

"Life, Health and Pension Insurance in the new Economic Environment"

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Life



Health



Retirement insurance in
the new economic environment and against
climate change

| Summary | Page |
|---|-------------|
| Introduction | 5 |
| Executive Summary | 6/7 |
| Chapter I Argentina Republic | 8 |
| Macroeconomic Environment | 8 |
| Insurance Market | 8/9 |
| Legislative News | 9/10 |
| Legal Framework | 10/15 |
| Health Systems | 15/18 |
| Insurance Retirement | 19/29 |
| Conclusion | 30 |
| Acronyms | 31 |
| Bibliography | 32 |
| Annex I | 33/37 |
| Glossary | 38 |
| Chapter II Federative Republic of Brazil | 39 |
| Macroeconomic Environment | 39/40 |
| Insurance Market | 40/41 |
| New Legislation | 41 |
| Legal Framework | 42/46 |
| Health Systems | 46/47 |
| Insurance Retirement | 47/48 |
| Conclusions | 49 |
| Acronyms | 50 |
| Bibliography | 51 |
| Chapter III Republic of Chile | 52 |
| Macroeconomic Environment | 52 |
| Insurer Markets | 52/53 |
| Legislative News | 53 |
| Legal Framework | 53/59 |
| Health Systems | 59/65 |
| Insurance Retirement | 65/67 |
| Conclusions | 68 |
| Acronyms | 69 |
| Bibliography | 70 |
| Chapter IV Republic of Peru | 71 |
| Macroeconomic Environment | 71 |
| Insurance Market | 71/73 |
| New Legislation | 73 |
| Legal Framework | 73/82 |
| Health Systems | 82/83 |
| Insurance Retirement | 83/84 |

| | |
|---|-----------|
| Conclusions | 85 |
| Acronyms | 86 |
| Bibliography | 87 |
| Chapter V Oriental Republic of Uruguay | 88 |
| Macroeconomic Environment | 88 |
| Insurance Market | 88/89 |
| Legislative News | 89 |
| Legal Framework | 90 |
| Health Systems | 90/93 |
| Insurance Retirement | 93/98 |
| Conclusions | 99 |
| Acronyms | 100 |
| Bibliography | 101 |
| General Conclusions | 102/105 |

Introduction

Latin America's economy remained buoyant in recent years, although there was some slowdown in the pace of growth.

The slowdown took place from the second half of 2011, principally due to growing uncertainty in international financial markets regarding the debt crisis in some eurozone countries and to a lesser extent by the modest growth of the economy of U.S. . . .

In the first half of 2013 continued the slowdown in economic growth, though most countries maintain their dynamism and growth.

With respect to the insurance market, since 2011 the insurance industry in Latin America again showed signs of strength, with cups higher than those recorded in previous years. However, the depreciation of the local currency against the Euro has influenced lower volume growth in the Latin American insurance premiums expressed in euros.

All countries continued nominal growth in local currency, most of them with double-digit rates. Overall South America and Mexico showed a higher premium growth markets of Central America and the Caribbean, Puerto Rico, Chile and Brazil remain the countries with higher per capita spending on insurance.

With respect to life insurance, Brazil accumulated 59% of the premiums, so the behavior of this market is fundamental to understanding the evolution of life insurance in the region. After Brazil Mexico and Chile are the largest market with a share of 17% and 10% respectively. If premiums are added Colombia and Argentina, the five largest markets in Latin America Life reach a market share of 94%.

The VGBL insurance (Life Benefit Gerador Livre) private pension plan with tax incentives in Brazil, was again the main driver of growth. This insurance accounts for 45 % of life premiums in Latin America. The biggest increase occurred in Argentina, 29.7%, driven by growth in all Individual and Collective Life and Retirement modalities.

This brief analysis of the macroeconomic environment, coupled with the movements in the insurance business market and gives an overview of the current status of insurance, Health and Retirement in the MERCOSUR region related to climate change.

Executive Summary

Chapter I

In Chapter I an analysis of insurance , Health and Retirement develops in Argentina . The low birth rate in the future will result in a more elderly population most in need of resources. At the same time, the country's geographical location presents areas vulnerable to climate change , floods, droughts, El Niño , climate disasters by which the population must have specific insurance to decrease the economic impacts that these incidents cause .

Chapter II

Chapter II deals with insurance , Health and Retirement in the Federal Republic of Brazil, the region holds nearly half of all raw Latin American insurance market, nevertheless, being the 7th largest economy ranks 13 in the world ranking of premiums.

Moreover Brazil , recorded a high rate of elderly population , which is growing at nearly three times the rate of total population of Brazil .

It is estimated that in 2050 30% of the population will be over 60 years and a life expectancy will be 81 years, which represents a challenge for governments , and this is where life insurance , health and retirement have more influence , as today only 4% of the population have private pension plans .

Chapter III

Chapter III develops insurance , Health and Retirement in the Republic of Chile , a country in the region in 2011 showed significant activity , a fiscal policy with a balanced structural balance , yet the consequences of the earthquake in 2010.

The health system has features similar to those of the other countries of the MERCOSUR , with a significant percentage of people over 60 features. Regarding seniors and addressing catastrophic illness, consistent solutions have been sought additional or supplementary insurance offered by insurance companies.

The challenge ahead lies in modifying existing structures of the different branches of insurance , Health and Retirement , adapting to different circumstances that have gone through in recent years , volcanic eruptions, earthquakes that have left marks on the health of the population.

Chapter IV

Chapter IV deals with insurance , Health and Retirement in the Republic of Peru . The sector recorded segurador actual nominal increase of 10.1 % and 5.1 % with growth in private pension insurance .

Regarding the national pension system , this allows retirement at age 65 with 20 years of contributions , Decree Law 20530 provides the possibility of achieving the right to a pension with 15 years of contributions regardless of the age of the beneficiary .

This results in extreme situations that may occur as people who retire at age 35 and the state must pay them a pension for a longer period .

Moreover, there is a marked trend towards aging of the Peruvian population , which will be accentuated more strongly in the future, due to the significant drop in the total fertility rate .

Demographic changes mean a challenge on issues of health care and pensions. At the same time the effects of ENSO (El Niño - Southern Oscillation) cause adverse weather events.

Chapter V

Chapter V develops insurance , Health and Retirement in the Oriental Republic of Uruguay , as all countries of Mercosur , has now the lowest birth rate in its history. , Why can observe a accentuated aging population .

Second, extreme weather events continue to grow in the region, which will cause the loss of homes and lives.

CHAPTER I

1.REPUBLICA ARGENTINA

1.1.Report Macroeconomic ¹

Argentina's economy showed significant growth in 2011, ending the year with an increase in GDP of 8.9%.

The service sector, introduced greater dynamism than the goods-producing sectors, the sectors of agriculture and mining being the only recorded annual losses. In the manufacturing sector, all activities except the petroleum refining, showed positive growth with good development of the automobile industry.

The inflation rate remained stable at 9.5% due to the partial revision of the rise in international food prices. Nevertheless IMF request to Argentina remedial measures to improve the quality of the official data. Data generated by the provincial statistical offices and private analysts; show considerably higher than the official inflation data.

The current account of the balance of payments posted a surplus due to a sharp increase in imports, while exports increased by 25 % , helping to reduce the current account balance , transfer of profits and dividends from foreign companies to their headquarters .

Insurance Market

The Argentine insurance market had a real growth rate of 22.9 % , well above the 9% the previous year. The premium volume totaled 8.168 million euros. The most important structures Non-life insurance with an average increase of 35 % , protruding growths of Automobile and Occupational Hazards.

Highlights the Group Life Insurance in the Life with a rise of 34.1 % from the previous record. Individual Life maintains the growth rate of 38.6 % . The life industry presented a total premium volume of EUR 1,322

¹ MAPFRE Foundation. The Latin American Insurance Market 2011-2012. Madrid

The expense of premiums recorded inhabitant was 199 euros, 155 euros higher than recorded in 2010.

Total insurance companies authorized to operate in the market at 30 June 2011 was 180 . Of these 21 insurers operating exclusively in Retirement, 37 and 16 in Life Occupational Hazards. The remaining 106 operated in Property damage or were mixed (covering both life insurance and Heritage). Regarding brokers growth and shows an increase of 25.1 % while operating in the market, in 2011 23,132 individuals and 470 companies dedicated to producing insurance mediation persons were registered

Results

The net income in 2011 reached 646 million up 83% over the previous period. The combined ratio has improved over 2010 and decreased to 107.2 mainly due to a decrease of two half points in the loss ratio .

The technical and financial result was 9.0 % due to the excellent financial result showed a profit of 1.68 million euros.

In 2012 the business of life slows their growth and shows an increase of 25.1 %, while in the same period of 2010 was 51.9 %. Premium volume in the first half of 2012 presented a Life insurance premium volume of EUR 890 million.

New Legislation

In October 2012 the Law 26773 Occupational Hazards, replacing approved the previous standard of 1995. The purpose of these new regulations is to reduce litigation in these cases, establishing that the injured will have to choose between collect compensation from the insurer (ART- Insurance Risks) or claim in court. Survivors may choose once the award is set or percentage of disability is determined to collect compensation proposed by the ART including the additional 20 % or proceeding to initiate a claim for civil court. In the latter case the ART available to the court the amount.

Moreover , it is worth mentioning that an additional payment for monetary compensation under the scheme of Occupational Risks , this measure seeks to match the claims made by legal means in terms of full compensation of 20% is set damage.

1.2 Legal Framework²

The Constitution , in Article 14a provides:

Article 14a - Work in its various forms shall enjoy the protection of the laws, which ensure to workers . Dignified and equitable working conditions , limited time , rest and paid , fair pay , mobile living wage , equal pay for equal work , participation in the profits of companies with production control and collaboration in the management , protection against arbitrary dismissal ; stability of public employees , free and democratic trade union organization recognized by the mere registration in a special register .

The right to strike ; conclude collective labor agreements; recourse to conciliation and arbitration : the unions is guaranteed . Union representatives shall have the necessary for the fulfillment of union management and related guarantees job stability .

The State shall grant the benefits of social security, which shall be an integral and inalienable . In particular, the law establishes that a mandatory social insurance, which will be provided by national or provincial entities with financial and economic autonomy, administered by stakeholders with state participation , but may be overlapping of contributions , retirement and pensions; the comprehensive protection of the family , the defense of the homestead , family allowances and access to decent housing .

The Insurance Act 17.418, Chapter III under Title Personal Insurance, Section I on Life Insurance provides:

Article 128: The insurance can celebrate the life of the contractor or a third party.

Article 129: In life insurance from a third party will take into account the knowledge and conduct of the contractor and the third party.

² López Saavedra, Domingo M. Insurance Law An annotated

Article 130: Three years after the conclusion of the contract, the insurer may not invoke the reluctance, except when he is willful.

Article 132: You should only report the increase in risk that obeys reasons specifically provided in the contract.

Article 133: The changes of profession or activity authorized termination of the insured when increase the risk such that the conclusion to exist, the insurer would not have concluded the contract.

If this change had existed while holding the insurer had concluded the contract for a higher premium, the insured amount will be reduced in proportion to the premium paid.

Article 134: The insured may cancel the contract without any limitation after the first period of insurance. The contract will be deemed terminated if the premium is not paid within the agreed terms.

Article 135: The voluntary suicide of the person whose life is insured, release the insurer, unless the contract has been in force continuously for three years.

Article 136: In life insurance from a third party, the insurer is released if the death has been deliberately caused by a wrongful act by the contractor.

The beneficiary loses all rights deliberately causes the death of the insured tort.

Article 145: Designated several people with no indication of quota share, it is understood that the benefit equally.

Designation of children

When the children conceived and designated survivors occurred at the time of the scheduled event is understood.

Appointment of heirs

When designating heirs, is meant to happen that by law the contractor, if he has not given will, if any granted, it shall be designated heirs instituted. If no fixed quota share, the profit is distributed according to the hereditary contributions.

No appointment or termination of this

When the contractor fails to designate a beneficiary or for any reason the appointment is made ineffective or becomes ineffective, it is understood that appointed heirs.

Section III

Personal Accident Insurance

Insurance to people working independently, providing coverage to an accident during activity and in itinere.

Article 150: The insured as possible, should prevent or reduce the consequences of the incident, and the instructions of the insurer in this regard, as they are reasonable.

Article 151: When the accident or its consequences must be established by experts, the opinion of these is not mandatory if clearly deviates from the actual state of facts or the agreed procedure.

Bypass the expertise verifying those ends will be prosecuted.

Article 152: The insurer is released if the insured or the beneficiary intentionally causes the accident or serious misconduct or criminal enterprise suffers.

Section III

Group Insurance

The Group Life Insurance is so named because the uninsured are a group of people and the Employer is the institution that represents them.

Benefits:

Cash payment of the sum insured in case of death of

Insured for 24 hours a day.

Double Accident Compensation.

Cash payment of the sum insured in the event of total and permanent disability of the insured for the work as determined by the Disability Withdrawal.

Freedom to determine the amount of the sum insured (alternative capital), through personal choice to minimum or maximum capital.

Premiums are paid monthly.

There is complete freedom to designate beneficiaries. This is a decision taken by the Insured in confidence to enter the safe, and can also change beneficiaries when appropriate and as often as desired, by writing to the Commission.

No percentage of premium charge administrative charges.

Provides financial security to beneficiaries whose financial stability may be threatened with the death of the Insured.

Risks covered

Death for 24 hours a day.

Double Indemnity Accident.

Total and Permanent Disability for Work.

Secured capital

There are two alternatives of capital that can be chosen

Freely by the Insured:

Maximum Capital: The equivalent of twenty (20) times the total gross income and subject to normal retirement, including contributions of the individual.

Minimum Capital: The equivalent of twenty (20) times the total gross salary and regular pension contributions subject to the minimum category arising from comparing the various echelons force at the Universidad Nacional del Sur. currently corresponds to the Assistant Category "A" Simple Dedication.

Age Limit

The maximum or minimum age required to be insured. In this insurance, the minimum age is 14 years and maximum is 65 years.

Beneficiaries

Designees are free and written by the policyholder.

Article 153: In case of recruitment of group life insurance or personal accident in the exclusive interest of the members of the group, they or their beneficiaries in their own right against the insurer since the event occurs provided.

Article 154: The contract shall specify the transposition insured group that will occur when those are met.

Own medical exam

If prior medical examination is required, the addition is subject to the checkup. This will be made by the insurer within fifteen days of the respective communication.

Article 155: Those who stop definitely belong to the insured group insurance are excluded from that time, unless otherwise agreed.

Article 156: The contractor group insurance can be a beneficiary of it, if a member of the group and accidents suffered personally, notwithstanding the provisions of Article 120. It may also be beneficial when the contractor has a financial interest licito regarding the life or health of team members, to the extent of the actual damage

The Insurance Sancor Insurance offers life insurance with the following characteristics ³

It is insurance that covers all contingencies of life, providing real protection and safety from accidents, diseases or conditions that can not be predicted although sure. Through various indemnification coverage to election every need, protects the insured and provides restraint to the beneficiaries.

Basic Coverage

- Death from any cause, with a sum insured free choice.

Optional additional coverages

- Accidental death and partial compensation for accident: insured equal to the basic coverage, which indemnifies line in addition to this contingency.
- Total and permanent disability due to illness or accident: it is a substitute for basic coverage of death, the same sum insured.
- Serious illness: module comprising seven diseases whose diagnosis before the allowance is payable. They are comprised of the following diseases: cancer, myocardial infarction, stroke,

³ www.gruposancorsegueros.com

coronary artery surgery (bypass), replacement heart valves, chronic renal failure and AIDS (HIV positive).

