

Memorandum of Understanding

*"Asociación de Supervisores de Seguros de
América Latina" (ASSAL)*

&

*National Association
Of Insurance Commissioners (NAIC)¹*

¹ Contains agreed modifications as approved by the NAIC and ASSAL, 3.9.2007

A

Memorandum of Understanding between the
National Association of Insurance
Commissioners and the Asociación de
Supervisores de Seguros de América Latina
("ASSAL")

*La Asociación de Supervisores de Seguros de América Latina
(ASSAL)*

and the

National Association of Insurance Commissioners (NAIC)

Wherefore, la Asociación de Supervisores de Seguros de América Latina is an international entity comprised of the regulatory authorities of the insurance industry in Latin America, which is represented by its Executive Committee, which in turn, is headed by its President; and among its objectives, are the exchanging information pertinent to laws and statistical data relative to the individual markets of its member jurisdictions; promoting harmonization of insurance regulatory policies and mechanisms by means of the development of general criterion and the use of international standards applicable to insurance and reinsurance; as well as the educational program development for the training of regulatory personnel devoted to the improvement of regulatory techniques and supervisory methods.

Wherefore, the National Association of Insurance Commissioners is a non profit corporation authorized in Delaware, United States of America, with a membership comprised of the principal insurance regulatory officers of the fifty states, the District of Columbia and the U. S. territories.

Wherefore, la Asociación Nacional de Supervisores de América Latina and the National Association of Insurance Commissioners, herein represented by Mr. René Garcia Junior, President of the Executive Committee of the first part, and by Mr. Walter Bell, President of the second part, wish to formalize a basis upon which both organizations may explore collaborative opportunities and mutual support in the strengthening of regulatory practices in the insurance markets of their respective member jurisdictions, and to promote, that their individual activities be more effective and successful;

HEREIN AGREE to execute the following Memorandum of Understanding:



CLAUSE 1 – DEFINITIONS

For the purposes of this Memorandum of Understanding, the following terms will be defined as follows:

- 1.1 “ASSAL”, la Asociación de Supervisores de Seguros de America Latina is an international entity comprised of the regulatory authorities of the insurance industry in Latin America;
- 1.2 “NAIC”, the National Association of Insurance Commissioners is a non profit corporation, authorized in Delaware, United States of America, with a membership comprised of the principal insurance regulatory officers of the fifty states, the District of Columbia and the U. S. territories.
- 1.3 “The Parties”, ASSAL and the NAIC;
- 1.4 “The Liaison Officers”, the contact personnel representing each of the herein appearing parties, as defined in Exhibit 1 of this Memorandum of Understanding.

CLAUSE 2 – OBJECTIVES

- 2.1 The purpose of the present Memorandum is to formalize a non exclusive framework of cooperation and to promote collaborative efforts between the parties with the purpose of improving mutual understanding to promote information exchange as to the laws, statistical data and particular characteristics to the insurance markets of their respective members, to optimize their use of available resources for regulatory training and for technical assistance, ascertaining the more effective use of all available resources in order to strengthen regulation of the insurance markets.
- 2.2 Any activity coordinated between the herein appearing parties shall be subject to the purposes, policies, powers and internal procedures of each individual entity.
- 2.3 The parties agree to appoint their Liaison Officers with the purpose of concretizing the agreements to be carried out under the present Memorandum.



