



Federación Interamericana de Empresas de Seguros

## **MODIFICATION AGREEMENT TO FIDES BY-LAWS**

### *PREAMBLE*

***THE INTERAMERICAN FEDERATION OF INSURANCE COMPANIES, FIDES, IS A NON-PROFIT MAKING ORGANIZATION CURRENTLY GATHERING PRIVATE INSURANCE ASSOCIATIONS OF THE AMERICAS AND THE IBERIAN PENINSULA***

The Hemispheric Insurance Conference I, held in New York City, N.Y., USA on 14 May, 1946, was the first step towards the constitution of the Federation, which, since its foundation, has established that without the existence of private insurance, broad development of both industry and trade is impossible to achieve. The Federation was legally constituted before the Government and Justice Ministry of the Republic of Panama on 21 May, 1999, under Resolution N. 206-PJ-110.

Amendments to these by-laws were made by agreement of the Extraordinary General Assembly held on 31 May, 2011 during the Hemispheric Conference in San Pedro Sula, Honduras.



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## TITLE I

### Name, Nature, Duration, Domicile and Target

**Article 1.** - THE INTERAMERICAN FEDERATION OF INSURANCE COMPANIES, FIDES for its initials, is a no-profit-making civil association. The Association shall have no prescription and its aim shall be to develop the activities undertaken by the formerly called Hemispheric Insurance Conference.

The seat of the General Secretariat of the foretold Association shall be determined by the General Assembly, who shall hold the right to move its seat whenever and wherever it considers best, without detriment to the regional domiciles it establishes to best fulfill its institutional aim.

**Article 2.** - The social purposes of the FEDERATION are the following:

- a) To represent the private insurance sector of the Americas and the Iberian Peninsula before the corresponding entities and organisms;
- b) To uphold both serviceability and public image of the private insurance sector of the Americas and the Iberian Peninsula;
- c) To promote the development of private insurance and reinsurance;
- d) To make the private enterprise system operate freely and responsibly;
- e) To abide by ethic, technical and law rules related to insurance and reinsurance and to encourage their dissemination;
- f) To narrow bonds among the FEDERATION members by encouraging the exchange of ideas and experiences and to settle overall useful services that benefit its members;
- g) To foster the creation of research and study centers on insurance, reinsurance and related subjects and to organize courses and seminars of national, regional or international scope to improve training of officials, managers and employees of the sector;
- h) To tend to uniformity of statistical data systems and of legislation related to technical aspects of the insurance business;



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- i) To contribute, from its particular area, to the best economic overall development by establishing bonds with public or private national or international entities;
- j) To establish and keep relationships with its peers from other continents;
- k) To negotiate as necessary with the aim to guard its Members from any prejudicial acts, if so required by an affected Member, and to issue individual or collective pronouncements regarding such acts;
- l) To perform other appropriate acts that may boost the fulfillment of its purpose.

### **TITLE II**

#### Social Patrimony

**Article 3.-** The social patrimony of the FEDERATION shall be constituted by:

- a) Both regular and extra contributions determined by the General Assembly;
- b) The special compulsory fee that the Association, Federation or Chamber appointed by the General Assembly to organize a FIDES Hemispheric Conference must pay according to the Regulation of the Hemispheric Conference;
- c) Moratorium interests incurred by default, as established on the Rules approved for that purpose by the General Assembly;
- d) Assets upon which social funds and their earnings are invested;
- e) Income originated from the sale of its official publications;
- f) Contributions, donations and legacies accepted by the Presidency Board.



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## **TITLE III**

### **CHAPTER I**

#### Members

**Article 4.-** Membership shall be composed of two categories: Active and Associate.

I. An Active Member shall be:

- a) The national organization that represents private insurance enterprises of each of the countries of the Americas and the Iberian Peninsula, only if integrated by well established companies according to the laws and regulations of the respective countries and authorized to operate by the corresponding supervisory entity;
- b) The Liaison Unit formed when the country in question does not have any representing organization of private insurers, or there existed two or more organizations none of which holds a representative character, provided that its members fulfill the aforementioned requirements.

