

CMF publishes for consultation regulation on reinsurance operations for life annuities through foreign entities

- *The proposal moves the Chilean insurance market forward by allowing a more efficient, diversified management of risks related to long-term pension obligations under an adequate prudential framework.*

April 20, 2026 — The Financial Market Commission (CMF) published for consultation for the next eight weeks a regulatory proposal with instructions regarding the deduction of life annuity reinsurance through foreign reinsurance entities.

The proposal — which considers the best practices of jurisdictions like the United Kingdom, the United States, Bermuda, and the Netherlands — aims to establish minimum dispositions and requirements for reinsurance transfers of annuity insurance to be deducted from the calculation of technical reserves pursuant to General Rule No. 323.

This regulatory proposal intends to strengthen the sustainability and resilience of the life annuity market by facilitating a more efficient, diversified management of risks related to long-term pension obligations. Its main elements are as follows:

- The reserve deductions for the purposes of General Rule No. 323 may not exceed 20 percent of technical reserves as calculated on the date of the contract.
- Requires reinsurers to have a minimum international risk rating equivalent to category “A”.
- The reinsurer’s foreign supervisor must have a memorandum of understanding with the CMF or equivalent measures for exchanging information.
- Assets backing these transferred obligations must be held in a segregated fund managed by an entity supervised by the CMF.
- Sets quantitative limits on the fund's portfolio composition, such as a maximum of 30 percent in foreign securities and 5 percent in “other investments.”
- Reinsurance contracts must include early termination (recapture) clauses.

- Requires detailed quarterly information on reinsurance transactions carried out by companies.

The participation of international reinsurers, which operate with broader and more diversified portfolios, can contribute to better risk distribution and reduce local risk concentration, as well as optimize the use of capital by insurance companies. Furthermore, the regulation is expected to create direct incentives for developing and expanding the annuity reinsurance market.

Interested parties can access the [Regulations Under Consultation section](#) of the CMF website to review the regulatory proposal in detail, with an eight-week timeframe to submit feedback. The Commission also makes available the corresponding [Regulatory Report](#) with its key elements.

Communication & Image Area — Financial Market Commission (CMF)

Contact: prensa@cmfchile.cl | [Press Room](#) | [Subscribe to Relevant CMF Information](#)