

LAW 20091

OF INSURERS AND ITS CONTROL

CHAPTER I

Insurers

SECTION I

Scope

Includes

Article 1. The practice of insurance and reinsurance business activity anywhere in the territory of the Nation, is subject to the regime of this law and control of the authority created by it.

Scope of the term insurance

When this law refers to insurance, is best understood in any shape or form of insurance business. Reinsurance is also included, while not affected the legal regime of reinsurance in force.

Section II

Authorized entities.

Entities that can operate.

Article 2 .- They can only insurance operations:

- a) The limited liability companies, cooperatives and mutual insurance;
- b) Branches and agencies of foreign companies of the types shown in the previous paragraph;
- c) The agencies and official bodies or joint, national, provincial or municipal.

Prior authorization.

The existence or establishment of companies, branches or agencies, agencies or entities listed in this article, it qualifies them to operate in insurance to be approved by the supervisory authority.

Inclusions within the scheme of the Act

Article 3 .- The supervisory authority included in the scheme of the Act to those conducting similar operations to secure, when their nature or extent justified.

Deadline to comply with the Act

Liquidation.

Punishment.

Where appropriate inclusion, the supervisory authority shall prescribe a period not exceeding ninety (90) days to comply with this law regime in the meantime no new

operations may be conducted. In case of default by the supervisory authority shall order the liquidation of the offender in accordance with Article 51, without prejudice to the penalty that may apply under the scheme provided for in Article 61.

Agencies and official bodies of private insurance.

ARTICLE 4.- The agencies and official bodies are subject to the provisions of this law when operating in insurance or reinsurance, being observed in the case of the latter as prescribed by the current legal regime. Should be organized with functional and financial autarky. If you do not have the sole purpose of holding such operations, establish a separate administration with its own assets independently run.

Foreign companies.

ARTICLE 5 .- The branches or agencies referred to in Article 2, subsection b) shall be authorized to exercise insurance activity under the conditions set by this law for limited companies incorporated in the country, if reciprocity exists under the laws of their home.

Local Representation.

Shall be provided by one or more representatives with sufficient powers to carry out the supervisory authority and third all legal acts pertaining to the object of society, and being in this trial.

The representative has the authority to extend or waive the operating authority and insurance portfolio transfer voluntarily, unless express authorization.

Branches in the country and branches or agencies abroad.

ARTICLE 6 .- The authorized insurers may open or close branches in the country as well as branches or agencies abroad after obtaining authorization from the supervisory authority, which may provide a general and uniform requirements and formalities to be fulfilled. The delegation may be appealed to the National Executive in accordance with the provisions of Article 85, whose decision is unappealable.

Section III

Conditions of the permit to operate

Authorization requirements.

ARTICLE 7 .- The entities referred to in Article 2 be allowed to operate in insurance when they meet the following conditions:

Legal Constitution.

a) have been formed under general laws and specific provisions of this Act;

Unusual.

b) have the sole purpose of making insurance transactions, and can in achieving that object available and managed in accordance with this Act, goods that have invested their capital and reserves.

May grant bail or guarantee obligations of third parties when configured economically and technically approved insurance operations.

Agencies and official bodies shall comply with the provisions of article 4;

Minimum capital.

c) Demonstrate full integration of minimum capital referred to in Article 30;

Foreign companies.

d) Accompany the balance sheets of the last five (5) years from the parent company, in the case of foreign companies;

Duration.

e) Have the minimum required by the nature of the branch or branches of insurance for mining;

Planes.

f) Adhere insurance plans as provided in Articles 24 et seq;

Coexistence of the market. Resources.

g) To appropriate the insurance market performance. The refusal of permission for the grounds listed in subparagraphs a) to f), gives rise to judicial review under Article 83.

The refusal based on the status of authorized insurance market to appeal to the National Executive in accordance with the provisions of Article 85, whose decision is unappealable.

Address.

The address of the authorized entities is that specified in the act of authorization, and shall remain as constituted, for all purposes until the establishment of another.

Agreement of the supervisory authority.

ARTICLE 8 .- The entities formed in the territory of the Nation in order to operate in insurance as well as branches or agencies of foreign companies wishing to operate in insurance in the country may not do so since its Registration Public Trade of the jurisdiction of their domicile.

Such entry shall only be made when the act establishing the appropriate supervisory authority, as an associative type of society or assumed, the Superintendent of Insurance of the Nation has given the authorization to operate in accordance with the preceding article.

Step.

For this purpose, the relevant supervisory bodies, once formed the constituent instrument, in accordance with Law No. 19,550 or in special laws applicable to the type or form of association, it may take the case to the Superintendent of Insurance of the Nation, the to provide, where appropriate, granting authorization to operate. In this case, the Superintendent will focus directly on the file and a testament to the operating authority, the Public Registry of Commerce of the domicile of the entity, for entry by the court of record, if deemed appropriate.

It will also require the prior approval of the Superintendent, using the same procedure for any amendment to the contract or the statute establishing and capital gains, although reform of the statute do not matter.

The Superintendent will also know the granting or denial of authorization to operate or rejection of the reforms or increases in capital to relevant supervisory authorities.

Enrollment in the Public Registry of Commerce of the domicile of the entity should be completed within a period of sixty (60) days of receipt of the dossier, failing that, there will

lapse automatically granted permission to operate. If you operate the registration, the judge shall record a testament to the Superintendent of documents with the constancy of his making a point.

The resolution on the authorization to operate and its refusal is not reviewable in any court of record for the address of the entity, but appealed only in the manner prescribed by this Act.

Disclaimer.

The founders, partners, shareholders, managers, directors, officers, managers, trustees or members of the supervisory boards will be unlimited and severally liable for the obligations to register the entity in the Public Registry of Commerce or after it had registered the revocation of the authorization to operate in accordance with certain provisions of Article 49.

Sole and exclusive control.

Monitor the functioning and performance of all insurance entities, without exception, corresponds to the supervisory authority organized under this Act, excluding any other administrative authority, national or provincial, but the Superintendent may require the latter its opinion on issues related to the corporate regime of the entities when deemed appropriate.

Handicap.

ARTICLE 9.- There shall be promoters, founders, directors, officers, trustees, members of the supervisory board, liquidators, managers, administrators or representatives of insurers subject to this Act, in addition to those covered disabilities, incompatibilities and prohibitions as the case sets Law 19.550, those convicted of crimes committed for profit or for crimes against property or public trust or common crimes excluding intentional crimes with imprisonment or disqualification, except after another period equal to twice the conviction, and those who are subjected to preventive detention for the same offenses, until his final dismissal, the failed or bankrupt or defaulting debtors of the institution, the disqualified for using bank accounts and issuing checks, up to a (1) year after rehabilitation, those who have been punished as principals, administrators or managers of a company bankrupt, or declared responsible for the liquidation of an insurance entity under Article 53 or disabled by application of Articles 59 61.

