



Statement of the Inter-American Federation of Insurance Companies-FIDES

The Insurance Sector and COVID-19

A strong insurance industry is a strategic ally of growth and a factor of social and economic stabilization worldwide.

Insurers provide protection to individuals and companies to help them cope with risks and losses, including those caused by catastrophes and emerging risks such as the COVID-19 pandemic.

Throughout the world, governments, international organizations and businesses are each contributing, to protect people's health and to minimize the negative economic and social impact of the pandemic.

The insurance sector, as an integral part of the community, is actively collaborating in what concerns us. It is essential to mention that the health policies of the insurers, of the member countries of FIDES, exclude the coverage of claims originated in a pandemic. However, the majority have decided to grant it voluntarily.

Like other sectors, insurance companies also have to face the impacts of quarantine measures, staff absences and remote work. Despite this, we are implementing the necessary actions to maintain the continuity of operations, especially the payment of claims in the best possible way. In this way we will continue guaranteeing the service to our policyholders.

Insurers face a reduction in our income due to a drop in collections, sales and returns on our investments.

Despite this, we have decided to consider the difficult situation of our policyholders, being flexible with the collection of premiums.

Insurers are aware of the extreme difficulties that affect everyone, the time it will take to stop this pandemic and recover the level of economic activity. We are also aware that our sector is contributing and will continue to do so.

We live in a moment of extreme uncertainty. It is not the right time to change the basic rules that govern our activity. That is why we are extremely concerned about the existence of legislative projects that seek to modify current regulations, ignoring the technical and financial basis of insurance. We are also concerned with proposals that alter existing contracts retroactively, creating significant legal uncertainty. These actions jeopardize the ability to continue meeting our commitments to policyholders in this crisis and in the future.



Federación Interamericana De Empresas de Seguros

We know that after overcoming the current situation, it will be necessary to develop insurance and reinsurance coverage to cover the emerging risks of pandemics to individuals, companies and society. The best time for this will be once we can learn by the experience .

The insurance sector requires flexibility on the part of regulators, and transitory rules that help the sector adequately go through this crisis. Crisis characterized by an increase in claims, mainly in life, health and burial coverage; a significant drop in collections; in sales and in asset values, which affect our liquidity, as stated above.

We need our current needs to be considered and our liquidity, solvency and financial stability to be recognized as vital to the continuity of our activity.

Finally, we want to highlight the importance of a fluid and permanent dialogue with our regulators. We understand that this is the best way to face the worst crisis of the last decades. Policyholders in particular and the community in general will appreciate it.

FIDES, April 20, 2020