



## **CORPORATE POLICIES**

### **Transparency Rules (Code of Ethics).**

INTERBROS is committed to maintaining very high and strict standards of corporate management and fully recognizes the benefits of the application of the principles set out specifically to conduct our Business in a professional, efficient manner and with high moral and ethical values.

INTERBROS has applied these principles, duly taking into account the current size and the nature of the company. The management framework will be continuously evolving, always keeping ahead the development of the company and providing the necessary assurances to those who have an interest in its success.

INTERBROS has a program of specific objectives to:

- ~ Management and Risks
- ~ Sales/Products, Claims and Customer service
- ~ Security: Reinsurers Ratings and Operations ~ Compliance and Audit

### **Management and Risk**

A periodic review is carried out in a comprehensive manner on the main aspects of business management; call it management and finance, human resources, sales, products, claims and customer services.

### **Sales/Products, Claims and Customer Service**

The sales budget, the updated monthly results obtained as well as the accumulated of the year are analyzed every month. The sales strategy, development and implementation of new products is checked and adjusted and in a detailed manner, the management and status of relevant paid and outstanding claims is analyzed to determine if the service is suitable and/or to take the corrective measures of the case. In addition, other services to the clients are analyzed such as risks inspections, presentations, workshops to clients, etc.

### **Security: Reinsurers Ratings and Operations**

At the moment of the quotation/ placement of the reinsurance of a risk, the financial conditions analysis of the reports provided by AMBEST or Standard and Poor's of each of the participating reinsurers are reviewed. Also their current policies and operations to make sure that are in accordance with our corporate compliances.

INTERBROS security policy limits the usage of reinsurers whose classification falls below A-. Based on the above mentioned classification, in case that THE CLIENTS OF INTERBROS decide to use a reinsurer with a classification lower than the stated one, an specific written approval/ request will be asked from the clients, on the mentioned reinsurer.

INTERBROS does not evaluate or guarantees the solvency of any reinsurer.

INTERBROS does not accept/ assume any responsibility for any amount not paid in reference to claims or return of premiums owed to its CLIENTS by a participating reinsurer who declares himself insolvent or who is behind or who refuses or not the payment of a valid claim settlement and/or in the return of premiums.

## **Transparency and Confidentiality of the Information**

On every business that INTERBROS quotes and places on behalf of its clients, INTERBROS will send finished copy of the reinsurance slips signed and stamped/ sealed by the reinsurers. Inasmuch as the relation between the clients and INTERBROS is of commercial character and it is based on the good faith, professional ethics, confidentiality and principles that go in hand with the international standards of proper handling of the insurance activity, the clients of INTERBROS have all the right to request INTERBROS at any moment, copy of the placement, of the files of accounting and claims records of any risk that we have placed in their name.

All the information provided by each of the CLIENTS of INTERBROS, is handled by INTERBROS, under the most absolute confidentiality, discretion and greater respect towards the intellectual property and institution of their CUSTOMERS.

## **INTERBROS Remuneration**

INTERBROS is normally remunerated by commission or by reinsurance brokerage earned by the placement of reinsurances, or by a negotiated and agreed rate with its clients and/ or with the reinsurers. Since this remuneration is 100% earned at the moment in which the client confirms that the terms and the reinsurance order placed by INTERBROS is accepted, INTERBROS would have the right to retain this one (or to receive this one if it would not be paid), even if the reinsurance risks placed by INTERBROS were annulled later. INTERBROS will not impose the payment of fees or additional expenses on our clients without previous notice or discussion.

INTERBROS will be able to receive administrative and/or consultation fees or commissions from the reinsurers, with whom it has placed the reinsurance risks of its clients.

INTERBROS does not receive any remuneration from the reinsurers in relation to the volume of business/risks that we have placed (sometimes so-called 'Market service Agreement' and 'Placing Services Agreements')

## **Annual Reports of External Audit/Compliance and Internal Audit**

Matters relating to the operation of the business, on the proper handling of funds, ensuring compliance and implementation of procedures, controls and established good practices necessary for the prevention of money laundering and financing of Crime, are examined in detail every month.

## **Evidence that it has a Compliance Officer**

Types of underwriting and claims services. And Experience and/or expertise in certain lines of insurance and the ability to manage the underwriting and claims.

INTERBROS counts with professional and technical personnel, highly specialized and experienced, having each served clients with a diversified business portfolio in terms of business lines in most countries in the region for over 30 years.

INTERBROS also counts with an extensive network of companies and specialized independent and experienced consultants, to which we turn to support us in technical, marketing, actuarial, management and risk assessment, engineering and industrial safety and other areas related to the insurance industry.