Challenge.

The supervisory authority will challenge those to fall under the aforementioned impediments and orders to the entity within fifteen (15) days of notification of available measures to the immediate exclusion of the claims. Unless the entity to act accordingly, the control authority denied the authorization, and assuming that they were already authorized entities by the Superintendent, will liable to a fine of up to ten thousand dollars (\$ 10,000. - ), which will rise to double in the event of further refusal.

Compensation on production.

Article 10 .- The insurers may not give back to the trustees and managers and staff, whatever their rank, name and functions in proportion to the gross or net basis, all or any section of insurance in particular, or, in the case of insurance companies in solidarity, with a percentage of income shares or shares of the entity.

Section IV

Solidarity Insurance Company

Social Arbitration.

ARTICLE 11.- The statutes may provide that differences with partners, under the contract of insurance, be resolved by arbitration board that they establish, where in each case is accepted by the member concerned. Predictably, regulate their formation and functioning, and social resources permitted.

#### Reinsurance

Article 12 .- The insurance company may reinsure solidarity with any reinsurer and reinsurance and retrocession accept even those who are not partners, the conditions imposed by the supervisory authority, if authorized by its charter and does not violate the legal regime reinsurance in force.

#### Producers.

Article 13 .- The insurance companies may use auxiliary solidarity committee for holding insurance contracts with its partners.

#### Representation and voting at meetings.

Article 14 .- The auxiliary committee may not represent the members in the assemblies. At the meetings members may vote only in the exercise have been insurance contract in force.

#### Real Estate.

ARTICLE 15.- The purchase or sale of property requires the permission of the assembly.

#### Reservations optional.

The assembly may provide for the establishment of reserves optional.

#### Return of surplus.

The surplus for the year made and fluids are returned to members in proportion to the premiums it consumed during or as otherwise provided in the rules of participation in each case approved by the supervisory authority.

#### Administration. Prohibition.

Article 16 .- The social administration or management can not be delegated in whole or in part in third.

#### Remuneration Committee.

The statutes may provide that reward the directors, officers and trustees for the performance of their duties, must mediate the assembly approval.

#### Challenge.

The supervisory authority will challenge the salaries which are not proportionate to the economic and financial capacity of the company or do not comply, according to market practice, the task performed.

Trustees are applicable to the requirements, disabilities, incompatibilities, powers, duties and responsibilities of those in corporations.

#### Cooperative Societies

#### Scope of Employment.

Article 17 .- The cooperatives insurance may recruit its members, who shall be holders of insurable interest at the time of recruitment.

#### Mutual insurance companies.

#### Partners: requirements.

Article 18 .- The statutes set out the requirements for membership and the reasons for losing that capacity.

#### As a partner.

You can only purchase quality by joining partner who concludes an insurance contract with society, and shall become the termination of bond insurance, unless otherwise statutory provision that supports its interruption by a maximum of (1) year.

Benefits, privileges, preferences.

Equality should be maintained between equal partners. You can not give an advantage or privilege to the initiators, founders, directors, managers or trustees, or preference over any part of the social fund.

Honorary members and benefactors.

The statutes may provide for categories of honorary members and supporters without conferring social rights.

Guarantee Fund.

ARTICLE 19 .- They will have a guarantee fund equivalent to the capital required by Article 7, item c).

Partners: accountability.

The statutes shall proportionate liability of the partners, with the exception of fees and benefactors-for when it affects the guarantee fund, which must be limited.

Date.

Article 20 .- The ordinary assembly shall meet annually within four (4) months of the year closed.

Quorum.

It will work on first call with a quorum of a majority of members, except the statutory requirement of a larger one, on second call will work with any number.

Most.

Decisions will be taken by majority vote counted per person present, unless further statutory requirement.

Representation.

The statutes authorize representation by proxy. An agent can not represent more than two (2) partners. Directors can not be leaders.

Board.

ARTICLE 21. The administration shall be exercised by a board consisting of not fewer than five (5) members, elected by the assembly, for a maximum period of three (3) years. Board members re-elected.

Trustees.

Article 22 .- The control is exercised by trustees elected by the members from the assembly.

Last up to three (3) years in office and may be reappointed.

Section V

Branches of insurance plans and technical and contractual elements

Insurance branches.

Article 23 .- The insurers can not operate in any branch of insurance without being expressly authorized to do so.

Planes, technical and contractual elements.

Insurance plans and their technical and contractual elements, must be approved by the supervisory authority before implementation.

General rule.

Article 24 .- The plans, in addition to the elements required by the supervisory authority in accordance with the characteristics of each, must contain:

- a) The text of the insurance proposal and the policy;
- b) Premiums and its technical underpinnings;
- c) The basis for the calculation of technical reserves, where there are no general rules.

Special rules for branch life.

Plans to operate in life insurance branch shall contain, in addition:

I) The text of the questionnaires used.

II) Principles and technical basis for calculating premiums and reserves pure and must indicate, in the case of participating insurance profits of the branch or accumulation funds, the rights granted to the insured the supporting of the plan and the procedure used in the formation of the fund.

III) The basis for the calculation of surrender values of insurance reduced in amount or term (insurance stocks), and loans to policyholders.

The elements referred to in paragraphs b) and c) as well as individual items II) and III) should be submitted with authorized actuarial opinion.

Plans prohibited.

Are prohibited:

1. The plans called tontinarios of spills and those that include sweepstakes.
2. The hedging operations from pure financial credit.

Policies.

Article 25 .- The text of the policies shall comply with Articles 11, second part, and 158 of Act 17,418, and accompanied by authoritative legal opinion.

The supervisory authority will make sure that contract terms are fair.

Policies shall be written in national language, except for maritime risk may be present in a foreign language.

Bonuses.

ARTICLE 26.- The premiums must be sufficient to fulfill the obligations of the insurer and its ongoing economic and financial training.

Committees can be freely set by the insurers within the minimum and maximum authorized by the supervisory authority.

The supervisory authority shall observe the premiums are insufficient, unfair or arbitrary discrimination.

May be approved by a resolution-based-only uniform minimum premiums net of commissions is affected when market stability. The inspecting authority shall order any such association of insurers after hearing the other associations of underwriters.

Life insurance branch in participation.

Article 27 .- The proceeds from the life insurance branch in participation will be determined and paid annually, and can also be set against future premiums or credited to an account which should enjoy no less than interest charged by the insurer for loans on policyholders or applied to the granting of additional benefits authorized by the supervisory authority.

Approval of plans, modifications and premiums.

Article 28 .- In the case of insurance plans for branches and authorized the insurer or the modification of technical and contractual elements, the supervisory authority shall decide within ninety (90) days of filing the relevant application for approval. When he managed, in relation to plans already approved the insurer, only raw or modifying the application of special bonuses, the supervisory authority shall decide within thirty (30) days of filing the relevant application for approval.