- Transplantation module covering the kidney, heart, heart-lung (block), bone marrow and liver.
- Loss or reduction of income by accident: an accident that prevents to generate income, this coverage provides a preset income (exclusive bonus for freelancers).
- Daily rent for admission by accident before this event, the daily allowance provided is payable.
- Home Care by accident : the amount set for this coverage when the insured is unable to perform on their own pay two or more of the five basic activities of daily living (bathing, dressing, feeding , navigate and your needs body) .
- Advancement for terminal illness: it grants 50 % of core capital to the determination of a terminal ailment character the insured.

This insurance provides choice of insured amounts and coverage, combining the various modules according to their needs.

Your insurance rates can be known in advance for the whole term, since it is established by age range for basic coverage and major diseases and is fixed for all other additional.

Retain up to 80 years with basic coverage and 65 with additional.

It is a life insurance policy that provides total protection for the insured, through a series of compensatory choice toppings. Furthermore, it is a good backup for that person who is the source of household income and are concerned that their loved ones not seen their livelihoods affected in any contingency that may happen.

1.3 Health Systems ⁴

The health system in Argentina consists of three sectors: the public, the so-called Social Work and Private.

In recent decades, the public system is composed of public hospitals and private health care which operate under the coordination of ministries and departments that provide health care for free.

Moreover, Social Work that protect formal workers being a mandatory requirement for the same.

The third sector is called the system of private health insurance plans that by paying fee medical-care coverage is obtained.

⁴ Acuña, Carlos; Chudnovsky, Mariana. The health system in Argentina.

Public System

The resources for this sector come from the tax system, provides health services free of charge through a network of public hospitals and health centers for the entire population.

Covers about 30 % of it, mostly social groups with low economic resources. The geographical distribution of services is wide presence in unprofitable by the private sector areas considered.

This system operates through the Ministries of Health in its three levels, National, Provincial and Municipal.

Social System Works

The system of Social Work and the country was consolidated in 1970 under Law 18.610.

The central feature of this sector is the mandatory membership by the employee.

It consists of institutions that cover the contingencies of Health and have a tourism infrastructure and social care workers as employees and retirees of the national social security scheme through the Medical Assistance Program Integral- PAMI - .

This sector constitutes a social insurance for the protection of employees and a mandatory contribution is through the contributions of the employer and the employee.

The funding source is formed by contributions from employees and employers.

Private System

Prepaid health care is called globally which covers a large and diverse set of entities. The prepaid medicine companies for profit are grouped into two chambers: the Chamber of Medico - Welfare Institutions of Argentina and the Association of Prepaid Health Entities.

The role of the state in this sector results in a minimal regulatory intervention setting conditions on the rates of drug discounts and requirements for obtaining, policies regarding the provision of services and payment of premiums and refunds.

The sector is financed through contributions from its users and high average income.

The insurer Rancor Insurance offers the following Health Insurance: ⁵

⁵ www.gruposancorsegueros.com

Health Insurance High Complexity

Insurance coverage which provides cash to cover the surgical events of greater complexity and cost, choosing the provider you trust and dispose of the money in case of having a social or work that covers prepaid intervention.

Coverage: Module 88 highly complex surgeries plus a module Organ, both compensatory natures.

Senior Health Insurance

It is a product for people over 65, which provides a significant economic benefit to surgery.

- Module 640 surgical interventions: low, medium and high complexity, with indemnity coverage.
- Module transplants: corneal, kidney, heart, pancreas, bone marrow, heart-lung, lung, and liver bi-lung. Indemnity coverage.
- Prosthesis placement or replacement of functional prostheses for people who have suffered trauma, cardiovascular, neurological and eye problems. Coverage for reimbursement of expenses up to the sum insured.

This insurance offers the following additional benefits:

- 50% discount in pharmacies: drug discount network of participating pharmacies nationwide Vademecum on premium brands from leading laboratories.
- Medical Line 24 hours telephone service that provides guidance on health issues such as evolution treatments, medication, mother and child, among others.
- Second Medical Opinion : easier to obtain a second medical opinion in cases of serious illness and / or highly complex surgical interventions , in order to obtain further information on the diagnosis and treatment methods , with leading specialists in Argentina and / or outside.
- Travel Assistance to Persons Service that allows the insured and his family be protected when traveling in Argentina - more than 30 km. the home - and abroad , seeking legal , medical and pharmaceutical care , hotel services , travel and baggage tracing , among others, to the limits for each case.
- Provision of Cancer Drugs: program that aims to provide the insured suffering from a disease of cancer, specific medications and doses prescribed by your medical oncologist, according to national protocols and accepted in Argentina.

The sum insured is not exhausted, allowing the insured to collect 100 % of the sum insured in each surgery.

The insured is free to choose the professional or service you trust.

If social work or pre - paid cover all health care, as the insured has freely spending money compensation due.

International Health Insurance

This insurance provides full coverage that allows addressing diseases and treatments with the latest medical technology in the United States. This insurance has the advantage of having the "Managed Care" mode, by which our company is responsible for coordinating care in the country through a medical network to free choice of the insured.

The plan has two types of contracts: general allowance and modules.

Generic Coverage

Covers hospital clinical and / or surgical hospital in the provider network of the United States of America, at the option of the insured without restriction pathologies. Some of the benefits provided are chemotherapy and / or radiation therapy treatments and / or pre -and post- operative services; newborn congenital diseases and coronary angioplasty.

Coverage Modules

Covers hospital clinical and / or hospital for surgical oncology, cardiac, transplant and neurological diseases (in this case it's just surgical) in the provider network of the United States of America at the option of the insured. These modules are independent contracting, namely:

- Module disease - cancer
- Module heart disease
- Module neurological diseases:
- Module transplantation (kidney, heart, liver, lung, pancreas, bone marrow).

1.4 Secure Retirement ⁶

In Argentina the Retirement Insurance has the following features:

The survival or retirement insurance covers the event that the insured's lifetime is extended. The insured person is the beneficiary.

⁶ Facal, Carlos J. M. - Retirement Insurance

The uncertainty lies in the length of life of the insured. Whenever there is retirement insurance payments will be made on the insurer and material life of retirement insurance benefits begins with the insurer. The technical risk is to determine “how long “the insurer shall your benefit, and uncertainty lies precisely in that no one knows when life insured will end.

In the retirement comes to an insurer capital (premium) for it to assume the risk of survival. The insurer, in turn, pays an annuity, that is, subject to the operative condition of the insured's death.

It is a gaming contract, as “gains or losses for both contracting parties “(Article 2051 Civil Code.) Will depend on an uncertain event: the duration of the life of the insured after the initiation step of collecting revenue.

To estimate the probability of survival is appealed to the mortality tables. These are based on the observation of the rate of deaths of those hired annuities (annuities, English, voyagers, in French), and the incidence of deaths is less than that observed in those who purchased life insurance. The usual tables in Argentina are the Group Annuity Mortality (GAM.) of 1971 and 1983 Individual Annuity Mortality and (IAM.) of the years 1971 or 1983. Older tables reflect, at every age, lower life expectancy.

The premium shall be equal to the present value of the annuity that will pay the insurer’s costs and fees.

If it is agreed start receiving income from hiring insurer agreed will have an “immediate income” and the right will be born just paid the premium.

However, in certain “deferred “retirement provision of the insurance will be paid just at a future time as stipulated in the contract. The contract has a beginning the formal agreement of the parties, as it is consensual and item - start, since the insurer shall begin from the technical- survival - when the insured risk, indeed, decide to “retire”.

From formal parties must start fulfilling some reciprocal obligations, but the insurer must still not the typical asegurativa provision? This stage insurance “deferred “retirement is called “active”.

Active stage

It starts with hiring deferred retirement insurance and ends when the insured decides to request the insurer, as agreed, payment of the annuity.

a) Obligations of the insured

The insured agrees to pay the premium, usually periodically.

"Charges" are expected to meet operating and business expenses of the insurer, which is deducted from the premiums paid and the fund of premiums.

The insurer should check the prize discriminately, explicitly stating the pure premium, the cost of acquiring and holding and other components of the prize, as the rate of superintendence (SSN.), and taxes (Article 13inciso h SSN general resolution. 19106/1987). They must have been previously approved by the SSN. And recorded in the "Special Conditions" of the policy issued.

The frequency and amount of premiums tend to be left to the will of the insured if the deduction of expenses is made on the merits of raw and rely more strictly if deducted from the payment stream. In the first case the insurer may terminate the contract without prior notice when the fund premium is insufficient to allow this deduction. In the second mode will usually agree a minimum premium, and the insurer is entitled to rescind the policy if the premium is not paid in a timely manner for two consecutive terms, but the company must be notified before proceeding to terminate and return the value of rescue.

Premiums are recorded in a "fund of premiums" (FP.), where payments are individualized for each insured. These assets are owned by the insurer, and it enters the concept of "premiums advanced". Until they are applied to the purchase of an annuity the insurer does not "win" this premium. Shall constitute a liability on its balance sheet under "Technical Commitments", called "math book assets."

The insurer should recognize the minimum financial return FP called "witness fee" and defining the SSN, including technical rate. To prevent a return that was not generated and this produces a rapid deterioration of the economy of the company, being impossible fulfill their commitments particularly extensive in time, the insurer can not "reward" the pledging FP. beyond the effective profitability.

Some plans guarantee witness monthly fee or a percentage of the financial result in the period (between 80 and 95%), whichever is greater. This scheme brings financial loss to the insurer in periods of high volatility, when the control rate exceeds investment income transferred. In such a short-term one-month returns on investments can be repeatedly under the minimum yield when there is a general fall in stocks and bonds.

So insurers created a mechanism known as "fluctuation". FP monthly increases. With the rate control, complying with the minimum setting. The difference between the actual yield obtained in the month and the cumulative rate control with positive or negative signs - on a background

fluctuation. The fluctuation of the active phase ends with the retirement of the insured , his death or invalidity and total surrender of the policy , canceling charged to income if the sign is negative , because it can not be violated the rule minimum - adjust or credited at the bottom of premiums if the result is positive .

b) Obligations of insurer

The insurer during the active stage technician not at risk, or in other words, the result for the parties does not depend on the longevity of the insured.

But should respect the terms of the contract entered into and shall not vary its terms , including the stipulated currency agreed costs for acquisition costs or administration or any particular or general conditions.

You must also compensate the fund of premiums with a minimum guaranteed rate.

However, during the active stage the insurer can change the mortality table used to calculate income. This possibility has limitations and costs, because changes can not affect payments already made. For example, if the new rate includes a 20% increase in the price of each dollar of income, you must increase the fund of premiums and accrued to the date on which the change is requested thereof approved on that percentage, and cope with the greater liability capital contributions. It is what is called "restructuring of the mathematical reserves for changes in mortality table " and the insurer will have three years to integrate (SSN general resolution. 19620, Annex, Article 15c). This contribution will remain distinct : integrates mathematical reserve but not the surrender value of the policy, since the company will definitely be credited at retirement of the insured, and will not if he dies or becomes invalid before, or if the policy is rescinded.

The insurer must inform the insured of his contract developments, at least semiannually (SSN general resolution. 19106, Article 13c) . Information should be sent to the address contain a breakdown of premiums admitted the charges incurred and its concept, the proven performance and development of fluctuation (if any). He shall inform what is the deferred annuity at normal retirement age and acquired by the insured with premiums paid so far, and what the potential income which can suck, considering payments, future payments committed the effective yield achieved and the future, the guaranteed return.

c) Death of the insured during the active stage

Article 176 of Law 24241 called "retirement insurance" to "any coverage of life to establish, in the case of survival of people, from the date of retirement, the periodic payment for an annuity, and for the case of death of the insured prior to that date, full payment of full premiums to beneficiaries specified in the policy or their heirs."

It is the essence of retirement insurance payment FP. if the insured dies before retirement age. This obligation exists in the form of retirement insurance authorized in Argentina, but it is only a contractual possibility. Here deferred insurance are not allowed if they are subject to the suspense arrive alive at retirement, with contingent capitalization during the active phase condition. The random survival can not be assumed from the time of recruitment, but from the time of retirement. If the insured dies before informing the company that you want to leave the insurer will not be faced technical risk. The contract was frustrated because his order became unenforceable risk to become nonexistent. The insurer shall reimburse the bonus perceived, which became "without cause" return the FP. whom the insured had designated "beneficiaries."

The law should be reformed and provided that in the event of death before retirement deposit insurer FP in succession the insured. No one can speak of "beneficiary" or "provision of the insurance death benefit." Only collected money will be returned because the risk became impossible.

If individual retirement insurance hire a board with a substantial portion of its assets designated beneficiaries and not to all your heirs could be violated legitimate. As retirement insurance is a kind of life insurance can be invoked Article 144 Law 17418, which entitles the heirs to the collation or reduction in the amount of premiums, paid.

Suppose the insured, near death, this insurance contract premiums paid with funds withheld from your creditors and dies having designated "beneficiaries" to their heirs. If they accept or repudiate the inheritance with benefit of inventory could be an action simulation creditors, because that sure was not hired for survival coverage but to frustrate legitimate creditors.

d) Rescue and reduction. The discounts: their reasons

The retirement insurance covers the ransom, and reducing lending. Contrary to the provisions of Article 138 of Law 17418, which only requires the insurer to provide the rescue when the policy has been in effect as uninterrupted for three years and only if the premium payment is current, retired rescue is a right of the insured from the contract, although premiums are due?

Rescue involves the termination of the policy and can only be requested by the insured, and the insurer can not terminate the contract (paragraph 18 Article 17418 2nd law).

As the income is deferred, the premium has not been "applied" to purchase coverage. Therefore, the redemption value reaches all pure premiums paid, capitalized at the rate agreed with the insurer, for at least the witness fee, unless you remove the contractually established.

Policyholders who expect a long life and do not suffer health problems prevent rescue. So it away, which always points to discourage rescue, compensates the natural adverse selection detriment of the insurer.

The financial income is vital for the company. You need to have an investment portfolio that ensures the highest interest rate in the long run, with reasonable certainty, and that deal allows the normal flow of death and disability benefits and possible bailouts, with premium income of insurance remaining in force. The bailouts - and especially - massive negative impact because they require investment positions undo the wrong time, or when markets are down.

As authorized by regulation remove are limited, annuities not high at the time of recruitment commissions are paid and that could not be recovered in the event of redemption. The maximum take off are supported: up to 8% when the redemption occurs within the first five years of employment. From the sixth year and up to five years before the normal retirement age (ENR.), 5%. From the last five years preceding the ENR. , 10%. When it takes less compact is unchanging by the insurer.

The surrender value is payable within thirty days requested, adjusted profitability of the mathematical reserves in the period.

In case of massive bailouts , in a month when applications affecting more than 10% of the overall fund premiums or when 30% of the insured upon request, be paid to those limits and the rest is deferred to the following month .

During the active phase may be requested a loan to the extent of redemption value. If life insurance this figure has no real sense, because with the return to the original coverage rate is fully replenished in retirement has no greater benefit. Insurers may charge a fee equal to 6.5 % of the set values. If the policy is denominated in dollars, LIBOR. Plus 50 % of the given setting.

e) Total and permanent disability

Rescue is authorized to remove lower (3%) in the event of total and permanent disability of the insured. Insurers usually recognize the existence of total and permanent disability with the statement made by the pension system in which is included the insured, and do not apply in these cases removed.

At retirement

The contract marks a deferred retirement date is the basis for the financial and actuarial projections and is called "normal retirement age" (ENR.).

The ENR. No obligation for either party. It is a reference placed in the contract. If on the ENR. Nothing expresses the insured; the insurer can not force him to acquire income or establish it by choice, or make available the surrender value. The policy will continue in "active stage" although they are paid more premiums.

You need a written communication by which the insured requests the company to start paying rent. It will mark the completion of the active phase and the beginning of the passive stage. The insurer will apply the fund accumulated and capitalized to the acquisition of annuity premiums, according to the choice made by the insured at this time. Previously transferred to fund premiums fund balance fluctuation, regardless if positive, and the bottom of recomposition of the mathematical reserve asset valuation if the table had incomes unchanged.