INTERBROS team specializes in the design, development, marketing and placement of comprehensive programs and products in all types of insurance and reinsurance business both facultative and treaty, proportional and non-proportional. INTERBROS is especially strong in the Facultative business of property damage, Transport/ STP, Liability of large industrial risks/ economic conglomerates, as well as Treaty and Facultative Health, Critical Illness, Life / Group Personal Accidents, including Mass and Related Products, for debtors and monthly collection portfolios, associations, chambers of commerce and other distribution channels.

### **Detail of Service and responsibilities of INTERBROS towards its CLIENTS**

As an international reinsurance intermediary, INTERBROS explaining the principal characteristics of the products and services that it is offering to its clients, including costs, details of coverage, exclusions, conditions and other obligations.

INTERBROS also provides to its clients complete information regarding any quoted risk, before this one has been placed. INTERBROS places the reinsurance of its clients only when its clients authorize it in writing, and lets them know, if it could not have completed the placement of the reinsurance order granted.

### **Proof of coverage and politics of documentation**

INTERBROS sends immediately to its clients, evidence of coverage in the form of a certificate of reinsurance, of a copy of the Reinsurance Slip or INTERBROS will produce a contract of reinsurance or a Cover Note. The clients must carefully examine all the reinsurance documents to make sure they meet their requirements. However, if the documents do not meet with their requirements, or if the clients feel that the documents are incorrect or if they are not satisfied with participating reinsurers, INTERBROS will have to be notified as soon as possible. Otherwise, INTERBROS will assume that the documents are in order. INTERBROS maintains the documents of the business placed to benefit their clients in electronic format and on paper in accordance with market practice.

### **Client Money**

Being reinsurance brokers, INTERBROS receives the money of its clients to pay reinsurance premiums, and money of the reinsurers to pay claims and/or returns of premiums for its CLIENTS, being considered for all relevant purposes as "client money", which is all managed through a separate and independent operative bank account of INTERBROS called "fiduciary account". The funds in this fiduciary account will always be available both for the clients of INTERBROS and for the reinsurers.

It is verified that the origin of the funds/ premiums received from the insurers, reinsurance brokers and of any other entity locally authorized in accordance with law for the handling of premiums, corresponds to the reinsurance premiums, net of the standard local discounts and taxes and in accordance with applicable law in every country, of the risk that our company has placed on the international reinsurance market on behalf of the insurer.

These funds of premiums and/or payment of claims that are always deposited in the fiduciary accounts of INTEBROS are applied against financial accounts of premiums due and/or claims pending to be paid based on the supporting documentation for premiums due and/or payment of claims to/from reinsurers and/or to/from the insurers.

INTERBROS may only receive funds/ premiums or claims payments of insurance companies, reinsurance brokers or any other company, provided that these are licensed/ authorized by the relevant local authority under the rules and laws of the country they operate to manage reinsurance premiums on insurance policies issued by insurers licensed according to law.

INTERBROS does not accept the offset of account between premiums and/or claims receivable and/or premium/ claims payable neither of different reinsurance placements, nor of a same reinsurance placement unless all the reinsurers and its CLIENTS have given their agreement in writing and been in agreement with the balances that result from the offset of accounts.

### **Process of Financial Crime**

If a financial crime occurred INTERBROS will do a process of investigation in the following manner:

- 1- INTERBROS will make sure of taking an action if a financial crime is discovered.
- 2- The management of INTERBROS will establish an investigation.
- 3- The management of INTERBROS will establish a mechanism to document and report the progress of the investigation.
- 4- The processes of the investigation can imply:  
It will be maintained confidentially  
Recovery of assets  
Protection of evidence  
Deal with the employees that they are under suspicion
- 5- The management of INTERBROS will check all the operative procedures
- 6- INTERBROS will make sure that the effective control is in place to preserve all the forms of evidence.
- 7- The executives of INTERBROS will assess in an early stage the actions to adopt with the persons under suspicion and if the suspension/ dismissal are necessary.
- 8- The executives of INTERBROS will establish adequate measures to protect the business during the whole process of investigation.
- 9- The executives of INTERBROS will check the corrective measures and actions of improvement to guarantee proper monitoring carried out.

### **Bribery and Corruption Politics and Procedures and Anti-Fraud Fight**

INTERBROS will not tolerate acts of fraud or dishonesty. Any fraud, dishonesty, or other illegal acts can be treated like serious and Associates may be subject disciplinary actions and possible legal action.

Fraud or dishonesty acts can include the manipulation of records, the theft and the embezzlement of funds or goods, undue use of information, records and equipment and bribes and inappropriate payments. If any Associate knows or has suspicion that a fraudulent or dishonest activity is or can be carried out, they must continue the procedure established in the previous paragraph.

This is essential since the possibilities of success of the investigation and resolution of a fraud, or the elimination of the suspicions, might turn out to be seriously affected for taking the wrong actions.

### **Against Money Laundering**

INTERBROS will not be knowingly the part of any deal or series of deals, which could change the identity of the source of obtained money of illegal activities so that it seems as if it was coming from a legitimate source.

