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NAIC Raises Concerns Before Congress on International Insurance Deal

Regulators encourage Congress to reopen covered agreement negotiations

WASHINGTON, D.C. (Feb. 16, 2017) —Ted Nickel, Wisconsin Insurance Commissioner, [testified before Congress](#) today on behalf of the National Association of Insurance Commissioners (NAIC) in opposition to the negotiated covered agreement. The hearing, *Assessing the U.S.-EU Covered Agreement*, was held by the Housing and Insurance subcommittee of the U.S. House Financial Services Committee.

"The NAIC is very concerned with the disparate treatment some EU jurisdictions are imposing on U.S. insurers, and is committed to working with Congress and the administration to address this important issue," testified Nickel, who also serves as NAIC president. "While a covered agreement is one way to resolve these issues, we oppose this one. We urge Congress and the administration, with the direct involvement of the states, to expeditiously reopen negotiations with the EU to reach an agreement which brings finality to these issues, and better protects U.S. consumers, insurers, and the state regulatory system."

A covered agreement is a specific type of international agreement, defined by the Dodd-Frank Act, negotiated jointly by the U.S. Treasury's Federal Insurance Office (FIO) and the United States Trade Representative (USTR) with foreign authorities.

Regulators were told by the negotiators that two goals of the process were to gain equivalence for the treatment of U.S. companies operating in the EU and recognition by the EU of the U.S. regulatory system. Neither was included in the agreement.

"State regulators can support an agreement which achieves clear and permanent mutual recognition for our time-tested U.S. insurance regulatory system, includes meaningful state regulator input and transparency in its drafting and execution, and is unambiguous in its terms and finality," said Nickel. "A renegotiation of the agreement using a better, more transparent process led by an administration that is not in its final days, with the full participation of insurance regulators will lead to a better result for the United States."

About the NAIC

The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S. For more information, visit www.naic.org.



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