Operations prohibited.

Article 29 .- The insurers may not:

- a) Have the condominium property without prior approval of the supervisory authority;
- b) encumber its assets to security interests, except in the case of immovable property for personal use it is a guarantee for the balance of purchase price and conditions established by the supervisory authority;
- c) issue debentures or discharge for posting letters and notes;
- d) to discount the receivable from policyholders or others or negotiate the checks they receive, except that the latter are transferred by endorsement for individual;
- e) To meet its obligations to policyholders in letters or notes themselves or others;
- f) Make your payments by check but the order of the creditor, except that the authority could have management control over the so-called "permanent fund";
- g) Using bank credit for any reason, unless it is to build buildings for rent or sale, in each case prior approval of the supervisory authority;
- h) Make arrangements for free, except in the case of contributions for charitable or cultural purposes or are in net profits for the year in accordance with the provisions of the statute and the decision by the assembly;
- i) Granting bail or guarantee obligations of third parties, except as provided in Article 7, item b);
- j) Integration of other companies, unless the terms of Article 35, paragraph f).

The supervisory authority may consider including on the payroll of the previous bans any operation comparable to those provided.

## Section VI

Management of insurance company

Minimum capital.

In situations of temporary illiquidity of the insurers, the Insurance OF THE NATION dependent FINANCIAL SERVICES SECRETARY OF MINISTRY OF FINANCE of the MINISTRY OF ECONOMY may waive the prohibition contained in subparagraph g) of this article. (Paragraph as inserted by art. 1 of the Decree No. 558/2002 BO 3/4/2002).

Insurers may make subordinated debt and to provide general and special privileges arising from insurance contracts and subject to regulations set by the regulator. (Paragraph as inserted by art. 1 of the Decree No. 558/2002 BO 3/4/2002).

Article 30 .- The supervisory authority to establish uniform and comprehensive approach to all insurers without exception, the amount and minimum capital standards which need to be insurers are authorized or those already approved.

Foreign companies.

Branches and agencies of foreign companies must have and the country lie in matching funds to the minimum capital required of insurers incorporated in it.

Lower minimum capital losses.

Regularization and restructuring plan.

ARTICLE 31 .- When the institution is in some of the cases provided for in Article 86 of this Act, the Insurance OF THE NATION dependent FINANCIAL SERVICES SECRETARY OF MINISTRY OF FINANCE of the MINISTRY OF ECONOMY privacy for give explanations within FIVE (5) business days. Receive these and, depending on the nature and severity of the causal, the supervisory authority may intimate the entity to correct the situation within a period not to exceed FIFTEEN (15) working days or, to



introduce a regularization plan and Sanitation, within that same period, which must be approved by the supervisory authority and fulfilled in the terms and conditions to be fixed.

The Adjustment and Sanitation Plan may provide for different mechanisms:

a) Capital.

b) Merger.

c) Administration with option to purchase or merger.

d) Transfer of portfolio, be inapplicable to these cases the Law of Transference of goodwill and publicity provided for in Article 47 of this law.

e) Exclusion of the assets of certain assets (tangible or not) and the insurer's insurance liabilities and the transfer for consideration of them to other insurer and / or the establishment of trusts.

Acts motivated by the measures provided for in this subsection should not apply the Law of Transference of goodwill or publicity ordered in Article 47 of this law.

Can not start implementing measures enforced on the assets excluded by application of this subsection, unless done in order to recover a mortgage or lien. They may not lock injunctions on such assets. If any of these measures has been initiated or locked, the judge hearing, to allow use of the powers of this subsection, order the immediate lifting of embargoes and / or general inhibitions locked.

Authorized acts, mandated or mandated by the importing authority to transfer control of assets and liabilities are not subject to any judicial authority and can not be reputed ineffective for creditors of the insurer as may be the owner of the assets excluded, even if a state of insolvency existed prior to graduation.

The creditors of the insurer will not have any right against any action or purchasers of such assets, except they might have special privileges that fall on specific assets.

The supervisory authority in order to make viable the implementation of the Plan of Reorganization and Adjustment and operational continuity of the entity may be admitted on a temporary basis, exceptions to the limits and relationships relevant techniques, without having to impose the measure prohibiting conclude new insurance contracts.

During the restructuring process of an insurance, the rules of this law and the resolutions of the Insurance OF THE NATION dependent FINANCIAL SERVICES SECRETARY OF MINISTRY OF FINANCE of the MINISTRY OF ECONOMY precedence over the rules governing the type of company concerned, and on the resolutions or acts of the supervisory bodies of the legal person.

(Article substituted by art. 2 of the Decree No. 558/2002 BO 3/4/2002).

Article 32 .- The insurers set their withholding tables freely, without prejudice to any comments that might make the supervisory authority and the legal regime of reinsurance in force.

Technical reserves.

Article 33 .- The supervisory authority will determine in a general and uniform technical reserves and outstanding claims that insurers provide appropriate, to the extent necessary to meet compliance with their obligations to policyholders.

Insurers have obligations arising from contracts of insurance and reinsurance payable in foreign currency, should provide appropriate technical reserves in the same currencies or other permitted to establish supervisory authority.

Sinking funds, reserves and forecasting.

They may also affect the active support of technical commitments from certain types or forms of contract, subject to authorization by the Insurance OF THE NATION dependent

SUBSECRETARIA Financial Services of the Ministry of Finance Ministry of Economy. (Paragraph as inserted by art. 4 of the Decree No. 558/2002 BO 3/4/2002).

Article 34 .- The insurers must provide the profit and loss account or distribution of profits, as determined by the supervisory authority, sinking funds, forecasting and reserves that is generally available, subject to the funds with particular character set the control authority for each entity according to their economic and financial situation.

Calculation of coverage: branches possible.

Article 35 .- The amounts of the reservations provided for in Article 33 and the reserve deposits held as collateral by reinsurers-net in liquidity and reserve deposits held as collateral by reinsurers, should be invested entirely in listed property thereafter, whichever is the greater liquidity and involving sufficient profitability and guarantee:

Investment: Real.

a) Securities or other securities of domestic public debt or guaranteed by the nation, loans from the nation that is responsible for payment through the Ministry of Finance of the Ministry of Economy or the CENTRAL BANK OF THE REPUBLIC OF ARGENTINA and public debt bonds internal cast of the provinces under their respective constitutions and those of the municipalities who have, with the guarantees of the respective municipalities; (Subparagraph replaced by Art. 14 of Decree No. 1387/2001 BO 2/11/2001)

b) foreign government bonds, up to the amount of technical reserves for policies issued in the currencies of those countries;

c) Bond having authorized public offer for shares issued by corporations, cooperatives or associations in civil and debentures, both secured floating special or first grade in assets based in the country. (Subparagraph replaced by Art. 46 of Law No. 23,576 BO 27/7/1988)

d) Loans with collateral or mortgage in the first degree on property located in the country, excluding deposits, quarries and mines. The loan does not exceed fifty percent (50%) the realizable value of the property, especially valued for the purpose by the insurer;

e) Property located in the country for their own use, construction, rental or sale;

f) Shares of corporations incorporated in the foreign country or covered in Article 124 of Law No. 19,550 or foreign having primarily to the provision of public services within the Nation, which are traded on stock exchanges of the country or abroad;

g) loans secured by securities, debentures and shares of subparagraphs a), b), c) f), up to fifty percent (50%) of the market value of those securities;

h) Financial transactions secured entirely by banks or financial institutions duly authorized to operate in the country by the Central Bank of Argentina, in each case prior approval of the supervisory authority, and if permitted by economic status Financial insurer.

