

## Regulatory novelties in the Brazilian Insurance and Reinsurance market

In the midst of the global turmoil brought on by the pandemic, Brazil's Insurance and Reinsurance industry underwent a series of important changes in 2020. These changes represented movements towards greater flexibility, as part of a modernization agenda that had commenced the year before. This agenda has continued in 2021.

Updated on April 27, 2021

### Cutting of red tape

2019	Cut red tape and reduced state interference in private business <a href="#">Law No. 13,874/2019 (Brazilian Economic Freedom Act)</a>	Simplified and eliminated outdated regulations <a href="#">Decree No. 10,139/2019</a>	Implemented an electronic petition system within SUSEP <a href="#">SUSEP Resolution No. 230/2019</a>
	Reduced timeframes for the storing of documents SUSEP Circular No. 605/2020 <a href="#">Learn more</a>	Imposed deadlines for SUSEP to analyze regulatory filings SUSEP Ordinance No. 7,677 / 2020 <a href="#">Learn more</a>	

### Incentive to competition and elimination of barriers

2019	Increased cession limits for occasional reinsurers <a href="#">Decree No. 10,167/2019</a>	Created 4 segments for regulated entities and reduced regulatory requirements for smaller companies <a href="#">CNSP Resolution No. 388/2020</a>
	Permitted 11 insurtechs to operate temporarily in a simplified regulatory environment <a href="#">CNSP Resolution No. 381/2020 (Regulatory Sandbox)</a>	Simplified prudential and solvency regulations applicable to smaller companies <a href="#">CNSP Resolution No. 389/2020</a>
2020	Permitted the issuance of debt instruments linked to (re)insurance risks <a href="#">CNSP Resolution No. 396/2020 (Insurance-Linked Securities - ILS)</a>	
		Recognized that regulated entities are not required to adhere to the Rural Insurance Stability Fund ( <i>Fundo de Estabilidade do Seguro Rural</i> ) <a href="#">Circular Letter SUSEP/DIR1 No. 2/2021</a>
2021	Simplified the rules for contributions to and withdrawals from the Rural Insurance Stability Fund ( <i>Fundo de Estabilidade do Seguro Rural</i> ) <a href="#">CNSP Resolution No. 404/2021</a>	

### Improving the regulatory and business environments

2019	Permitted the existence of regulated companies with fully diluted control <a href="#">CNSP Resolution No. 373/2019</a>	Permitted on-demand or on-off insurance <a href="#">SUSEP Circular No. 592/2019</a>	Regulated how insurance wording should treat sanction and embargo situations <a href="#">Circular Letter SUSEP/DIR2/CGCOM No. 6/2019</a>
	Liberalized insurance policies issued in foreign currency <a href="#">CNSP Resolution No. 379/2020</a> <a href="#">Learn more</a>	Allowed pension entities and health insurance operators to cede risks in reinsurance <a href="#">CNSP Resolution No. 380/2020</a> <a href="#">Learn more</a>	Created ethical and transparency rules and principles applicable to insurance intermediaries <a href="#">Resolução CNSP nº 382/2020</a> <a href="#">Learn more</a>
2020	Put in place the so-called Operation Registration System <a href="#">CNSP Resolution No. 383/2020</a>	Updated the sanctioning framework, prioritizing prevention over penalization <a href="#">CNSP Resolution No. 393/2020</a>	Defined rules for the issuance of subordinated debt <a href="#">CNSP Resolution No. 391/2020</a> <a href="#">Learn more</a>
	Reformulated the intervention and liquidation regimens with a focus on promoting legal certainty <a href="#">CNSP Resolution No. 395/2020</a>		Simplified the contracting of insurance abroad <a href="#">SUSEP Circular No. 603/2020</a> <a href="#">Learn more</a>
	Created new rules for the prevention of money laundering and terrorist financing consistent with international practices <a href="#">SUSEP Circular No. 612/2020 (effective on May 3, 2021)</a>		Adopted a digital platform to solve disputes with insureds <a href="#">SUSEP Circular No. 613/2020</a>
	Simplified property insurance rules <a href="#">SUSEP Circular No. 620/2020</a>		
2021	Simplified policy wording for retail P&C products <a href="#">SUSEP Circular No. 621/2021</a> <a href="#">Learn more</a>	Granted more flexibility to large risks insurance, giving more freedom to the parties <a href="#">CNSP Resolution No. 407/2021</a> <a href="#">Learn more</a>	Increased the guarantee limit for public works and provided for step-in rights in surety bonds <a href="#">Brazilian Bidding Law</a> <a href="#">Learn more</a>

### Outlook for 2021

Creates criteria for cybersecurity policies to be adopted by regulated entities <a href="#">Cybersecurity (Regulation Plan 2021)</a>	Reviews reinsurance and retrocession limits in order to reduce complexity and regulatory cost <a href="#">Reinsurance Cession Limits (2021 Regulation Plan)</a>
Prepares proposals to improve the management of environmental, social and governance risks (ESG) <a href="#">ESG (2021 Regulation Plan)</a>	Revises the regulatory framework applicable to universal life insurance Products (2021 Regulation Plan)
Open Insurance <a href="#">Learn more</a> <a href="#">Public Consultation No. 12/2021 and 13/2021</a>	Enhances flexibility of solvency regulation <a href="#">Public Consultation No. 22/2020</a>
Simplifies microinsurance regulation <a href="#">Public Consultation No. 5/2021</a>	Creates a specific sanctioning regimen for serious infractions <a href="#">Public Consultation No. 24/2020</a>
Grants more flexibility to civil liability insurance products and financial lines <a href="#">Public Consultation No. 6/2021</a>	Reviews and simplifies the rules for digital sales of insurance and private pension products <a href="#">Public Consultation No. 4/2021</a>
Allows local reinsurers to deduct the assets deposited abroad from the need for coverage of their technical provisions <a href="#">Public Consultations No. 10/2021 and 11/2021</a>	Revokes the Solvency Regulatization Plan (Plano de Liquidez Regulatória) and creates tailored rules for solvency risks management <a href="#">Public Consultations No. 08/2021 and 09/2021</a>