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Brazil - An Overview of the New Insurance Regulation

A new law, effective December 10th, 2025, marks the beginning of a new era for Brazil's insurance industry. This legislation introduces significant changes that will impact both insurers and policyholders. Key changes include:

Corporate/Commercial Insurance
- Previously, corporate consumers were treated as Business-to-Business (B2B,) now, companies are considered consumers/insureds.
- Policy language disputes will be interpreted in favor of the “insured”.

Facultative Reinsurance
- 20-day tacit acceptance period for reinsurers (previously 5 business days for refusal).
- Potential inclusion of Cut Through Clauses if all parties agree, despite conflicts with existing legislation.
- Reinsurers can now be financially responsible for cedant delays in claims settlement.

Arbitration Clauses
- For insurance: Restricted to Brazilian Chambers; clauses in other languages are null.
- For reinsurance: Dual-language clauses are valid with Portuguese prevailing.

Insurers' Obligations
- 25 days to decline proposals before binding.
- Omitting unrequested relevant information will not be deemed a breach of good faith.

Insureds' Litigation Deadline
- Extended to one year from the claim denial date.

Claims Settlement Deadlines
- 30 days for general cases.
- Up to 120 days for complex cases, with an expected payment on account.

Liability for Payment Delays
- Adjusters and settlers are jointly liable for delays due to failure to inform insurers.

Uzbekistan Launches First National Reinsurer

Uzbekistan is taking a strategic step to strengthen its insurance market with the launch of its first national reinsurance company, the Reinsurance Company of Uzbekistan (RCU), on September 1, 2025.
According to S&P Global Ratings, the RCU is intended to:
- Increase local risk retention and reduce the outflow of insurance premiums.

- Help domestic insurers that often struggle to access global reinsurance markets.
- Address insurance gaps in sectors like agriculture, infrastructure, and climate risk.

A key feature of the RCU is the "first offer" mechanism, which requires domestic insurers to offer placements to the RCU before seeking coverage from foreign markets. While this is seen as a positive step, S&P Global Ratings notes that the RCU is not expected to replace international reinsurers in the short term. The agency also highlights potential risks, including issues with pricing and governance.

Panama Tightens Foreign Reinsurer Regulations

Panama has introduced a new regulatory framework that raises the bar for foreign reinsurers operating in the country. The new Agreement No. 1 of 2025 strengthens supervisory standards and aligns with international best practices. Key changes include:

- Reputation Criterion - The new law adds "reputation" as a factor when assessing foreign reinsurers, along with their solvency, liquidity, and experience.
- Financial Statements - Reinsurers must now submit audited financial statements for the past two years, and the most recent statement cannot be older than six months.
- Risk Ratings - While the minimum rating requirements remain the same, the new agreement reduces the maximum permissible age of a rating to 18 months.
- Registration & Renewal - Registration now expires automatically at the end of its term, with no automatic extensions. The list of reasons for cancellation has also been expanded to include reputational deterioration and the submission of false documents.

- Instrumental in placing Terrorism and Operators Extra Expense (OEE) policies in Colombia to support a Calgary-based oil and gas company captive. The placements reflect a strategic approach to managing risk in high-stakes regions.
- Media & Entertainment Insurance on the Rise: The global Media & Entertainment insurance market is entering a new growth phase in 2025, driven by a post-pandemic production surge and stronger pricing. Increased international filming activity is also creating demand for fronting policies, as many tax incentives require locally issued coverage.

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