

REGULATORY INTELLIGENCE

COUNTRY UPDATE-Brazil: Insurance

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**Regulatory framework**

The legal framework for insurance in Brazil primarily derives from the Law No. 15,040, dated December 9, 2024 (Insurance Contract Law - LCS) that repealed the insurance Chapter XV of the Civil Code (Federal Law No. 10,406/2002) and Articles 9-14 of Decree-Law 73/1966, the latter which also regulate the private insurance market.

Currently, besides the Insurance Contract Law and Decree 73/1966, the following laws are the main statutes governing insurance matters in Brazil:

- the Commercial Code of 1850, which governs maritime insurance;
- Supplementary Law No. 126/2007, providing for reinsurance and retrocession policy and respective intermediation, co-insurance operations, insurance contracting abroad, and foreign-currency transactions within the insurance sector;
- Law No. 4,594/1964, regulating insurance brokers;
- Law No. 9,656/1998, concerning health plans; and
- Law No. 14,430/2022, the Insurance-Linked Securities Law; and
- Supplementary Law No. 213, of January 15th, 2025, which provides general provisions on cooperative insurance societies and mutual property protection operations, including groups, associations, and administrators of mutual property protection operations, in addition to dealing with the consent agreement and the sanctioning administrative proceedings within the jurisdiction of the Superintendence of Private Insurance (Susep).

Addressing the Insurance Contract Law in greater detail, it is structured into six chapters (General Provisions; Damage Insurance; Life and Personal Accident Insurance; Mandatory Insurance; Statute of Limitations; and Final and Transitional Provisions).

Within these chapters, the Insurance Contract Law comprises various sections that regulate the insurance contract and, in certain respects, the reinsurance contract as well, across a total of 137 articles. As a legislative development, Law No. 15,040/2024 introduces a more detailed framework for insurance adjustment and claims settlement, implements a new approach to premium default and non-payment, places significant emphasis on the questionnaire and the pre-contractual phase, and more clearly addresses limitation periods as well as loss mitigation and salvage expenses.

On the other hand, the Insurance Contract Law contains controversial provisions on relevant matters, such as the time limits for notice of loss and their effects on limitation periods, as well as the distinction between mass-market insurance and large-risk insurance, with few exceptions in the rules governing adjustment and claims settlement. In addition, it introduces an innovative approach to the formation of the reinsurance contract.

Normative acts, though subordinate to formal laws, are critical in everyday insurance practice, and compliance with them is obligatory. The regulatory framework in Brazil involves agencies under the Executive Branch, particularly the Superintendence of Private



Insurance (SUSEP) and the National Council of Private Insurance (CNSP). These bodies regulate various aspects of insurance, reinsurance, and related accounting and actuarial requirements.

Insurance is a heavily regulated industry in Brazil, with constant updates to regulations necessitating diligent compliance efforts from industry participants. The main regulatory authorities are:

- (i) The National Council of Private Insurance (CNSP), responsible for establishing private insurance policies and issuing general regulations, further detailed in circulars by SUSEP.
- (ii) The Superintendence of Private Insurance (SUSEP), an entity under the Ministry of Economy, oversees the organization, operation, and activities of (re)insurance companies as per Article 36 of Decree-Law No. 73 of 1966.

In 2025, more than in the last year, CNSP has issued 8 resolutions and SUSEP 25 resolutions (As a result of an administrative change, Susep has begun to issue its regulatory acts under the designation "Susep Resolution," instead of "Susep Circular." The substance remains unchanged, namely, to provide detailed regulation of matters addressed in general terms by a CNSP Resolution), in an expected movement taking into account the force of the Law No. 15,040, which impacts several matters that require SUSEP/CNSP regulation.

Highlighted Resolutions include:

- CNSP Resolution No. 485, which establishes guidelines regarding environmental, social and climatic issues applicable to rural insurance;
- CNSP Resolution No. 484, which regulates the rules and criteria for structuring, commercializing and operating Universal Life Insurance;
- CNSP Resolution No. 481, which changes the business classes in the Resolution CNSP No. 432/2021, regarding technical provisions, assets that reduce the need for coverage of technical provisions, risk capital, adjusted net worth, minimum capital, regularization plans, retention limit, criteria for the required realization of investments, accounting standards, accounting audit and independent tax audit, and the Audit Committee.

