders' meetings b. Automated information systems c. Standards or instructions on audits of systems and independent actuaries d. External audits 4. They impede, limit or restrict the Office of the Insurance Activity Superintendent from exercising the powers set forth in this Decree with Rank, Value and Force of Law <p>When the infraction referred to in this article prevents the true patrimonial situation of the juridical person from being known, the fine shall be from 4,000 T.U. to 36,000 T.U.</p>	<p>Article 134. Regulated entities and commissioners shall be sanctioned, in the case of natural persons, with a fine of 5,000 to 10,000 times the reference exchange rate; and in the case of legal entities, with a fine of 10,000 to 25,000 times the reference exchange rate, in the following cases:</p> <ol style="list-style-type: none"> 1. They violate the financial and accounting rules and instructions set forth in this Law or issued by the Office of the Insurance Activity Superintendent 2. Their financial statements do not conform to the models contained in the accounting manuals and code of accounts, or to the regulations issued by the Office of the Insurance Activity Superintendent 3. They contravene the rules on shareholders' meetings, automated information systems, external audits, audits of information assets, and certification of technical reserves, solvency margin and unencumbered shareholders' equity <p>When the infraction referred to in this article prevents the true patrimonial situation of the legal person from being known, the fine shall be from 25,000 to 50,000 times the reference exchange rate.</p>



<p>Article 174. Insurance intermediaries that commit the following violations shall be sanctioned with a fine of 100 T.U. to 1,800 T.U.:</p> <ol style="list-style-type: none"> 1. On the occasion of their advice or due to the lack of timely advice, they cause damages to the policyholder, insured, beneficiary, contracting party, user or member or to the insurance company, cooperative association that performs insurance activity, risk management company or prepaid medicine company, or their conduct does not comply with the prescriptions of professional ethics 2. They fail to furnish within the established time period the data or reports requested by the Office of the Insurance Activity Superintendent 3. They assign all or part of their commission 4. They act in contravention of the rules relating to the direct relationship between insurance companies, cooperative associations that carry out insurance activities, risk management companies or prepaid medicine companies and the policyholder, insured, beneficiary, contracting party, user or affiliate, and change of intermediary 5. They carry out reinsurance intermediation, representation in any form of reinsurance companies or reinsurance brokerage companies, risk inspection or adjustments or appraisals, or are members of boards of directors, managers, shareholders, employees or employees of such companies; represent foreign insurance or reinsurance companies, or insurance brokers or agents not domiciled in the country 6. They violate the prohibitions established in this law 7. They accept premium payments in their own name or do not use for the collection of such premiums the receipts issued by insurance companies, prepaid medicine companies, cooperative associations that carry out insurance activities and risk management companies 8. They disclose advertisements that do not have the prior approval of the Office of the Insurance Activity Superintendent, or that contain offers that mislead or deceive the public 9. They offer or grant discounts not foreseen in the rates quoted by the respective company, or conditions not included in the contracts or in the policies and their annexes, or conceal any act of insurance mediation by natural or juridical persons not authorized to practice it 10. They deposit or pay to the insurance or prepaid medicine company the premiums and fees collected outside the period established in this Decree with Rank, Value and Force of Law; or violate the prohibition to pay amounts of money 11. They do not commercialize or prevent the subscription of compulsory insurance and solidarity insurance 12. They obtain income other than the corresponding commission for the insurance activity that increases the premiums or quotas or distorts the insurance market. 	<p>Article 135. The insurance intermediaries that commit the following violations shall be sanctioned with a fine of 5,000 to 15,000 times the reference exchange rate:</p> <ol style="list-style-type: none"> 1. On the occasion of their advice or due to the lack of timely advice, they cause damages to the policyholder, insured, beneficiary, contracting party, user or affiliate or to the insurance company, prepaid medicine company or risk management company, or their conduct does not comply with the prescriptions of professional ethics 2. They fail to provide within the established term, the data, statements, documents or reports requested by the Office of the Insurance Activity Superintendent 3. They assign all or part of their commission or offer or grant discounts not foreseen in the rates quoted by the company, or conditions not included in the contracts and their annexes 4. They act in contravention of the norms concerning the direct relationship between insurance companies, prepaid medicine companies or risk management companies and the policyholder, insured, beneficiary, contracting party, user or affiliate; the change of intermediary; or conceal any act of intermediation in the insurance activity of natural or juridical persons not authorized to practice it. 5. They violate the prohibitions established in this law 6. They accept payment of premiums or installments in their own name or do not use for the collection of premiums or installments the receipts issued by the insurance companies, prepaid medicine companies and risk management companies; deposit the premiums or installments collected outside the period established in this Law; violate the prohibition to pay amounts of money; or obtain income other than the remunerations corresponding to them as contemplated in the tariff of commissions, bonuses and incentive plans previously approved by the Office of the Insurance Activity Superintendent, which increase the premiums or quotas, or distort the insurance market. 