WASHINGTON, DC (September 22, 2017) – Today, the Treasury Department and the United States Trade Representative signed the Covered Agreement with the European Union. Frank Nutter, president of the Reinsurance Association of America, said, “We commend the Administration for executing the Agreement. It is a significant milestone and one that recognizes the strength of the U.S. state-based regulatory system and formalizes the strong regulatory cooperation between the U.S. and the European Union on insurance and reinsurance issues. Importantly, the U.S. and European Union have established a model of regulatory cooperation between well-regulated jurisdictions that others should follow.”

The Covered Agreement enhances the ability of U.S. companies to do business in the EU by eliminating collateral and local presence requirements for qualified reinsurers and meaningfully streamlining group supervision requirements for insurers and reinsurers operating in both jurisdictions.

Specifically, 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;
- Ensures the EU will not enforce Solvency II standards for U.S. holding companies that are “upstream from their European operations.”

Tracey Laws, General Counsel of the RAA, commented, “This Agreement is an important regulatory development in enhancing the competitiveness of U.S. companies doing business internationally. We appreciate the efforts of the U.S. and EU officials who successfully negotiated the Agreement.”

The Reinsurance Association of America is the leading trade association of property and casualty reinsurers doing business in the United States. RAA membership is diverse, including 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.