The "early" withdrawal is requested before the ENR. The insured will charge a lower income than projected because that age is younger, but also because it ceased paying premiums and immediately begins to perceive. Withdrawal "postponed" is the last requested ENR. The insured will charge more than the projected income because, although there stopped paying premiums, the fund continued to accumulate and has delayed the perception of money, having a lower expectation of survival for their old age.

With the retirement contract acquires its random nature begins in a material sense. The insurer definitely earns the premium and must pay your benefit until the insured dies and the other assumed contractual obligations are exhausted.

All will be consumed raw, and there will be more "future risk premium." No termination is permitted by the insured, who may not seek rescue loans or reduction. If the insured, warned of serious damage to health, pretend undo the contract and recover some of the premium paid, it would be as absurd as the insurer could rescind the insured lived.

While the insurer earns the premium, you may not distribute it as profit. As you pay rent to your insured indefinitely, shall constitute a liability equal to the present value of those future payments, and which exposed under “Technical Commitments “is called "mathematical reserve liabilities insured.”

Unlike active, reserve liabilities are a prospective actuarial valuation of the payments to be made Ho. While the insured person is alive shall estimate it considering its life expectancy. Only when the insured dies that liability will disappear.

Passive stage

Only deferred retirement insurance has “active stage “. But everyone has a "passive phase”.

At this stage there are no obligations to the insured, who only select the mode you prefer to collect the benefit when applying the rent.

a) Normal Annuity (RVN.)

If you choose the RVN. Charged rent until his death. The initial amount of the rent is set by the total premium charged to its acquisition, the technical rate plan and the mortality table at retirement.

If on, the only insurer obtains an art fee as compensation for its investment portfolio, met forecasting mortality contained in the table will not be lost or won that contract.

Rentals should consider a rate equal to the witness of the SSN minimum setting. , Discounted rate technique.

Insurers often set to a background fluctuation insured liabilities, which is credited when the yield on the transferred assets backing liabilities mathematical reserves (between 60 and 95% of total yield) exceeded the control rate. If not met, the fluctuation of liabilities is debited.

Some contracts provide for the acquisition of a new portion of income when the liabilities fluctuation is positive. Others just distribute a percentage of accumulated financial surpluses directly. Upon completion of the obligations of the company with the death of the insured, the remaining fluctuation is paid to the heirs.

b) Annuities extended to a third party designated or “income over two heads”

The insured may request such an income in the event of death continues to be paid to a third party until, in turn, it dies. Technically called "extensive annuity to a designated third party "or" income over two heads."

The extension can be ordered 100% of income or any other percentage of it. The insurer will calculate the additional premium to be paid, although generally the mathematical reserve for the purchase of two incomes, other immediate and delayed the death of the original insured applies in the percentage. It takes into account the age and sex of the person elected as a third party to the extent of income, and survival from the original insured third is, in turn, uncertain.

If the third is a very young person, the rent reduction would make the original insured inconvenience this option, and it is advisable, if you want to benefit a young person, hiring a sure death for complementary passive stage of life renter, who chooses one RVN.

If the third party does not survive the insured, the insurer will continue its provision to death of it.

Through this convention incorporates a second secured the contract, which is also the "beneficiary" of it. It is assured that the insurer takes the risk to their survival, as well as taking on the survival of the original insured. But it is also a beneficiary. Article 143 law 17418 blocks him perfectly: "You can agree that the rent to be paid in case of death, a third survivor determined is paid." Just acquired the right to charge rent to the death of the insured if he survives. If the third party predeceases the original insured, or his heirs or the heirs of the original insured person will have any rights against the insurer. Neither the insured person may designate another third in the replacement - important difference with respect to the beneficiary of life insurance - , by the condition of the deceased " secured in a safe retreat" and the finality of that contract.

The condition of insurer's beneficiary could be invoked by the heirs of the original insured to request the collation or reduction in the amount of premiums paid (Rule 144 law 17418). The reason is the gratuity of his appointment as designee. It might just order the collation of the premium paid for the spread of income, and the third survived only if the original insured. Similarly would the liquidation of the conjugal partnership release compensation premiums paid with money Dower.

The extension can fall on any person, of any gender and age, but not be rescinded or changed in the future.

What if the insured - beneficiary intentionally causes the death of the insured person? In application of Article 136 law 17418, of the gravity of the offense and in accordance with art. 953

Civil Code, it would be to report the loss of entitlement to the benefit of the insurer and the release of the latter. As the third was insured, not mere beneficiary, there is no replacement, but as beneficiary loses its benefit because of his crime.

c) Income guaranteed for a period of "n" years

The insured may request a normal annuity dies before agreeing if a period of "n" years, the insurer will complete the payment of rent for the missing to complete this month warranty period. Payment will be made to the designated beneficiaries. Is some income for the years of the warranty period, and the alloy will begin once it expired?

If the insured survives the warranty period, which is told from the retirement - insurer providing end with the death of the insured.

This recipient is not insured: acquires its right against the insurer from the insured's death, provided that it occurred during the warranty period. So it can be replaced, and the rules on beneficiaries of life insurance apply.

d) Rent temporary annuity

Is agreed to pay rent for a specified period or until the death of the insured, whichever occurs first. This is the case of pension annuity age 18.

The MAPFRE Insurance Company offers insurance Annuity with the following characteristics:

- Rent Selection is a life insurance has two simultaneous guarantees: a lifetime, guaranteed and constant annuity while the insured, and capital that is perceived by the recipient at the time that it dies.
- The great advantage of this product is its flexibility, since each owner decides what you most want: to optimize the amount of income he receives, or set more capital for their families in case of death.
- To do this, you can choose between three options, as shown in the following tables:

Interest rate applicable to income annuity Capital of death (percentage received on the premium provided)

Revised every five years 105%

Revised every 10 years 90 %

Fixed throughout the contract 80 %

| Interest rate applicable to the annuity | Capital of death (percentage that is received on the premium provided) |
|--|---|
| Revised every five years | 105% |
| Reviewable every 10 years | 90% |
| Fixed throughout the contract | 80% |

- The amount of the secured receivable (monthly, quarterly , semiannual or annual) income is thus set according to the age and sex of the insured, the warranty period of the interest rate and the chosen death cover .

- The conclusion is clear: the greater the amount of income you want to (return), the lower the capital of death in receipt of the beneficiary in the future (family protection). Thus, in both cases, the most desirable choices would be:

If high profitability and good protection you want: fixed and 80 % coverage of Death

If you are looking for maximum protection and good returns: revisable interest at 5 years and 105 % coverage of Death

- The initial interest rate varies according to the chosen term review and is set at current rates at the time of recruitment. The performance to be considered in this product is the financial and tax , as there also the excellent rating that currently have tax annuities (see tab Taxation) .

- Although it is a long term investment, Rent Selection offers the possibility to request redemption elapsed the first year. The amount of such redemption will depend on the option chosen death capital at the time of recruitment.

- In case of death during the first year always 100 % of the premium is collected provided, whatever the option chosen. After this time, the specific percentage chosen from three possible alternatives (105%, 90% and 80 %) will be paid.

1.5 Conclusion

Major demographic components allow produce an analysis of population trends in Argentina , people over 60 represent about 16% , with a low birth rate , will lead to a future in a more elderly population will require economic means to address the diseases of aging .

At the same time, the country's geographical location presents areas vulnerable to climate change, floods, droughts, El Niño, climate disasters by which the population must have specific insurance to decrease the economic impacts that these incidents cause.

Argentina The society is secured below in relation to developed countries where the insurance culture is rooted.

Currently the business of life insurance and retirement accounts for less than 0.8 % of GDP, a figure that pales compared to 5% of industrialized countries and even compared to 1.8% the business represents Chile's GDP and Brazil.

The Argentine insurance market offers multiple insurance options, Health and Retirement, but there is the habit of preventing potential risks and the protection thereof.

The common task should be to expand the market and install the long-term protection and conservation awareness in Argentina society, the state in turn has the greatest ability to reach society possesses a delegated role. Betting on investment by the business community, expertise and innovation will make this challenge a reality.

Acronyms

ART Labour Risk Insurance

ENR Normal Retirement Age

FP Fund premiums

GAM Group Annuity Mortality

IAM Individual Annuity Mortality

GDP Gross Domestic Product

RNV Lifetime income RVN Normal

SSN Superintendent of Insurance of the Nation

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www.gruposancorseguros.com

www.mapfre.com.ar

Annex I

Avalanche in the Province of Catamarca

Catamarca Province is one of the 23 provinces of the Republic Argentina, is located in the Norte Grande Argentina, Argentine Northwest subregion Region, hectares 102602 km².



Due to a heavy storm of wind and rain that began last Thursday around the summer village El Rodeo, about 38 kilometers north of the capital of Catamarca, a sudden flood of the river took place Ambato, whose waters fell dragging trees, rocks and mud.

The immediate consequences were cutting the provincial Route 4, falling medium voltage poles, and what is more lamentable, the occurrence of five to seven people, according to various sources, and between 10 and 20 missing persons.

As usual in our anthropocentric culture, nobody noticed them, but you will also lose the lives of many animals, that being domiciled or locked could not obey their instincts of flight time.

Geological context

The whole area belongs to the province of Sierras Pampeanas geological structure which is recognized as a system of Block Mountains, bounded by high angle reverse faults, with strands oriented in north-south direction, and markedly asymmetric profile.

Indeed, the western flank is steeper, while the eastern tends much more smoothly in response to the position and shape of deep faults that cause the uprising.

In addition, the west side is pretty much naked on vegetation, which is mostly attributed to microclimate resulting from the Sierras themselves, which are a barrier to the humid Atlantic winds.

However, in the Ambato in particular, should also be considered and emphasized lithological differences, which determine the resulting soils.

In the area, the migmatites dominate the west side, while on the eastern side; they coexist with mica schist and metacuarcitas, all constituents of the "Crystalline Basement" of Precambrian age to lower Paleozoic rocks. Not far away, there are granitic intrusions of batholithic dimensions, such as granite Boards.

The climate is hot and arid with rainfall amount of 350 mm per year, concentrated between the months of December and February, and the average annual temperature is 18 ° C.

Factors involved in the flood

- The slope of the hill that gives rise to the Ambato River.
- The rock conditions favoring runoff.
- The climatic characteristics, which imply a trend towards concentration of rainfall in the summer season, creating sometimes very heavy rains.
- Favorable conditions for the same barrage addition, materials were washed from the slopes, through avalanches strictly.

It should be added that in avalanches that joined the barrage itself, may have had an impact earthquakes that have occurred in recent months in the Sierras Pampeanas.

Indeed, earthquakes generate vibrations that unbalance metastable systems, preparing them for their subsequent collapse, or teasing at the same time.

The barrage was probably magnified by other processes such as landslides hillside, which in turn can be accelerated by multiple causes, the immediate trigger was the storm with heavy rainfall that occurred immediately before the phenomenon.

This recent phenomenon has resulted in loss of human life, flora and fauna, with the immediate consequences of infectious diseases caused by contaminated water. The provincial government set up water purification to prevent new outbreaks plant.







Glossary Annex I

Batolíticos⁷ large mass of igneous rock that protrusive have solidified deep within the earth.

Failures In geology, a fault is a discontinuity formed by fractured rocks of the earth's crust along which there was movement of one side over the other.

Metacuarcitas The metacuarcita is a hard metamorphic rock rich in quartz.

Micaesquitos is a metamorphic rock consisting of mica, quartz and minor proportions of other minerals.

Migmatites⁸ The migmatites are a type of rock found at the boundary between the metamorphic and igneous rocks. They occur when partial melting processes in areas where regional metamorphism of preexisting rocks occur happens.

⁷ igneous rocks (Latin ignius, "fire") are formed when magma (molten rock) cools and solidifies.

⁸ Metamorphic rocks are formed from other rocks by a process called metamorphism. Metamorphism occurs equally in igneous, sedimentary or other metamorphic rocks, when they are subjected to high pressures (around 1500 bar), high temperature (between 150 and 200 ° C) or a working fluid that causes changes in the rock composition, providing new substances to it.

Chapter II

2. Federative Republic of Brazil ⁹

2.1. Macroeconomic Environment

In 2011 the Brazilian economy slowed, showing a growth rate of 2.7 % (7.5 % in 2010) . This lower growth is due to the impact of government policies to contain the strong expansion of domestic demand and the consequent inflationary pressures. During the year 2011 developing a fiscal policy adjustment through higher growth of federal government revenues and greater control of costs.

From the point of view of demand there is less consumption growth and the families and the government, along with a slowdown in investment. In this sector, the slowdown is due to lower employment growth, higher credit costs and the growing uncertainty of the international environment on domestic economic activity.

On the supply side, a smaller expansion of economic activity occurs in almost all sectors due to the fall in the growth rates of various productive sectors: the agricultural sector by the slowdown of livestock, mining by falling oil production and manufacturing by lower demand for production of consumer goods.

The inflation rate stood at 6.5% at the end of the year, the highest since 2004, even though inflation slowed in recent months . Food and drink was the component that most influenced the increase . With respect to the fuel pressure was increased.

The exchange rate has suffered in 2011 a large volatility derived from the international economic situation , ranging from 1.5 per dollar in December 2010 to 1.81 in November 2011.

The unemployment rate stood at the end of the year at 6.2%, one point lower compared to the previous year.

With respect to real wages, experienced growth of 3.4 %.

In the last quarter of 2011, the government announced a series of fiscal and credit measures to stimulate domestic production, compared to the uncertainties from the international situation, for which reduced or eliminated indirect taxes, favored tax foreign investment and tax burdens on credit operations people.

⁹ MAPFRE foundation. The Latin American Insurance Market. 2011-2012 Madrid

Moreover, the foreign sector shows a positive development by increasing exports around 30%, compared to a 25.5% increase in imports, which meant a larger trade surplus.

Insurance Market

The Brazilian insurance market in 2011 has increased by 16.5% to consolidate this growth trend over the past ten years.

Investment in infrastructure, increased consumption and changing consumer attitudes insurance, worried about the effects of longevity and interested in the benefits of life insurance, strengthen the insurance market in Brazil.

Life insurance presents a discrete slowdown in growth, with 20% in 2010 compared to 16.9 % in 2011 , with this low of almost three percentage points of life insurance called VGBL (Life turner Free benefits), but continues to show his ability to be a sustained market mover .

The tax advantages and marketing through the banking channel are the keys to the strength observing this segment competes with products such as mutual funds or pension . In short life business represents 54.7% of the premiums of the insurance industry , being the non-life sector Automobiles 25.5% bouquet that comes second .

Other sectors of the insurance market in Brazil are very high growth rates as damage and accidents, motivated by the substantial increase in investment in infrastructure arising from PSC (Growth Acceleration Program) and anticipated sporting events (2016 Olympics and Championships Football World Cup 2014) .

Regarding the sector of Welfare and Health, Health insurance grew by 18.9% (44.947 million euros). The segment of the pension plan and capitalization, all Brazilian private insurer in 2011 maintained the same growth rate as last year , about 16% with \$ 61.108 million euros.

As for insurance companies, in December 116 insurance companies operating 26 private pension and capitalization societies 18 .

In October, the Superintendency of Private Insurance (SUSEP) formalized the operation of the Special Advisory Committee Insurance Marketplace , Capitalization , Reinsurance and open complementary pensions , whose mission is to study, analyze and discuss specific techniques and issues these markets and propose actions to improve its regulation.

In 2011 a series of corporate transactions , including observed should be noted :

In the month of July 2011, the Santander Bank signed an agreement with the Zurich group that includes the acquisition by the latter holding 51% of which would bring together its insurance subsidiaries in Latin America (Argentina , Brazil, Chile, Mexico and Uruguay) .the Zurich group will take over the management of the companies and the bank will distribute insurance products in each of the five named markets for 25 years, through its branch network.