The supervisory authority established by general rates and investment in such property may object to the investments made in assets that do not meet the characteristics of liquidity, profitability and security or whose purchase price exceeds its net realizable value in the latter case, the authority shall measures conducive to such investment on the balance sheet equivalent value of its performance under the current market price.

The acquired assets will be computed for tax rates for their total investments, net of depreciation, for the balance of coverage will be considered in the tax deduction.

Calculation of coverage: branch life.

In the branch life insurers may also derive from investing reserves to insured loans, overdue premiums receivable and premiums fractions to beat.

Other investments authorized.

The capital, legal reserve and provident funds and reserves of Article 34, less of what is intended to use property for the installation, operation and business development and credit insurance premiums shall be invested in the same goods without being subject to rates, or other property, with prior authorization from the supervisory authority.

The representative of investment instruments should remain in the country, except as the supervisory authority expressly authorized in each case.

Reinsurance liabilities.

Article 36 .- An insurer reassures abroad in accordance with the legal system of reinsurance in force, must retain, effective and really, the technical reserve for the part transferred from the original premium.

Reinsurance assets.

On acceptance of foreign reinsurance, the relevant technical reserves may be held abroad.

Facultative reinsurance.

These provisions do not apply in optional reinsurance.

Termination clause.

In its contracts with foreign reinsurers must agree on a termination clause for non-compliance, economic and financial difficulties that have happened to the reinsurer and other situations that could jeopardize the interests of the insurer based in the country, such as war, invasion, civil war, rebellion, sedition, governmental measures or other similar events. In these cases, the reinsurer will be obliged to refund unearned premiums to the time of termination, the insurer, in turn, have the right to retain possession of reservations held until full compliance with the obligations of the reinsurer, may apply to that object if remittances are not made within a reasonable time.

Section VII

Administration and balances.

Administration.

ARTICLE 37.- Insurers must settle their transactions in the books and records to establish the supervisory authority, which will be carried in national language and with the formalities which it provides. The relevant documentation will be filed in an orderly manner to facilitate the oversight responsibilities.

Should retain documentation relating to insurance contracts for a minimum of ten (10) years overdue.

Annual statement.

Article 38 .- The insurers must submit to the supervisory authority, with an anticipation not less than thirty (30) days of the conclusion of the assembly, in the forms established by it, memory, balance sheet, profit and loss account and report of the trustees or of the supervisory board if accompanied by a licensed professional opinion having no connection.

Close the fiscal year.

The financial year ending 30 June each year. The respective ordinary assembly is held within four (4) months and this term shall also to cooperative societies and mutual insurance.

Foreign Companies.

The closing date of exercise of foreign branches and agencies is that of its parent, unless they opt for the 30 June each year. Within six (6) months of that date shall submit the relevant foregoing provisions relating to transactions in the country. The memory is replaced with the representative's report.

Rama life.

Insurers operating in the life branch accompanied by an opinion undersigned licensed professional actuarial having no connection.

Accounting standards and chart of accounts.

Article 39 .- The authority shall establish accounting control and establish an accountability plan, both on a uniform. Insurers who wish to depart from these rules or the plan must obtain prior approval from the supervisory authority of the proposed changes.

Quarterly Balances.

Article 40 .- The insurers are not required to submit quarterly balance sheets, but the supervisory authority of a particular insurer may be required when deemed appropriate.

Publication of annual report.

Only for the publication of the annual review for all insurers without exception, which can be synthesized according to official forms. The supervisory authority will dictate the rules to which insurers must conform to the publication of their balance sheets.

Valuation of assets.

Article 41 .- The supervisory authority will establish uniform standards for asset valuation.

Commissions to amortize: branch life.

Article 42 .- The companies in the group life insurance may include in the assets from their balance sheets under "amortize commissions, committees consisting of acquisition that have been paid by new businesses made, which, for purposes the item "to amortize commissions" shall not exceed the ceiling fixed by the supervisory authority within the eighty percent (80%) of the amount of annual premium rate premiums for periods of twenty (20) years or more , or whole life, decreased two and a half percent (2 ½%) of the annual premium for each year less in duration. The committees will be established to amortize separately for each year of payment.

Shall be discharged and canceled that account balances as a loss for insurance commissions completed, expired or terminated amortize still missing.

The life insurance commissions to the effect of line "to amortize commissions" will be amortized in five (5) years or less, and at not less than twenty percent (20%) per annum on the balance sheets, counting from the first year it is inserted into an asset.

Legal reserve.

Article 43 .- Without prejudice to the available control authority as provided in Article 34, the underwriters allocated by way of legal reserve not less than five percent (5%) of earnings, and yielding the liquid statement for the year, up to twenty percent (20%) of their capital.

Cooperatives.

Cooperative societies devoted to the subject cited above percentage, but without that limitation.

Reintegration.

Whenever the legal reserve is reduced for any reason, shall be paid entirely with the first profits.

Objections to balance.

Article 44 .- The supervisory authority may object to the balance sheet. When comments have the effect of canceling or reducing profits or surplus for the year, may order the suspension or correspondingly limited distribution.

Report on the status of the insurer.

Article 45 .- The insurers make available to policyholders, and any applicant who so requests, memory, balance sheet, profit and loss account and report of the trustees or of the supervisory board, if necessary.

#### Section VIII

##### Fusion and transfer of portfolio

##### Requirements.

Article 46 .- The merger of insurers or transfer all or part of portfolio requires authorization from the supervisory authority.

The total or partial transfer of portfolio can be made only to insurers established in the country in accordance with this law.

##### Advertising.

ARTICLE 47.- Insurers agree the sale of all or part of a proposed procurement portfolio submitted to the supervisory authority and issued edicts for a term of three (3) days of announcing the assignment in the Official Journals of the headquarters and branches, for policyholders objected founded with that authority within fifteen (15) days from the last publication.

