

Joint Statement On Upcoming Signature of the Bilateral Agreement Between The European Union and The United States of America on Prudential Measures Regarding Insurance and Reinsurance

September 22, 2017

WASHINGTON/BRUSSELS - “The United States and European Union are pleased to announce the upcoming signature of the EU - U.S. agreement on prudential insurance and reinsurance measures (“the Agreement” hereafter) that will take place on the afternoon of Friday, September 22. Both sides announced on 14 July 2017 their intention to sign the Agreement.

The Agreement represents a major step forward in U.S. - EU cooperation on insurance and reinsurance, conveying benefits to EU and U.S. insurers and reinsurers operating across the Atlantic, by offering them enhanced regulatory certainty, while maintaining robust consumer protections.

The Agreement – which is a ‘covered agreement’ in the meaning of the Dodd-Frank Act for the United States and an Agreement under Article 218 of the Treaty on the Functioning of the European Union for the EU – addresses three areas of prudential insurance oversight: (1) reinsurance; (2) group supervision; and (3) the exchange of insurance information between supervisors.

With regard to reinsurance, the Agreement will lead to the elimination of collateral and local presence requirements for EU and U.S. reinsurers operating in each other's markets.

Regarding group supervision, by virtue of the Agreement, U.S. and EU insurers operating in the other’s markets will only be subject to worldwide prudential insurance group oversight by supervisors in their home jurisdiction.

The Agreement also encourages insurance supervisory authorities in the United States and the EU to continue to exchange supervisory information on insurers and reinsurers that operate in

the U.S. and EU markets. To support such information exchange between supervisory authorities, the Agreement includes model information sharing memorandum of understanding provisions.

The United States and the EU look forward to successful implementation of the Agreement, including through the Joint Committee established by the Agreement. The Agreement provides meaningful benefits for U.S. and EU insurance consumers and for U.S. and EU insurers and reinsurers that operate in both markets. The Parties will now move forward to provisional application in accordance with the Agreement. The European Union will also follow the necessary steps, involving the Council and the European Parliament pursuant to the Treaty on the Functioning of the European Union, to formally conclude the Agreement.

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