

Law Number 22.400

Chapter I

Scope

Article 1: This law governs the intermediary activities promoting the engagement of insurance contracts, advising policyholders and potential insurers in the Republic of Argentina.

Chapter II

Definitions

Article 2: The intermediary activity may be exercised according to the following modalities.

Direct Producer Adviser: The person who performs the tasks set out in article 1 and the supplementary provisions envisaged under this Law.

Producer Adviser Organizer: The person who is dedicated to training, directing or advising Producer Advisers who are part of an organization. Said organization should consist of at least four (4) Producer Advisers, one of who may be the Producer Organizer when acting in that capacity.

Chapter III

Producers' Register

Creation of Register – Application Authority

Article 3: The Superintendent of Insurance in its capacity as application authority of this Law shall create the Register of Producers.

Registration - Requirements

Article 4: Those interested in performing, as producer in any of the categories mentioned in article 2 of this Law, must be recorded in the Producers' Register created in accordance with the previous article:

To be recorded the following conditions must be met:

- a) Have a domicile in Argentina;
- b) Not be included under any of the impediments provided for in article 8;
- c) Show evidence of knowledge before the Committee mentioned in Article 17 by way of an exam whose program shall be approved by the application authority of this Law on a proposal from the Committee. Employees of insurance companies evidencing being such at least five (5) years prior to the date of publication of this Law in the Official Gazette, may be recorded in the Producers' Register without taking the exam included in the first paragraph of this subsection, provided they do so within three hundred sixty (360) days after this Law comes into force.
- d) The application authority by way of regulation shall decide in similar cases.

- e) Pay the registration fee fixed from time to time by the application authority, which will be renewed annually for the amount and under the conditions and opportunities that the same shall fix.
The lack of payment of the registration fee shall automatically cancel the record.
The amounts collected in consideration of the registration fee shall be allocated to the costs involved in enforcing this law.

Chapter IV

Remuneration

Commissions

Article 5: The producers shall receive commissions agreed with the insurer, except in cases where the application authority considers it necessary to fix maximum or minimum amounts.

The producer adviser organizer shall only be reimbursed consultant fees for organizing operations in which direct producers have intervened to assist in that capacity. In the case of own production, they will be entitled to commissions in their dual nature.

Right to collect commission

Article 6: The producers' right to collect the commission occurs when the insurer actually receives the amount of the premium or, in proportion to each fee collected on insurances that are engaged with this modality. In case of modification or termination of an insurance contract that results in premium refunds, the pro rata refund of the commission received by the producer shall correspond.

The effective payment of the premium is equated to compensation of existing obligations between the insurer and the insured. No payment made through the delivery of promissory notes, checks and any other promise or payment order shall be deemed effective until the same have been canceled. In the case of insurance entered into in foreign currency, the commission may be agreed, at the request of producer, in the same currency as the premium, without prejudice to the exchange regulations prevailing at the time and the provisions contained in articles 607, 608 and 617 of the Civil Code.

Individuals not registered

Article 7: Individuals not recorded in the Producers' Register are not entitled to receive commission or remuneration for the concerted efforts of insurance contracts. Insurance companies must refrain from transactions with persons not registered in the Producers' Registry. It is prohibited to pay commissions or any compensation to such persons.

Chapter V

Disqualifications

Absolute Disqualifications

Article 8: The following shall not be included in the Producers' Register:

