Basic information

2017/0075(NLE) NLE - Non-legislative enactments	Procedure completed
EU/USA bilateral agreement on prudential measures regarding insurance and reinsurance **Subject** 2.50.05 Insurance, pension funds 6.20.03 Bilateral economic and trade agreements and relations **Geographical area** United States	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	GUALTIERI Roberto (S&D)	29/05/2017
	Shadow rapporteur BALZ Burkhard (PPE) TREMOSA I BALCELLS Ramon (ALDE) VIEGAS Miguel (GUE/NGL) GIEGOLD Sven (Verts/ALE) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	The committee decided not to give an opinion.	

Council of the European Union

European Commission

Commission DG	Commissioner
Financial Stability, Financial Services and Capital Markets Union	DOMBROVSKIS Valdis

Key events

Date	Event	Reference	Summary

04/04/2017	Preparatory document	COM(2017)0164	Summary
23/05/2017	Legislative proposal published	08054/2017	Summary
05/10/2017	Committee referral announced in Parliament		
24/01/2018	Vote in committee		
29/01/2018	Committee report tabled for plenary, 1st reading/single reading	A8-0008/2018	Summary
01/03/2018	Decision by Parliament	T8-0045/2018	Summary
01/03/2018	Results of vote in Parliament		
20/03/2018	Act adopted by Council after consultation of Parliament		
20/03/2018	End of procedure in Parliament		
06/04/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/0075(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legal basis	Treaty on the Functioning of the European Union TFEU 218-p6a Treaty on the Functioning of the European Union TFEU 207
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/09697

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE613.437	13/11/2017	
Committee report tabled for plenary, 1st reading/single reading		A8-0008/2018	29/01/2018	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0045/2018	01/03/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Legislative proposal	08054/2017	23/05/2017	Summary
Document attached to the procedure	08065/2017	23/05/2017	

European Commission

Document type	Reference	Date	Summary

Preparatory document	COM(2017)0164	04/04/2017	Summary
Document attached to the procedure	COM(2017)0165	04/04/2017	
Document attached to the procedure	COM(2017)0499	10/09/2017	

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2018/0539 OJ L 090 06.04.2018, p. 0036	Summary

EU/USA bilateral agreement on prudential measures regarding insurance and reinsurance

2017/0075(NLE) - 01/03/2018 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 563 votes to 46, with 17 abstentions, a legislative resolution on the draft Council decision on the conclusion of the Bilateral Agreement between the European Union and the United States of America on prudential measures regarding insurance and reinsurance.

The European Parliament **gave its consent** to the conclusion of the agreement.

The agreement aims to enhance regulatory certainty in the application of insurance and reinsurance regulatory frameworks for insurers and reinsurers operating in the Union and the United States of America.

EU/USA bilateral agreement on prudential measures regarding insurance and reinsurance

2017/0075(NLE) - 23/05/2017 - Legislative proposal

PURPOSE: to approve the conclusion of the Bilateral Agreement between the European Union and the United States of America on prudential measures regarding insurance and reinsurance.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: the Bilateral Agreement between the European Union and the United States of America on prudential measures regarding insurance and reinsurance was signed subject to its conclusion at a later date.

The Agreement must now be approved.

CONTENT: the draft Council Decision seeks to approve, on behalf of the Union, the **Bilateral Agreement between the European Union and the United States of America on prudential measures regarding insurance and reinsurance**.

The conclusion of the Agreement shall:

- lead to enhanced regulatory certainty in the application of insurance and reinsurance regulatory frameworks for insurers and reinsurers operating in the Union and the United States of America;
- improve protection for policyholders and other consumers through cooperation between supervisors on the exchange of information.

For further details on the content of the Agreement, please refer to the summary of the Commission's initial legislative proposal dated 4.4.2017.

EU/USA bilateral agreement on prudential measures regarding insurance and reinsurance

2017/0075(NLE) - 04/04/2017 - Preparatory document

PURPOSE: to conclude, on behalf of the European Union, the Bilateral Agreement between the European Union and the United States of America on prudential measures regarding insurance and reinsurance.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act

BACKGROUND: on 21 April 2015, the Council authorised the Commission to start negotiations with the United States of America for the conclusion of an Agreement on insurance and reinsurance.