Susep Resolution No. 55, which provides for standard contractual terms applicable to rural insurance plans subject to premium subsidy programs.

In 2025, there was also the publication of SUSEP's Regulatory Agenda for 2026. Key items on it include the alignment of several regulatory instruments with the Insurance Contract Law and Supplementary Law No. 213/2025, the regulation of insurance brokers, and incentives for collateralization in reinsurance and retrocession transactions with foreign reinsurers, among other matters.

In the same year, important topics were also submitted for public debate, such as:

- Public Consultation No. 2/2025, which presents a draft CNSP Resolution establishing general rules applicable to mutualistic property protection operations.
- Public Consultation No. 5/2025, which presents a draft CNSP Resolution governing insurance, mutualistic property protection, capitalization, and open private pension brokers, as well as self-regulatory entities in the brokerage market and educational institutions accredited to provide courses or examinations for insurance brokers.
- Public Consultation No. 7/2025, which presents a draft CNSP Resolution establishing general rules applicable to insurance cooperative societies.
- Public Consultation No. 8/2025, which presents a draft Susep Resolution governing the full or partial portfolio transfer among insurance companies, capitalization companies, insurance cooperative societies, open private pension entities, and local reinsurers, and establishing its effects on insurance plans.
- Public Consultation No. 10/2025, which presents a draft Susep Resolution governing the rules and criteria for the drafting, structuring, marketing, and operation of property insurance contracts.
- Public Consultation No. 11/2025, which presents a draft CNSP Resolution governing the administrative sanctioning regime, revoking and replacing CNSP Resolution No. 393, of October 30, 2020.
- Public Consultation No. 13/2025, which presents a draft Susep Resolution establishing the mandatory submission and disclosure of information on disputes resolved through alternative dispute resolution mechanisms in insurance contracts.
- Public Consultation No. 14/2025, which presents a draft CNSP Resolution governing reinsurance and retrocession cession and acceptance operations and their intermediation, co-insurance operations, foreign currency transactions, and insurance placements abroad.

In 2026, Public Consultation No. 01/2026 was issued, aiming to replace the currently in force CNSP Resolution 439/2022, regarding people insurance.

Besides that, the CNSP Resolution No. 490, that establishes SUSEP Internal Regulations, was enacted.

While Brazil's judiciary system is rooted in Civil Law, where statutes typically outweigh judicial decisions, court rulings, particularly those from the Superior Court of Justice, the apex court for federal legislation, also significantly influence the insurance market. Thus, a comprehensive understanding of Brazil's insurance regulatory framework necessitates considering these judicial interpretations.

The (re)insurance contract in Brazil



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With the entry into force of Law No. 15,040, several topics has started to be regulated at the legal level for the first time, such as claims regulation and settlement, as well as the role of adjusters. Additionally, there is more detailed regulation of insurance agents. As provided above, the law is divided into six chapters:

- Chapter I — General Provisions, Articles 1 to 88.
- Chapter II — Damage Insurance, Articles 89 to 111.
- Chapter III — Life and Physical Integrity Insurance, Articles 112 to 124.
- Chapter IV — Mandatory Insurance, Article 125.
- Chapter V — Statutes of Limitation, Articles 126 and 127.
- Chapter VI — Final and Transitional Provisions, Articles 128 to 134.

