

### Meeting at the request of Lloyds to discuss insurance in TTIP

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Lloyds is the biggest reinsurers and one of the largest insurers providing services to the US. They offer services only on a cross-border basis and therefore they are affected by the collateral requirement for reinsurance in the US. The US started modernizing their requirements in this respect, which is positive, but at the same time the process will not ensure the level playing field btw the EU and the US for the following reasons:

- The US equivalence process (US: "qualified jurisdiction process") will be performed by NAIC, which cannot bind states, consequently there is a risk of inconsistent implementation,
- Relief from collateral would depend on rating, only AAA reinsurers would be fully relieved from the collateral, Lloyds would be subject to 20% collateral (now 100%),
- Equivalence in the US is a two stage process covering assessment of jurisdictions and then individual companies,
- Equivalence would cover individual MS only and not the EU as a whole.

However, under Dodd-Frank Act, US Treasury and USTR could engage into negotiating a covered agreement, which could bind the US states in a homogeneous way.

US Treasury would make their public position on these issues in the modernization report, which has been delayed for more than two years. [ **NOT RELEASABLE** ]. The report is important because before publishing it, FIO cannot engage on substance on the issue of collateral requirements. Furthermore, according to Lloyds, there is a broad support among the US authorities to modify collateral requirements.

Lloyds did not have any specific advice of how we could proceed with this issue.

[ **NOT RELEASABLE** ]

[ **NOT RELEVANT** ]