

APREF Press Release

APREF, the French Association of Professional Reinsurers, welcomes the conclusion of a Covered Agreement between the European Union and the United States

Reinsurance professionals in France, through their association APREF, are delighted with the conclusion of a Covered Agreement between the European Union and the United States on insurance and reinsurance regulation.

Based on the mutual recognition of prudential systems and cooperation between supervisory authorities, the agreement sets out a clear and equitable framework for European and American reinsurers operating on both sides of the Atlantic.

This agreement equalizes conditions of competition between foreign and domestic reinsurers. Its implementation would thus lead to the removal of specific requirements for reinsurers, such as maintaining collateral or a local presence, thereby avoiding duplication in the host jurisdiction of the group supervision conducted in the home jurisdiction.

It will thus contribute to better protection for insureds and help to reduce the cost of cover. This agreement will preserve the solvency and strength of insurance and reinsurance companies, which are already subject to strict prudential regimes on each side of the Atlantic, and will facilitate the exchange of information between regulators.

APREF had already published a press release urging the conclusion of the Covered Agreement on 13 December 2016, in association with the principal US organisations. APREF would like to congratulate the various negotiators involved, particularly the European Commission and the Federal Insurance Office¹, on the outcome of these negotiations, and calls for the rapid implementation of this agreement.

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