### **Data Security**

Data, systems security of INTERBROS which allow the e-mail and the exchange of information, have turned into a central element in the form in which we all direct the business, the employees are fully conscious of their responsibilities by virtue of the politics of INTERBROS, the code of

personal conduct to make sure that the accesses of information and the systems that process these are fully protected. No employee must allow third parties to gain access to the system of INTERBROS without the appropriate consent of his supervisor; employees are reminded that no software must be loaded in the system of INTERBROS without the previous authorization of the supervisor of INTERBROS.

## **Claims**

The CLIENTS of INTERBROS, without delay, must notify to INTERBROS all the details of any incident that could lead to a claim and provide all the information that they have available so that INTERBROS can assist and comply with the terms of the reinsurance contract.

INTERBROS coordinates with its CLIENTS, with previously appointed adjusters and with reinsurers, so there is an immediate attention and handling of the claim, supporting and helping clear up any doubt, dispute on the placed reinsurance conditions.

If it is the case, INTERBROS will immediately inform its CLIENTS of the acceptance or denial of any claim, jointly with the whole explanation of the reasons given by the adjustor and/or by the reinsurers.

INTERBROS provides its CLIENTS a suitable, efficient and professional service in the handling of their claims.

## **Communication of Material Facts**

It is the duty of the CLIENTS of INTERBROS at the time of sending information about a new offered business, to communicate all the relevant material facts to the Reinsurers through INTERBROS. The Clients should also keep INTERBROS informed of any event during the term of the contract and/or at the time of the renewal, because they may also have to be communicated. A relevant material fact is a fact that may influence the judgment of a Reinsurer in his evaluation of a risk, including terms and pricing. If the CLIENTS have any doubt as to whether a fact is a relevant material, INTERBROS recommends to be revealed. The failure to disclose relevant facts may entitle Reinsurers to invalidate the contract from the beginning.

## **Warranties**

The warranties are important provisions contained within the Reinsurance Agreement and must always be fulfilled accurately. The breach of a warranty will cause the Reinsurers to be automatically out of risk from the date of that violation, and in some cases may mean that reinsurers do not come at risk at all. This is the position regardless if there is any connection between the breached warranty and any loss that leads to such breach becoming evident. A warranty may exist in the contract using different terminology without referring to the word "warranty". It can be conceptualized that INTERBROS' CLIENTS (or their clients) have guaranteed the accuracy of the information supplied in a questionnaire (e.g. under a "Base Contract Clause"), so that any inaccuracies constitute a violation of warranty.

It is very important that the CLIENTS read the complete text of the contract carefully and if the CLIENTS are not sure or cannot comply, they will have to get in touch with INTERBROS immediately.

## **Conditions Precedent**

The CLIENTS of INTERBROS must take note of any precedent condition that appears in the Reinsurance Contract. If precedent to the validity of this Reinsurance Contract or at the inception of the Reinsurance Contract a condition is not fulfilled, the Reinsurers will not enter risk. If a condition

precedent to the liability of the Reinsurers in accordance with the Contract of Reinsurance is not complied with, the Reinsurers will not be responsible for the loss in doubt. A condition precedent can exist in the contract using another terminology and without referring to the words “condition precedent”.

It is very important that CLIENTS read carefully the full text of the contract and if the CLIENTS are unsure or cannot comply, they should contact INTERBROS immediately.

### **Subjectivities**

If the coverage that is provided is granted by the Insurers subject to certain requirements, failure to comply may result in no coverage placement. The CLIENTS have to communicate with

INTERBROS immediately if they are unsure as to the meaning or significance of subjectivity, or cannot comply with it.

### **Documentation Review and Participating Reinsurers List**

According to the instructions and information provided by the CLIENT, INTERBROS will effect on their behalf a Reinsurance Contract with Reinsurers under terms and conditions as detailed the reinsurance slip and the Cover Note to be issued by INTERBROS. The CLIENTS shall examine these documents carefully and if coverage, terms, conditions do not meet their demands or if they are dissatisfied with the participating Reinsurers, we must be immediately informed. Otherwise, INTERBROS will assume that the documentation is in order.

### **Compliance with Reinsurance Premium Payment Warranties**

The CLIENTS of INTERBROS must comply with the payment of reinsurance premiums according to the pay period imposed by reinsurers. Non-fulfillment of same, shall entitle reinsurers to cancel the reinsurance contract or invalidate the payment of a covered loss as per the payment warranty conditions imposed on each contract, as appropriate.

The CLIENTS may not unilaterally, perform offset of accounts between premium amounts and/or claims receivable and/or premium amounts/ claims payable of different reinsurance placements, neither of funds of the same reinsurance placement, unless all the reinsures and CLIENTS, have given their agreement in writing and been in agreement with the balances that result from the crossing of account.