7. They disclose, by any means, advertisements that do not have the prior approval of the Office of the Insurance Activity Superintendent 8. They do not commercialize or prevent the subscription of compulsory insurance. <p>The sanction provided for in this article is applicable to insurance auxiliaries when they commit the violations established in items 2, 5 and 7.</p>
<p>Article 175. Insurance intermediaries who modify models, rates, annexes or texts used by the respective insurance company, prepaid medicine company and cooperative association that performs the insurance activity, in the placement of their policies or contracts, shall be sanctioned with a fine of 2,000 T.U. to 24,000 T.U., without prejudice to the applicable criminal penalties.</p>	<p>Article 136. Intermediaries of the insurance activity who modify conditions, rates, annexes or documents used by the respective insurance and prepaid medicine company in the placement of their policies or contracts shall be sanctioned with a fine of 10,000 to 25,000 times the reference exchange rate, without prejudice to the applicable criminal penalties.</p>
<p>Article 176. Reinsurance brokerage companies shall be sanctioned with the following:</p> <ol style="list-style-type: none"> 1. Suspension of the authorization to operate for a period of three years when they intervene in reinsurance contracts in which there is no real transfer of risk. The same sanction shall be applied to its shareholders, presidents and directors and administrators who have intervened in the operation. 2. A fine of 5,000 T.U. to 24,000 T.U., in the following cases: 	<p>Article 137. Reinsurance brokerage companies shall be sanctioned, without prejudice to the applicable criminal actions, with the following:</p> <ol style="list-style-type: none"> 1. A fine of 15,000 to 30,000 times the reference exchange rate and suspension of the authorization to operate for a period of 10 years, prior administrative procedure, when they intervene in reinsurance contracts in which there is no real transfer of risk or whose purpose is to conceal the true financial situation of the regulated entity. The same sanction shall be applied to its shareholders, presidents and directors and administrators who have intervened in the operation.

<p>a. They limit the relationship between the ceding company and the ceding company in reinsurance contracts.</p> <p>b. They fail to notify the Office of the Insurance Activity Superintendent of the agreements executed whereby the rule that establishes the payments from the assignor company to the intermediary is modified, in accordance with the provisions related to the direct relationship between the ceding company and the ceding company provided for in this Decree with the Rank, Value and Force of Law.</p>	<p>2. Fine of 10,000 to 20,000 times the reference exchange rate, when they limit the relationship between the ceding company and the ceding company in reinsurance contracts, or do not notify the Office of the Insurance Activity Superintendent of the agreements that have been made by means of which the rule according to which the payments from the ceding company to the reinsurance brokerage company are payments to the reinsurer is modified, in accordance with the provisions related to the direct relationship between the ceding company and the ceding company provided for in this Law.</p>
<p>Article 178. The Office of the Insurance Activity Superintendent shall sanction, according to the seriousness of the offense, the regulated entities, risk inspectors, appraisers or loss adjusters, systems auditors, independent actuaries and commissioners, with a fine of 1,000 T.U. to 3,000 T.U.; or the exclusion from the corresponding registers, for a period of one year, without prejudice to the criminal sanctions, in the following cases:</p> <ol style="list-style-type: none"> 1. They have audited or performed functions as actuaries of insurance companies, cooperative associations that carry out insurance activities, risk management companies, prepaid medicine companies or reinsurance companies in the year prior to their intervention or liquidation, and have not expressed in their reports the seriousness of the regulated entity's situation or the operations it may have carried out to hide its true financial situation, as the case may be 2. They have advised regulated entities with legal personality for the performance of operations with the purpose of increasing or decreasing profits or losses, as well as providing information that does not reflect the reality 3. They act without being registered or without having renewed their authorization when applicable, in accordance with the rules established by the Office of the Insurance Activity Superintendent <p>The Office of the Insurance Activity Superintendent will impose a fine of 1,000 T.U. to 3,000 T.U. on risk inspectors, appraisal experts or loss adjusters who do not comply with the rules issued by the regulatory body on the form and timeliness of presentation of their reports.