In case of the existence of more than one private national organization representing private insurers of the country, and provided that the FEDERATION General Assembly considers convenient for FIDES the participation of two or more of the aforementioned associations, a Liaison Unit shall be formed which conveys the following features:

- c) Integrated by national organizations related to the general core purpose of the insurance sector;
- d) Organized in a way accepted by FIDES to be constituted into a local Federation or Committee or Liaison Unit;
- e) Whose members comply with the requirements established in this Article Number I, provision a).

The General Assembly shall determine the top number of national participants to be part of the corresponding Liaison Unit, which shall have the right to one vote per country, as is the case for the rest of the Active Members.



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II. An Associate Member shall be:

- a) The organizations of private insurance companies not belonging to a Liaison Unit and not taking part in one of them, provided that its members fulfill the aforementioned requirements;
- b) Private reinsurance companies that fully comply with the aforementioned requirements and not belonging to any organization already a member of FIDES;
- c) The national organization representing insurance companies in countries others than the ones already mentioned in this Article, number I, provision a), whose institutional purpose align with the social purpose of the FEDERATION and which has continuously and significantly collaborated to the fulfillment of the already mentioned social purpose of the FEDERATION;
- d) Institutions, organizations or study centers related to economics and the insurance business, actuaries' associations, insurance law associations, insurance medical associations, insurance media and other insurance specialties, whose application is validated by two of the Active Members of the Federation.

**Article 5.-** To be fully admitted into the FEDERATION, those interested in being so, must deliver an application for membership addressed to the General Secretariat in which they acknowledge the By-laws and bind themselves to the social purpose of the FEDERATION and supply all additional information requested. The Decision is competence of the Assembly and is indisputable.

Notwithstanding, the Presidency Board, having consulted with the Presidents of the Active Members of the Federation, shall provisionally hold the right to accept New Members that, in its opinion, comply with the requirements established in these By-laws.



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## CHAPTER II

### Rights and Duties

**Article 6.-** The rights of the Active Members are the following:

- a) To speak and vote through its representatives in Assembly Meetings and Conferences , to elect and be elected to positions within the FEDERATION and to be part of the Corresponding Regional Commissions, Committees and Work Teams, in compliance with the By-laws and Regulations specifically established for this purpose;
- b) To submit and request studies, tasks and projects to the organs of the FEDERATION;
- c) To request assistance from the FEDERATION whenever exceptional events may affect the performance of the private insurance business;
- d) To get each and every service rendered by the FEDERATION.

**Article 7.-** The rights of the Associate Members shall be the following:

- a) To speak but not to vote through its representatives in Conferences, Committees and Work Teams;
- b) To present studies, proposals and suggestions to the organs of the FEDERATION herein mentioned;
- c) To get all general services rendered by the FEDERATION.

**Article 7 A.-** In order to exercise the rights and duties herein stated, both Active and Associate Members must have duly and timely complied with the obligation established in Article 8 provision b) of these By-laws.

**Article 8.-** Obligations and duties of each and every Active and Associate Member are:



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- a) To comply with the By-laws, its Regulations and decisions thereby issued;
- b) To pay, on the dates established, the social fees aforementioned in Article 3 of these By-laws;
- c) To timely deliver all information requested by the organs of the FEDERATION according to their statutory authority;
- d) To put forward, via the General Secretariat, issues of general interest to the insurance business and to propose subjects that in their opinion should be included in the Annual Work Schedule;
- e) To undertake tasks assigned and to collaborate in studies to be achieved;
- f) To promote successful performance of the FEDERATION in its respective venues.

## **TITLE IV**

### **CHAPTER I**

#### Organs of the FEDERATION

**Article 9.-** The Organs of the FEDERATION are the following:

- a) The General Assembly, avowed as the maximum authority;
- b) The President of the FEDERATION;
- c) The Presidency Board;
- d) The Regional Commissions;
- e) The Standing Committees;
- f) The General Secretariat.

