INDUSTRY TRADES VOICE SUPPORT FOR COVERED AGREEMENT

Washington, D.C., – In a letter to Treasury Secretary Steven Mnuchin, four insurance industry trades reiterated their strong support for the Covered Agreement that was recently negotiated by the U.S. and EU that resolved significant prudential insurance and reinsurance matters.

To summarize, the Agreement:

- Affirms the U.S. integrated system of insurance regulation, including the state role and approach as the primary regulators of insurance business;
- Allows U.S. reinsurers to conduct business on a cross-border basis throughout the EU from their U.S. operations;
- Ensures the EU will not attempt to subject U.S. holding companies (or other U.S. entities) that are “upstream” from their EU entities to Solvency II’s standards.

Frank Nutter, president of the Reinsurance Association of America, commented, “We urge Secretary Mnuchin to support and sign the Agreement as negotiated. It is a significant win for U.S. state-based regulators and for U.S. insurers and reinsurers. The Agreement makes U.S. companies competitive in the EU and supports the U.S. argument that that international regulatory bodies must recognize the strength and structure of the U.S. insurance regulatory system.”

The Reinsurance Association of America (RAA) is the leading trade association of property and casualty reinsurers doing business in the United States. RAA membership includes reinsurance underwriters and intermediaries licensed in the U.S. and those that conduct business on a cross-border basis. The RAA represents its members before state, federal and international bodies.