##### Resolution.

The deadline, the supervisory authority shall decide within thirty (30) days. Approval may be denied if the background and facts found is that the interests of policyholders are not sufficiently covered.

##### Appeal.

The refusal may be appealed in accordance with Article 83.

##### Approval: effects.

Approved the contract, it will force the transferor and transferee companies to policyholders and their dependents. For the other creditors transfer provisions governing commercial establishments, wherever appropriate.

##### Shape.

The act of transfer may be granted by a public or private.

#### Section IX

##### Withdrawal of authorization

##### Wherever appropriate.

Article 48 .- The authorization granted in accordance with article 7 must be revoked by the supervisory authority when:

- a) An insurer is not actually start its operations in six (6) months;
- b) Not complying with the provisions of Article 31 in cases of loss of minimum capital;
- c) The insurer does not operate in accordance with the regulations, the conditions of approval or Article 4 or not applicable to the exclusion of the contested under Article 9 applied after the fines provided for in that provision;
- d) Proceed dissolved for any reason, under the Code of Commerce;
- e) The parent of a foreign company is dissolved, liquidated, bankrupt, or is in a similar position, or if closure of the branch or agency authorized;
- f) settlement occurs as provided in Articles 50, 51 and 52;
- g) Whether by application of Article 58.

##### Procedure.

The resolution of the supervisory authority shall follow the procedure laid down in Article 82.

##### Effects.

Article 49 .- The final revocation of the authorization automatic dissolution matter, and the insurer should proceed to their immediate liquidation.

Registration of revocation.

The registration of the revocation shall be ordered by the judge to search the homes of the entity with the single communication from the Superintendent of Insurance of the Nation, and will not be reviewed in any way by it.

Section X

Clearance

Clearance by voluntary dissolution.

Liquidator.

Article 50 .- An insurer voluntarily resolved their dissolution, liquidation shall be by statutory bodies, subject to the control of the supervisory authority.

Liquidator.

If the insurer did not come to their immediate liquidation or if the protection of policyholders' interests require it, the supervisory authority may request the competent ordinary court appointment as liquidator. The decision will be issued with a citation of the insurer, in an oral proceeding convened for that purpose, and indeed may be appealed only returnable.

Settlement forced dissolution.

Liquidator.

ARTICLE 51 .- When the settlement is the result of the revocation ordered by the supervisory authority, this will assume it through whom to appoint competent ordinary court intervention.

Replacement of the bankruptcy procedure.

Insurers can not resort to preventive or competition are likely to be declared bankrupt.

If not yet started compulsory liquidation of the first paragraph and should have assembled the requirements for declaration of bankruptcy, the ordinary competent court shall order the dissolution of society and its settlement by the supervisory authority.

Supplementary application of commercial contests.

ARTICLE 52.- In cases of Articles 50 and 51, the supervisory authority to adjust the settlement provisions in trade competitions for bankruptcy, and has all the powers of the liquidator in those areas.

You may terminate insurance contracts with a notice of fifteen (15) days notice to the insured by registered letter with return receipt or other means sufficient. The insurer liable for claims incurred meantime, unless the insured held to replace another insurance contract. In the life insurance branch will previously the sale of the portfolio by tender in accordance with the basis set. If the transfer is not possible be as provided in the preceding paragraph.

Penalties.

ARTICLE 53.- The supervisory authority will raise the judge who heard the case in all the history of the insurer to give effect in respect of its administrators, directors, officers, trustees, members of the supervisory board and managers, the measures foreseen in the law of tenders for the failed in the event of fault or fraud and, where applicable, shall apply the penalties prescribed in the Penal Code for the fraudulent bankrupt or guilty.

Privileges.

ARTICLE 54 .- They have the general privilege set out in Article 270 of the Bankruptcy Act:

a) The insured or their beneficiaries in the life branch, by capital or income due or by the mathematical reserves at the same level of the claims referred to in subsection 1) of that Article and equal extent to which Article 271 of the Act grants the emerging capital of salaries, wages and salaries;

b) The appropriations for the claims produced in the other insurance.

Settlement costs, including those levied by the supervisory authority, have the privilege provided for in section 264 of the Act.

#### Section XI

Intervention assistants.

Obligations.

ARTICLE 55 .- The producers, agents, brokers, appraisers and insurance adjusters are required to perform to the legal provisions and technical principles applicable to the operation which involved and to act with diligence and good faith.

#### Section XII

Advertising.

Limiting the use of the term insurance and similar expressions.

ARTICLE 56 .- The words, insured or typical expressions or characteristics of insurance operations, are not used in trade names or emblems by those not authorized as insurers in accordance with this law.

Punishment.

Those who breach the provisions of this Article, shall apply the rules laid down in Article 61.

Prohibition of misleading advertising.

ARTICLE 57.- It is forbidden advertising containing false information, misleading or ambiguous or that may provoke misunderstanding about the nature of operations, or conduct economic and financial situation of an insurer or in respect of contracts entered into and the employment of improper means or likely to mislead for obtaining business.

Branches and agencies of foreign companies must indicate this quality, with expression of the domicile of the parent, and segregated the data resulting from their activities in the country, from those related to the parent or other branches.

#### Section XIII

Punishment

Insurers.

ARTICLE 58.- When an insurer violates the provisions of this Act or the regulations under it or fails to comply with the measures imposed in consequence thereof by the control authority, and this results in abnormal exercise insurance activity or a decrease in economic capacity financial-insurer or a real obstacle to the control, is liable to the following penalties to be graduated according reasonably insurer's conduct, the seriousness and recidivism:

a) Call for care;

b) A warning;

c) A fine from 0.01 percent to 0.1 percent of total premiums and fees earned, net of cancellations, in the previous financial period which shall not be less than 0.5 percent of the minimum capital required ; (Subparagraph replaced by Art. 155 of Law 24,241 BO 18/10/1993)

d) Suspension for up to three (3) months to operate in one or more branches authorized or revocation of authorization to operate as an insurer, in cases of abnormal exercise insurance activity or decrease in its economic and financial capacity.

The insurer may not plead guilty or willful misconduct of its officers or employees to excuse his responsibility.

Auxiliaries.

ARTICLE 59 .- The producers, agents, brokers, appraisers and liquidators, not dependent on the insurer, that violates the rules referred to in Article 55, or who do not supply the reports that require the supervisory authority in the exercise of their appointment shall be subject to the following penalties:

a) Call for care;

b) A warning;

c) a fine of up to five thousand dollars (\$ 5,000 .-);

d) Disqualification for up to five (5) years.

The penalty is graduated according to the functions of the offender, the seriousness of the offense and recidivism. Those responsible shall be jointly liable to pay the fine. Insurers may not pay the fines imposed, nor pay any compensation where possible disqualification.

The fine is not paid to be transformed into arrest rate of one day of imprisonment for forty dollars each

(\$ 40 .-) and may not exceed sixty (60) days.