**Article 10.-** General Assembly Meetings can be General, Ordinary, Extraordinary or internal. Ordinary General Assembly Meetings shall be held once a year, taking



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into consideration that every two years they shall be held in the same place and at the same time as the Conference; for intermediate years, the place for the Meeting shall be set within a 120-days period after the closing date of the fiscal year.

Extraordinary General Assembly Meetings shall be called by decision of the President through the General Secretariat, with at least 60-days previous written notice that must include the order of the day.

Ordinary General Assembly Meetings shall validly be hold any time duly credited delegations representing two thirds of all Active Members occur. Decisions shall stand with the votes given by two thirds of the attending Active Members.

Active Members shall participate in the General Assembly and shall be represented by the President of the Executive Board or by the Executive President, Executive Chief or Manager of the member entity or Liaison Unit. Active Members might also be exclusively represented by a Delegate Plenipotentiary other than the aforementioned representatives. Upon appointment, the Plenipotentiary shall bear before the FEDERATION all rights and duties similar to those of the former. This Plenipotentiary, whether temporal or permanent, shall be appointed according to the internal rules and regulations of each Active Member. The appointment shall be notified by the Active Member in question to the Secretary General via an official written document sent over by any means up to just before the beginning of the Assembly General Meeting.

In any other case, the Active Member shall be considered absent to the General Assembly.

The Chairman to the General Assembly shall be the President of the FEDERATION and, if absent himself, the First Vice-President shall surrogate the President while the Secretary General shall act as the Secretary to the General Assembly.

Each Active Member shall keep the right to one vote to be exercised by the representative duly credited to the General Assembly and who may not act as Plenipotentiary to any other Active Member.

**Article 11.-** The rights and duties of the General Assembly, including without restrictions, are the following:





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- a) To validate the Official Delegations of its Active Members;
- b) To know and decide about the information delivered;
- c) To know and decide about Financial Statements, to authorize the Income and Expenses Estimate, and to set fees and contributions of Members;
- d) To create the Work Teams it considers convenient, to set competence fields and to approve its Regulation;
- e) To elect the President of the FEDERATION from the Regional Commissions, one representative elected rotationally for a three-year term, without the option of reelection. The President shall be elected according to requirements established in Article 13. The Presidency's term shall begin on January 1<sup>st</sup> of the year following that of the Ordinary Assembly in which the President of the FEDERATION was elected, and shall end on December 31<sup>st</sup> of the third year of mandate;
- f) To elect the Secretary General based on the running for the Presidency Board;
- g) To consider applications for membership of new Members;
- h) To interpret the By-laws and its Regulation and to rule controversies about them and provide whatever action necessary to the best fulfillment of the institutional purpose;
- i) To approve, after the motion of the Presidency Board, the specific functioning regulation for each one of the organs of the FEDERATION, as stipulated in Article 9 of these By-laws;
- j) To agree on the signature list of names of external auditing firms of international scope from which the Presidency Board shall choose and hire one to perform an audit to the Financial Statements of the FEDERATION;
- k) To reform the By-laws and to agree on the dissolution and liquidation of the FEDERATION if at least three quarters of the total number of the Active Members vote in favor of such decision.



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The rights and duties as established in provisions from a) to j) shall be attributable to ordinary meetings whereas those established in provision k) shall correspond to extraordinary meetings.

In any case, the agreements reached in the General Assembly shall be applicable immediately and shall be considered automatically affecting the respective regulations, hence approval of the majority of the members of FIDES is necessary. These changes shall be formalized in the next session at the most. The Assembly might allow the Secretariat to adopt the measures as needed to comply with them.