- a) Those who may not engage in trade;
- b) Those in bankruptcy due to poor management or fraudulency until ten (10) years after their rehabilitation; those in causal bankruptcy or in insolvency proceedings up to five (5) years after rehabilitation; the directors or managers of companies whose conduct is described as guilty or fraudulent, up to ten (10) years after rehabilitation;
- c) Those convicted with accessory disqualification from public office, those convicted of theft, robbery, embezzlement, bribery, issuance of bad checks and crimes against good faith, those convicted of crimes perpetrated in the establishment, operation and liquidation of companies, or in insurance contracts. In all cases, until after ten (10) years of having served sentence;
- d) The adjusters and appraisers.
- e) The directors, syndics, managers, assistant managers, general agents, general managers, board members, risk inspectors and inspectors of the insurance claims, whatever their legal status;
- f) Clerks or employees of the Superintendence of Insurance and the National Institute of Reinsurance and senior clerks of the chambers rates insurers' associations
- g) Producers who act as consultants during the term of this Law and without being registered and who are removed from the Register for violations thereof, without prejudice to the penalties provided for in Article 13

The application authority shall order the cancellation or suspension of registration of persons who, after being recorded in the Producers' Register may be included in or incur the disqualifications set out in this article, to which end it shall keep a special register.

Relative Disqualification

Article 9: It is prohibited for directors, managers, administrators and employees connected with certain customers of the institutions to which they provide services, to act in advisory capacity as producer.

Chapter VI

Functions and duties

Article 10: Producers have the functions and duties listed below:

1. Direct producer advisers:

- a) Engage insurance business;
- b) Report on the identity of the people who hire through them as well as on the background and moral and material standing of the same, at the request of the insurers;

- c) Report to the insurer about the conditions of the risk and assist the insured for the purposes of the most appropriate coverage;
- d) Instruct the insured or interested party in a complete and accurate manner with respect to the clauses of the contract, how it should be construed, and verify that the policy includes the terms and conditions under which the insured has decided to cover the risk;
- e) Report to the insurer on any changes to the risk that happens to be known by the producer;
- f) When authorized by the respective insurer, to collect the insurance premiums. In such case they shall deliver the amount of the premiums paid within the agreed time limit, which shall not exceed the limits fixed by regulation.
- g) Within a period not exceeding seventy two (72) hours, deliver or transfer to the insurer -when not expressly authorized to collect for the same- the amount of premiums received from the insured;
- h) Advise the insured during the lifetime of the contract regarding their rights, duties and responsibilities, specifically with regard to claims;
- i) In general, to execute promptly and with due diligence the instructions received from the potentially insurable, policyholders or insurers, in connection with their duties;
- j) Report to the application authority any circumstance that may place them under any of the disqualifications envisaged in this Law.
- k) With regard to publicity and propaganda follow the general requirements applicable to the insurers and when reference should be made to a particular entity, to have their prior authorization;
- l) Follow the regulations from the application authority with respect to keeping an initialized register of all the insurance business engaged;
- m) When required, to show evidence of its record in the Producers' Register.

2. Producer organizers:

- a) When required by an insurer, to report all personal data of the producer advisers under its organization;
- b) Select, assist and advise direct producer advisers who are part of its organization and assist their work;
- c) Collect insurance premiums if such has been approved in the manner and with the obligations envisaged under paragraphs f) and g) of item. 1;
- d) In general to assist with the prompt and diligent implementation of the instructions of the potentially insurable, policyholders and insurers in connection

with their duties whether received directly or through producer advisors associated with it

e) Report to the application authority any circumstance that may place them under any of the disqualifications envisaged in this Law and those related with the producer advisors of its organization when it may come to their knowledge;

f) Keep an initialized register of the insurance operations in which they may interline in the conditions required by the application authority;

g) With regard to publicity and propaganda to follow the rules included in sub paragraph k) of item 1 above.

Article 11: Fulfilling the role of producer advisor as described above, does not in itself imply legal subordination or dependence relationship with the insurer or the insured.

Article 12: The producer advisor is bound to perform its duties in conformity with the legal provisions and technical principles applicable to the business in which they perform and to act with diligence and good faith.

Chapter VII

Sanctions

Article 13: The breach of the duties and obligations by producer advisers as provided under Article 10 of this law, shall make them liable to the penalties included in Article 59 of Law 20,091 and may also decide the cancellation of their registration in the Producers' Register.