The Commission negotiated a Bilateral Agreement with the US on **prudential measures** regarding insurance and reinsurance in the course of 2016.

The conclusion of the Agreement will lead to:

- **enhanced regulatory certainty** in the application of insurance and reinsurance regulatory frameworks for insurers and reinsurers operating in the European Union and the United States of America;
- **improved policy-holders and other consumers' protection** through cooperation between supervisors on the exchange of information.

It is now necessary to approve this Agreement on behalf of the European Union.

CONTENT: this proposal for a Council Decision constitutes the legal instrument for the conclusion of the **Bilateral Agreement between the European Union and the United States of America** on prudential measures regarding insurance and reinsurance.

The Agreement sets out the **conditions for group supervision in both Parties of their respective insurance and reinsurance groups**:

- reinsurers of one Party operating in the other Party will not be subjected to any requirement to post collateral or to establish a branch or subsidiary, if they meet the prudential conditions laid down in the Agreement;
- insurance groups of one Party operating in the other Party which meet the conditions will not be subjected to a requirement to carry out a group solvency calculation for their worldwide activities nor to other aspects of group supervision for their worldwide activities.

Supervisors can exercise group supervision on groups established within the territory of their Party, and can **require information** to be provided about worldwide activities which risk seriously harming policy-holders in their jurisdiction or threatening financial stability.

The Agreement:

- lays down the prudential conditions to be applied for the removal of local presence and collateral requirements for reinsurers regulated and supervised in the other Party;
- contains provisions and, in an annex, a model memorandum of understanding for the **exchange of information** between supervisory authorities in the EU and the US;
- provides for the setting up of a **Joint Committee** to discuss the application and implementation of the Agreement as well as the possibility for the Parties to amend or terminate the Agreement.

Full application of every Article of the Agreement, which starts on either the date 60 months following the date of signature of the Agreement, or the date of entry into force of the Agreement, whichever is later. Where entry into force of the Agreement is prior to the date 60 months following signature of the Agreement, certain parts of the Agreement start to apply on earlier dates. Certain parts of the Agreement shall apply provisionally before the entry into force of the Agreement.

EU/USA bilateral agreement on prudential measures regarding insurance and reinsurance

2017/0075(NLE) - 04/04/2017

PURPOSE: to conclude, on behalf of the European Union, the Bilateral Agreement between the European Union and the United States of America on prudential measures regarding insurance and reinsurance.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act

BACKGROUND: on 21 April 2015, the Council authorised the Commission to start negotiations with the United States of America for the conclusion of an Agreement on insurance and reinsurance.

The Commission negotiated a Bilateral Agreement with the US on **prudential measures** regarding insurance and reinsurance in the course of 2016.

The conclusion of the Agreement will lead to:

- **enhanced regulatory certainty** in the application of insurance and reinsurance regulatory frameworks for insurers and reinsurers operating in the European Union and the United States of America;
- **improved policy-holders and other consumers' protection** through cooperation between supervisors on the exchange of information.

It is now necessary to approve this Agreement on behalf of the European Union.

CONTENT: this proposal for a Council Decision constitutes the legal instrument for the conclusion of the **Bilateral Agreement between the European Union and the United States of America** on prudential measures regarding insurance and reinsurance.

The Agreement sets out the **conditions for group supervision in both Parties of their respective insurance and reinsurance groups**:

- reinsurers of one Party operating in the other Party will not be subjected to any requirement to post collateral or to establish a branch or subsidiary, if they meet the prudential conditions laid down in the Agreement;
- insurance groups of one Party operating in the other Party which meet the conditions will not be subjected to a requirement to carry out a group solvency calculation for their worldwide activities nor to other aspects of group supervision for their worldwide activities.

Supervisors can exercise group supervision on groups established within the territory of their Party, and can **require information** to be provided about worldwide activities which risk seriously harming policy-holders in their jurisdiction or threatening financial stability.