## **CHAPTER III**

### The President of the FEDERATION and the Presidency Board

**Article 12.** - The President of the FEDERATION is responsible of:

- a) Officially and legally representing the FEDERATION;
- b) Complying with and enforcing the By-laws, Regulations and decisions settled accordingly;
- c) Calling and presiding at General Assembly Meetings and the Presidency Board, setting the Order of the Day including every issue raised by an Active Member;
- d) Laying working plans to be submitted to the Presidency Board;
- e) Coordinating performance of the different organs of the FEDERATION and carrying out all other tasks assigned by the Assembly;

The President of the FEDERATION shall get all administrative support he requires from the Secretary General for the duly performance of his responsibilities.



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**Article 13.-**The Presidency Board is made up of the President of the FEDERATION, the Vice-Presidents and the former president.

The Vice-Presidents, holding full rights, are the Presidents of the Regional Commissions. Their numbering shall be set according to the order of such Commissions as established in Article 15, beginning with the region to which the President of the FEDERATION belongs.

In case the President is absent definitively, his Regional Commission shall elect his surrogate. In the interim, the first Vice-President shall take charge temporarily.

The dignitaries elected by the General Assembly and the President and Vice-Presidents of the FEDERATION as well, must hold charge of Presidents or members of the Executive Board of the Active Member or permanent Plenipotentiary before the FEDERATION representing the corresponding Active Member.

**Article 14.-** The Presidency Board shall meet as frequently as it deems necessary, and at least twice a year at the place and on the date it determines beforehand. The Presidency Board shall validly meet if half of its members attend and its decisions shall stand by majority, the President's vote accounting double in case of a tied voting.

Non-attending sessions might take place through any written, electronic or other means that allows communication and grants authenticity to agreements. This being the case, the General Secretariat shall establish the form and terms of carrying out the session in question at the time of calling such a session, which shall be governed by the same majority principles settled for attending sessions.

At least 33% of the Active Members may oppose to the proceedings and demand that an attending session be called, provided that the opposition is notified to the General Secretariat at least 15 days previous to having the session in reference, so that the necessary actions are undertaken either for ratification or deferral.

Attendance to these non-attending sessions must be made valid with the signatures of both the President and the Secretary General of FIDES.



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At least one of the two annual meetings of the Presidency Board must be attending-mode.

To validate decisions made out-of-session as if they had been made in-session, unanimous voting shall be necessary and later written confirmation by all members of FIDES.

The Secretary General shall attend meetings with the right to speak but not to vote, and shall take charge of the minutes. The minutes of the meetings shall be sent to each member so that they make, within 30-calendar-days at the most, any observations, comments or corrections which shall not affect compliance with the agreements settled. The Secretary General shall issue the final minutes to be sent to each and every member within the next 30-running-days.

The rights and duties of the Presidency Board are the following:

- a) To design the necessary Regulations for the adequate application of the By-laws and submit them to the General Assembly for approval;
- b) To review and submit to the General Assembly all Reports, Financial Statements and Income and Expenses Estimate of the FEDERATION;
- c) To approve working plans and watch its compliance
- d) To form and integrate Working Teams;
- e) To administer social funds. The Presidency Board shall be in charge of the policy to invest the FEDERATION patrimony. The General Secretariat shall stick to the corresponding instructions after suggesting investment options that include proper justification and getting written authorization from the Presidency Board.
- f) To nominate a candidate for the Secretary General office, to the General Assembly, who shall make a decision. The nominee shall be selected from among the Directors or Operating Managers of the representing Associations or Chambers that are Active Members of FIDES, in defect whereof, the individual —who should have knowledge and merits enough regarding the insurance business —proposed by the Presidency Board to the General Assembly;



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- g) In the event that the Secretary General named by the General Assembly could not, for any reason, continue performing his duty, the Board should name another Secretary General for the interim until the next General Assembly Meeting, whether ordinary or extraordinary, takes place and where a new Secretary General must be appointed in line with the procedure established in provision f) above.
- h) To select and hire the external auditing firm for the FEDERATION from the list of names submitted to the General Assembly and to agree on the terms of the deal;
- i) To comply with each and every other task assigned by the General Assembly.