Brazilian Maritime Insurance reached an agreement with Yasuda Insurance, Sompo group belonging to the Japanese , for sale this 50 % of its capital.

The Bradesco Insurance Group leads the overall ranking of all groups followed Itaù / Unibanco and BB & MAPFRE (consisting of two holdings between MAPFRE and the Bank of Brazil) . The Brasilprev insurer owned by the Banco do Brasil and the Main group , continues in fourth place thanks to sustained output growth VGBL .

Results

The net result of insurance companies amounted to 5.392 million euros, 15.4% more than the year anterior. El result on premiums stood at 22.8 % similar to 24.2 % in 2010.

The combined ratio has improved due to a drop in claims continues its downward trend, almost four percentage points. The costs are reduced to 0.5 points. The technical financial result rose to 24.0% from 19.4 % in 2010.

In the period from January to June of 2012, Brazilian companies issued insurance premium volume of 25.356 billion euros, which translates to a nominal increase of 22.9 % over the same period in 2011.

Life insurance as a whole observed a growth of 31.8 % while the non-life insurance grew by 12.2%.

New Legislation

In June of 2012, the Superintendency of Private Insurance (Susep) issued a new regulation on microinsurance regulating the conditions for the authorization and operation of microinsurance providers , the figure of the micro broker , retail networks and registration for the establishment of micro- entities .

2.2 Legal framework ¹⁰

The Brazilian Constitution in its articles about the Social Security system.

Article 6 -.'re Social rights to education, health, work, leisure, security, social welfare, the projection of motherhood

Article 10 -.'s Secured the participation of workers and employers in the meetings of public bodies in their professional or social security interests are subject to discussion and deliberation.

Moreover, since 2004, Brazil has a Tax Bill

DRAFT LAW No. 3555 OF 2004

(Mr. José Eduardo Cardozo)

The project establishes general standards of private insurance contracts and revokes devices Civil Code , the Brazilian Commercial Code and Decree Law No. 73 of 1966. **TITLE III**

LIFE INSURANCE

Article 123 In the life insurance and the insured own physical capital is freely provided by the proponent, who may hire more than insurance on the same interest, with the same or different insurers. Article 124 is free indication of the beneficiary.

Article 125 Except resignation of insured replacement is lawful beneficiary of insurance on own life and limb, by inter vivos or testamentary statement.

Single paragraph. The insurer which was not communicated replacement beneficiary is exempted paying the former beneficiary.

Article.126 If no indication of the beneficiary, not the prevailing or being no indication Made, the sum insured will be paid to the legal heirs in accordance with the order of hereditary vocation.

1 indication is considered absent when the beneficiary dies before the occurrence of the incident.

2 ° If no legal heirs the value of the insurance will be paid to proving that the insured's death deprived them of the means of survival.

¹⁰ www.ibds.com.br Insurance bill brasil

Article 127 The insured capital received on the occasion of death is not subject to the debts of the deceased nor considered, for any purpose, heritage.

Article 128 is void in the life insurance and own physical integrity, any legal business that directly or indirectly waiving or reduction of credit insured or the mathematical reserve

Article 129 In individual life insurance and own physical integrity is lawful to stipulate the waiting period in which the insurer is not liable for the occurrence of the incident.

1 The grace period can not be established whether it is renovation or replacement of existing policy, but the insurance is another.

2 The waiting period can not be agreed upon so that the guarantee become ineffective.

Occurring the 3rd incident in the waiting period, the insurer is obliged to give the insured or the beneficiary the value of the premium paid

Section 130 is permissible, in the life insurance and own physical integrity, exclude

Warranty claims whose sole or main cause preexisting conditions are at the beginning of the contractual relationship.

Single paragraph. Exclusion can only be claimed when the insured, having been asked about it , intentionally omit information from the pre-existence.

Artículo131 The beneficiary will not be entitled to receive the principal when the insured suicide in the first six months of validity of the first contract.

1 When the insured capital increase, the beneficiary is not entitled to the amount added, if suicide occurs within six months.

2nd setting a new waiting period if renewal is prohibited or Replacing the contract.

3 In the individual life insurance and own physical integrity , the company is obliged to deliver to the insured or the beneficiary the amount of mathematical reserves , when insurance provides training.

4th suicide disease is considered for all purposes, including the determination of the existence of the guarantee and the guaranteed capital.

5th is null clause excluding coverage for suicide.

Article 132 The insurer is not relieved of the payment of principal, even if he had foreseen in Contract, when death or disability arising from the provision of military, humanitarian acts , the use of means of transport or risky sport than professional.

Article 133 The amounts paid to the insured or beneficiary in respect of insurance on Own life and physical integrity involving subrogation and are not eligible as collateral.

Article 134 in group insurance on own life and physical integrity , the modification of the terms of the existing contract will always depend on the express consent of the insured and staff representing at least three- quarters of the group, provided that the modification may be detrimental to the interests of policyholders and beneficiaries.

Article 135 The cancellation or opposition to the renewal of any group life insurance and own physical integrity shall be subject to the disclosure of his intention to policyholders and offer other insurance that meets equally useful, with a minimum of ninety (90) days , unless the insurer goes out of business in that branch or form .

Single paragraph. The same communication shall be sent, in the same time, the Superintendency of Private Insurance.

Article 136 Where the termination or opposition to the renewal is motivated by actuarial deficiency, the insurer should structure and approve insurance the same mode, a (?) The Superintendency of Private Insurance (it is unclear what role plays here the Superintendent) exclusively to the group of insured in question , prohibiting gaps and delivery right to object under existing grounds .

Article 137 The insurer delinquency in payment of amounts due to policyholders and beneficiaries determine the accrual from the time the obligation equivalent to one and half times the nominal rate that is in effect for the payment of delinquent taxes owed to the National Treasury default interest known.

The Bradesco Insurance offers the following life insurance in the industry: ¹¹

This is an innovation in life insurance. The insured has coverage to pay for survival at the end of the contract period, no grace period in case of natural or accidental death. Plus, free 24h Additional Benefits Personal Assistance, Funeral Assistance and Family Assistance .

- Age of entry: 18 to 60 years
- The premium payment can be made on a monthly or yearly basis, there are options for the position in a current or savings account

¹¹ www.bradescoseguros.com.br

- Refund of their mathematical provision monetarily , can be obtained after completing the 24-month period of grace

Life with complete and differentiated services:

Coverage of Death, Permanent Disability by Accident, Death in the Air Accidents and definitive diagnosis of Graves' disease: cancer, heart attack or stroke

- insured sum between £ 500,000 and £ 1m

- Additional Benefits of Free International Second medical opinion, counseling , personal assistance 24 hours and Funeral Individual Assistance .

Personal Accident

Reimbursement of medical expenses.

Sum insured of £ 20,000 to £ 400,000 with three payment options : monthly , yearly or just for the short term insurance - one to six months .

Insurance for the business sector

Safe from a group of over 50 people, which may contain one or more ingredients of life and care services , and is structured according to the needs of the company.

The Collective Personal Accident Insurance Bradesco is an insurance policy that offers full coverage in case of accidents. Aimed at small, medium and large enterprises in the 2 employees, this insurance offers 2 types of plans.

Plan 1

Accidental death.

Total or partial permanent disability by accident.

Plan 2

Accidental death.

Total or partial permanent disability by accident.

Reimbursement of costs resulting from accident, up to the amount insured contractor medical, hospital and dental expenses.

The Bradesco Seguros Education is an investment that aims to ensure the payment of school fees for their children / dependents in case of death, permanent total disability due to accident or loss of revenue to the burden of unemployment, according to roofing contractors by the educational establishment. In addition to providing assistance 24 hours during the school year.

2.3 Health Insurance

The health system in Brazil is composed of a public sector that covers about 75 % of the population and a growing private sector that provides health care to the remaining 25 % of Brazilians. The public sector consists of the Unified Health System (SUS) and its funding comes from general taxes and social contributions collected by the three levels of government (federal , state and municipal) . The ITS provides services in a decentralized manner through their networks of clinics, hospitals and other facilities , and through contracts with private facilities. The ITS is also responsible for coordinating the public sector. The private sector consists of a system of insurance schemes known as Supplemental Health financed by companies and / or families : medicine group (firms and households) , medical cooperatives, called Plans Self-administered (companies) and plans individual health insurance . There are also offices, hospitals , clinics and private laboratories that operate on the basis of -pocket payments , especially using the higher income population . In this work, the resources available to the system , stewardship activities are developed and implemented innovations are discussed more recently , including Health Program Family Health Program and More .

Features and Benefits

Guarantor health of more than 4 million Brazilians.

Free Choice: reimbursement of covered expenses throughout the country

Reference network comprised of more than 39,000 health care providers.

SPG Bradesco Health

SPG Bradesco Health is health insurance designed to meet the micro, small and medium enterprises, improving the quality of life of its employees and their dependents.

The Mediservice is a company of Grupo Bradesco Seguros, involved in the development, implementation and administration of health plans for companies in different economic sectors. These plans are largely customized and flexible to meet the specific needs of your company, your employees and dependents.

The Mediservice, always with the aim of offering the best to their customers, presents its portfolio of services and solutions :

The Corporate Health Plan administered by the hospital doctor.

Corporate Health Plan administered by the hospital doctor combined with insurance.

Accredited Provider Network Management for Carriers of Health Plans (OSP).

Complementary Services Administration Occupational and Preventive Medicine.

Risk Management in Healthcare

Network Services Complementary Medicine Work, especially tests of Occupational Medicine and Treatment Accident

2.4 Retirement Insurance ¹²

In the South American continent, Brazil was the first country to adopt the system of private retirement from her mixed Year 1977 form, administered by insurance companies dependent of the National Social Welfare. As residual private companies involved also operatively, but admission is strictly controlled on the basis of regulations setting forth the precise benefits and vesting periods and causal.

In this scenario there are two models in Brazil over private supplementary pension who lives very successfully in the context of growth shows that country since the arrival of the government Lula Da Silva in 2003.

This scheme integrates complementary to the general social security system and has strong State control, workers and companies involved in it.

¹² The Retirement Insurance. Alfano Orlando Hugo. 2007

You have two options: open and closed with different possibilities for the worker who can reach in person or in the payroll of the company for which they work.

In the first case, which is already used in Argentina, is the direct hiring of private retirement insurance through a bank or insurance company under a scheme funded under tight control of the Superintendent of the sector.

Closed with a strong imprint in Brazil, is a company determined to put all employees under payroll retreats with equal contributions by the company as many employees and high tax benefits.

In the case worker when longer participate in this fund pension benefits count more in the payment of income tax in Brazil is 27.5 % expect to pay for only 10 percent and at the time of receiving the benefit.

In this scenario of rewards and punishments if that employee leaves the pension fund before age 10 years worth of tax rises s 35 percent , in the search for a breath but the voluntary contribution continues.

The average benefit of these pension funds real Rock 2400 (734 Euros) in addition to the retirement allowance which they belong. For businesses, the benefit is attached to the lower labor costs in Brazil are very high, in addition to strong fiscal incentives.

The contributions and fund companies in these resources must be allocated to the purchase of government bonds or shares of stock to be acquired without papers listed under the name of the same company.

All these extra revenues to the pension system would be earmarked for infrastructure projects by state.

2.5 Conclusion

Brazil holds nearly half of all the Latin American insurance market premiums, nevertheless, being the 7th largest economy is ranked 13th in the world ranking of premiums. It is incompatible with the importance of the Brazilian economy.

There is a good prospect that this relationship bears more balanced to include more citizens in the consumer market.

In terms of insurance penetration in the percentage of GDP, general insurance and people represent 2.9 % of GDP. It is a very small percentage compared to the core countries, sectors adding capitalization previdencia and health, participation is 5.57% of GDP.

Operating results (underwriting results) of Brazilian insurers showed an increase of 3.5% in the January / May 2013.

As for future prospects, the Brazilian insurance market by increasing the purchasing power of the population will result in an increase in the fields of life insurance, health and private previdencia.

Moreover Brazil, recorded a high rate of elderly population, which is growing at nearly three times the rate of total population of Brazil.

It is estimated that in 2050 30% of the population will be over 60 years and a life expectancy will be 81 years, which represents a challenge for governments , and this is where life insurance, health and retirement have more influence , as today only 4% of the population have private pension plans.

Acronyms

GDP Gross Domestic Product

OSP Health Plans

PSC Growth Acceleration Program

SUSEP Superintendency of Private Insurance

VGBL Swivel Life Benefit Free

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CHAPTER III

3. REPUBLIC OF CHILE¹³

3.1 Macroeconomic Environment

Chile's economy in 2011 showed significant activity, with GDP growth rates of 6.0%. In 2011 they finished manifest the effects of the earthquake in February 2010, which caused domestic demand, both consumer goods and investment.

Expanded employment, real wages continued to rise and conditions for access to credit were normalized. In contrast public consumption low growth, increasing the demand for imports.

Fiscal policy was oriented towards a balance or structural balance in the medium term, monetary policy continued with the progressive elimination of monetary stimulus.

The annual rate of inflation stood at 4.4 driven by rising food prices and fuel %.

Loa were most active economic sectors linked to domestic demand, trade, construction and services, while some export sectors such as mining labor disputes suffered shrinkage and lower yields of mines.

The labor market, in line with the dynamic growth of the country has expanded steadily, which has resulted in wage increases and shortages of labor, with wage rises above the inflación. La employment rate stood at 7.2% which is considered low for the Chilean economy.

On the external front, the current account of the balance of payments registered a deficit of 1 % of GDP, due to the downward trend in copper prices during the second half of the year and the effects of boosting domestic demand.

Insurance Market

The Chilean insurance market has entered a premium volume of 7.39 million euro , representing an increase of 14.4 % compared to 2010. The Life segment growth is less than that of non-life , unlike the previous year, the Life 's business exceeded by four percentage points of No Life. Life insurance represents revenues of 4,363 million euros, noted that annuities slow growth compared to the figures of 2010 , due to temporary circumstances , worse retain their relative importance , assuming almost 60 % of the insurance Life signed in 2011 .

¹³ Fundación MAPFRE. El Mercado Asegurador Latinoamericano 2011-2012. Madrid

In non-life insurance, some products moderate growth last year as Automobiles, by a smaller increase of the fleet, while others have a considerable growth in percentage, as the risks Liability Surety Multirisk and other damage.

The per capita premium in Chile stands at 423 Euros, while the penetration rate or percentage of the insurance industry in the total GDP is 4.1%.

In 2011, operating in the Chilean market, 57 insurance companies, more than recorded in 2010, of which 30 branches operating in 27 Life and general insurance (non-life). The number of brokers was higher than the previous year and stood at 2,290.

The first ten insurance groups in Chile accumulated a market share of 59.8 % (58.8 % in 2010) . Ranking in The Life insurance is led by Metlife with a market share of 14.3 % and second place Chilean Zurich with a dimension of 10.2 %.

New Legislation

On 28 September 2011, he entered the Chamber Legislative Bill on risk-based supervision for insurance companies. In order to implement the mandates in the strengthening of corporate governance of insurance companies, the Superintendency issued in the year 2011, two general rules under this legislation based on risk. These are the Rules on the Corporate Governance and Risk Management System.

Moreover, in the first half of 2013 substantial changes were made to the Commercial Code to modernize existing legislation.

