

## UPDATE: EU AND US SIGN BILATERAL AGREEMENT ON (RE)INSURANCE PRUDENTIAL MEASURES

On 22 September 2017, the European Commission and the US published a [joint statement](#) to announce that the EU and the US have signed a bilateral agreement (the "**Agreement**") on prudential measures regarding (re)insurance. The Commission has also published a [factsheet](#) containing FAQs on the Agreement.

### BACKGROUND

The Agreement has taken nearly two years to conclude, with negotiations on the terms beginning in November 2015.

In essence, the Agreement makes it easier for EU (re)insurers to operate in the US by progressively removing collateral requirements. US groups active in the EU will not be subject to Solvency II requirements at the level of the ultimate parent undertaking for their non-European activities. Additionally, there will be no more requirements for US reinsurers active in the EU to establish a local presence in the EU.

The joint statement confirms that the EU and the US will now move forward to provisional application in accordance with the Agreement – the consent of the European Council and the European Parliament will be sought and once obtained, the Agreement will apply fully to the EU and US 60 months after signature. However, the Agreement sets out, on a provision-by-provision basis, specific timelines for implementation with some obligations applying from signing, for example, the group supervision provisions and the obligation not to take any measures inconsistent with the Agreement.

To ensure proper implementation of the Agreement, the EU and US will regularly meet within a Joint Committee, although terms of reference, membership and meeting dates are yet to be confirmed.

### FURTHER INFORMATION

For a detailed analysis on the background, terms and implementation of the Agreement and Brexit implications, please refer to our briefing: ["Impact of EU-US bilateral agreement on insurance and reinsurance prudential measures" January 2017.](#)

For an assessment of US reactions to the Agreement and an outlook on EU-US trade implications, please refer to our briefing: ["Update: EU and US to sign EU-US bilateral agreement on insurance and reinsurance prudential measures" July 2017.](#)

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