Outlined below are some of the principal matters addressed by Law No. 15,040/2024:

Formation of the Contract and Limitation of Coverage - The insurance contract covers the risks pertaining to the contracted type of insurance, and any discrepancy between the contract and the model submitted to the supervisory authority shall be resolved in favor of the insured. In addition, clauses allowing unilateral termination by the insurer or that deprive the contract of its effectiveness beyond the legally established cases are prohibited (Article 9, caption, paragraph 2 and 5). Law No. 15,040/2024 contains several provisions aimed at protecting insured parties in situations of doubt. Accordingly, doubts, contradictions, or ambiguities in documents prepared by the insurer shall be interpreted in favor of the insured (Article 57), and risk exclusion clauses are subject to restrictive interpretation (Article 59). Likewise, in the event of doubt, the criteria and formulas for calculating the insurer's outstanding obligations shall be applied in the manner most favorable to the insured or the beneficiary (Article 81).

Aggravation of Risk - The insured shall not intentionally and significantly aggravate the insured risk, under penalty of forfeiture of coverage (Article 13). Aggravation is deemed significant when it significantly and continuously increases the likelihood of occurrence of the risk described in the assessment questionnaire. Once aware of the aggravation, the insurer may, within 20 days, either charge an additional premium or terminate the contract, with effect after 30 days. A willful breach of the duty to notify results in loss of coverage, whereas a negligent breach requires the insured to pay the assessed premium difference (Article 14). If the premium increase exceeds 10% of the original amount, the insured may terminate the contract within 15 days (Article 15). In life insurance and bodily integrity insurance, even in the event of material aggravation, the insurer may only charge the additional premium (Article 17).

Premium, Default, and Non-Payment - Default with respect to a single premium or the first installment results in automatic termination of the contract, unless otherwise agreed (Article 20). Default regarding subsequent installments suspends coverage, after the insured has been notified and granted a minimum cure period of 15 days (grace period), during which the contract remains in force (Article 20, paragraph 1). Termination due to non-payment (other than a single premium or first installment) requires prior notice and a minimum period of 30 days, counted from the suspension of coverage (Article 21). In group life and bodily integrity insurance, termination only occurs 90 days after the last notice given to the policyholder (Article 21, paragraph 2). In life insurance with mathematical reserves, non-payment results in a proportional reduction of coverage or reimbursement of the reserve, at the insured's option (Article 21, paragraph 3).

Insurance Proposal - The insurance proposal may be submitted directly by the prospective insured, the policyholder, the insurer, or through representatives (Article 41). A proposal made by the insurer may not be conditional and must include all requirements necessary for contracting in a durable medium, with acceptance depending on an express manifestation of intent (Article 42). A proposal made by the insured or policyholder does not require written form, and a mere request for a quotation does not constitute a proposal (Article 43). Upon receipt of the proposal, the insurer has 25 days to refuse it, after which it shall be deemed accepted; any refusal must be duly justified (Article 49). In automatically renewable insurance, the insurer must notify its decision not to renew or any proposed changes at least 30 days prior to the end of the term, failing which the contract shall be automatically renewed (Article 53).

Initial Risk Disclosure - The prospective insured or policyholder must provide the information necessary for acceptance of the proposal and determination of the premium, in accordance with the insurer's questionnaire (Article 44). A willful breach of the duty to disclose results in forfeiture of coverage, while a negligent breach leads to a proportional reduction of coverage (Article 44, paragraphs 1 and 2). The insured, policyholder, group policyholder, and broker must disclose all relevant information known or that should reasonably be known concerning the insured interest and risk, according to the ordinary standards of knowledge applicable to each (Article 45). The insurer must inform the insured which information is considered relevant and explain the consequences of breach of the duty to disclose (Article 46).

Notice of Loss - Upon becoming aware of a loss or its imminence, the insured must take reasonable measures to prevent or mitigate its effects, promptly notify the insurer, and provide information when requested (Article 66). A willful breach of these duties results in forfeiture of the right to indemnification, while a negligent breach results in a loss equivalent to the damage caused by the omission (Article 66, paragraphs 1 and 2). Such measures shall not be required if they place relevant interests of the insured, beneficiary, or third parties at risk or involve an unreasonable sacrifice (Article 66, paragraph 5).

