

(RE)INSURANCE: SUSEP 2020 Review and Outlook for 2021

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The year of 2020 was extremely arduous due to the pandemic, in several aspects, with impacts on the (re)insurance sector.

Nevertheless, numerous initiatives of the Superintendence of Private Insurance (SUSEP), the Brazilian insurance regulator, marked the year with innovation and modernization of the regulatory rules, bringing challenges and opportunities for 2021.

In this brief material, you will find the main regulatory rules enacted in 2020 and an outlook for 2021.

» A YEAR OF INTENSIVE NORMATIVE PRODUCTION

+16 CNSP (National Council of Private Insurance) Resolutions
+24 SUSEP Circulars
+23 Public Consultations

GOALS:

competition, contract freedom,
innovation, transparency, flexibility,
reduction of regulatory barriers.

» NEW REGULATORY FRAMEWORK

focus on the insured + improvement of the experience + greater contract freedom = greater efficiency and competitiveness

COMPLAINTS FROM
CONSUMERS OF THE
SUPERVISED MARKETS /

ADHESION TO
CONSUMIDOR.GOV.BR

(SUSEP CIRCULAR No. 613)

PUBLIC CONSULTATION – PRODUCTS

No. 16/2020: simplification of
insurance policies
No. 18/2020: new rules of large risks
No. 19/2020: new rules of property

REGULATORY
SANDBOX

(SUSEP Circular No. 598/2020 and
CNSP Resolution No. 381/2020)

Good Regulatory Practices – CNSP Res. No. 382/2020

» BIG NEWS



SRO (Operation Registration System)

(CNSP Resolution No. 383/2020,
SUSEP Circular No. 599/2020,
SUSEP Circular No. 601/2020,
SUSEP Circular No. 619/2020.)



Market Segmentation

(CNSP Resolutions No.
388/2020 and No. 389/2020)



ILS + New ways of financing



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THERE ARE ALSO...

- › Possibility of contracting insurance abroad – reduction of negative letters (SUSEP Circular No. 603/2020) and contracting in foreign currency (CNSP Resolution 379/2020)
- › Modernization of the insurance broker registration system (SUSEP vs. self-regulation)
- › New deadlines for keeping documents (SUSEP Circular No. 605/2020)
- › Possibility of EFPC and Health Carriers purchases reinsurance directly (Resolution CNSP No. 380/2020)
- › Possibility of change of the reinsurer register (SUSEP Circular No. 606/2020)
- › Establishment of maximum terms by the regulator for the analysis of acts (SUSEP Ordinance No. 7,677/2020).
- › New rules for independent auditing, risk management and solvency (changes in SUSEP Circular No. 517/2015 and in the CNSP Resolution No. 321/2015)

» SUSEP NEW RULES AND PENALTIES

Changes in CNSP Resolution No. 243/2011:

CNSP Resolution No. 392/2020

in effect from January 4, 2021

- ✓ More rigidity in sanctions;
- ✓ Increases of maximum and minimum amounts of each type of infraction;
- ✓ New type of recommendation;
- ✓ Procedural rules for injunctions;
- ✓ Coming up: SUSEP Circular to define serious infractions + hypotheses of absence of opening an administrative proceeding

ANTI-MONEY LAUNDERING NEW RULE – SUSEP CIRCULAR NO. 612/2020

Procedures and internal controls specifically designed for preventing and combating crimes of "laundering" as well as the prevention and financing of terrorism.

- › March 1, 2021, with the exception of the UNSC rules (in effect since September 2, 2020)

Principle character – minimum criteria to be observed, highlighting KYC, risk policy, effectiveness evaluation and new criteria for reporting positive (COAF) and negative (SUSEP) operations.

» OPPORTUNITIES AND CHALLENGES - 2021

- › Intensive process of adaptation to new regulatory rules
- › Great expectations for the regulatory plan – 2021
- › Brazilian General Data Protection Act (LGPD) (compliance projects + prevention - administrative and judicial litigation)
- › Sanitation legal framework: increase of several lines of insurance
- › Open banking / open insurance / new technologies - increase of insurance distribution channels
- › ESG: environmental, social and governance – new times
- › Bill of the New Public Bidding – changes in performance bonds

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