Article 14: Exceptions to the rule of the previous article shall be any behavior breaching the provisions of item 1 paragraph f) and g), and 2, paragraph c) of Article 10, which will be judged and punished under Article 60 of Law 20,091.

Article 15: Rule of Article 59 of Law 20,091 shall apply to whom, being bound to do so, is not recorded in the Producers' Register and provides assistance or cooperation in any way in carrying out activities under this law.

Article 16: The provisions of law 20,091 shall govern the procedure for applying these sanctions as well as appeals that may be filed, its effects and ways of substantiation.

Chapter VIII

Honorary Advisory Committee

Formation

Article 17:

There is hereby created an Honorary Advisory Committee whose duty is to advise the application authority in matters concerning the construction, observance and possible amendments to this law, and provide assistance in the drafting of exam programs provided for in article 4, paragraph c).

Integration and functions

Article 18:

The Honorary Advisory Committee shall consist of members of the Security Advisory Council that represents the various sectors of the insurance companies and a producers' advisors representative, to be appointed by the Superintendence of Insurance.

The Committee may meet with a quorum of more than half of its members and be chaired by the Superintendent of Insurance or other officer appointed by him. The Committee shall meet as determined by the Superintendent of Insurance or at the request of one of its members. Opinions or deliberations will be recorded in a minute book that will be held to that purpose.

Members of the Honorary Advisory Committee will remain three (3) years in office, may be reappointed and will serve honorary. Their term of office expires on 31st January of the appropriate year, and replacement members will join as from that date. However, the replaced members shall continue in office until replacement members take over.

Chapter IX

Common Provision

Article 19°: Notwithstanding the provisions of article 1, the provision of Article 4, paragraph c) shall apply only when the location of risks or address of the insured and / or producer adviser is within the City of Buenos Aires, Greater Buenos Aires or metropolitan centers of over two hundred thousand (200,000) inhabitants. The beneficiaries of this exemption shall not intervene in operations that involve risks or insured persons located or residing in the areas mentioned above.

Chapter X

General Provisions

Article 20: Producers advisers may form companies of any of the types admitted by the Commercial Code, with the sole purpose of carrying out the activities included in Article 1.

These companies must conduct such activities through registered advisers and be recorded in a special register held by the application authority.

Article 21: Whatever the particular form or type of choice for corporate organization, four (4) of its members at least, or all if there are fewer members,

must be registered as producer advisers under any of its modalities, with one of them acting as director or manager of the entity.

Article 22: The penalties for infringement by a partnership of producer advisors or individually by a partner fulfilling a corporate decision shall also apply in such case to the other enrolled members and to the equity of the partnership, according to the rules of law. If, however, the offense were perpetrated by one of the members of a partnership of producers of insurance advisers, it being possible to prove its exclusive personal liability, the penalty will not apply to the other members individually and the liability of the partnership shall be fixed according to the rules of law.

Chapter XI

Transitional provisions

Article 23: The Superintendent of Insurance shall establish, by resolution, the timing in which the exam regime set out in article 4 paragraph c) hereof will become effective.

Article 24: Producers advisers acting as such at the date of publication of this law shall be recorded in the Register referred to in article 3 above, within a period determined by the application authority. Such producers' advisers will be exempted from the requirement in paragraph c) of Article 4, if by means of a certificate issued by one or more insurance companies they can show evidence of having performed, within the 2 years preceding the date of publication of the same, forty (40) operations with seven (7) different insurers. The issuance of endorsements shall not be considered operations for the purposes of this article.

Article 25: This Law shall come into force one hundred and eighty (180) days after its publication in the Official Gazette.

Article 26: Decrees 4177 dated March 12, 1952, 9124 dated May 27 1952 and 24,041 dated December 10, 1953 are hereby abrogated.

Article 27: To be communicated, published, and notice served to the National Directorate of the official record and filed accordingly.