

U.S.-EU Dialogue Project Update April 2013

In early 2012, the NAIC, the Federal Insurance Office (FIO), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Commission (EC) initiated a U.S.-EU Dialogue Project (Project) led by a Steering Committee to deepen insight into the overall design, function and objectives of the key aspects of the insurance regulatory regimes in the U.S. and EU, and to identify important characteristics of both regimes. This Project led to a fact-based report being released in December 2012 entitled “EU-U.S. Dialogue Project Technical Committee Reports Comparing Certain Aspects of the Insurance Supervisory and Regulatory Regimes in the European Union and the United States” that identifies areas of alignment and differences between the two regulatory systems in certain key areas of insurance regulation. The report represents an important step forward on the path toward greater mutual understanding and cooperation. Based on the report, the Steering Committee also agreed on a “Way Forward” plan, which outlines common objectives and initiatives for the parties to pursue over the next five years. The full report and the Way Forward document can be found on the NAIC website at http://www.naic.org/committees_g.htm.

The Steering Committee recently met in Basel on March 21st and agreed on the outlines of a high level work plan for the next five years. The parties agreed on a prioritization of objectives and a schedule for the implementation of the initiatives described in the “Way Forward” document. The parties agreed to move forward in 2013 on those initiatives relating to professional secrecy/ confidentiality and reinsurance and collateral requirements, as well as to begin work on some other initiatives pertaining to solvency and capital requirements, group supervision and on-site examination practices. The Steering Committee anticipates a public forum in late 2013 to report on the year's achievements, to launch collaborative work on supervisory colleges, and to give stakeholders an opportunity to share their thoughts on best practices and experiences regarding supervisory cooperation and coordination. Many of the initiatives are being undertaken or will be undertaken through the NAIC committee process.

For more than a decade, the NAIC and state insurance regulators have regularly taken part in on-going U.S.-EU insurance regulatory dialogues on various topical issues of mutual regulatory concern. These recurring dialogues have been important to building relationships and fostering mutual understanding between our respective jurisdictions, and the Project has helped to establish a stronger basis on which to build new cooperation efforts.

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