Loss Mitigation and Salvage Expenses - Expenses incurred for mitigation or salvage measures taken to prevent an imminent loss or reduce its effects shall be borne by the insurer, up to the agreed limit, without reducing the insurance coverage (Article 67). This obligation applies even if the losses do not exceed the deductible or if the measures prove ineffective (Article 67, paragraph 1). In the absence of a different agreed limit, reimbursement shall be capped at 20% of the applicable maximum indemnity limit (Article 67,



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paragraph 4). The insurer shall bear the full amount of such expenses when it expressly recommends the measures for the specific case (Article 67, paragraph 5).

Disclosure of Claims Adjustment Documents - Claims adjusters and claims handlers must act with probity and diligence, keep interested parties informed of their findings, and engage specialized experts when necessary (Article 80). The adjustment and settlement report constitutes a common document of the parties (Article 82). In the event of denial of coverage, the insurer must provide the interested party with the documents supporting its decision, except for those deemed confidential or legally protected (Article 83).

Adjustment and Settlement of Claims - The insurer has 30 days to determine coverage, failing which its right to refuse coverage shall lapse (Article 86). This period may be suspended up to two times upon justified requests for additional documents, except for auto insurance and insurance with insured amounts below 500 minimum wages, for which suspension is limited to one occurrence (Article 86, paragraphs 3 and 4). For large risks, the period may extend up to 120 days, as determined by Susep (Article 86, paragraph 5). Any refusal of coverage must be express and reasoned, and the insurer may not subsequently change its grounds, except in the event of new facts (Article 86, paragraph 6). Once coverage is acknowledged, the insurer has a further 30 days to pay the indemnity or stipulated capital (Article 87). The period may be suspended up to two times upon a justified request for additional documents, except in the case of auto insurance, life insurance, and insurance with insured amounts below 500 minimum wages, for which the suspension is limited to one occurrence (Article 87, paragraphs 3 and 4). The period applicable to large risks may extend up to 120 days, as determined by Susep (Article 87, paragraph 5). Insurer default results in a 2% fine on the amount due, adjusted for inflation, in addition to statutory interest and damages (Article 88).

Civil Liability Insurance - Civil liability insurance covers the insured's interest against the effects of liability attribution as well as the right of injured third parties to indemnification (Article 98). Where coverage includes defense costs, a specific limit separate from the indemnification limit must be established (Article 98, paragraph 2).

Life Insurance - In the absence of a designated beneficiary, the insured capital shall be paid half to the spouse and the remaining half to the other heirs (Article 115). In life insurance for death and bodily integrity insurance for disability due to illness, a waiting period may be stipulated, provided it does not exceed half of the contract term or render the coverage ineffective (Article 118). Voluntary suicide within the first two years of the policy term excludes entitlement to the insured capital (Article 120). The insurer may not deny payment where death or incapacity results from work-related activities, military service, humanitarian acts, hazardous transportation, or sports activities (Article 121).

Statute of Limitations - Claims shall be time-barred after one year from knowledge of the triggering event in the following cases: claims by the insurer against the insured or policyholder; claims by brokers and representatives for remuneration; claims between coinsurers; and claims between insurers, reinsurers, and retrocessionaires (Article 126, I). Claims by the insured seeking indemnification, payment of insured capital, or refund of premium are time-barred after one year from knowledge of the express denial of coverage (Article 126, II). Finally, claims by beneficiaries or injured third parties against the insurer are subject to a three-year limitation period, also counted from knowledge of the triggering event (Article 126, III).

Reinsurance and coinsurance contracts in Brazil are mainly regulated by Supplementary Law 126/2007, including the changes introduced by Supplementary Law No. 213/2025, and Law 15,040/2024; and supplemented by CNSP Resolutions 451, 453 and 422; and SUSEP Circular 683, among other rules. Before Resolution No. 451/2022, insurers and local reinsurers were restricted from ceding more than 50% of their written premiums for risks in reinsurance and retrocession annually. Post-Resolution No. 451/2022, this cap for insurers was removed, albeit with a requirement for technical justification for cessions exceeding 90%. For local reinsurers, the retrocession limit was raised to 70% of issued premiums.