Wrongful retention of premiums.

ARTICLE 60 .- The producers, agents and other intermediaries that do not deliver in time the insurer the premiums paid, shall be punished with imprisonment of one (1) to six (6) years and disqualification for twice the time of conviction.

Contracts outside the law.

Article 61 .- Those who directly or indirectly advertise in any way engage in transactions or provide insurance without being authorized to act as insurers under this Act, liable to a fine up to fifty thousand dollars (\$ 50,000 .-).

When entering into contracts of insurance without proper authorization, they will be zero, and the fine is increased to double, without prejudice to any liability incurred in respect of the other party by reason of the invalidity.

If the wrongdoer is a corporation, cooperative or mutual company, its directors, administrators, trustees or members of the supervisory board and managers as appropriate, shall be jointly liable for the fines and consequences of nullity of contracts. In the case of other society, joint liability also extend to all partners.

If the offense was committed by a branch or agency of a foreign corporation, the responsibility is for the factor, manager or representative.

The fine not paid will become arrested at a rate of one day for each forty dollars (\$ 40 .-) and may not exceed six (6) months.

The penalty of disqualification of Article 59 shall apply in all cases as an accessory.

The provisions of this article apply to cases covered by article 3 after the supervisory authority has declared the respective operations in the regime of this law.

Deadline and procedure.

Article 62 .- The fines will be paid in ten (10) days of being strong the final resolution of the supervisory authority, and payment will be prosecuted for the same.

Crimes.



Article 63 .- The penalties under this law does not exclude those that may be brought for crimes under the Criminal Code or other laws.

Complaint.

When the supervisory authority or commission checks for the existence of facts that may constitute crimes, shall inform the competent criminal judge, referring to testimony of the relevant background.

Penalty arrest

To fulfill the penalty of arrest under Articles 59 and 61 will intervene to national court of first instance in criminal and federal correctional Federal Capital, and within the appropriate federal judge.

CHAPTER II

Control authority

Section I

From the Superintendent of Insurance of the Nation

Authority.

Article 64 .- The control of all insurance entities is exercised by the Superintendent of Insurance of the Nation with the duties established by this law.

Superintendent of Insurance.

Article 65 .- The Superintendency of Insurance is an autonomous entity with functional and financial autonomy, under the Ministry of Treasury and Finance. He oversees a staff member with the title of Superintendent of Insurance appointed by the Executive.

Officials.

ARTICLE 66 .- The Superintendence shall be equipped with the necessary personnel to carry out their duties, preferably integrated in technical operations for university graduates in economics or law.

Incompatibilities.

No officer or employee of the Superintendent may have interests in insurance companies, or hold positions in them, except as otherwise provided by law or where they are assured of quality. They are forbidden to also have direct or indirect interest in activities or remuneration from producers, agents, brokers, appraisers and insurance adjusters.

Duties and powers.

Article 67 .- The duties and powers of the Superintendent:

- a) Carry out the law assigns to the supervisory authority;
- b) issue general orders as provided by this Act and those necessary for its implementation;
- c) Oppose the constitution, statutes and amendments, the regulations, capital increases, the formation and operation of the assemblies and the incorporation of plans or branches of insurance, all insurance companies without exception incorporated in national jurisdiction or beyond, that disagree with the general laws, the specific provisions of this Act and those generally given in the above matters the supervisory authority, taking care that the laws of solidary insurance companies do not contain rules detract from their nature or import societal prejudice the exercise of corporate rights of shareholders;
- d) Challenge, where the contributions are made by applying subsection h) of Article 29 which are not proportionate to the economic and financial capacity of the entity or to turn their businesses;
- e) Take the necessary resolutions to give effect to the audit for each insurer, take action and apply the penalties provided in this Act;

- f) Monitor the behavior of producers, agents, brokers, appraisers and liquidators not dependent on the insurer, in such manner and by such means as it deems appropriate, disclosed in the relevant complaints and punish violations;
- g) To advise the Executive on matters relating to insurance;
- h) To project annual budget, which increased to Executive for approval;
- i) Collect the funds referred to in Article 81 and dispose of them;
- j) To appoint, employ, promote, remove and punish their personnel, and making other internal measures that apply to its operation;
- k) Be responsible for:

-A Record of Insurance and must be recorded in numerical order authorizations to operate to confer and which will also lead reversals.

"A personal record to date on the conditions of responsibility and seriousness of the promoters, founders, directors, officers, trustees or members of the supervisory board if, liquidators, managers, administrators and representatives of insurance companies subject to the system of this Act, being empowered for that purpose to require the Superintendent considers necessary reports to any authority or agency, national, provincial or municipal-A Record of unauthorized professional to act in that capacity before the Superintendency.

"A record of sanctions in which they will be applied in accordance with requirements specified in Articles 58 to 63.

The Superintendent may take legal action and act in any kind of trial as plaintiffs or defendants in criminal trial as a plaintiff, and to appoint proxies for this purpose.

Inspection.

ARTICLE 68.- In the course of their duties the Superintendent may examine all elements pertaining to the operations of insurers, especially general require production of books and trade documents, and their correspondence, to collate, retching and verifications .

Availability of items.

Insurers are required to maintain at the address of its headquarters and branches available to the Superintendent, all elements related to its operations.

Information.

Article 69 .- In addition to the regular information provided by this law that insurers must provide the Superintendent may require further it deems necessary to perform their duties.

Affidavits.

The Superintendent may require affidavits on facts or data specific.

Other required.

Article 70 .- The obligations arising from Articles 68 and 69 include managers of insurance companies and producers, agents, brokers, appraisers and liquidators, not dependent on the insurer. Also all natural or legal person is obliged to supply the information which he requires the supervisory authority as are necessary to fulfill its mission, even when they are under the control of other government agencies, national, provincial or municipal authorities, under laws specific exhibit and trade their books to inspectors and additional documents to the Superintendent, when necessary to determine its position against the regime of this Act or to establish the conditions under which fish with a licensed insurer or a person or law for which the agency has initiated action for the purposes specified in Article 3 of this law.

Inspection reports and balance.

ARTICLE 71 .- The official to whom is entrusted the inspection of an insurer or control of its balance sheet, provide a written report. When observations lead to the Superintendent,

this gives the insurer a copy of parts of the inspection as it is based.

Attendance at assemblies.

ARTICLE 72.- The Superintendent may attend general meetings of the entities under its control and the designated official shall report on its development.

Burglary, help of the security forces and kidnapping.

ARTICLE 73 .- The Superintendence may require search warrants and the help of the security forces for the exercise of their functions. Can sequester the documents it considers conducive to fulfilling its oversight duties.

Secret of the proceedings.

Article 74 .- The actions taken during the exercise of control under this law are confidential. It cannot be offered as evidence in civil proceedings by the insurer or the state.

