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FLWG Model Schedule and Liberalisation of Insurance Services

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FLWG Model Schedule of Insurance Commitments

- What is the aim of the WTO – DDA Round ?
- What is the purpose of the FLWG Model Schedule?
- What is the content of the FLWG Model Schedule ?

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FLWG Model Schedule



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FLWG Model Schedule of Insurance Commitments

Aim of the WTO – DDA Round

inter alia:

- Liberalisation of Trade in Services within the GATS
- including Insurance Services

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FLWG Model Schedule



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FLWG Model Schedule of Insurance Commitments

Aim of the WTO – DDA Round

- if sustainable „development“ is taken seriously within the DDA-negotiations
- then commitments on Liberalisation of Insurance Services must be a goal
- because Insurance is a key factor in economies

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FLWG Model Schedule of Insurance Commitments

How to reach this goal ?

- Individual Liberalisation by Countries
- GATS provides a unique framework

i.e. scheduling

- General Commitments
- Specific Commitments

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FLWG Model Schedule of Insurance Commitments

General Commitments

- Transparency
- Most-favoured nation principle

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FLWG Model Schedule



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FLWG Model Schedule of Insurance Commitments

Specific Commitments

- Market Access
- National Treatment
- Additional Commitments

Content of these commitments has to be scheduled by WTO-Members for each of the 4 modes of supply

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FLWG Model Schedule of Insurance Commitments

Four modes of services' supply

- Cross-border
- Consumption abroad
- Commercial presence
- Temporary presence of natural persons

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FLWG Model Schedule of Insurance Commitments

Purpose of the FLWG Model Schedule

- Guideline for Scheduling Liberalisation Commitments
- Checklist for already scheduled Commitments
- Benchmark for assessing Supervisory Systems
- Background paper for discussions with Trade Negotiators, Insurance Regulators and Supervisors, Governments

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FLWG Model Schedule



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FLWG Model Schedule of Insurance Commitments

Content of the FLWG Model Schedule

- A. Acquired Rights
 - Markets Access**
- B. Cross-border delivery of Reinsurance and MAT
- C. Commercial Presence for all
- D. Temporary Entry of Natural Persons, who are needed
- E. National Treatment

Additional Commitments
Best Practices in Insurance

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FLWG Model Schedule



FLWG Model Schedule of Insurance Commitments

Content of the FLWG Model Schedule

A. Acquired Rights

- Future measures will not reduce or impair the current level of market access and national treatment of foreign insurance services suppliers

FLWG Model Schedule of Insurance Commitments

Content of the FLWG Model Schedule

Markets Access

B. Cross-border delivery of Reinsurance and MAT

- Are to be bound without restrictions to market access
- Elimination of mandatory cession in favour of specific insurer or reinsurer

FLWG Model Schedule of Insurance Commitments

Content of the FLWG Model Schedule

Markets Access

C. Commercial Presence

- foreign (Re-)Insurance suppliers may set up a subsidiary or a branch.
- foreign suppliers can compete for compulsory insurance lines

FLWG Model Schedule of Insurance Commitments

Content of the FLWG Model Schedule

Markets Access

D. Temporary Entry of Natural Persons

- In general, nationality and residency requirements on personnel should be avoided
- temporary visa and work permits shall be provided in a timely manner

FLWG Model Schedule of Insurance Commitments

Content of the FLWG Model Schedule

E. National Treatment

- Foreign (Re-)Insurance suppliers will be treated no less favourably than domestic services suppliers with respect to capital, solvency, reserve, tax and other financial requirements

FLWG Model Schedule of Insurance Commitments

Content of the FLWG Model Schedule

Additional Commitments

Best Practices in Insurance

- Transparency
- Consumer protection through solvency and prudential regulations, not through determination of products or rates
- Insurance monopolies should not compete
- Independant Regulatory Authority

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FLWG Model Schedule of Insurance Commitments

Liberalisation of Insurance Services

can be reached easily

by using the

FLWG Model Schedule

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FLWG Model Schedule



FINANCIAL LEADERS WORKING GROUP

INSURANCE MODEL SCHEDULE

&

BEST PRACTICES

Proposed Model Schedule for future Insurance Commitments by WTO Members

The Proposed Model Schedule is a proposed text for the use of WTO Members in scheduling commitments under the framework of the GATS.

It does not require a new framework of GATS, nor does it require a new annex or a new method of scheduling commitments under the GATS.

It is suggested as a desirable text to be used not only when Members schedule new commitments, but also for Members who have already made commitments as described in each item of the text.

The document can be obtained from Mr. Jürgen Huppenbauer (Politik/Internationale Beziehungen, GDV, Friedrichstrasse 191, DE – 10117 Berlin)

The Model Schedule was published on 19 October 2001.

The insurance associations subscribing to the Model Schedule include associations from all the Quad countries (Canada, the European Union, Japan and the United States). The full list of subscribing associations is as follows: American Council of Life Insurers, Reinsurance Association of America, American Insurance Association, International Insurance Council, Council of Insurance Agents and Brokers, Bureau International des Producteurs d'Assurances et de Réassurances (BIPAR), the World Federation of Insurance Intermediaries (WFII), the Marine & Fire Insurance Association of Japan, the Canadian Life and Health Insurance Association, the Comité Européen des Assurances (CEA) and its fifteen national member-associations from E.U. member states (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom). In the case of the United Kingdom, the constituent U.K. member of the CEA includes the Association of British Insurers, the International Underwriting Association of London and Lloyd's.