</p>	<p>Article 138. The Office of the Insurance Activity Superintendent shall sanction, as appropriate and prior to an administrative procedure, the insurance auxiliaries, external auditors, defenders of the policyholder, insured, beneficiary, contracting party, user and affiliate, compliance officers, independent actuaries and commissioners, with a fine of 5,000 to 10,000 times the reference exchange rate; or the exclusion from the corresponding records, for a period of one to five years, without prejudice to the criminal sanctions, in the following cases:</p> <ol style="list-style-type: none"> 1. They have audited or performed functions as independent actuaries of insurance, reinsurance, prepaid medicine or risk management companies in the year prior to their intervention or liquidation, and have not expressed in their reports the seriousness of the regulated entity's situation or the operations it may have carried out to conceal its true financial situation, as the case may be 2. They disclose confidential information of insurance companies, reinsurance companies, prepaid medicine companies, risk managers and premium or quota financiers 3. In the exercise of their functions, the compliance officer contributes, conceals, falsifies or alters information on operations related to money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction 4. They advised regulated entities on carrying out operations with the purpose of increasing or decreasing profits or losses, as well as providing information that is not in line with reality 5. In the performance of their duties, the ombudsperson of the policyholder, insured, beneficiary, contracting party, user and member does not give timely responses to the reports, complaints or claims submitted to him, or contravenes the rules issued for such purpose <p>The Office of the Insurance Activity Superintendent shall impose a fine of 5,000 to 10,000 times the reference exchange rate on insurance auxiliaries that do not comply with the regulations issued by the competent body of the insurance activity, regarding the form and opportunity of presentation of their reports.</p>
<p>Article 180. The Office of the Insurance Activity Superintendent shall sanction (with a fine of 5,000 T.U. to 60,000 T.U.) the cooperative associations that carry out the insurance activity, insurance companies, or prepaid medicine companies that do not comply with the subscription of mandatory contracts with the minimum number of policies or plans established by the Office of the Insurance Activity Superintendent.</p> <p>The same sanction applies to insurance companies, cooperative associations that carry out insurance activities or prepaid medicine companies that do not offer or do not subscribe policies and solidarity plans.</p>	<p>Article 139. The Office of the Insurance Activity Superintendent shall suspend, by right for one year, the registration authorization of any of the insurance intermediaries and insurance auxiliaries, when they fail to renew the registration referred to in this Law, cease the habitual exercise of the operations for which they have been authorized, cease to be resident in the country, or disclose, by any means, advertisements of companies not authorized by the Office of the Insurance Activity Superintendent.</p> <p>Once the term of one year has elapsed, insurance intermediaries and insurance auxiliaries may request the reactivation of their registration in the respective registry, upon payment of 50% of the fee corresponding to the registration, as provided for in this Law.</p>
<p>Article 177. The Office of the Insurance Activity Superintendent shall revoke the respective registration authorization of any of the insurance intermediaries, risk inspectors, appraisers or loss adjusters, which according to this Decree with Rank, Value and Force of Law, require authorization to act as such, in the following cases:</p>	<p>Article 140. The Office of the Insurance Activity Superintendent shall revoke the respective registration authorization of any of the insurance intermediaries and insurance auxiliaries, in the following cases:</p> <ol style="list-style-type: none"> 1. They act in collusion with insurance, reinsurance, prepaid medicine or risk management companies, to the detriment

<p>1. They cease to engage in the usual exercise of the operations for which they have been authorized</p> <p>2. They are no longer resident in the country</p> <p>3. They act in collusion with insurance companies, cooperative associations that carry out insurance activities, risk management companies or prepaid medicine companies, to the detriment of policyholders, insured parties, contracting beneficiaries, users or affiliates.</p> <p>4. They dispose in any way of the money collected in their management or do not deliver it immediately to the companies financing premiums or quotas, to the cooperative associations that carry out insurance activities, to insurance companies or to prepaid medicine companies within the corresponding time limits.</p> <p>5. They fail to file the sworn statement of being in the insurance activity, as required by this Decree with Rank, Value and Force of Law.