They are also confidential data not intended for publication or affidavits submitted.

Officials and employees of the Superintendent are required to keep secret the performance of their duties and the proceedings.

Report

ARTICLE 75 .- The Superintendent will publish before May 1 of each year its report for the previous year, indicating:

- a) The general statistics of the various branches of insurance analytically;
- b) A global state of the activities of all insurers on the basis of the financial year and a similar analysis of the transformations that their investments have experienced .
- c) Details of business and the financial year of each separate entity;
- d) a statement of its work during the various phases of its business;
- e) The comments that deserves the Superintendent and in practice, the functioning and organization of the Superintendent and the reforms it thinks fit to propose.

The Superintendent shall provide at cost, the number of copies of the report which was requested.

Section II

Security Advisory Council

Composition.

ARTICLE 76.- Superintendent of Insurance is assisted by an Advisory Board consisting of five Insurance (5) directors appointed at the proposal, one of corporations domiciled in the Federal Capital, one of the established corporations within the country, one cooperative societies and mutual insurance and one of each of the insurers in subparagraphs b) and c) Article 2.

Designation.

Article 77 .- Each insurer is authorized to vote for three (3) candidates and three (3) alternates for the advisor designate appropriate for their sector.

The votes shall be signed by an authorized person before the supervisory authority and must be referred to this by registered letter or delivered by courier, for the Council to do the counting on December 15 of the respective year, and if that day is a holiday, the following working day. Insurers can attend the event if they desire.

With the result of the election shall draw up lists of candidates for directors and alternates for each sector among those who had obtained the most votes. The National Executive shall appoint the directors and alternates elected from the lists mentioned.

The alternate directors shall act in his absence or incapacity of the holders, subject to attend Council meetings with voice but with no vote.

Requirements.

Article 78 .- To be a member of the Council the requirements are -

- a) Have at least five (5) years in one or more insurers;
- b) To perform effectively, as long as counselor, office manager or board member or board of directors of an insurer.

Advisory Council members will take three (3) years in office and may be reappointed. The period ends on 31 January of the year as appropriate, and replacement members will join after that date. However, the replaced members will continue in office until taking over by the replacement members. The expenses of the Directors and the alternates are honored

Duties.

Article 79 .- The Advisory Council shall have the duties listed below:

- a) Give your opinion on the following issues that are polled by the Superintendent:
  1. Draft laws, decrees and resolutions to be met by general insurers or insurance auxiliaries;
  2. Rules for the determination of net assets, accounting systems, forms of assessment and statistics;
  3. General policies, general rates and tariffs;
  4. Amounts of the annual fee and uniform fee on premiums;
- b) To submit to the Superintendent of initiatives to promote the development of insurance in its various aspects;
- c) Give your opinion on general issues that arise and for which are appropriate, that in the opinion of the Superintendent, meet your criteria.

Operation.

Article 80 .- The Advisory Council shall meet regularly on the day previously fixed for this purpose and should do when the Superintendent deems necessary or requested by a titular counselor.

Meetings are held at the headquarters of the Superintendent with the presence, of at least three (3) directors chaired by the Superintendent holders. Statements or judgments made during the meeting shall be entered in a minute book and shall be considered as views of the Council when the majority of the directors present have been expressed in the same direction.

In the draft laws or decrees to raise the supervisory authority for consideration by the Executive Branch shall include, where appropriate, the opinion that the matter has given the Advisory Council.

Council members maintain official relations within their duties solely with the Superintendent of Insurance.

Section III

Funds

ARTICLE 81 .- The Superintendence will subsidize the cost of its operations and the Advisory Council, with the following funds:

Annual Contribution

- a) Annual contribution of insurers, their sole charge at the rate of three per ten thousand of direct insurance premiums, net of lapses .This contribution may not exceed two thousand dollars (\$ 2000) by the insurer;

Rate

b) A uniform fee shall be determined by the Executive and not exceeding six per thousand of the amount of premiums that policyholders pay. Be collected by insurers as withholding agents, cleared quarterly on direct insurance business, net of lapses , (It rises to 6 per thousand rate by Art. 1 of Decree No. 504/87 BO 31/7/1987).

Fines

c) The fines imposed under this Act;

Surcharge

d) The charge for lack of timely payment of the charges mentioned above in subparagraphs a), b), c). It automatically is accrued and will be calculated at the rate of two percent (2%) per month;

Property Funds

e) Property acquired on any title and you already hold.

If not received by way of a uniform rate, as provided in subsection b) shall cover the one-thousandth (1 0 / 00) of premium to which he refers to the formulation of an incentive fund for the entire staff, whatever the category that lines will be distributed annually.

The surplus from one year will carry over to the following .

Payment Date

The annual fee must be paid within the first fortnight of February to appropriate, by using the ballot to establish the effect the Superintendent and paid in full regardless of the month in which the authorization obtained or ceases to operate in insurances.

The standard rate will be settled quarterly on forms that the superintendent determines. The filing of the affidavit and the resulting fee shall be made within fifteen (15) days following the end of a calendar quarter to which they relate. Income shall be by deposit with the Bank of Argentina Central-to-house order of the Superintendent of Insurance of the Nation.

Judicial recovery

When the annual fee or flat rate is not paid on the stipulated time limit or penalty is not paid in term of Article 62, the Superintendence of debt extended ballot title will be executive skills, and pursue their collection to the National Judge First Instance in Civil and Commercial Federal Capital Federal.

Prohibited.

Insurers cannot compensate between the deserving balances and debtors who state their declarations in respect of the flat rate.

Section IV

Procedures and resources

Rules of Procedure.

Article 82 .- The final decisions of the special nature of the Superintendent, shall be issued by a decision based upon substantiation in each case, subject to the following standards: shall be conveyed to the comments or complaints to any of ten (10) working days those affected, responsible or charged, which must be held .

a) To oppose all defenses;

b) Accompany any instrumental test or indicate the file or registry office that is notarized;

c) Indicate the testimonial evidence to be produced, identifying witnesses, with brief statement of the facts on which it would surrender;

d) To propose the expert evidence and points of expertise indicating the specialization of the expert

e) How the other evidence is to be used and its objective.

The Superintendent of Insurance, or delegated official in the instruction of the proceedings, may discard reasoned ruling, any evidence given or offered, proceeding under the last paragraph of this article.

Evacuated transfer and accepted the evidence provided, these will be received within a period not exceeding twenty (20) business days. The hearings shall be public unless it is requested that there be reserved and contrary public interest. At the first hearing, whenever deemed appropriate expert evidence offered, identify the points of expertise and will proceed to draw a single expert who desinsaculará lists drawn up annually by the Court of Appeals composed of actuaries, accountants and university professors specializing in this field. In the event of not having prepared the lists of experts, will be requested of the Court of Appeals to appoint him, on which the Superintendent shall act expressing the field of expertise and the points. Submitted expertise, the Superintendent, at the request of a party or that would be helpful, the expert may call for explanations will be considered at a hearing designated for that purpose, or given in writing, as otherwise the supervisory authority attentive to the circumstances.