Decree No. 10,167/2019 introduced significant changes in reinsurance legislation, including:

- (i) increasing the permissible cession from insurers to occasional reinsurers to 95% of the total reinsurance premiums annually (up from the previous 10%);
- (ii) allowing local reinsurers to cede up to 95% of premiums related to underwritten risks to occasional reinsurers annually, a significant increase from the previous 50% limit.

Reinsurance contract regulation was previously less stringent, given that it involves a business-to-business (B2B) relationship where parties are presumed to have equal negotiating power and expertise. This aligned with global practices where parties are deemed capable of safeguarding their interests.

However, with the enactment of Law No. 15,040, this less invasive regulation is likely to be reduced. Under the Insurance Contract Law, the main provisions that address or relate to reinsurance are concentrated in eight articles, summarized below:

- Art. 60 - Defines the reinsurance contract as an instrument functional to the insurance activity, providing that it may be formed by the reinsurer's silence for a period of 20 days as from receipt of the proposal, a term that may be extended by the supervisory authority. Susep/CNSP will define what constitutes a proposal.
- Art. 61 - Establishes the absence of direct liability of the reinsurer vis-à-vis the insured, allowing for direct payment only in the event of the insurer's insolvency, in addition to the situations provided for in Article 14 of Supplementary Law No. 126/2007.
- Art. 62 - Requires notification of the reinsurer in actions relating to the insured risk, authorizes its intervention in the proceedings, and prohibits the insurer from invoking any failure by the reinsurer to comply with its obligations against the insured.



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- Art. 63 - Provides that reinsurance advances made to the insurer must be immediately used for the payment or advance payment of the indemnity or the insured amount.
- Art. 64 - Establishes that reinsurance covers, unless otherwise agreed, the entire reinsured interest, including default-related amounts and expenses for loss mitigation, claims adjustment, and claims settlement.
- Art. 65 - Grants absolute priority to the claims of the insured, the beneficiary, and the injured third party over amounts owed by the reinsurer to the insurer under special supervisory regimes.
- Art. 76 - Provides that the insurer is solely responsible for the adjustment and settlement of claims. Based on this provision, Susep intends to prohibit the inclusion of claims control and claims cooperation clauses in reinsurance contracts, an issue currently under discussion in Public Consultation No. 14/2025.
- Art. 126, I, "d" - Sets a one-year statute of limitations for claims between insurers, reinsurers, and retrocessionaires.
- Art. 131, sole paragraph - Establishes the Brazilian forum of the parties' domicile for judicial actions and arbitral proceedings between insurers, reinsurers, and retrocessionaires that may affect the performance of insurance contracts.

Brazilian insurance market overview

The insurance market enters 2026 with a projected growth of 8%, exceeding the previous year's forecast by 2%. In the first three quarters of 2025, the sector paid BRL 200 billion to consumers compared to the same period in 2024, excluding the health segment.

In 2025, certain segments experienced significant growth and also a negative impact. According to the National Confederation of Insurers, some of the highlights included:

- 24-hour assistance - Growth of 13.3% in the sector between January and August 2025, with total transactions amounting to BRL 5.8 billion and a 24.5% increase in the number of assistance calls totaling BRL 3 billion.
- Housing Insurance - Growth of 10.2%. This metric reflects real estate developments, which increased by 25.2% between January and August 2025, driven by the Federal Government's Minha Casa Minha Vida program, which registered growth of 29.1% over the same period.
- Auto Insurance - Growth of 1.1%, increasing from 6.6% to 7.7%.
- Rural Insurance - Growth of 2.3% in 2026, following a decline of 6.4% in 2025, resulting in cumulative growth of 8.7%.
- Life Insurance - Increase of 8.3%, driven primarily by life insurance (12.3%) and travel insurance (10.9%).

Brazilian reinsurance market overview

Reinsurance in Brazil is regulated by Supplementary Law 126/2007, including the changes introduced by Supplementary Law No. 213/2025; Law 15,040/2024, CNSP Resolution 451/2022 and Susep Circular 683/2022. CNSP Resolution 451/2022 defines reinsurance in Article 2, XII, as "the process of transferring risks from a ceding company to one or more reinsurers for its protection, through automatic or optional contracts, except as provided in item XIII of this article."

