



SVS ISSUES A RULE ABOUT NEW MORTALITY TABLES

- ***A new option for the gradual implementation of the mortality tables (B-2006 y MI-2006) was established by life insurance companies based on a fixed annual fee with a maximum period of adjustment of 20 years.***

At the end of August 2007, through General Rule N° 207, the Superintendencia instructed insurance companies to apply the mortality tables B-2006 and MI-2006 integrally to all life annuities policies that will enter into effect on February 1, 2008 or later.

The new tables of beneficiary and disabled persons mortality includes an implicit longer life expectancy, which translates into greater technical reserves that must be recognized by the life insurance companies regarding the stock of life annuities policy in effect before the table change.

In order mitigate the effect on the technical reserves stock, at the end of December 2007, through Circular N° 1.857, the SVS confirmed the optional modality of recognizing the greater reserves already dealt with in previous rules, with a 20-year limit for companies to make 100% of the adjustment

On the present date, the SVS has issued a new Circular supplementary to Circular 1857, which introduces the new option of gradual accounting for the effect of the new tables on the stock reserves for policies effective before February 2008. The new mechanism will allow companies to regularly and consistently account for these each year.

In this way, companies may opt to apply a gradual recognition procedure of the B-2006 y MI-2006 tables, which considers a fixed amount of annual increase of the technical reserves for a period no greater than 20 years. This amount or fee will correspond to the value currently equal to the annual flows of additional technical reserves produced by the application of these tables according to the procedure previously established and confirmed in Circular N° 1.857.

Santiago, April 16, 2008.