



For Immediate Release
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PRESS RELEASE

TABC Welcomes U.S.-EU Agreement Permitting Continued Access to EU Market for U.S. Insurers and Reinsurers

Washington, D.C. – The Trans-Atlantic Business Council (TABC) is pleased that the Obama Administration today submitted to Congress, pursuant to the requirements under the Dodd-Frank Act, the legal text of an agreement “that will ensure ongoing robust insurance consumer protection and provide enhanced regulatory certainty for insurers and reinsurers operating in both the U.S. and the EU.” [See: <https://www.treasury.gov/press-center/press-releases/Pages/jl0706.aspx>]

This agreement results from protracted, detailed negotiations between the two parties aimed at ensuring that the U.S. insurance and reinsurance industries are deemed equivalent to the new prudential provisions implemented by the EU on January 1, 2016, under the Solvency II Directive.

Solvency II is an EU Directive that harmonizes (replacing 14 different EU insurance directives) EU insurance regulation and addresses the amount of capital that EU insurance companies must hold to reduce risk of insolvency. As well as disclosing capital and risk frameworks, they are also required to demonstrate how the directive’s principles are embedded into their business. Its key policy objectives are improved consumer protection, modernized supervision, deepened EU market integration, and increased international competitiveness of EU insurers. To ensure continued market access in the EU for U.S insurers and reinsurers, a negotiated agreement was needed that would confirm that the U.S. providers are deemed equivalent to EU providers under Solvency II’s prudential provisions.

TABC Director-General/CEO Tim Bennett stated that “TABC now hopes that the EU will move expeditiously under its appropriate procedures to approve and permit formal signing of the agreement. The agreement will prevent this regulatory issue from becoming a possible trade dispute confronting the incoming U.S. Administration. It is also a concrete example of the importance of U.S.-EU regulatory cooperation.”

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The Trans-Atlantic Business Council (TABC) is the only truly transatlantic business association representing both European and American companies on international trade, investment, and regulatory issues impacting the transatlantic business environment. TABC provides the platform for development of common public policy positions and serves as the interlocutor between EU and U.S. government officials, legislators, the business community, and the broader public on these policy recommendations. TABC works with companies across multiple sectors and policy levels, including the strategic level with the Trans-Atlantic Business Dialogue (TABD), a program which brings together high level executives and government officials.

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