### **CHAPTER IV**

#### Regional Commissions

**Article 15.** - The Regional Commissions created by the Assembly are the following:

- a) Northern Regional Commission, integrated by the Active Members of North America and the Iberian Peninsula.
- b) Central Regional Commission, integrated by the Active Members of Central America, Panama and the Caribbean.
- c) Regional Commission of the Andes, integrated by the Active Members of Bolivia, Colombia, Ecuador, Peru and Venezuela.
- d) Southern Regional Commission, integrated by the Active Members of Argentina, Brazil, Chile, Paraguay and Uruguay.

It is the Regional Commissions duty to widely study the problems the insurance industry faces in their area and to promote the most suitable solutions in light of the objectives and regulations of the FEDERATION.

Each Regional Commission shall develop its activities in close collaboration with the organs of the FEDERATION and shall elect a President rotationally among its Active Members that integrate the corresponding region, a propos with the



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election of the President of the FEDERATION, and shall be in office for a three-year period, with the chance to be reelected for only one consecutive period. Reelection shall be valid only if the member country in turn to rotate, having decided upon this procedure, agrees to postpone its election and gives written notice to the FEDERATION.

Representation by the regional presidents in the General Assembly Meetings is personal and nontransferable and is renounced after leaving office or quitting representation of its associate or insurance company. In the latter case, the region shall appoint ad interim a representative while formalization before the General Assembly Regular Meeting occurs.

Appointment of the Regional Presidents might be made by any of the following procedures:

- a) Rotationally, following an alphabetical order of the member countries of the region; the initial order should be established beforehand.
- b) By majority voting of the member countries making up the Region

Each Regional Commission shall choose any one of the aforementioned procedures and shall give written notification of its decision to the General Secretariat.

The selected procedure can only be changed after 10 years, or before, by consent of all member countries of the region.

Each Regional Commission shall notify the Secretary General the name of its president and the selection procedure chosen within 10 working days after appointment.

## **CHAPTER V**

### Permanent Committees and Work Teams

**Article 16.-** The Permanent Committees created by the Assembly are the following:

- a) Legal Affairs;
- b) Technical Affairs;



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- c) Economical and Financial Affairs;
- d) Education and Ethics;
- e) Marketing;
- f) Technology;
- g) Social Security;
- h) Individual Life Insurance;
- i) Casualty Insurance;
- j) Reinsurance;
- k) Globalization;

It is the responsibility of the Permanent Committees the systematic study of issues related to their subject, the corresponding counseling to the various organs of the FEDERATION and the organization of Courses and Seminars according to a schedule agreed upon beforehand with the Presidency Board.

The countries that integrate a Committee will be appointed by the General Assembly in line with the nomination presented by the Presidency. A country may not hold more than one representation per Committee.

The General Assembly shall name the countries integrating the Permanent Committees.

The President of each Committee shall be appointed at will of the named country who shall notify the Presidency and the General Secretariat within 30 days after holding the General Assembly Meeting where the country was selected.

The Committees shall perform their activities in coordination with the Presidency Board, who shall support each Committee in giving the corresponding reports to the General Assembly. The General Secretariat shall give periodic support and follow-up to the tasks performed by the Committees so that the Presidency Board is informed.

Representation by the presidents of the Permanent Committees and Work Teams is personal and nontransferable and is renounced after leaving office or quitting representation of its associate or insurance company. In the latter case, the region shall appoint ad interim a representative while formalization before the General Assembly Regular Meeting occurs.



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**Article 17.-** Work Teams shall be formed to study and deal with specific issues and shall last for a limited period of time. Their existence and performance shall be subject to instructions received, and their work shall conclude once their final report is given.

**Article 18.-** Permanent Committees and Work Teams shall be integrated by the representatives of at least three Active Members.

