To: Qualified Jurisdiction (E) Working Group Members, Interested Regulators and Interested Parties

From: Brett Barratt (UT)

Chair, Qualified Jurisdiction (E) Working Group

Re: Survey on the Effect of Qualified Jurisdictions’ Implementation of Solvency II

##### Date: November 1, 2016



**Background and Purpose of Survey**

The European Union’s Directive 2009/138/EC (“Solvency II Directive”) provides for the European Commission (EC) to make “equivalence” determinations for third countries (non-EU jurisdictions) in the areas of reinsurance (Article 172), group solvency (i.e., group capital) (Article 227), and group supervision (Article 260). NAIC members have received reports that Solvency II implementation has imposed restrictions on U.S. insurance companies doing business in certain countries in the EU.

On August 27, 2016, the Reinsurance (E) Task Force directed the Qualified Jurisdiction (E) Working Group to “study and report on EU member state implementation of Solvency II and the potential impact on Qualified Jurisdiction status.” To assist with the determination of whether any action taken by a Qualified Jurisdiction qualifies as a material change in circumstances (i.e., “any material change in the supervisory system that may affect the status of a Qualified Jurisdiction”), in the context of the full outcomes-based evaluation procedure, the Working Group has determined that it should reach out to interested parties for further public comment that is specifically related to the issue of how any particular actions of EU insurance supervisors under Solvency II may affect U.S. (re)insurers.

Any company-specific information included in survey responses will be treated as confidential and regulator-only information. The NAIC may disclose company-specific or other confidential information to state insurance regulators or state and federal regulatory bodies only if necessary and preserved as confidential. A public report, including a summary of the responses and aggregated data, will be provided to the Reinsurance (E) Task Force during the Fall National Meeting.

The attached *Survey on the Effect of Qualified Jurisdictions’ Implementation of Solvency II* is being distributed to regulators (state, federal, and international) and interested parties in order to obtain a better understanding of the effect of Solvency II implementation on U.S. (re)insurers. Information obtained from this survey will be beneficial to the NAIC’s ongoing evaluation of the qualified jurisdictions. A public call of the Qualified Jurisdiction (E) Working Group to discuss the survey responses is tentatively scheduled for Thursday, December 1, 2016.

**Please complete the survey and return your response to NAIC staff, Matthew Todd (**[**mtodd@naic.org**](mailto:mtodd@naic.org)**) or Daniel Schelp (**[**dschelp@naic.org**](mailto:dschelp@naic.org)**) by the close of business Wednesday, November 23, 2016**.

**NAIC Survey on the Effect of**

**Qualified Jurisdictions’ Implementation of Solvency II**

Responses to the survey are not confidential; however, any identifying information provided will be disaggregated by NAIC staff from individual responses and that identifying information will not be released, shared, or published.

**Responder Information**

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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🞎 I am completing this survey on behalf of the following organization and the responses contained herein are the opinions and positions of that organization. (If not applicable, respond not applicable):

Name and address of Organization: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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NAIC number, if applicable: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Demographic Information**

Please mark one of the following categories that best describes you or your organization’s interest in reinsurance collateral amounts:

🞎 State Insurance Regulator

🞎 Federal Agency

🞎 Non-U.S. Governmental Jurisdiction

🞎 U.S. Ceding Insurance Company

🞎 U.S. Reinsurance Company

🞎 Non-U.S. Domiciled Reinsurance Company

🞎 Reinsurance Brokers or Intermediaries

🞎 Consumer Advocate

🞎 Trade Association (please specify): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

🞎 Other Interested Parties (please specify): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Survey Questions**

**Please respond fully to each question. If your response is none or not applicable, please respond none or not applicable.**

1. **For U.S. (Re)insurance Companies:** Please specify whether you are a U.S. licensed and domiciled (re)insurance company that is currently doing (re)insurance business, or intending to pursue such business in the future, in the EU, and specifically France, Germany, Ireland or the United Kingdom (or with companies domiciled in these jurisdictions).

🞎 U.S. reinsurance company

🞎 U.S. insurance company

🞎 Currently doing business in the EU (please specify which country or countries):

🞎 Intending to pursue business in the EU (please specify which country or countries):

1. **For U.S. (Re)insurance Companies:** Has your company received any notification or other communication from any EU-based insurance supervisor restricting your ability to do any (re)insurance business in the EU? Please provide the NAIC with a copy of such notification/communication, which will be kept confidential.

1. **For U.S. (Re)insurance Companies:** Does your company have any concerns that Qualified Jurisdictions’ implementation of Solvency II, or any related regulatory action, will negatively affect your ability to pursue (re)insurance business in the EU? Please provide the NAIC with any comments specifically related to these concerns.

1. **For U.S. Ceding Insurance Companies:** Does your company have any concerns that a termination of the qualified jurisdiction status of France, Germany, Ireland or the United Kingdom will negatively affect your ability to conduct business with reinsurance companies in any of these jurisdictions? Please provide the NAIC with any comments specifically related to these concerns.

1. **For All Responders:** Please provide any other comments you have with respect to (a) the effect of Qualified Jurisdictions’ implementation of Solvency II on U.S. (re)insurance business in the EU or (b) the effect of the termination of the qualified jurisdiction status of France, Germany, Ireland or the United Kingdom on U.S. (re)insurance companies.

**Thank you for completing this survey. Please return your response to NAIC staff, Matthew Todd (**[**mtodd@naic.org**](mailto:mtodd@naic.org)**) or Daniel Schelp (**[**dschelp@naic.org**](mailto:dschelp@naic.org)**) by the close of business Wednesday, November 23, 2016.**