</p>	<p>of policyholders, insured parties, contracting beneficiaries, users or affiliates</p> <p>2. They dispose in any way of the money collected in their management or do not deliver it to the insurance, reinsurance, prepaid medicine or premium or quota financing companies within the corresponding time limits.</p> <p>3. They perform mediation tasks in the execution of contracts with companies that carry out insurance activities that are not authorized by the Office of the Insurance Activity Superintendent</p> <p>4. They have been suspended on more than two occasions, in accordance with the provisions of this Law (In this case, the revocation shall proceed as of right.)</p> <p>The sanction of revocation shall consist of the cancellation of the corresponding registration, and to engage again in the activity, a new request for authorization must be made, once a term of five years has elapsed, complying with the requirements set forth in this Law.</p>
<p>Article 181. Fines shall be imposed considering the seriousness of the infraction, the degree of responsibility of the offender and the damage caused. In case of recidivism, the Office of the Insurance Activity Superintendent shall apply the maximum fine corresponding to the offense.</p>	<p>Article 141. Fines shall be imposed considering the following criteria: intentionality, repetition, nature of the damages caused, recidivism in the infraction and the general situation of the person administered with respect to the legal regime that protects them. The Office of the Insurance Activity Superintendent shall establish the scope of the fines through regulations it may issue for such purpose.</p>
<p>Article 182. The actions to sanction the violations set forth in this chapter shall prescribe within five years from the date on which the offense occurred, unless interrupted by actions of the Office of the Insurance Activity Superintendent or of third parties whose rights are injured.</p>	<p>Article 142. The actions to sanction the violations set forth in this chapter shall lapse after a term of six years from the date on which the offense occurred, unless they are interrupted by actions of the Office of the Insurance Activity Superintendent or of third parties whose rights are injured, in the following cases:</p> <ol style="list-style-type: none"> Conducting of operations without a technical basis or with unauthorized foreign companies Misrepresentation regarding financial statements, statistical or financial information, technical reserves, solvency margin, unencumbered equity, investments, report on the execution of the annual operating plan for the management of money laundering risks, financing of terrorism and financing of the proliferation of weapons of mass destruction, or any other financial or technical data Failure to comply with the administrative measures dictated by the Office of the Insurance Activity Superintendent Intervention in reinsurance contracts in which there is no real transfer of risk or whose purpose is to conceal the true financial situation of the regulated entity Performance of operations, advertising and mediation with companies not authorized to carry out insurance activities <p>In any other case, the actions to sanction the infractions indicated in this chapter shall expire after a term of three years from the date on which the offense occurred.</p>
<p>Article 183. Those who engage in the insurance activity without being authorized shall be punished with imprisonment from two to six years.</p> <p>If the person engaging in this practice is a legal entity, the prison sentence applies to its president, administrators, executives, directors, managers, factors and other employees of similar rank who have intervened in these operations, according to the degree of participation in the commission of the act.</p>	<p>Article 143. Those who engage in the operations of the insurance activity without being authorized shall be punished with imprisonment of six to 10 years. If the person who engages in this practice is a juridical person, the penalty of imprisonment shall be applied to its president, administrators, executives, directors, managers and other employees of similar rank who have intervened in these operations, according to the degree of participation in the commission of the act.</p>
<p>Article 184. When, in the act leading to the misleading offer, members of the board of directors, administrators, commissioners, employees of the insurance company, risk management company, cooperative association that performs insurance activity, prepaid medicine company or reinsurance company, or insurance brokerage companies or reinsurance brokerage companies or companies financing premiums or quotas, are proven to have intervened for their own benefit, the benefit of their spouse, the person with whom they have a common-law marriage, the person with whom they maintain a stable de facto union, or a person related up to the fourth degree of</p>	<p>Article 144. When, in the act that leads to the deceitful offer, members of the board of directors, administrators, employees of the regulated entities, are proven to have intervened for their own benefit, the benefit of their spouse, the person with whom they have a stable de facto union, or a person related up to the fourth degree of consanguinity or second degree of affinity, or for the benefit of companies in which they have direct or indirect interest, shall be punished with imprisonment from six to 10 years.</p>



consanguinity or second degree of affinity, or for the benefit of companies in which they have a direct or indirect interest, shall be punished with imprisonment from two to six years.	
