



### DECLARATION OF SANTA CRUZ

One of the main objectives of the Interamerican Federation of Insurance Companies - FIDES- is to stimulate the development of private insurance and reinsurance. Its member organizations recognize that a solid insurance industry constitutes a strategic ally in the growth and productivity of our economies.

Furthermore, its member organizations are aware that the community's level of coverage faithfully reflects how insurance is employed as a mechanism for protection. A mechanism that provides economic and social stability, through the channeling of medium- and long-term savings.

However, there is currently a significant gap between the insurance coverage that should be acquired, based on the risks faced by individuals, families, businesses and other organizations, and the coverage actually acquired from insurance companies. This generates a true gap in our community's necessary protection, a gap that is further evidenced by the risks arising from climate change and economic instability.

The Interamerican Federation of Insurance Companies -FIDES- is committed to permanently reduce the insurance protection gap, achieving not only adequate economic coverage, but also greater social integration.

In order to reach this objective, it is not only essential, but also a priority, to work in an appropriate public-private partnership. This is required because of the magnitude of the challenge and, specially, by the benefits that will be obtained by achieving our goal. Today, it is impossible to reduce the insurance gap with a separate and uncoordinated work of each sector.

The state is required to develop policies that allow and stimulate free competition, as well as clear and transparent rules that guarantee legal certainty.

A continuous dialogue is necessary in order to guarantee prudential regulation that allows the increase in insurance penetration within the region. The prudential regulation should allow innovation through the incorporation of technologies which help introduce more flexible mechanisms aimed at shortening process times and reducing costs. This, in turn, would lower premiums, thus allowing the attraction of new insureds.

Within the prudential regulation policy, it is important to review the rules of money laundering control, not only to reduce the high administrative burden they imply, but also



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to permit the access to insurance of the lowest income segments, now excluded from its coverage. Likewise, the regulation should allow the incorporation of new distribution channels that encourage reaching more and new consumers.

In conjunction with the modification of the regulations, other actions are needed to help reduce the insurance gap. Some of these actions are:

- Insurance inclusion based on the incorporation of vast sectors, especially those with low incomes.
- Improved awareness of prevention.
- Financial education aimed at stimulating the knowledge and growth of insurance demand.
- Tax incentives that promote savings, especially complementary savings of pension systems.
- Public policies that consider the insurance sector as a strategic ally for development.

All these actions must be carried out in an environment of economic growth and income distribution that generate the stimuli required for the normal performance of the economic activity and stability of the financial system.

In this way, the insurance sector, in coordination with the public sector, will be able to work effectively in the constant reduction of the insurance gap.

Santa Cruz, Bolivia, September 10, 2019