

Banking and Finance News

The Superintendency of Insurance reminds the maximum percentage of intermediation and other commissions for life insurance and insurance hired on behalf of others

By means of Circular SS. SG. N°84/2023, the Superintendency of Insurance ("SIS") reminds all insurance entities and insurance intermediaries authorized to operate in the local market about the validity of Resolution SS.SG. No. 45/13 (the "Resolution"), dated 8 August 2013. Specifically, the SIS emphasized the conditions stipulated in Article 1° of the Resolution, which is of particular relevance to the sector.

According to the Resolution, commissions for intermediation and other concepts, agreed between insurance companies and insurance agents or brokers, in the case of life insurance (regardless of whether or not they contemplate the constitution of Mathematical Reserves), may not exceed 30% of the tariff premium as a component of the same, incorporated in the Technical Note approved by the SIS. This means that such commissions must be kept within a reasonable limit regulated by the supervision authority.

In the event that the commission rates set out in the Technical Notes registered with the SIS are lower than the maximum allowed percentage of 30%, the rates set out in these Technical Notes will apply.

It is important to note that this limit also applies to Insurance Hired on Behalf of Others, in accordance with the provisions of article 1565 and concordant articles of the Civil Code.

The SIS reminds the importance of complying with these provisions, which aim to promote transparency and fairness in the insurance market, thus protecting the interests of both insurance companies and customers and policyholders.

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