If proof has been provided reports, the Superintendent shall have the same powers granted to judges by the Civil and Commercial Code of the Nation.

In the same trial period the officer in charge of the proceedings may order any measure of evidence, cite and bring witnesses, obtain reports and testimony from public and private instruments and producing skills of any kind.

After the reception of evidence, the parties concerned, responsible or charged may make memorial on it, within five (5) business days.

The Superintendent of Insurance will issue a final decision based, within fifteen (15) business days.

The decisions taken during the substantiation of the cause is appealable, notwithstanding that the Court of Appeals aware of the issues before it are reproduced in the statement that merges the appeal.

The decisions shall be reviewed by the High Court if refused by the supervisory authority. If this is done place in the same resolution, provide for the receipt of such evidence by the Superintendence of Insurance. Referred proceedings within three days, the Superintendent will receive the test and return the case to the appeal, within three days to produce.

Right of appeal

Article 83. - Final decisions of the special nature of the Superintendent may be appealed to the Court of Appeals in Commercial Matters of the Federal Capital. Individuals, companies and associations located in the interior, which are not or are authorized insurers to the Superintendent managing the operating authority, may choose to appeal to the Court of Appeals in Federal and Administrative Litigation of the Federal Capital choice to be manifest by bringing the action.

The appeal was lodged with the Insurance Division within five (5) working days of notification, with memorial in which state the rationale and, where applicable, will play the grievances motivated by decisions taken during the administrative procedure, as by the evidence rejected by reputed parties concerned. If the appeal is not based, as envisaged in this article, has been unsuccessful. The Superintendent shall grant or refuse the appeal within five (5) business days and, where appropriate, refer the case within five (5) working days.

The appeal be granted and in both, except in the case of Articles 31 and 44 where it is necessary for the sole purpose returnable.

Sentencing Chamber within fifteen (15) business days.

Complaint.

If the appeal was denied by the Superintendent or allocated in time, the aggrieved may bring a complaint directly to the House, asking that it be granted the appeal is denied. The deadline for filing the complaint shall be five (5) days and the House requires the file within three (3) days, without substantiation deciding whether any action has been good or bad is denied, within ten (10) days. In the latter case sent to process the application.

Resources Act 48.

ARTICLE 84.- If the final ruling of the appellate alter or amend the decision of the Superintendent of Insurance, it may file an appeal authorized by law 48.

Administrative appeal.

Article 85 .- The resolutions of the General Superintendence are reviewed ex parte by the Superintendent, and his refusal to appeal to the executive branch. The appeal must be for the sole purpose returnable. These may be brought by an insurer or any of the associations that cluster them within thirty (30) days, computed from its publication in the Official Gazette or from the general resolution is made public by any means.

In the case of decisions under Articles 6 and 7, item g), the appeal to the executive branch only be for the affected, shall be filed within nine (9) business days, and proceed with the sole purpose returnable.

Precautionary Measures.

ARTICLE 86. - When the decision of the Superintendent imposes the payment of a fine, it can request a lien on property of the offender.

When the resolution providing for the suspension or revocation of authorization to operate in insurance, the Court of Appeals shall, upon request of the Superintendencia the administration of the judicial intervention of the insurer, which must not lie with the supervisory authority.

The Superintendent of Insurance of the Nation can provide without a hearing , the ban on the insurer to perform, in respect of its investments, any act of disposal or management that specifically indicated and to conclude new insurance contracts in the following cases:

a) Loss of minimum capital; (Subparagraph replaced by Art. 3 of Decree No. 558/2002 BO 3/4/2002).

b) Decrease in economic or financial ability, or manifest disproportion between it and the risks retained or deficit in coverage of commitments to policyholders;

c) Violation of the rules on expenses and revenues of funds on deposit in the custody of government securities and income securities in general;

d) Lack of presentation by the insurer of the financial statements of advertising, property status, or commitments due and liquidated to pay claims in the statutory deadlines;

e) Irregularities in the formation or performance of management and overseeing bodies or assemblies;

f) Irregularities in the administration or accounting knowledge to prevent the assets of the entity;

g) Difficulty of liquidity that has been determined to delay or cause failure of their payments.

To give effect to these measures, the Superintendencia de Seguros de la Nacion order its taking-public entities - national, provincial or municipal or private as it deems appropriate.

The measures can be lifted to meet obligations to policyholders, for reinvestment of the asset in question-in which case it shall continue on into its replacement, or when it is found that the insurer is in normal operations.

The administrative or judicial proceedings brought against the decision to have any of these measures will be the effect only returnable.

(Second and third paragraphs substituted by art. 155 of Law No. 24,241 BO 18/10/1993)  
Publication.

Article 87 .- The general resolutions of the Superintendence and the particular nature of the function given in sections 3, 6th, 7th, 31, 46, 48, 56, 58, 59 and 61, will be issued one (1 ) day in the Official Gazette as the intervention . The granting of authorization to operate in accordance with article 7, to be issued, if necessary, once the entity has been registered at the Public Registry of Commerce of the registered office and has been received at the supervisory authority of testimony documents granted by the court of record with the record of his taking-over, as provided in article 8.

(Expression "even though not intervened" built by Art. 155 of Law No. 24,241 BO 18/10/1993)

### CHAPTER III

Final and transitional provisions

ARTICLE 88.- The new composition of the Advisory Council which is established by this Act shall apply after the expiry of mandates that operated the first Jan. 31 that it follows out after its entry into validity .

Validity.

Provisions repealed.

Article 89 .- This act shall take effect six (6) months of its enactment, and from that date be repealed "Legal Regime of Insurance, Law 11,672, 1943 edition, section 150 (to 1962), and Article 52 of Decree 14.682/46 (Law 12,921), Article 39 of Law 15,021, Article 61 of Law 15,796, Article 61 of Law 16,432, Articles 140 and 141 of the tax laws internal (to 1938), the decree of 2 January 1923, on transfers of portfolios of insurance companies, Decree 23.350/39, Decree 61.138/40, Decree 7.607/61, Decree 1.063/63, and any other provisions contrary to this law.

Within thirty (30) days from the date of enactment of this, the Insurance will lift the Ministry of Treasury and Finance's Office draft organizational structure and functional grouping appropriate to the mission and functions as are set by this law. If that project is not approved within thirty (30) days, within six (6) months provided in the previous paragraph for the life of the Act shall be automatically extended for the longer term that is used in the approval of that project.

ARTICLE 90 .- Communicated, published, submitted to the Official National Registry and filed.