



BUSINESSEUROPE



November 11, 2011

Mr. Karel De Gucht  
Commissioner for Trade  
European Commission  
B-1049 Brussels

Mr. Michael Froman  
Deputy Assistant to the President  
The White House  
Washington, DC

Dear Mr. Froman and Commissioner De Gucht:

Ahead of the upcoming Transatlantic Economic Council (TEC) meeting at the end of November, we write to request that one of the outcomes from the meeting be a reinvigorated commitment to deliver progress on regulatory cooperation important to the insurance industry on both sides of the Atlantic.

At the May 2008 meeting of the TEC, a political commitment was made to address both existing and emerging regulatory challenges that inhibit the development of a more open, competitive, and appropriately regulated insurance market. The TEC's joint statement read:

“We have urged our financial market regulators to make significant strides by the end of 2008 to identify the steps that need to be taken to create a true level playing-field for EU and U.S. insurance companies in each other's jurisdictions.”

Since then much has transpired. Regulators in the U.S. and EU have engaged productively in dialogue more frequently as the financial crisis has caused them to pause and think more about the interconnected and global nature of today's financial markets. Issues of solvency, group supervision, and resolution, particularly of internationally active insurance

groups, have been at the forefront of the discussion. This has led to a robust dialogue regarding common standards to regulate insurance groups, including accounting and capital standards as well as discussions regarding the ability to share confidential information cross-border and, importantly, consideration of assessing a regulatory system for equivalence with international standards.

With the passage of Dodd-Frank legislation and the establishment of EIOPA in Europe, the dynamic of these transatlantic conversations has changed. The United States now has a Federal Insurance Office (FIO) at the U.S. Department of Treasury which is authorized to, among other things; represent the U.S. Government internationally on insurance issues. Therefore, we ask that the statement coming out of the TEC this November underscore the importance of creating a level-playing field for insurance and empowerment of the U.S.-EU insurance dialogue. That dialogue should be led in the U.S. by the FIO, in cooperation and coordination with the state level prudential insurance regulators and the NAIC, and in Europe by DG Market for the European Commission, working in concert with EIOPA representing its member state regulators. The TEC should also request periodic reports as to the state of play of the discussions and the progress being made as well as direct the dialogue to engage with stakeholders.

The size as well as the number of insurance companies operating in both markets requires the establishment of compatible regulatory regimes. The opportunity to achieve success is real, but a sustained political commitment from the TEC is necessary to ensure that the U.S.-EU insurance dialogue establish concrete milestones. Therefore, we ask that the issue of insurance regulatory cooperation remain on the TEC agenda and that the November meeting reinvigorate the political commitment to the issue as well as position the FIO to lead on behalf of the United States.

Sincerely,

American Council of Life Insurers  
BUSINESSEUROPE  
CEA, the European insurance and reinsurance federation  
U.S. Chamber of Commerce

Cc: Commissioner Michel Barnier  
Director Michael McRaith