3.2 Legal Framework ¹⁴

Social Security in Chile is enshrined in the Constitution of the Republic of Chile , 1980, Article 19 number 18 as a guaranteed right to all people , This legislation states that laws governing social security should be laws qualified quorum required for approval of the absolute majority of deputies and senators. It further states in its paragraph two which state action will be aimed at ensuring access for all citizens of Chile's enjoyment of uniform basic benefits , whether they are granted through public or private institutions and only the law may provide compulsory contributions to social security . Finally , in its third paragraph states that the State shall supervise the proper

¹⁴ www.leychile.cl

exercise of the right to social security. In addition to what is stated in the Constitution , there are many laws that regulate various aspects of social security as are the welfare, health , unemployment , occupational accidents and diseases, among others

Comptroller's authority is the Superintendency of Securities and Insurance, comptroller autonomous body with legal personality and its own patrimony, whose mission is to monitor the insurance and reinsurance business and is related to the government through the Ministry of Finance.

Life insurance policies are legislated in Law 50 of 1980 on Insurance Contracts.

Title III

Section Two

Life insurance

Article 83

For life insurance the insurer undertakes, by charging the stipulated and within the limits established by law and the contract premium, to meet the beneficiary capital, income or other agreed benefits in the event of death or survival of the insured, or both events together.

The life insurance can stipulate on life or that of a third party, whether for death case to case survival or both together, as well as one or more heads.

Life insurance are those that meet the provisions of the preceding paragraphs, the service agreed in the policy has been determined by the insurer using criteria and actuarial bases .

Insurance in the event of death, the consent, given in writing, except where otherwise be presumed interest in the existence of insurance if different people of the policyholder and the insured will be necessary.

For the purposes stated in Article 4, the life insurance risk is understood to exist if at the time of contracting has not produced the event object of the coverage provided in the policy.

If the insured is a minor, will require further written consent of their legal representatives.

No may take out insurance to cover death upon the heads of children under fourteen years of age or disabled. Exceptions to this prohibition, insurance contracts where death coverage is lower or equal to the premium paid by the policy or surrender value.

Article 83 to

1. The policyholder an individual insurance contract exceeding six months has stipulated the contract on his own life or that of a third party shall have the unilateral right to terminate the

contract without giving any reason and without penalty duration within 30 days after the date on which the insurer will deliver the policy or coverage provisional document.

Exceptions to this unilateral right to terminate the contracts of insurance in which the policyholder bears the investment risk , as well as contracts in which the guaranteed return on investment function is assigned therein.

2. The unilateral right to terminate the contract shall be brought by the policyholder to the insurer by targeted communication through a durable medium available and accessible to it and provides a record of the notification support. That notice must be issued by the policyholder before the deadline indicated in the previous section.

3. From the date that the communication is issued that the preceding paragraph shall cease coverage of risk by the insurer and the policyholder is entitled to a refund of the premium you have paid, except for the part corresponding to the period of time that the contract had been in effect. The insurer will have to do so for a period of 30 days from the day you receive the communication of withdrawal.

Article 84

The policyholder may designate or change the beneficiary designation previously made without consent of the insurer.

The designation of beneficiary may be made in the policy at a later written statement the insurer is or will. If at the time of death of the insured does not specifically designated any beneficiar, nor rules for its determination , capital will be part of the assets of the borrower.

Article 85

If generic designation of the children as beneficiaries of a person shall be construed as children all their descendants entitled to inheritance. If the designation were made in favor of the heirs of the policyholder , the insured or other person , shall be deemed as those with the condition at the time of death of the insured . If the designation were made in favor of the heirs without further specification , shall be considered as such by the policyholder to have that status at the time of death of the insured . The designation of the spouse as beneficiary attributed to such condition that it is also at the time of death of the insured . Beneficiaries who are heirs retain that status even renounce the inheritance.

Article 86

If the appointment is made on behalf of a number of beneficiaries, the agreed delivery will be distributed, unless otherwise provided in equal parts. When applied in favor of the heirs, the distribution will take place in proportion to the hereditary share, unless otherwise agreed. The part not acquired by a beneficiary accrues to others.

Article 87

The policyholder may revoke the beneficiary designation at any time, while not expressly waived in writing to such authority. The revocation shall be in the same form as the designation.

The policyholder will lose redemption rights, advances, reduction and pledge of the policy if you waive the right of revocation.

Article 88

The provision of insurance shall be delivered to the recipient in fulfilling the contract, even against the claims of legitimate creditors of any class of the policyholder heirs. Both groups may, however, require the recipient to repay the amount of the premiums paid by the contractor in fraud of their rights.

When the policyholder is declared insolvent or bankrupt, the representative bodies of the creditors may require the insurer insurance reduction.

Article 89

If reluctance and inaccuracy in the statements of the policy, which affect the risk estimate, it will be as set out in the general provisions of this Act, however, the insurer may not avoid the contract once it expired within one year, counting from the date of its conclusion, unless the parties have set a shorter term in the policy and, in any case, unless the policyholder has acted with malice.

An exception to this rule misreporting on the age of the insured, which is regulated in the following article.

Article 90

In the event of inaccurate indication of the age of the insured, the insurer may avoid the contract only if the true age of the insured at the time of the entry into force of the contract exceeds the limits set by that admission.

Otherwise, if as a result of misrepresentation of age, the premium paid is lower than would be payable, the benefit of the insurer shall be reduced in proportion to the premium received. If, however, the premium paid is higher than it should have been paid, the insurer is required to refund excess premiums collected without interest.

Article 91

In the case of death insurance the insurer is only released from its obligation if the insured's death occurs by any of the circumstances specifically excluded in the policy.

Article 92

The death of the insured intentionally caused by the recipient, deprive it of the right to benefits specified in the contract, it being integrated into the heritage of the policyholder.

Article 93

Unless otherwise agreed , the risk of suicide of the insured will be covered from the course of a year the time of conclusion of the contract. For these purposes means death caused by suicide knowingly and voluntarily by the insured himself.

Article 94

In the insurance policy redemption rights and reduction of the sum insured so that the insured can know at all times the corresponding value of redemption or reduction will be regulated.

Article 95

Once the period specified in the policy, which may not exceed two years since the contract expired, paragraph 2 shall not apply. ° of Article 15 on non-payment of premium. From that period, the non-payment of the premium reduction will produce safe under the chart inserted in the policy.

Reducing insurance is also produced when requested by the policyholder, once that period has elapsed .

The policyholder is entitled to rehabilitation of the policy, at any time before the death of the insured, it must comply to the conditions of the policy.

Article 96

The policyholder who has paid the first two years' premium corresponding to the lower limit under the policy may exercise the right of redemption through timely request, according to the tables of values set in the policy.

Article 97

The insurer shall give the policyholder on the insurance money advances, under the terms established in the policy, once paid the annuities mentioned in the preceding article.

Article 98

In survival insurance and temporary insurance to cover death shall not apply the provisions of Articles 94, 95, 96 and 97. Insurers may, however, grant the policyholder redemption rights, and advances in reducing the terms specified in the contract.

Article 99

The policyholder may, at any time, assign or pledge the policy, provided no beneficiary is designated irrevocably. The assignment or pledge of the policy involves the revocation of the beneficiary.

If the policy is issued to order the transfer or pledge shall be by endorsement.

The policyholder must give written notice to the insurer reliably transfer or pledge on.

The **Metlife** insurance provides the following coverage¹⁵

Metlife VCT (voluntary savings)

It is a life insurance with a savings component that allows anticipating retirement or exceed the amount of this, accessing important tax or tax benefits.

Being a voluntary life insurance savings, a portion of the premium goes to pay for insurance coverage and other voluntary saving.

MetLife University

MetLife University is a life insurance that will generate a capital savings that will support higher education of the children. Therefore, part of the premium goes to pay for insurance coverage and another goes to savings.

Basic Coverage

MetLife Degree Coverage

Payment of Insured Amount that is engaged to support the financing of higher education of the children, on the agreed date.

If the insured dies before the expiration of insurance, will be given for payment of all future premiums it.

Additional Coverage

Waiver of Premium Payment for Basic Total and Permanent Disability 80%. This means that in case of Total and Permanent Disability 80%, either by illness or accident of the insured before age

¹⁵ www.metlife.cl

60, the Company will provide for payment of all basic premiums remaining until the expiration date of the insurance.

3.3 Health System¹⁶

The health system that currently exists in Chile largely reflects the historical tradition in the health area, with the social reforms initiated in the twenties. Your most important milestones are the creation in 1952 of the National Health Service, the implementation in 1968 of the work injury insurance and that same year the implementation of a system of free choice of curative medicine to employees.

In more recent times, include the establishment of private health insurance in 1981, called Health Insurance Institutions (Isapres), the decentralization of the public health system in 27 government health services in 1981 and delivered to the municipalities of management outpatient primary health clinics and rural composed posts.

Reforms in the health financing aimed at the creation of the National Health Fund (Fonasa), which collects state contributions from the Ministry of Health, which constitute 55 % of spending and mandatory health insurance contributions of 7% of the salary.

tax, accounting for 35 % of public expenditure. The difference of 10% is covered by own funds, collected by establishments of benefits to non-beneficiaries.

The compulsory contribution for health rose progressively in the 80s, from 2% to 7% that applies today. There is freedom of destine Fonasa or a Isapre, if sufficient to cover a plan offered by the subsystem.

The insurance quote accident and occupational disease remains variable between 0.9 % and 4.3 % depending on the risk of the activity and the rise or fall in claims produced annually. It is collected according to the affiliation of the company, by herself (delegated administration), for the existing mutual employers or Insurance Standards Institute, Ministry of Labour and Social Welfare.

One of the topics of greatest interest, and at the same time represents a major intellectual challenge, is to attempt a description of the changes and adjustments that need the Chilean health system.

1) Aging population The current situation of the Chilean population is characterized by a significant increase in the percentage of people over 60 years. This trend will be accentuated in the

¹⁶ www.colegiomedico.cl

coming years and means by itself a factor of increase in health care costs . To this must be added the emergence of new diseases, which has been to aggravate the health situation in younger groups , such as AIDS and its complications.

2) Care models Globally there is a tendency to decrease the number of beds available. This situation, which is also seen in our country, is explained by the need to reserve this resource, very high cost to highly skilled, such as complex surgery, intensive care, etc. cases. It is proved that the schemes of outpatient and home management are fully valid for many diseases.

Adapting models of care also related to promotion and prevention measures to correct risk factors for chronic noncommunicable diseases, which now account for 70 % of deaths in our country. Thus, cardiovascular disease, injuries and violence and cancers represent the highest percentage factors are known and manageable risk (sedentary lifestyle, smoking , alcohol consumption , obesity , hypercholesterolemia , etc.). Prevention and education to the population represent an investment with high returns future, in other words with high positive externalities.

The complex and expensive technology with medical hyper aware of the increase in costs in health benefits , which in many cases exceeds the cost overall growth of the economy , measured indirectly by the Consumer Price Index (National Institute of Statistics, Ministry of Finance) . These factors are difficult to reverse and lead to the urgency of the point indicated below.

3) Strategic Alliances Funders of benefits, institutional service providers and health professionals: a policy of tactical and strategic alliances between stakeholders is displayed in the future. These agreements a defense of the interests of each instance and an agreement that protects each institution is expected.

4) Efficient management in health. Both in the public part private, strengthen administrative cadres in charge of the management of services and facilities, and to establish systems of economic and non-economic incentives to improve the use of resources is essential.

The challenge of management is crucial for the future, as despite a significant increase in resources for the period 1990-1995, not maintaining this rate of growth, especially the fiscal contribution, for the coming years is seen as possible.

Massive training, therefore, has only to do with the technical area, but also the area of modern management. This is a prerequisite for improving the use of resources allocated to the health sector tool.

5) Changes in the mode of financing. In this regard and substantive changes are seen in the process of implementation. Thus, the transfer of funds to hospitals is not being done with a payment for each service, but payment associated with diagnosis (PAD). There are already 22 PAD working in the public system and several also in the private system.

At the primary level, the transfer of funds is made by a beneficiary population as per capita , adjusted by factors of rurality and extreme poverty , which funds basic health plan. This is the first real sketch of a demand subsidy working in the public area.

In this issue of funding, the compulsory contribution of 7% uniform is rigid, since it forces young family to for sure without charges people. It seems appropriate to its flexibility, maintaining a mandatory basic floor, thus allowing to adapt the premiums paid to the actual risks of individuals and family groups according to their previous health status, sex age and family size.

6) Mix of public and private sectors. The installed capacity health practice is one, regardless of who the owner or whoever manages. And view the situation it is of great interest and a good real integration to better leverage existing resources. There are agreements in practice, some longstanding among state services and private hospitals, such as San Bernardo and San José de Puerto Varas. Conversely, public hospitals are rapidly developing state pensioners for private patients, which certainly compete with existing private infrastructure. This interaction, in itself desirable, there must be clear rules of fair competition and transparent prices. In this area you can move forward in clarifying policy mix of public- private partnerships in health. This coincides with the alliances that are displayed between the main actors in the process of giving health.

7) The integral health insurance. The current team of the Ministry of Health promotes comprehensive health reform that is based on, independent of any consideration of income, age or state of health of people prior public health insurance. This insurance would be linked to a comprehensive health plan defined by the State. The insurance could be offered by the public sector or the private sector who can offer additional plans or complementary health.

This proposal is initiating socialization in different sectors of the country and has complexities that are beyond the scope of this article.

8) In a vision of the future (next ten years) seems necessary for the State to ensure the provision of public services such as vaccinations and prevention campaigns public property and access to health services. It is essential that the provision of services and benefits is made by state institutions: today is by tradition and because the costs of the public health sector had been kept

artificially low. This situation has been reversed and now the salaries of public sector employees are increasingly resemble those in the private sector. So, the provision of services can be delegated to non-state institutions, progressively.

This, rather than a "privatization of establishments" would lead to properly comply with the principle of subsidiarity of State for Health, in the sense that the state assumes directly only those tasks which can not develop the private sector and intermediate bodies society.

The situation of higher payment from users, both private and public subsystem, will necessarily implied an increased customer demand. In turn, people will have many more options than in the past for your attention.

9) A heartfelt aspiration is to promote the use of resources through the application, to encourage competition and not worry merely supply services or existing installed capacity of each subsector. In this respect the mode of choice and generally Fonasa Isapres work in the scheme of allocating resources through demand. In practice these resources are restricted to the amount of the mandatory contribution to health and voluntary contributions.

The missing step is that people can have their share of fiscal support for themselves and their families, discounting the state budget should be reserved for its regulatory work (Ministry of Health, Superintendent) and to provide public goods to all population . The per capita which is delivered to municipalities is a first step in this direction.

At present the Law 19,966 establishes the Health Guarantee Scheme .

Supplementary insurance. Regarding seniors and addressing catastrophic illness, consistent solutions have been sought additional or supplementary insurance offered by insurance companies, and even some Isapres private clinics. It has also explored the possibility of reinsurance. All these initiatives recognize the true fact of the higher cost of these situations involve health and ultimately complementary to the payments required by law .

University Hospitals. These represent a particular challenge. The worldwide costs of teaching and research increased by an average 20 % spending on such establishments. If you intend to pass these costs to users, these hospitals can easily be out of competition, especially in the private health market . A focus on the national, regional or municipal governments cooperate teaching funding has been postulated as a viable solution. Moreover, we must recognize that the existence of teaching and research raises the quality of care they provide and often represents a focus of attraction and even national level neighbors.

Competition and productivity. The increased competition that exists today and will continue to grow, forced to take measures to contain costs. This means improving the productivity of each establishment , their units and services and ultimately each person working in them. Cost containment goes through the review process for the implementation of continuous improvement programs and in some cases by reengineering existing processes. In this context, the rate increase is an unsustainable policy over time.

The future challenge for health systems in the world is very large, and Chile is certainly no exception. Creativity and tenacity to design technical and administrative solutions to our problems will depend overcoming many situations mentioned in this article. In any case, the road is hard and we expect the issue of health will be among the priorities in the coming years. The Insurance Metlife offers on the market the following products in Health:

MetLife Health

Reimburses medical expenses for high cost, by illness or accident incurred in Chile or abroad . These expenses can be hospital or outpatient, and covers both affiliated and non- affiliated persons to a health insurance system. This insurance considered a Maximum Reimbursable Amount and a certain deductible, depending on the plan you hired. Means high cost of medical expenses that exceed those deductible amount and the amount deductible by the insured will always be.