Reinsurance plays a crucial role in risk dilution, solvency assurance, and maintaining the stability of insurers' financial outcomes. It is often a standard or mandatory practice for insurers, particularly in large-scale operations. When the capacity for risk exposure is surpassed, insurers seek reinsurance.

Reinsurance and retrocession function independently from the direct insurance relationship. Even if a policyholder is aware that their insurer has transferred all assumed risks to a reinsurer, this does not establish any direct rights over the reinsurer for the insured. The relationship between the insured and the reinsurer remains indirect, regardless of the extent of risk absorbed by the reinsurer.

This scenario may change with the development of Letra de Risco de Seguro — LRS, governed by CNSP Resolution 453, an instrument similar to Insurance-Linked Securities, which was established under Law No. 14,430/2022. Although the law has been in force for two years, the first authorizations for special purpose insurers to issue these bonds were only granted at the end of 2024. Consequently, we can expect significant impacts on reinsurance in the coming years, both for insurers and reinsurers ceding risks through these instruments.

Historically, the Instituto de Resseguros do Brasil (IRB) held a monopoly on reinsurance in Brazil from 1939 until 2007 when Complementary Law 126 was enacted. Today, registering as a reinsurer involves fulfilling various legal and regulatory criteria, including meeting a minimum capital requirement as specified in pertinent regulations. The management of funds and technical provisions by local reinsurers adheres to guidelines set by the National Monetary Council and the investment criteria outlined by the CNSP for companies under SUSEP supervision.

CNSP Resolution 451/2022 encompasses regulations on: (i) reinsurance and retrocession cessions and acceptances, including their intermediation; (ii) coinsurance; (iii) foreign currency transactions; and (iv) insurance policies taken out in foreign jurisdictions. Concurrently, SUSEP Circular No. 683/2022, was issued, detailing operating procedures from Complementary Law No. 126/2007. This includes guidelines for: (i) prioritizing local reinsurers in risk provision; (ii) validating the inadequate capacity offering by local and international reinsurers for risk transfer to unauthorized reinsurers; and (iii) taking out insurance policies in foreign countries.

Taxation of insurance and reinsurance in Brazil

In Brazil, insurers and local reinsurers are subject to the same general taxes and social contributions as other companies, including Income Tax (IR), Social Contribution on Net Profits (CSLL), and PIS/Cofins. Under the tax reform enacted by Constitutional



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Amendment No. 132/2023 and subsequent regulation, PIS/Cofins applies through 31 December 2026 and migrates to the new federal Contribution on Goods and Services (CBS) from 1 January 2027 under a specific sector regime for financial services, insurance and reinsurance. The reform also contemplates a 60% reduction of the reference CBS rate for private health plans and medical devices, with sector - specific rules on tax base and credits.

A key tax for these sectors is the Tax on Financial Operations (IOF), as detailed in the National Tax Code, which is levied on various business operations such as credit, foreign exchange transactions, investments and is also applied to the total value of the premiums received, currently applies to insurance premiums, with rates and exemptions defined in the regulation. In 2025, executive decrees attempted to modify certain IOF parameters, but their effects were halted by congressional and judicial measures. In practice, the prevailing framework for insurance continues to be that of Decree No. 6,306/2007. As an operational matter, market-standard references remain:

- (i) 0% for the specific cases listed in the regulation (including reinsurance)
- (ii) 0.38% for insurance of persons (e.g., life and personal accident) and for mandatory personal injury traffic coverage.
- (iii) 2.38% for private health plans.
- (iv) 7.38% for most other nonlife lines, subject to the exact policy classification under the decree.
- (v) 3.5% for outgoing transactions

Furthermore, certain other issues merit more detailed analysis:

Reform timeline - IOF phaseout and CBS/IBS rollout: Under the consumption tax reform, IOF on insurance is scheduled to be eliminated as of 1 January 2027, with sectoral taxation shifting primarily to CBS (federal) and, as applicable, to the state/municipal dual VAT (IBS) under a dedicated regime for financial services, insurance and reinsurance. The legislative materials issued during the reform's regulation stage confirm this timing and the sector specific design, while 2026 functions as an operational transition year for the new system.