## CHAPTER VI

### The General Secretariat

**Article 19.-** The Secretary General shall be elected in line with Article 14, provision f) of these By-laws. The Secretary General shall be in charge of executing, as entrusted by the President, decisions of the General Assembly and agreements settled by the Presidency Board, and shall act as the closest collaborator to the President of the FEDERATION. The Secretary General shall hold the following rights and duties:

- a) To be the chief administrative officer of the FEDERATION;
- b) To represent the FEDERATION upon entrust of the Presidency or the Presidency Board;
- c) To preserve and promote relationships among Members and related Organisms;
- d) To support Commissions and Committees in their duties and attend their meetings whenever requested, keeping his right to speak;
- e) To propose to the Presidency any studies and Work Teams he deems necessary;
- f) To require from the Members or from whom it may concern the necessary information to elaborate studies and reports;





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- g) To project, along with the President, the work plan and to execute the approved one as far as it is of his concern;
- h) To assist both the Presidency and the Presidency Board with the release of official publications of the FEDERATION and the elaboration of those matching up;
- i) To elaborate and update a directory of insurance enterprises of the Americas and the Iberian Peninsula related to the insurance business;
- j) To prepare the Balance sheet and the Income and Expenses Estimate, to operate the authorized budget, to get funds, to make deposits and payments; to invest the FEDERATION patrimony according to guidelines issued by the Presidency Board;
- k) To act as Secretary to the General Assembly and the Presidency Board;
- l) To permanently keep the Presidency and the Presidency Board posted of all the duties of his responsibility;
- m) To hire the assisting staff as needed with the approval of the Presidency Board;
- n) To keep the files containing minutes, internal and external correspondence and documentation related to the accounting under custody and well organized, and to create and update the historic library of the FEDERATION;
- o) To obtain and process macro-economical statistical data related to the activities of its members; and to keep the legislations of the various countries updated as to their corresponding regulations;
- p) To comply with all other duties that may be of his concern to the best of his performance.



## **TITLE V**

### Conferences

**Article 20.-** Conferences are the public demonstration of the FEDERATION and work as the forum to express opinions and present studies of interest to the private insurance business. Income from Conferences is part of the patrimony of the FEDERATION; hence it righteously gets a special compulsory fee whenever a Conference is held, as established in Article 3 provision b) of these By-laws. The date and place for the Conference to be held shall be agreed on by the General Assembly who shall additionally appoint an alternate seat.

The General Assembly shall issue a special regulation with the necessary rules for the appointment of venues, structuring of the organization of Conferences, the right of use of the FEDERATION's name and the amount of the special compulsory fee to be paid by the Active Member seat country to FIDES.

## **TITLE VI**

### Fiscal Year and Accounting Control

**Article 21.-** The fiscal year of the FEDERATION shall begin on 1 January and shall conclude on 31 December of every year.

At the closing of the fiscal year, the Financial Statements of the FEDERATION shall be examined by an external auditing firm of acknowledged good reputation and solvency selected by the General Assembly from a list of international firms and hired by the Presidency Board.

The authorized auditors' opinion to the financial statements must be concluded by 31 March every year and shall be sent to the Members of the FEDERATION by the Secretary General the first week of April every year.



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### **TRANSITORY PROVISIONS**

**First.-** Extend the mandate of the FEDERATION's current President and of its current Presidency Board, on this occasion only, to end on December 31<sup>st</sup>, 2020.

**Second.-** The President elected at the Ordinary General Assembly will take office as of January 1<sup>st</sup>, 2021 for a period of three (3) years and will take part in the Presidency Board from the moment of his election during the Ordinary General Assembly dated September 10, 2019.

**Third.-** The Presidency Board elected at the FEDERATION's Ordinary General Assembly will take office on January 1<sup>st</sup>, 2021 for a three-year term.

**Fourth.-** Authorize the Secretary General to grant power to the Professional Law Firm CASTRO & BERGUIDO, in order to protocolize and record, in the Public Registry the modifications agreed in the Act dated September 10, 2019, related to the reform of the FEDERATION by-laws.