Expenses incurred in Chile

Expenses incurred in the case of Chile, the plan hired operate on the amount not covered by your health insurance system , and will cover up to 100 % of the difference not covered depending on the plan to hire, as well as the conditions and terms.

In case of not covered by your health insurance system or have him medical expenses , coverage is up to 50 % of non -covered expenses , depending on the contract plan , as well as the terms and conditions thereof.

Reimbursement of expenses in pharmacy

For pharmacy costs originate in Chile and are ambulatory, coverage is up to 50 % long as you have a health insurance system, otherwise, coverage will be up 25%.

Protection abroad

In the case of medical expenses incurred abroad, covered by your health insurance system will be considered as cash spending 50% of these, the amount on which caps, deductibles and percentages of contracted plan will apply.

For this situation outpatient pharmacy coverage is 25 %

If that medical expenses incurred abroad are not covered by your health insurance system will be considered as cash spending 25% of these. For this situation ambulatory coverage is 12 % pharmacy.

Consider the payment of a maximum sum insured for the same accident (event) which is distributed in the following coverages .

Accidental Death : Consider paying a sum insured in the event of accidental death of the owner .

Compensation for accidental dismemberment: consider paying compensation for physical or functional loss of a body part as the sum insured for this coverage.

Total and permanent disability 2/3 by accident: consider the payment of compensation in the event of their inability to produce the irreversible and permanent loss of at least 2 /3 of the working capacity of the insured as a result of an accident.

Monthly Rent : Complements the basic protection in the event of accidental death of the insured , distributed among your beneficiaries a monthly income of UF¹⁷ 30 or 50 depending on your choice in a period of 5 years.

Reimbursement of medical expenses by accident: They consider the reimbursement of medical expenses arising from an accident, either in Chile or abroad, with free choice of doctor or clinic.

Daily amount for hospitalization due to accident or disease: In case of hospitalization due to an accident or illness and for more than 24 continuous hours , a daily amount is paid. The maximum coverage period for this is 60 calendar days per event, with a maximum of 240 days per year.

Extended Benefit daily amount for hospitalization due to accident or disease: You can also choose an extended benefit where if you have been hospitalized following an accident or illness for more than 24 continuous hours in ICU or UCI, will be paid twice the daily amount specified in the policy.

¹⁷ UF unit development: It is a unit of account indexed for inflation so that the variations calculated with UF are considered real.

3.4 Retirement Insurance¹⁸

The Superintendency of Securities and Insurance establishes the regime of annuities in the Chilean market provisional.

Requirements for retirement

65 years is set for Men and 60 for Women.

Early Retirement

Greater than 110% of the minimum pension board

Than 50 % of average earnings in recent years Guesthouse.

Pension Options

Programmed Withdrawal

Annuity

Temporary income with deferred annuity

Free surplus

Under any type of pension can retain free surplus if a pension is obtained:

Exceed 120% of the minimum pension guaranteed by the State

Over 70 % of average monthly taxable wage from the last 10 years.

State guarantees

If the Pension Annuity falls under the current minimum pension, the State finances the difference to members who meet the requirements established by law.

In case of bankruptcy of a CSV (Life Insurance Company) the State guarantees payment of pension annuity by 100 % of the current minimum pension plus 75 % of excess over this up to a ceiling of \$ 1,000 per month every pensioner or beneficiary.

The insurer Metlife offers the following products:¹⁹

Annuity

Annuity is an insurance agreement between the insured and the insurance company, which gives an attractive pension mode, as it guarantees a monthly income that remains intact throughout their lives.

¹⁸ www.svc.cl Regional Training Seminar

¹⁹ www.Metlife.cl

You can extend the coverage hiring a guaranteed payment period from 5 to 30 years. This additional coverage ensures that in the event the insured dies, the total amount of your pension will be paid to your beneficiaries throughout the guaranteed payment period. Once this period is completed, will continue to receive a pension in accordance with the percentages set forth in Decree 3500 of 1980.

Payment of pension:

Immediate Annuity

From the month your pension fund (premium) is receiving by the company, the insured will start receiving their monthly pension.

Deferred Annuity

A portion of pension contributions continued on AFP and can make monthly withdrawals for one or more years depending on the decision of the insured. After this period the company will begin to pay pension Annuity associated

Private Rents

It is aimed at:

People who want to make a change to less risky investments.

People who have received large sums of money (bonuses, allowances, inheritances, insurance payments) who want to monetize it and make it into a steady income over time.

Executive or independent professionals who have cash and want to diversify their income sources

People retirement process who want to transform their surplus funds in addition to their pension income.

Real estate owners who have sold their property and want to turn those funds , safely, in a regular income .

Investors looking to diversify their personal portfolios.

People looking cover beneficiaries not considered in the Decree Law 3500 of 1980

Benefits

The insured decides when to receive payments and how much.

It will have tax benefits.

Protects investment market fluctuations in tough economic scenarios.

Attached.

The beneficiaries of life insurance are not subject to the law of inheritance tax .

You can freely designate to policyholders and beneficiaries.

3.5 Conclusion

The Republic of Chile, in 2011 showed significant activity, a fiscal policy with a balanced structural balance, yet the consequences of the earthquake of 2010.

In the sector of the insurance market, the Life sector recorded lower growth still remains 60% subscription.

With respect to the different types of life insurance, the Health and Retirement acting market insurers have many options to suit the demands of the population.

The health system has features similar to those of the other countries of the MERCOSUR, with a significant percentage of people over 60 Characteristics. Regarding seniors and addressing catastrophic illness, consistent solutions have been sought additional or supplementary insurance offered by insurance companies.

The challenge ahead lies in modifying existing structures of the different branches of insurance , Health and Retirement , adapting to different circumstances that have gone through in recent years , volcanic eruptions, earthquakes that have left marks on the health of the population, issues that occupy center stage in government agendas .

Nevertheless, Chile has an insurance culture than the Republic Argentina.

Acronyms

AFP Pension Fund Administrator

FONASA National Health Fund

ISAPRES Provisional Institutions of Health

GDP Gross Domestic Product

PAD Pay Associated Diagnosis

UF Promoting Unit

VCT Voluntary Pension Savings

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On line

www.colegiomedico.cl

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www.scv.cl Seminario de Capacitaciòn Regional

CHAPTER IV

4. REPUBLIC OF PERU

4.1 Macroeconomic Environment ²⁰

The Peruvian economy continued to grow steadily in 2011 , with GDP growth reached 6.9% , driven by buoyant demand in both external and internal, and in particular the consumption and investment by the private sector.

The positive performance of GDP was motivated by the general expansion of the sectors of activity especially in the sector of transport and communications, business services and trade.

Regarding trade policy, in April of 2011, Peru expanded its foreign trade opportunities , through the signing of the Free Trade Agreement with Korea and the European Union , which entered into force in 2012.

The unemployment rate remained similar to those recorded in 2010 (8 %), showing a different behavior by gender, to increase female desempleo and increase male levels. The level of wage income experienced a 11.5% increase .

The inflation rate stood at 4.7% (2.1%) in 2010 .

Insurance Market

In 2011 the Peruvian insurance industry entered 1.876 billion in premiums, representing a real increase of 10.1 % nominal and 5.1% .

Life branches premiums issued 803 million euros experiencing a nominal growth of 7.1 % well below the 60.4 % in 2010. Frente exceptional growth in 2010 in insurance private pension system (SPP) observed a positive trend and provisional insurance and disability income , which offset the fall in income produced in the full retirement insurance that system.

Within the life insurance , the groups that showed the largest increases have been title insurance (by strong credit expansion) and Individual Life long term.

²⁰ Fundaci3n MAPFRE El Mercado Asegurador Latinoamericano. 2011-2012- Madrid

The net premiums Non-life insurance including industrial accidents , recorded a nominal increase of 12.4% and reached 1.073 billion euros. These insurance account for 57 % of total premiums written . Within the branches of larger volume the growth rates of the auto industry , driven by rising auto sales (9.8%) , fire and / or allied lines (12.0%) and transport (15.7%) due to the increase in foreign trade.

In December of 2011, the insurance sector was formed by 14 insurance companies, four of which operate in general and life insurance , general insurance five five exclusively on life.

Peru 's insurance market is highly concentrated where the top five institutions build a market share of 89.5 %.

Regarding the ranking of insurance companies in 2011 the composition is maintained and relative position of the five first entities , again being Rimac and the Pacific occupying the top two positions , with nearly 60 % market share , leading both classes of Life and Non Life.

Results

The net profit was 899 million soles (234 million euros) , 50.9 % higher than in 2010 , representing an increase of more than five points in the result on premiums , which was 23 , 0 % . This is explained by the strong performance of the financial result increased by 37.9%.

The combined ratio deteriorated three points as a result of the expenditure ratio which rose from 51.6 % to 54.7%.

On the contrary, the claims ratio decreased one point, due to lower claims registered in classes Accident and Life, the latter mainly due to the decrease in insurance claims Supplementary

Analyzing the results of the investments , all insurance companies recorded positive variations compared to December 2010. Thus, dedicated to life insurance showed an increase of 12.7 % , mixed reported an increase of 54.6 % and general insurance companies a positive variation of 36.1% is observed.

The issue of insurance premiums reached in the first half of 2012, 1.062 billion euros , representing an increase of 5.1 % over the same period last year.

Life insurance recorded an increase of 2.9 % , in contrast to the 48.5% increase in 2010 , confirms the stabilization of the growth of Insurance Private Pension System .

In Non-life insurance growth reached 6.8 %, with a premium volume of EUR 603 million . All classes, except for transport, increases obtained , among which Automobiles (10.2%) and Health (16.8%).

New Legislation ²¹ In November 2012 the Insurance Contracts Act was enacted in Peru. The Act seeks to provide a legal framework to Insurance Contract, which is currently regulated by the Commercial Code of 1902. The law also includes the current rules of the Consumer Code, with the purpose to develop a clear protection of the insured.

Among other provisions, the law prohibits the use of clauses and unfair practices by insurance companies, provides conditions on the duration and renewal of the contract; regulates situations in the absence of payment of the premium, and so on.

The Superintendency of Banking and Insurance and Pension Fund Administrators (AFP) established new requirements for additional capital for financial institutions in the business cycle of systemic risk assigned to each entity and the risk structure

4.2 Legal Framework

The Constitution of Peru of 1993 contains the following provisions relating to provisional subject: Article 11: The state guarantees free access to health care and pensions through public, private or mixed entities, overseeing its effective functioning.

Article 12 ° The funds and stocks are intangible security, and applied in the manner and under the responsibility prescribed by law.

First Final and Transitory Provision. The new mandatory social systems, which on pensions of public sector employees not affect legally obtained rights, including the corresponding schemes of Decree Laws No. 19990 and 20530.

Second Final and Transitory Provision . The state guarantees the timely payment and periodic adjustment of pensions administered in accordance with the budget forecasts that are designated for such purpose and the possibilities of national economy .

Third Final and Transitory Provision . While different working arrangements subsisting between private and public life , in any case and under any circumstances can accumulate services provided under both regimes . Any act or resolution to the contrary.

²¹ www.congreso.gob.pe

The 1993 Constitution , unlike the 1979 Constitution , does not point to social security as integral mechanism of protection against contingencies such as old age , sickness, maternity , disability, unemployment , accident , death , widowhood , orphanhood and any other contingency likely to be covered . But social security is not exclusive to the workers, but the entire population , hence the constitutional provision prescribes that the State recognizes the universal and progressive right of everyone to social security , guaranteeing the right of all to access it.

The law regulates access to health benefits and pensions through joint public and private entities (as an alternative system , but not complementary) or and oversees its operation. Under Decree Law No. 199901 was created on April 24, 1974 , creating the National Pension System of Social Security , replacing the pension systems of the Pension Funds of the National Social Security Fund and the Social Insurance Fund and the Special Employee Retirement Private Employees . It is characterized as a general scheme because with the exception of Private Pension Insurance and the Military Police is the only open access regime to which all the Peruvian workers , whatever their working arrangements . The pension payment is in charge of ONP and its amount is determined by the number of years of contributions and the age of the worker in case you decide to retire early.

They are insured by the National Pension System as follows:

Workers who provide services under the regime of the private sector to private employers , whatever the duration of the contract and / or time of day work week or month.

The workers employed by the state, which are in the regimes of Act No. 11377 or the private sector , including personnel from the force of the Decree Law enter to serve in the judiciary , in the Service Diplomatic and the Magisterium .Workers of socially owned enterprises,cooperatives and the like.Workers at Home.

They are not included in the scope of Decree Law No. 19990 workers National Public Sector on the effective date are subject Decree providing services subject to the system of severance , retirement and pawnbroker .

The administration of resources originally belonged to Peru 's Social Security (now ESSALUD) and is currently managed by the ONP - ONP .

The regime of Decree Law No. 20530 was in 1974 when Decree Law No. 20530 was enacted to regulate the pension system for public servants who had not paid into the pension system Unico and the closed nature of this regime was established .

The regime of Decree Law No. 20530 has its origin in a pension scheme established by State Law General Retirement and Severance of Public Employees January 22, 1850 entitled "Law of enjoyments " characterized by granting pensions to public employees based on accumulated service time and not on age or number of contributions made over the active career.

By Law No. 8435 of August 7, 1936 to employees of municipalities , and other Charities joins the "Law of enjoyments "

Supreme Decree of July 11, 1962 is incorporated private employees and civil servants appointed after 1 July 1962 1of the Pension Fund Employee Social Security With Decree Law No. 19990 was made an interim reform pretending close this regime , ordering that all workers both public and private Unico incorporated into a pension system financed by contributions from its members. In this manner pensions financed from State resources should end gradually .

The eighth Layout General and Transitory of the Constitution of 1979 provides that pensions for unemployed with over twenty years of service and retired from the Public Administration not subject to the Social Insurance of Peru regime or other special arrangements shall be progressively level off with the salaries of the public servants in the respective categories , during the term of ten years , from January 1, 1980 , the same to be entered in you Budget of the Republic subsequent games.

This provision of the Constitution was supplemented by Law No. 23495 regulated by Supreme Decree No. 015 -83- PCM , establishing the leveling of pensions should be based on the scale of remuneration of public servants who are included in Legislative Decree No. 276. The Private Management System Pension Funds (SPP) aims to contribute to the development and strengthening of the social security system in the area of pensions and is made by the Private Fund Administrators (AFP) , which administered the funds Pension and compulsorily give their

affiliates, retirement, disability, survivors and funeral expenses . The worker can choose freely to which the AFP also wishes to join, can change AFP provided you have six or more consecutive AFP quotes which you want to move . To this end , the member shall report to the AFP leaving their willingness to pay the amount transferred and for expenses of transfer established by the Superintendency .

The Superintendency of Banking and Insurance (SBS) is the body responsible for the regulation and supervision of the Insurance System , its main aim being to preserve the interests of policyholders. The objectives , functions and powers of the SBS are established in the General Law of the Financial System and Insurance System and Organic SBS , Law 26702 , as amended . In exercise of its powers that SBS has issued several rules in the legal, financial and technical fields that constitute the legal framework of life insurance in Peru .²²

Other standards that reference insurance are : The Commercial Code promulgated 15/02/1902 and Code and Consumer Protection , Law 29571 Law 29946 , Law of Insurance Contracts, entered into force on 27 May 2013, the rule establishes a new legal framework for insurance contracts . In Chapter III under the generic Personal Insurance regulates insurance , **Health , Personal Accident and Group .**

Personal Insurance

General Provisions

Article 115: Personal Insurance

The insurance people rests with the insured or a third party , or the psycho-physical integrity or health of the insured.