<p>Article 185. The following individuals shall be punished with imprisonment from two to six years:</p> <ol style="list-style-type: none"> 1. The risk inspector, appraisal expert or loss adjuster who, in the exercise of their functions, has falsified or altered the results of the appraisals. 2. The medical professional who has falsely certified on the state of health of a person in relation to an insurance contract, risk management company or health plan that requires their professional intervention, or when in the exercise of their duties for a risk management company, insurance company, cooperative association that performs insurance activities, or prepaid medicine company, issues false certifications or opinions that allow the company to have or use arguments to avoid the payment of benefits and claims. 3. The insurance intermediary who has committed fraud in the exercise of their functions. If the intermediary is a legal entity, the penalty for the offense shall apply to the president, administrators, executives, directors, managers, factors and other employees of similar rank, responsible for the fraud. 4. Whoever places or sells contracts with risk managers, or insurance or prepaid medicine plans offered by foreign companies not authorized to develop the insurance activity in the Republic, on risks in the national territory. If the person who engages in this practice is a legal entity, the prison sentence must be applied to its president, administrators, executives, directors, managers, factors and other employees of similar rank who have intervened in these operations, according to the degree of participation in the commission of the act. 5. Whoever forges or issues documents of any nature, uses false data, or simulates facts for the purpose of committing or concealing fraud against insurance companies, risk management companies, cooperative associations engaged in insurance activities, prepaid medicine, reinsurance, insurance brokerage companies, reinsurance brokerage companies, or companies financing premiums or quotas. <p>In the cases of paragraphs 1 and 3, the declaration of criminal liability implies the revocation of the authorization to carry out the activity.</p>	<p>Article 145. The following individuals shall be punished with imprisonment from six to 10 years:</p> <ol style="list-style-type: none"> 1. The insurance auxiliaries who, in the exercise of their functions, have falsified or altered the results of the expert opinions. 2. The medical professional who has falsely certified on the state of health of a person in connection with an insurance, prepaid medicine or risk management contract that requires their professional intervention, or who, in the exercise of his duties for an insurance, prepaid medicine or risk management company, issues false certifications or opinions that allow the company to have or use arguments to evade the payment of benefits and claims. 3. The intermediary of the insurance activity who has committed fraud in the exercise of their functions. If the intermediary is a legal entity, the sanction for the unlawful act shall be applied to those responsible for the fraud. 4. Whoever places or sells insurance, prepaid medicine or risk management contracts offered by foreign companies not authorized to develop the insurance activity in the Republic, on risks in the national territory. If the person who engages in this practice is a legal entity, the prison sentence must be applied to those who have intervened in these operations, according to the degree of participation in the commission of the act. 5. Whoever forges or issues documents of any nature, uses false data or simulates facts with the purpose of committing or concealing frauds against insurance companies, reinsurance companies, prepaid medicine companies, risk managers, insurance brokerage companies, reinsurance brokerage companies or premium or quota financiers. <p>In the cases of paragraphs 1 and 3, the declaration of criminal liability shall entail the revocation of the authorization to carry out the activity, as the case may be.</p>
<p>Article 187. The actions intended to punish the crimes set forth in this chapter shall expire after five years, counted from the date on which the punishable act was committed or from the last act that was carried out to commit it, in the case of continuous crimes.</p>	<p>Article 146. The actions intended to punish the crimes set forth in this chapter shall prescribe after 10 years, counted from the date on which the punishable act was committed, or from the last act carried out to commit it, in the case of continuous crimes.</p>
	<p>Second. The registrations provided for in article 12 must be renewed within 90 continuous days from the date this Law enters into force.</p> <p>Third. Cooperative associations, authorized by the Office of the Insurance Activity Superintendent as of the effective date of this Law, may adapt and adopt the form of an insurance, prepaid medicine and risk management company, in compliance with the requirements set forth in this Law, its regulations and other applicable rules.</p>