

Press RELEASE



The CMF sends out memo which refers to information about delay times for repairing insured motorized vehicles

- **The purpose of these regulations is to favor market conduct that tends to encourage client fair-treatment and transparency in the commercialization of insurance.**

March 6th, 2018.- The Financial Market Commission (CMF) reports that today it sent out memo N°2236 that establishes instructions for insurance companies that sell automobile policies, so they can hand in to this service information about delay periods in repairing vehicles that are taken to a garage.

The requested information refers to damages to motorized vehicles of non-commercial use with partial loss in which it was necessary to repair or to replace pieces or parts of it.

This normative development is inserted inside insurance market behavior principles that insurance companies shall apply in the management of its business for a proper running and development of the market, with the appropriate protection for policyholders.

The purpose of this memo is to ease the decision-making of citizens at the time of taking out non-compulsory car insurance, delivering new and relevant variables at the moment of taking it out, for example:

- 1) Times involved in the repairing of insured vehicles.**
- 2) To get to know the number of garages that general insurance companies have in each region and district across the country for the repair of motorized vehicles.**

Furthermore, the purpose is to generate incentives for insurance companies to improve their internal processes related to information delivered to policyholders and monitoring of car accidents, to favor market behaviors which tend to promote fair treatment to clients and transparency in insurance commercialization.

The information collected by the CMF will be published on the website www.cmfchile.cl, so users can check detailed information about the number of accidents, average time of repair (from the date of the report, issuance of repair order until the vehicle is at the disposal of the policyholder, as well as information of vehicles that return to the garage for faulty repair) separated by company, brand and model of the vehicle, region, amount of excess to be paid and scale of the damage (minor, medium, severe) and if in the repair they needed to change parts or pieces that are necessary for the proper circulation of the vehicle.

The requirement for sending information will be biannual and will request general insurance companies to create and maintain records of main landmarks within the process of repairing a vehicle from when the accident report is made until the vehicle leaves the garage totally repaired.

The CMF notified that information will be available to the public from February 2019. The aforementioned is because regulation includes a moderate time for insurance companies to develop necessary systems to collect systematically information about garages across the country, having to start to store information from July 1st, 2018 until December 31st this year, so the first delivery of it to the CMF is set for January 29th, 2019.

Participatory Regulation Process

The CMF indicated that the issuance process of the rule is adjusted to the standard of regulatory transparency stipulated in Article 20, Number 3, Act N° 21,000, having put the rule up for enquiry on two occasions with the associated consultative table with which comments of representatives of insurance companies, insurance brokers, liquidators and representative of the Chilean Automobile National Association (ANAC) and National Chamber of Automobile Commerce (CAVEM) are collected.

Memo N°2236 is available at the following link:
http://www.cmfchile.cl/normativa/cir_2236_2018.pdf