Personal insurance is individual or group . Group insurance covering people adherents of a particular group and / or family or persons responsible .

Article 116 : Scope

The provisions of this chapter apply to the contract of insurance in case of death, survival , or other income related to human life, they are compatible with their nature.

²² www.pnp.gob.pe

In personal insurance the insurer , even after the compensation paid , can not be subrogated to the rights that apply if the insured against a third party as a result of the incident , except for expenses incurred for medical care.

Article 117: Health Insurance

For health insurance , the insurer undertakes within the limits of the law and the contract to repair the economic consequences of the disease of the insured. The performance of the insurer may consist of reimbursement by the insured for the costs of medical care, lump sum compensation in case of temporary or permanent disability or other contingencies agreed in the policy. The benefit may be to ensure the insured care services , the insurer must , make available to the insured such services and directly bear the cost .

To that end, health insurance plans , and treatment of pre-existing conditions are governed by Law 29344 , Frame Universal Health Insurance Act , its regulations and supplementary regulations.

Article 118: Pre-existing

Persistent diseases are covered in the insurance system and EPS at least to the limits of the original or previous contract.

It stretches for any alteration of preexisting health condition diagnosed by a licensed medical professional , known by the holder or dependent , not resolved prior to the filing of the affidavit of health now.

Article 119 : Genetic Testing

The insurer is prohibited from requiring prior to the conclusion of insurance contracts exams and may not make acceptance , validity or renewal of insurance coverage to perform such tests.

Life Insurance

Article 120 : Scope

For life insurance the insurer undertakes , by charging the stipulated and within the limits established by law and the contract premium, to meet the beneficiary capital , income or other agreed benefits in the event of death or survival of the insured. Life insurance can stipulate on life itself or a third party , as well as one or more persons .

Article 121 : Consent of third

Insurance in the event of death , if different persons and insured contractor , this consent given in writing is required. If the insured is a minor, is required , in addition , the written consent of their legal representatives.

The insured may revoke your consent in writing at any time. The insurer , from receipt of this document, ceases risk cover insurance and the contractor is entitled to a refund of the premium paid , except for the part corresponding to the time period in which the contract was in force .

No may take out insurance to cover death of children under sixteen years of age or persons judicially declared incompetent. Exceptions to this prohibition , insurance contracts where death coverage is lower or equal to the premium paid by the policy or surrender value .

Article 122. Incontestability or indisputability

If it takes two (2) years from the conclusion of the contract , the insurer can not rely on the misrepresentation or false statement , except when it is willful .

Article 123. Misreporting of age

The misreporting of the age of the insured the nullity of the contract if its true age at the time of entry into force of the contract , exceeds the limits set in the policy to take the risk. In this case will proceed to a refund of the premium paid .

Otherwise, if as a result of misrepresentation of age, the premium paid is lower than would be payable , the benefit of the insurer shall be reduced in proportion to the premium received . If , however , the premium paid is higher than it should have been paid , the insurer is bound to refund the excess of premium received , without interest.

Article 124. Increase in risk

Life insurance may not be amended or rescinded or the increased premium as a result of the change in activity of the insured did not know this at the time of conclusion of the contract .

Article 125. Suicide - death of the contractor or third party beneficiary

Conscious and voluntary suicide of the person whose life is insured , release the insurer , unless the contract has been in force continuously for two (2) years.

In the life insurance of a third party is excluded from coverage death intentionally caused by an act of the client and / or beneficiary.

Article 126. Resolution and release the insurer. Contractor Rights

If for any reason the contract is terminated , the insurer is released from paying the agreed capital or income, but must return the value corresponding rescue according to the mathematical reserve established in accordance with their technical plans used in the policy, provided there been agreed in the policy. This provision does not apply to term life insurance only grant a hedge . In life insurance , the contractor shall be entitled to the following:

a) Exercise of the right of reduction

Once the period specified in the policy expired, which may not exceed two (2) years from the start of the contract , the provisions do not apply to the second paragraph of Article 21 on non-payment of premium. From that period, the non-payment of the premium reduction produces insurance under the table or system for determining the values of reduction provided in the policy. Reducing insurance is also produced when requested by the contractor, after the aforementioned deadline elapsed.

The contractor is entitled to the rehabilitation of the policy, at any time before the occurrence of the incident, for it must meet the conditions laid down in the policy.

b) Exercising the right loan

The insurer must give the contractor, loans on insurance money , according to the conditions specified in the policy, once paid two (2) first annuity premium or corresponding to the lower limit under the policy, up to the limit the appropriate redemption value .

c) Exercise of the right of redemption.

The contractor who has paid two (2) first annuity premium or corresponding to the lower limit under the policy may exercise the right of redemption by the timely application as tables or system for determining surrender values under the policy.

No rights are required reduction , and loan bailout of the sum insured in the form of income insurance and temporary insurance for the event of death.

Article 127. Life insurance for the benefit of a third party

One can agree that the capital or income to be paid in case of death , a third survivor or determinable at the time of the event is paid.

Article 128. Designation of beneficiaries

If multiple beneficiaries are designated , without indication of rates or amounts , it is understood that the benefit equally.

Article 129. Failure to designate beneficiaries

If at the time of death of the insured had no designated beneficiary or for any reason you made the appointment becomes ineffective or becomes ineffective , comprising means to the legal heirs

.Article 130. Form of nomination

The beneficiary designation must be in writing in the policy. Is valid even if the insurer is notified after the scheduled event. If no change of beneficiary shall be valid if the record in an endorsement on the policy or to put on a third document notarized by a notary public.

Article 131 . patrimonial Clearance

The existence of heirs of the insured and insolvency not affect the insurance contract or beneficiary designation .

Personal Accident Insurance

Article 132. general provisions

By accident insurance , the insurer undertakes , within the limits established by law and the contract , to indemnify, by paying a certain sum , for damages resulting from bodily injury stemming from violent causes , external flash and beyond the control of the insured, incapacitating , temporary or permanent , or death.

In cases where the insurance policy provides for coverage for disability of the insured , the insurance coverage shall in any case, invalidity , resulting from an accident during the term of the contract , shall appear within two (2) years following the accident, remain valid clauses to extend this deadline. The personal accident insurance articles 128 to 131, relating to life insurance are applicable .

Article 133. Payment of benefits

In case of temporary disability , the insurer issued a favorable decision against the claim, the insured is entitled to immediate payment of benefits.

Article 134. Dolo the insured or the beneficiary

It is excluded from coverage the crash intentionally caused by the contractor , the insured or the beneficiary.

Group Insurance

Article 135 . third benefited

In case of group insurance contracts , in the exclusive interest of the members of the group, they or their beneficiaries in their own right against the insurer since the scheduled event occurs.

Article 136. incorporation

The contract shall specify the insured group incorporation , which will occur when they are met.

The insurer is obliged to deliver to the insured a certificate joining the group.

Article 137. Terms unreported

They are not enforceable contractual insured contents will not have been reported in the certificate mentioned in the preceding article, the minimum content is subject to the provisions of the Superintendency.

The MAPFRE Insurance offers the following coverages:²³

College Fund

The MAPFRE College Fund Capital Guarantee lets form a professional to ensure the education of children or dependent while protecting them

The MAPFRE College Fund is aimed at every parent , grandparent or guardian concerned to ensure that their loved ones are receiving vocational education.

Access conditions and limits of permanence:

Men and women from age 18 to age 60 , remaining until age 70.

For the procurement of this plan for further medical examinations to 49 years and / or insured amounts greater than U.S. \$ 45,000 are required, which are on account of MAPFRE.

Gold Convida

MAPFRE Convida Gold gives you protection from \$ 250,000.

²³ www.mapfreperu.com

MAPFRE Insurance Convida Gold is ideal for any life insurance supplement , allowing you to increase the level of protection.

Access conditions and limits of permanence:

4.3 Health Insurance

Health Clubs

Health Clubs is a family health insurance that provides a service I customize and allows to you in all of Peru .

Aimed at executives and families who want a safe that has a wide coverage and optimum service to always be prevented in any situation that may jeopardize their health.

Accessibility: Join Age limit : Older than 18 years to 60 years.

The Previsor

It is a health insurance that gives you the best coverage with an exclusive and personalized service so you can meet anywhere in Peru and the world.

Aimed at people who travel and seek insurance with international coverage to protect the health of your family.

Accessibility: Join Age limit : Older than 18 years to 60 years.

Living Health

Live Health insurance is a budget that gives you you and your family comprehensive health program through a network of five affiliated clinics in Lima.

Lima Aimed at families seeking affordable insurance that allows them to care for the health of each of its members.

Accessibility: Join Age limit : 18 years or older , up to 65 years

Individual Personal Accident Insurance

The Individual Personal Accident Insurance (SIAP) covers any bodily injury caused by the sudden action incidental and / or casual external force that suddenly and violently on the person

regardless of their own that can be determined by physicians work in a way true.

Accessibility: Join Age limit : Older than 18 years to 65 years.

4.4 Retirement Insurance

The two main alternatives are the lifetime - income and its variants - or programmed withdrawal .In the first case an insurance company " buys " the retired its bottom, to ensure a constant rate of pension for life .

While the second option , the person retains ownership of the fund, which will continue to be managed by the AFP and gain profitability. You will receive a pension only until the fund is depleted. The amount will be updated each year and will have a downward trend .

Unlike payments

Pensions in the annuity system are 30% lower than the member would receive via the programmed withdrawal .

" This is because the insurance company should cover the risk that the person live a greater number of years , while the scheduled withdrawal is affiliated itself that assumes that risk "

Annuities ²⁴

Protecta Insurance Company provides this coverage:

It is one of the alternative pension private pension system , where all or part of the pension fund is administered by Protecta Insurance Company , who guarantees you a monthly income for life remains intact so that your whole life.

²⁴ www.protecta.pe.com

4.5 Conclusion

The Insurance Act 29946 came into force on May 27, 2013 , establishing a new legal framework for insurance contracts . The rule adequately protects the interest of the insured and governs inter alia the existence of intermediaries and attention .

The sector recorded segurador actual nominal increase of 10.1 % and 5.1 % with growth in private pension insurance .

Regarding the national pension system , this allows retirement at age 65 with 20 years of contributions , Decree Law 20530 provides the possibility of achieving the right to a pension with 15 years of contributions regardless of the age of the beneficiary .

This results in extreme situations that may occur as people who retire at age 35 and the state must pay them a pension for a longer period .

Moreover, there is a marked trend towards aging of the Peruvian population , which will be accentuated more strongly in the future, due to the significant drop in the total fertility rate . Demographic changes mean a challenge on issues of health care and pensions.

Acronyms

| | |
|----------------|---|
| AFP | Administrators of Private Pension Funds |
| ESSALUD | Social Health Insurance Peru |
| ONP | office Standardization pension |
| SIAP | Individual Personal Accident Insurance |
| SPP | Private Management System and Pension Funds |

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CHAPTER V

5. REPUBLICA OF URUGUAY ²⁵²⁶ ₂₆

5.1 Macroeconomic Environment

The economy in Uruguay , in 2011 recorded GDP growth of 5.7% , the increase was because it was driven by private consumption , private investment and exports.

The economic sectors that contributed most to the overall generation of value added services sector were 6.1% , transport and communications 12.5 % while the performance of the industry, the primary sector and construction h been less dynamic with growth of around 3%. The inflation rate stood at 8.6 % , driven by rising food prices and continued throughout the year above the target set by the government.

The labor market continued to expand and the unemployment rate improved almost a point to 6.2 In terms of wages wages increased by 3.7 % in real terms.

The high domestic demand has led to a growth of imports over exports , generating a deficit in the trade balance , although there have been significant foreign capital inflows destined for the private sector, which have allowed partly finance the deficit .

Insurance Market

The Uruguayan insurance industry issued in 2011 premium volume of EUR 657 million , representing a nominal growth of 21.0% and real growth of 11.4%.

Life branches continue to show excellent performance , although a slight reduction in growth observed over the previous year. Within the branches of Life

Pension Life Insurance has been the most acknowledged this reduction. The premium income accumulated in late 2011 by Life branches was 159 million euros.

Loa entered Non-Life premiums amounting to 498 million euros, implying a 20.4 % nominal growth and real growth of 10.9%.

Personal Accident Insurance issued by the State Insurance Bank showed a good performance of the labor contract . Also the growth of cars is important.

In December 2011 16 companies operating in the insurance market . The State Insurance Bank continues to lead the insurance market.

Results

The result of the insurance sector amounted to EUR 17 million , representing a reduction of 66. , 4 % from the previous year and result on premiums compared to 10.8 % in 2010.

²⁵ www.fundacion Mapfre. Insurer Madrid Latin American Market 2011-2012

This evolution reflects the financial result has been a considerable reduction . The combined ratio decreased to 101.3 % due to the decrease in both the loss ratio , the expense ratio as improving the technical result by almost five percentage points to 101.3 %.

In the first half of 2012 , the Insurance Companies of Uruguay , joined 359 million euros , representing a nominal increase of 23.7 % over the same period last year. The Life segment reported growth of 37.0 % with a premium volume of EUR 101 million . Pension Life insurance has been the branch that has contributed to this development with growth²⁷ of 91 %.

The assembly issued Non-Life premiums amounting de258 million, representing a 19.2 % increase on the same period last year. All classes recorded double-digit growth , among which 15.6% of Motor Insurance , through increased vehicle sales and 18 , 6%.

New Legislation ²⁷

The Superintendent of Insurance Financial presented a Draft Law on Insurance. On the structural side, the bill has two distinct parts, until Chapter V discusses issues related to insurance contracts, in Chapter V then discusses issues related to insurance, the insurance business. The last comprehensive insurance law is the end of 1993, during the monopolization of the insurance market.

5.2 Legal Framework

On 21 October 1993, through the enactment of Law 16,426 proceeded to the monopolization of insurance. The legislation states the free choice of the Underwriting Companies holding contracts for insurance on all risks.

By the above rule, the Superintendency of Insurance and Reinsurance is created. On 24 October 2008,. 18,412 to Act establishes Mandatory Auto Insurance.

The legislation deals with insurance is contained in the Commercial Code of 1865. In the case of life insurance, the policy is limited to 7 items mentioned legal body.

The Metlife Insurance offers insurance market in the following products ²⁸

Annual Term Life

Ensures the lifestyle of the family group at the loss of a breadwinner .

²⁷ AIDA Uruguay. Dr. Andrea Signorino Conference

²⁸ www.MetLife.com.uy

It is a great product designed to recruit and educational insurance, debit balance , recent insurance costs , because it allows you to adjust the sum insured annually and adapt to constantly changing needs.

It is a renewable and convertible to other product protection plans . Your premiums are very affordable.

Entry age : from 18 to 65 years

Age limit of renovation: up to 70 years

Age of stay : up to 71 years

Minimum sum insured : U \$ S 20,000.

Payment : Yearly , half-yearly , quarterly and monthly .

Currency: DOLLARS

Temporary life

Covering the risk of death from any cause before the person for a specified period .

Secure the lifestyle of their families facing the loss of their usual income .

Cover for a certain time specific protection needs , such mortgage loans .

Premiums are fixed and are determined according to age.

Ideal for protection periods medium term.

Renewable every 10 years or until age 65

Your premiums are very affordable

BSE Bank State Insurance²⁸

This traditional product of the State Insurance Bank has developed several plans coverage for those who can hire one that is tailored to your needs. The State Bank also offers insurance, traditional plans with life cover and savings plans that include the capital as charged in life either as a total amount or in the form of annuity or temporary rent.

We also have specific coverage for travelers, to ensure medical care abroad.

