








Procedure file

Basic information		
NLE - Non-legislative enactments	2017/0075(NLE)	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
	 Economic and Monetary Affairs	 GUALTIERI Roberto	29/05/2017
		Shadow rapporteur	
		 BALZ Burkhard	
		 BALCELLS Ramon	
		 GIEGOLD Sven	
		 KAPPEL Barbara	
	Committee for opinion	Rapporteur for opinion	Appointed
	 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			
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	Results of vote in Parliament		

01/03/2018	Decision by Parliament	T8-0045/2018	Summary
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 EU TFEU 218-p6a; Treaty on the Functioning of the EU TFEU 207
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/09697

Documentation gateway

Document attached to the procedure	COM(2017)0165	04/04/2017	EC	
Preparatory document	COM(2017)0164	04/04/2017	EC	Summary
Legislative proposal	08054/2017	23/05/2017	CSL	Summary
Document attached to the procedure	08065/2017	23/05/2017	CSL	
Document attached to the procedure	COM(2017)0499	10/09/2017	EC	
Committee draft report	PE613.437	13/11/2017	EP	
Committee report tabled for plenary, 1st reading/single reading	A8-0008/2018	29/01/2018	EP	Summary
Text adopted by Parliament, 1st reading/single reading	T8-0045/2018	01/03/2018	EP	Summary

Final act

[Decision 2018/539](#)
[OJ L 090 06.04.2018, p. 0036](#) Summary

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

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

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 Commissions initial legislative proposal dated 4.4.2017.

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

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

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

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.