

CMF issues regulation on reinsurance operations for life annuities through foreign entities

The regulation aims to enable more efficient and diversified management of risks associated with long-term pension obligations while maintaining necessary prudential safeguards.

October 5, 2026 — The Financial Market Commission (CMF) issued today the regulation on reinsurance operations for life annuities through foreign entities.

This regulation underwent two public consultations held between April and August 2026, which had important participation from both the local insurance industry and foreign reinsurers. All comments received were analyzed and constituted an important asset for the regulation's final version.

It establishes minimum dispositions and requirements for reinsurance transfers of life annuity insurance to be deducted from the calculation of technical reserves and risk equity pursuant to General Rule No. 323.

Key aspects included in the regulation are as follows:

- Establishes a limit of 30 percent for the maximum deduction of technical reserves determined as part of the total life annuity portfolio.
- Assets backing these transferred obligations must be held in a segregated fund managed by an entity supervised by the CMF — either a General Fund Manager or the ceding entity itself.
- Authorizes life insurance companies carrying out reinsurance operations involving their life annuities with foreign reinsurers to perform the supplementary duty of managing funds in reinsurers' names.
- Establishes quantitative limits for fund asset composition, with a maximum of 30 percent for foreign instruments and 5 percent for "other investments."
- Defines prudential safeguards regarding reinsurers' credit risk.

The new regulation is expected to help create more favorable conditions to develop and expand the annuity reinsurance market while maintaining prudential safeguards appropriate to the risks associated with this activity.

Details of the regulation are available on the [CMF website](#), along with the corresponding [Regulatory Report](#) with its key elements and impact assessment.

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