CLAUSE 3 – SCOPE

- 3.1 The Parties may explore the possibility of collaborating in the consecution of the following activities:
- a) In the planning, development and practical implementation of joint programs and strategies directed to: (i) cooperate in the implementation of standardized insurance regulatory practices with the purpose of protecting policyholders, following the best international standards and regulatory practices pertinent to the particular area of analysis, (ii) the strengthening of prudent supervision of the insurance industry in order to ensure its stability and solvency; and, (iii) the promotion of knowledge and regulatory frameworks to insurance activities in the region.
 - b) Participate in training programs sponsored by ASSAL, the NAIC and their individual members, in insurance supervision.
 - c) In the exchange of data and information collected by each of the herein appearing parties pertinent to laws, statistics and individual characteristics of their region's insurance markets, subject to the policies and individual procedures not only of ASSAL and the NAIC, but of their individual memberships.
- 3.2 The Parties will provide mutual assistance by:
- a) Training and education to be offered in the country or jurisdiction of one of their members wishing to serve as a host state.
 - b) Participation in internships having a specific education focus;
 - c) Participation in training and education seminars to be offered in the country or jurisdiction of one of their members wishing to serve as a host state.
 - d) Drafting, printing and distribution of training manuals or education materials.
- 3.3 The Parties will be able to elaborate an annual plan for their intended activities, focusing on particular areas of mutual interest. In the alternative, another specific period may be agreed upon by the herein appearing parties to accommodate their plan of proposed activities.



- 3.4 All information exchanges, training, technical assistance programs and any other related activity must be compatible with the work program and availability of expert participants designated by the herein appearing parties.

CLAUSE 4 – REQUESTS FOR COLLABORATION

- 4.1 The herein appearing parties will be able to organize joint activities in any of the items of collaboration referred to in this Memorandum. These activities shall be developed by the parties jointly.
- 4.2 Any request for collaboration made under the terms of the present Memorandum shall be done in writing.
- 4.3 The parties may, by mutual agreement, and subject to their governance, and upon request from either party, coordinate any of the proposed activities referred to in this Memorandum, in specific countries or jurisdictions, in order to take advantage of the complimentary elements which may be had by either party's programs', the financing available and the technical assistance. Said coordination efforts shall not imply any financial obligation nor will be subject to the schedule of other individual and ordinary activities.

CLAUSE 5 – CONSULTATIONS AND REVIEW

- 5.1 The parties shall have the present Memorandum under constant review and consult as to the means to improve its practical operation and to solve any matter deemed pertinent.
- 5.2 Any of the conditions referred to in this Memorandum may be amended or rescinded by mutual accord.

CLAUSE 6 – TERMINATION

- 6.1 The present Memorandum shall remain in effect until either party rescinds it.
- 6.2 Should there be an intention to rescind, the Liaison Officer designated, shall inform it in writing, serving notice thirty (30) days in advance, specifying that what was agreed upon in this Memorandum is no longer in effect.

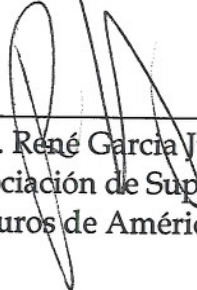


CLAUSE 7 – DATE OF AGREEMENT

- 7.1 This Memorandum shall become effective on the date it is executed by ASSAL and the NAIC.
- 7.2 This Memorandum does not supersede nor modifies any laws or treaty presently in effect, which may be applicable to the ASSAL or NAIC memberships, nor does it create directly any enforceable right of action.
- 7.3 The clauses contained in the present document do not create any obligations under International Public Law.

This Memorandum of Understanding shall be effective as evidenced by its signing by ASSAL and NAIC representatives of four (4) copies of same, two (2) of which shall be drafted in Spanish and (2) of which, shall be drafted in the English language.


For ASSAL



Mr. René García Junior
Asociación de Supervisores de
Seguros de América Latina

President
Official designation

For the NAIC



Mr. Walter Bell
National Association of Insurance
Commissioners

President
Official designation

May 8th, 2007
Date

0

Exhibit 1**NAIC Liaison:**

Mr. George Brady III
NAIC International Counsel
444 North Capitol St. #701
Washington, DC 20001
Tel 1-202-624-7790
Fax 1-202-624-8579
E mail: gbrady@naic.org

ASSAL Liaison:

Mr. Osvaldo Macías
Secretaría Ejecutiva de ASSAL
Superintendencia de Valores y Seguros de Chile
Av. Libertador Bernardo O'Higgins 1449, Piso 9°
834 - 0518 Santiago, Chile
Tel: (562) 473-4513 ó 473-4410
Fax: (562) 473-4403
E mail: assal@svs.cl