5.3 Health Insurance²⁹

²⁸ www.bse.com.uy

²⁹ www.paho.org Profile Systems Uruguay Oriental Republic Health

The insurer Metlife offers the following products: ³⁰ 31

Second Medical Opinion

Provides the possibility of a second opinion before a disease.

Additional benefit to any Personal Accident Coverage

WorldCare is the first company to offer electronic second opinion consultations referred by the physician and patient specific (telemedicine) in cases of serious illness. WorldCare benefits patients worldwide by providing access to the best specialists, medical practices of art and the best advice by highly specialized electronic medical opinions generated in the main clinical and surgical centers in the United States.

Second Medical Opinion : second consultation with leading doctors and hospitals in the United States. The query is written assessment by a clinician or healthcare provider of the required subspecialty WorldCare Consortium pertaining to your medical history and any additional information about the diagnosis. If necessary, a follow-up is added. Diagnosis and / or treatment plan if appropriate and an interview , should be required between the Insured's treating physician and the specialist or professional subspecialty belonging to WorldCare will be provided . WorldCare Consortium is a network of specialists to provide consultation to the insured if the person has a disease that threatens her life (cancer , heart attack , coma , renal failure, paralysis) Two maximum visits per policy year and six in the entire life of the policy. Provide a second opinion , and if deemed necessary, a treatment plan and an interview with the doctor and Insured Professional Care World

This coverage complements Personal Accident coverage .

No additional cost.

No suicide attempts, alcohol or drug abuse , AIDS, radioactive contamination , including congenital anomalies covered.

Graves Disease Health Plan

Provides a sum of money to cope with a positive diagnosis of serious diseases.

Graves disease Health Plan offers peace of mind to cope with a serious illness. The Insurance

³⁰ www.MetLife.com.uy

company pays the insured in case of a positive diagnosis of any of the 9 diseases covered in the policy (paid only disease) .

Having an income against the two leading causes of death such as heart attacks and cancer helps to achieve a better quality of life.

Coat 9 major diseases : myocardial infarction , stroke, cancer , muscular dystrophy, paralysis , chronic renal failure , organ transplantation , bypass of coronary arteries , and multiple sclerosis .

hospital Cash

Provides protection for daily expenses of hospitalization following an accident.

If the insured must be hospitalized . Hospital provides a cash sum for which the insured considers important while recovering. The insured can use this amount for nannies , travel costs , private room during hospitalization or to aid in your home if deemed necessary. It is a perfect supplement for medical coverage or health insurance and the contractor may decide to use it.

Major hospitalizations occur as a result of accidents, diseases such as swine flu, cardiovascular problems, fractures.

Has additional coverage and subsequent payment for nursing home , where higher income interned abroad or in the ICU .

MetLife will pay the contracted fixed income if the person is hospitalized following an accident or a covered sickness .

Cancer Health Plan

Plan that provides a sum of money to cope with a positive diagnosis of cancer.

Ages up to 64 years with tenure up to 65 years .

Capitals to U \$ S 50,000

Premiums from \$ 5

The sum insured is paid at one time and can be used as you want (drugs, treatments abroad, medical home , extra expenses and / or plastic surgery among other things) regardless of the outcome of the disease . Hiring Cancer Health Plan , you may think only to recover.

The insurance company pays the sum insured in case of a positive diagnosis of the disease . The

insured receives compensation to cover other expenses to deal with the disease.

Monthly rent

Protection after an accident giving a monthly income for 5 years to your family

Monthly rent is exclusively designed to meet the immediate economic problems generated unforeseen events coverage. In case of accidental loss of life (in a traffic accident as a result of a fire, assault , kidnapping, poisoning) , you will be paid a sum to your beneficiaries at the time of accident more monthly income over 5 years.

Given a total accidental death or disability can access your family an income to cover college expenses , food and basic needs that have been discovered from his family.

Lump sum payment at the time of the accident

Monthly rent for 5 years.

Capitals to U \$ S 2,000 monthly income over 5 years.

Premiums from U \$ S 4 monthly

5.4 Secure Retirement ³¹

The pension system must carry out an economic point of view two types of objectives 1) redistribution ensuring a minimum standard of living to befall the contingencies of old age, disability or survival. 2) safe guaranteed by paying contributions to adequate living conditions will be achieved in the passive edas to bear some proportion to the standard working life.

Law No. 18,395 of October 24, 2008 , following the recommendations of the National Dialogue on Social Security , amended Articles 18 and 67 of Law No. 16.713 of September 3, 1995 (Act of pension reform that introduced the mixed system) providing common causal retirement is set to 60 years of age and 30 years of service , instead of the 35 years that were required previously .

The replacement rate is reduced to 45 % compliance with the minimum requirements , increasing by 1% for each additional year of service , up to 50 % for 35 years credited met the minimum retirement age .

³¹ www.asociacion.org.ar

Reform Law 18,395 flexible system , allowing , though not attained the age of 35 are required to configure the causal normal replacement rate , retirement can also be accessed from age 30, with proportional reduction in the provision . And after 65 years, it still reduces this minimum to 25 years accredited .

Reforming the elderly causal complements modifying the common causal . Instead of the 70 years required by Article 20 of Law 16.713 in its original form , now elderly causal set from 65. The number of years of service required is increased with decreasing age: age 70 and services 15 , 69 and 17, 68 and 19, 67 and 21 , 66 and 23 or 65 and 25 . Unlike the common causal , low replacement rate , which remains fixed at 50 % , plus 1% for each year that exceeds the minimum required for each age, with a maximum of 14 % extra is not modified . This is the reform that appears to have more significant effects if taken into account the previous estimates, the percentage of private workers who reach age 25 recorded at 65 (which will from this reform causal set) services this is 69.3% , against 15.6 % who reach the age of 35 years of service (and could retire before modification) . However , modification of the common causal , that takes 30 years of service , can increase the percentage of those who will shape , in the private sector , at 60 of age , from 3.1% to 26.6 % , significant percentage increase , but that still leaves most private workers without causal at age 60 , having to wait until 65 . Law No. 18,241 of December 27, 2007 , established a non-contributory benefit for people over 65 who have critical needs in their lives and are destitute .

Reach out to those who have no access to non-contributory old age pension of art. 43 of Law 16.713 , which requires 70 years of age and lack of resources to provide for the necessities of life . Although it is a welfare benefit (administered by the Ministry of Social Development , under the authorization of the budget appropriation , and conditioned to the lack of vital resources of the beneficiary) must be considered to complete the picture of the situation of people over 65. Moreover, to reveal that despite the legal advances , there may be a gap in coverage old age, for those who fail causal set at 65 years (30% estimated) , and do not gain access , to overcome extreme poverty, 18,241 subsidy law .

Law No. 18,211 of December 5, 2007 created the National Integrated Health System , and provided for the coverage of comprehensive health care for all workers and their minor children or disabled as consideration of a percentage tax on their income. It is a legislative reform that guarantees the right to health care , while establishing a redistribution from those with higher incomes to those who have less, and to those who have greater needs due to family responsibilities . Workers built the system continue to receive coverage once they retire. Previously, only retirees receiving coverage lower income . As in the case of assets , improving intra-generational equity among retirees .

The Insurer MetLife, offers the following products

Investment

Personal protection that provides answers to unexpected or unwanted situations. By providing a periodic premium the insured can build a fund for their future. The product accepts performing Extraordinary Contributions , still giving more flexibility to the Plan. Should you stay in the account over 180 days to remove themselves exempt from redemption .

The insured may choose - when hiring policy - for an automatic update of capital and premium variation Exchange.

You can deduct your premium provided Affidavit of Income Tax Declaration , within the limits set by the AFIP.

It is a product of easy hiring minimum requirements

Protection of University Studies

Protection to ensure the best quality of education for their children , no matter what happens in the future.

Ensures the future education of the children .

Total or partial financing of college education of the children until the end of his career.

In cases of unexpected contingencies , children may initiate or complete their studies.

Universal Life

Flexible Plan , which provides protection and savings opportunity designed to protect the future of the insured and his family.

Protection for life .

Flexible premiums and sums insured .

Savings Account with guaranteed returns .

Possibility of partial withdrawals , loans or bailouts .

Ability to make additional contributions to maximize savings .

Choice between two types of benefits for death benefits : Flatting and Crescent.

Additional coverages that can be taken to provide greater protection .

The insured can deduct your premium provided Affidavit of Income Tax Declaration , within the limits set by the AFIP.

Guaranteed minimum return for your savings account, with accreditation of surplus interest as market returns .

The insured can make a single premium or a specific number of premiums , and increase the premium for coverage or increase savings targets .

Determines the sum insured , years of coverage desired , the salvage value at the termination of the policy and the number of years during which you contribute premiums. The insured can also change the premium payment plan chosen at first, stop paying premiums for a period , make partial withdrawals in cash towards emergencies , travel, or other needs.

Possibility of automatic update of the CER index insured as to maintain the purchasing power of money over time .

UL III

Personal protection that will provide answers to unexpected or unwanted situations.

Procurement plan in dollars.

Deposit contributions into his personal account .

Level premiums and deductibles income tax

Ability to make changes to both the sum insured, and investment strategy .

Choice between two types of benefits for death benefit : Level and Crescent.

Additional coverages that can be taken to provide greater protection .

Guaranteed minimum return for your savings account, with accreditation of surplus interest as market returns .

The insured can deduct your premium provided Affidavit of Income Tax Declaration , within the limits set by the AFIP.

Credited on a daily basis a guaranteed minimum return of 0.5 % annually.

At the time the insured decides, and according to your needs, you can make changes in coverage and make withdrawals from your account to resolve unforeseen , subject to redemption and remove the limits set by the Company needs.

UL Plus

It is a product that acts as a backup for your heirs in the event of having to deal with situations such as loss of life , health problems , accident or disability.

The procurement plan is in dollars.

Election of Investment Strategy

Sum insured defined according to their need .

Prima level not less than the minimum required .

Deductible from income taxes , according to the annual maximum established by law

Choice between two types of benefits for death benefit : Level and Crescent.

Additional coverages that can be taken to provide greater protection .

Guaranteed minimum return for the savings account , with accreditation of surplus interest as market returns .

The insured can deduct your premium provided Affidavit of Income Tax Declaration , within the limits set by the AFIP.

Credited on a daily basis a guaranteed minimum return of 0.5 % annually.

At the time the insured decides, and according to your needs, you can make changes in coverage or make withdrawals from your account to resolve unforeseen , subject to redemption and remove the limits set by the Company needs.

5.5.Conclusión

The dynamism and economic growth boosted the country observed the life insurance industry recorded the excellent growth industry, followed by the Health Insurance and Retirement.

The Oriental Republic of Uruguay, as all countries of Mercosur, currently has the lowest birth rate in its history., Why a marked aging of the population is observed.

Second, extreme weather events continue to grow in the region, which will cause the loss of homes and lives.

Once again we must question what to do in the future to the problems that will cause extreme weather events and otherwise socially will have an increasingly elderly population will require resources. Security in both cases will be the economic tools to help in part to solve the economic problems.

Acronyms

AFIP Federal Public Revenue Administration

ASSE Body of State Health Services

CER benchmark stabilization coefficient

CTI integrated system of indicators

GDP Gross Domestic Product

IAMC Collective Medical Assistance

MOH Ministry of Health

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GENERAL CONCLUSION

The economy of the Mercosur region remained buoyant , although there was some slowdown in the pace of growth. The slowdown took place from the second half of 2011 principally due to growing uncertainty in international financial markets.

The insurance industry in the region showed signs of strength with a significant increase , but the depreciation of local currencies against the Euro has influenced lower growth in the volume of insurance premiums.

The countries of the region had large demographic growths n components allow produce an analysis of population trends in Argentina , people over 60 represent about 16% , with a low birth rate , will result in a future in a more elderly population will require financial resources to address the diseases of aging .

In Argentina the major demographic components allow produce an analysis of population trends in Argentina , people over 60 represent about 16% , with a low birth rate , will result in the future in a population oldest that require financial resources to address the diseases of aging .

At the same time, the country's geographical location presents areas vulnerable to climate change , floods, droughts, El Niño , climate disasters by which the population must have specific insurance to decrease the economic impacts that these incidents cause .

Argentina The society is secured below in relation to developed countries where the insurance culture is rooted .

Today the business of life insurance and retirement accounts for less than 0.8 % of GDP , a figure that pales compared to 5% in industrialized countries and even compared with 1.8% in the business represents the GDP of Chile and Brazil.

The Argentine insurance market offers multiple insurance options , Health and Retirement , but there is the habit of preventing potential risks and the protection thereof.

The common task should be to expand the market and install the long-term protection and conservation awareness in Argentina society, the state in turn has the greatest ability to reach

society possesses a delegated role. Betting on investment by the business community , expertise and innovation will make this challenge a reality.

The Federative Republic of Brazil , holds nearly half of all the Latin American insurance market premiums , nevertheless, being the 7th largest economy is ranked 13th in the world ranking of premiums. It is incompatible with the importance of the Brazilian economy .

There is a good prospect that this relationship bears more balanced to include more citizens in the consumer market .

In terms of insurance penetration in the percentage of GDP , general insurance and people represent 2.9 % of GDP. It is a very small percentage compared to the core countries, sectors adding capitalization previdencia and health, participation is 5.57% of GDP. Operating results (underwriting results) of Brazilian insurers showed an increase of 3.5% in the January / May 2013.

As for future prospects , the Brazilian insurance market by increasing the purchasing power of the population will result in an increase in the fields of life insurance, health and private previdencia . Moreover Brazil , recorded a high rate of elderly population , which is growing at nearly three times the rate of total population of Brazil .

It is estimated that in 2050 30% of the population will be over 60 years and a life expectancy will be 81 years, which represents a challenge for governments , and this is where life insurance , health and retirement have more influence , as today only 4% of the population have private pension plans .

The Republic of Chile, in 2011 showed significant activity , a fiscal policy with a balanced structural balance , yet the consequences of the earthquake of 2010. In the sector of the insurance market , the Life sector recorded lower growth still remains 60% subscription .

With respect to the different types of life insurance , the Health and Retirement insurers acting in the market have multiple options to suit the needs of the population.

The health system has features similar to those of the other countries of the MERCOSUR , with a significant percentage of people over 60 features. Regarding seniors and addressing catastrophic

illness, consistent solutions have been sought additional or supplementary insurance offered by insurance companies.

The challenge ahead lies in modifying existing structures of the different branches of insurance , Health and Retirement , adapting to different circumstances that have gone through in recent years , volcanic eruptions, earthquakes that have left marks on the health of the population, issues that occupy center stage in government agendas .

Nevertheless , Chile has an insurance culture than Argentina.

Republic of Peru , The Insurance Act 29946 came into force on May 27, 2013 , establishing a new legal framework for insurance contracts . The rule adequately protects the interest of the insured and governs inter alia the existence of intermediaries and attention . The sector recorded segurador actual nominal increase of 10.1 % and 5.1 % with growth in private pension insurance .

Regarding the national pension system , this allows retirement at age 65 with 20 years of contributions , Decree Law 20530 provides the possibility of achieving the right to a pension with 15 years of contributions regardless of the age of the beneficiary . This results in extreme situations that may occur as people who retire at age 35 and the state must pay them a pension for a longer period .

Moreover, there is a marked trend towards aging of the Peruvian population , which will be accentuated more strongly in the future, due to the significant drop in the total fertility rate . Demographic changes mean a challenge on issues of health care and pensions. The dynamism and economic growth boosted the country observed the life insurance industry recorded the excellent growth industry , followed by the Health Insurance and Retirement . In the Republic of Peru 29946 Insurance Law came into effect on May 27, 2013 , establishing a new legal framework for insurance contracts . The rule adequately protects the interest of the insured and governs inter alia the existence of intermediaries and attention . The sector recorded segurador actual nominal increase of 10.1 % and 5.1 % with growth in private pension insurance .

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