



## CMF sanctions Unnio Seguros Generales S.A., its directors and general manager for severe deficiencies in the submission of financial information

- *The Board applied fines for UF 2,000 to the company and UF 600 to its general manager and each of its directors.*

**August 8, 2022** — The Board of the Financial Market Commission (CMF) sanctioned Unnio Seguros Generales S.A. with a fine of UF 2,000 for breaching the regulations on information duties for insurance companies, as well as the duties of care and due diligence required of their directors and general managers. The sanctioning procedure carried out by the CMF's Investigation Unit determined Unnio infringed the regulations relating to the content of financial information submitted to the Commission in its financial statements and reports between 2018 and 2020.

In addition, the Board sanctioned directors Egle Pulgar Jimeno, Matías Williams Ossa, Diego Panizza Miller, José Tomás Sojo, and Fernando Concha Mendoza with UF 600 each for their lack of diligence in ensuring these statements and reports correctly reflected the company's financial situation. Unnio general manager Juan Ignacio Álvarez Troncoso received an identical fine for his responsibility in the preparation and submission of incorrect, unreliable financial information to the CMF.

### Sanctioning Resolution

According to the [Sanctioning Resolution](#), the Board determined that the company, as well as its directors and general manager, breached the regulations on financial information of insurance companies. Unnio presented financial statements that did not include amounts obtained under two commutation agreements it carried out with two reinsurers for which it received approximately USD 15 million, nearly double its net worth at the time. Under said agreements, Unnio terminated two reinsurance contracts with its reinsurers, meaning they were released from their obligations in exchange for the amount paid to Unnio so that the company, in turn, would pay claims to its policyholders.

This amount was administered separately from the rest of the company's operations because Unnio stated that it was acting as an administrator on behalf of third parties, which is why it did not include these operations and funds in its reports and financial statements. Therefore, the company did not report the amounts received,

the accounts in which it held such funds, nor the investments it made with them. Finally, these balances were partially reported as claims were paid.

While carrying out the sanctioning procedure, the Board of the CMF concluded that general manager Álvarez and directors Pulgar, Williams, Panizza, Sojo and Concha infringed their duties of care and due diligence since these operations and the amounts received were not correctly reflected in Unnio's financial statements and reports. This amounts to a breach of Article 41 of Law No. 18,046 on Corporations resulting in the submission of information that did not reflect Unnio's real financial situation to the CMF and the market.

## **Relevance of the Sanctioned Conduct**

The Resolution states that the modus operandi carried out by the company, its directors and general manager affects the different cornerstones of current rules and regulations, such as trust, transparency, and information quality. All non-compliances detailed above caused the company not to show its real solvency indices since it neither informed the amounts involved in the commutation agreements nor the effects of terminating its reinsurance contracts. As a result, the Board deemed it a grave conduct for not only affecting the interests of the market but also the information provided to policyholders and different stakeholders which are part of the insurance industry.

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## **Area of Communications, Education & Image — Financial Market Commission (CMF)**

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