The Agreement:

- lays down the prudential conditions to be applied for the removal of local presence and collateral requirements for reinsurers regulated and supervised in the other Party;
- contains provisions and, in an annex, a model memorandum of understanding for the **exchange of information** between supervisory authorities in the EU and the US;
- provides for the setting up of a **Joint Committee** to discuss the application and implementation of the Agreement as well as the possibility for the Parties to amend or terminate the Agreement.

Full application of every Article of the Agreement, which starts on either the date 60 months following the date of signature of the Agreement, or the date of entry into force of the Agreement, whichever is later. Where entry into force of the Agreement is prior to the date 60 months following signature of the Agreement, certain parts of the Agreement start to apply on earlier dates. Certain parts of the Agreement shall apply provisionally before the entry into force of the Agreement.

EU/USA bilateral agreement on prudential measures regarding insurance and reinsurance

2017/0075(NLE) - 29/01/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Roberto GUALTIERI (S&D, IT) on the draft Council decision on the conclusion of the Bilateral Agreement between the European Union and the United States of America on prudential measures regarding insurance and reinsurance.

The committee recommended the European Parliament to **give its consent** to the conclusion of the agreement.

The objective of the agreement is to enhance regulatory certainty in the application of insurance and reinsurance regulatory frameworks for insurers and reinsurers operating in the Union and the United States of America.

EU/USA bilateral agreement on prudential measures regarding insurance and reinsurance

2017/0075(NLE) - 20/03/2018 - Final act

PURPOSE: to approve the conclusion of the Bilateral Agreement between the European Union and the United States of America on prudential measures regarding insurance and reinsurance.

NON-LEGISLATIVE ACT: Council Decision (EU) 2018/539 on the conclusion of the Bilateral Agreement between the European Union and the United States of America on prudential measures regarding insurance and reinsurance.

CONTENT: with this Decision, the Council approved, on behalf of the Union, the Bilateral Agreement between the European Union and the United States of America on prudential measures regarding insurance and reinsurance. In accordance with Council Decision (EU) 2017/1792, the Agreement had been signed on 22 September 2017.

The Agreement:

- sets out the conditions for **group supervision in both Parties** of their respective insurance and reinsurance groups:
- lays down the prudential conditions to be applied for the **removal of local presence and collateral requirements for reinsurers** regulated and supervised in the other Party;
- contains provisions and, in an annex, a model memorandum of understanding for the exchange of information between supervisory authorities in the EU and the US;

With regard to **group supervision**, the main points are as follows:

- reinsurers of one Party operating in the other Party will not be subjected to any requirement to **post collateral or to establish a branch** or subsidiary, if they meet the prudential conditions laid down in the Agreement;
- insurance groups of one Party operating in the other Party, which meet the conditions, will not be subjected to a requirement to carry out a **group solvency calculation** for their worldwide activities nor to other aspects of group supervision for their worldwide activities.
- supervisors can exercise group supervision on groups established within the territory of their Party, and can require information to be provided about worldwide activities that **risk seriously harming policyholders in their jurisdiction** or threatening financial stability, or seriously harm the capacity to pay claims.

The conclusion of the Agreement will lead to enhanced regulatory certainty in the application of insurance and reinsurance regulatory frameworks for insurers and reinsurers operating in the Union and the United States of America as well as to improved protection for policyholders and other consumers through cooperation between supervisors on the exchange of information.

Lastly, the Agreement provides for the setting up of a **Joint Committee** to discuss the application and implementation of the Agreement as well as the possibility for the Parties to amend or terminate the Agreement. **The Commission shall represent the Union** within the Joint Committee, after having heard the views of the Council working party on financial services, and shall inform that working party, whenever appropriate and at least on a yearly basis, of the progress made in the implementation of the Agreement.

ENTRY INTO FORCE: 20.3.2018. The Agreement shall enter into force seven days after the date the Parties exchange written notifications certifying that they have completed their respective internal requirements and procedures.