PIS/Cofins case law and migration to CBS: Until CBS takes effect, courts have upheld PIS/Cofins on insurers' own revenues, and Superior Court of Justice precedents have treated the financial income from technical reserves as part of the contributions' tax base for sector entities. From 1 January 2027, PIS/Cofins is consolidated into CBS, with the sector migrating to the new specific regime noted above.

Bottom line for pricing and compliance (2026): For policies incepting through 31 December 2026, apply the IOF framework of Decree No. 6,306/2007, observing the product-specific rates and any zero rate or exemption cases defined therein, and the SPVAT-specific IOF rule where relevant. From 1 January 2027, factor in the extinction of IOF on insurance operations and the commencement of CBS under the sector's specific regime, including the 60% rate reduction for private health plans.

Insurance and reinsurance dispute resolution in Brazil

In Brazil, insurance and reinsurance disputes are primarily adjudicated within the local state justice system, adhering to the guidelines set by the Civil Procedural Code. Federal courts have jurisdiction only over specific cases, particularly those involving a federal public entity.

The judicial system is structured across several levels:

First Instance: Individual judges make decisions on claims at this level.

Courts of Appeal: Serving as second-instance courts, they generally review appeals with a three-judge panel. This can extend to five judges if needed to overturn a first-instance decision by majority vote.

Higher Courts: Appeals against decisions of the Courts of Appeal that conflict with Federal Law or the Constitution are escalated to the Superior Court of Justice (STJ) or the Supreme Court (STF). These courts focus exclusively on legal interpretations and do not reassess facts or contractual clauses.

Insurance disputes are predominantly settled in state civil courts, with a few exceptions:

- (i) **Federal Jurisdiction Cases:** Disputes involving federal government bodies, including agencies and state-controlled companies.
- (ii) **Small Claims Courts:** For less complex disputes involving amounts up to 40 times the minimum monthly wage (currently BRL 1,621), plaintiffs can opt to file in small claims courts.

Arbitration plays a significant role in the resolution of large-risk insurance contract disputes in Brazil. Governed by the specific Arbitration Law (Law No. 9.307/1996), its practice is firmly entrenched within the Brazilian legal framework. This alternative dispute resolution approach is chosen for its efficiency and adeptness in handling intricate matters related to insurance and reinsurance.

Additionally, it is not unusual for disputes involving contracts executed in Brazil or involving Brazilian companies to be settled through international arbitration, highlighting its cross-border applicability and recognition in the global legal landscape.

From the enactment of Law No. 15,040, some of these aspects will be modified. It is worth highlighting some of the key points:



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(i) *Jurisdiction*: The jurisdiction of Brazilian courts is mandatory for resolving disputes related to insurance contracts governed by the law. This applies to contracts entered into by insurers authorized to operate in Brazil when the policyholder or applicant resides in Brazil or when the insured assets and interests are located in Brazil. Since this is a matter of mandatory jurisdiction, it cannot be altered.

(ii) *Arbitration*: Additionally, disputes may be resolved through alternative means, as long as agreed upon in a document signed by the parties. This resolution must take place in Brazil and be governed by Brazilian law, including through arbitration. This rule is not applicable to reinsurance contracts.

(iii) *Venue*: The proper venue for insurance-related actions is the domicile of the policyholder or beneficiary, unless they choose to file the action in any of the domiciles of the insurer or its agents.

(iv) *Disputes between insurers, reinsurers, and retrocessionaires*.

For judicial disputes and arbitrations involving these parties and discussing themes related to insurance contracts governed by Law No. 15,040/2024, the venue will be the domicile of the entity in Brazil.

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Complaints Procedure

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