

III.- THE RENDERING OF LIFE INSURANCE SERVICES BY FOREIGN PROVIDERS

III.1.- MARKET ACCESS

22. Life insurance services can be rendered locally by public corporations set up in Chile with the sole purpose of conducting these activities. They may also be taken directly abroad -by people or institutions who are residents in Chile⁶, with the exception of compulsory disablement, survivorship insurance and social security life annuities. When residents in Chile take insurance directly abroad they have a special tax treatment and the possibility of access to the formal foreign exchange market to defray the payment of these operations. The legal setting up of public insurance corporations must be carried out in accordance with the Law on Public Corporations.

23. Reinsurance effected by insurance and reinsurance institutions of contracts celebrated in Chile can be done through:

a.- Insurance companies established in Chile and with public corporations whose object is to operate in the area of reinsurance. Both are subject to the control of the Superintendency of Securities and Insurance Companies.

b.- Foreign reinsurance institutions which are registered with the Register of Foreign Reinsurance Companies which is maintained by the Superintendency of Securities and Insurance Companies⁷.

c.- Intermediaries or brokers who are registered in the register of insurance brokers of the Superintendency.

24. The foreign companies with a commercial presence in Chile are subject to same market access conditions as those for Chilean companies.

III.1.A. GENERAL PROVISIONS

25. The legislation on Insurance Companies (DFL No. 251 of 1931 and its subsequent amendments)⁸, establishes the following:

26. **Capital:** The minimum capital required for an insurance company is of 45,000 UF's (approximately US\$ 1,000,000) and for a reinsurance company it is of 60,000 UF's (approximately US\$ 1,300,300).

⁶ There is a prohibition in the sense that no foreign companies can offer or supply insurance services in Chile, either directly or through middlemen without establishing a commercial presence.

⁷ These institutions must comply with the requisites with respect to assets and other requirements which are related to their legal status and solvency.

⁸ The main amendments were made in 1980 and in 1987.