

22 February 2017

Reinsurance Trade Barriers and Market Access Issues Worldwide

I am writing to you on behalf of the Global Reinsurance Forum (GRF). The GRF members are Everest Re, Gen Re, Hannover Re, Lloyd's, MAPFRE Re, Munich Re, Partner Re, Renaissance Re, RGA, SCOR, Swiss Re, Toa Re and XL Catlin. Collectively, GRF members account for more than 65% of global net reinsurance premiums.

The GRF's main objective is to promote a stable, innovative and competitive reinsurance market worldwide. In pursuit of this objective, it produces every six months a table on 'reinsurance trade barriers and market access issues worldwide'. This table, the latest version of which (dated February 2017) is attached, outlines such trade barriers and market issues, both existing and prospective, by jurisdiction. It also outlines changes since the GRF's last report on this subject, dated August 2016.

It is very disappointing to report that, subject to exceptions, the overall trend is one of increase in the number and extent of reinsurance trade barriers worldwide. This has been the pattern in previous GRF reports on this topic too.

Whilst disappointing, this trend is perhaps not altogether surprising given a noticeable political shift towards protectionist rhetoric in some countries, which naturally tends to precede the enactment of protectionist measures themselves.

The GRF remains of the view that trade barriers undermine the efficiency of reinsurance markets and reduce competition, leading to reduced customer choice, higher reinsurance costs and less capacity over the long-term horizon. Growing protectionism is a particularly unfortunate trend at a time when, as research consistently shows, there remains a huge and persistent gap between the levels of economic losses experienced (particularly following catastrophes) and insured levels worldwide.

Together with others in the industry, the GRF proposes to continue to raise the profile of this issue and to press for a reversal of this trend. Indeed, the GRF participated in a GFIA (Global Federation of Insurance Associations) Panel on 'the benefits of cross-border reinsurance' at the IAIS Annual Meeting in Asunción in November 2016, with this aim in mind.

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The GRF would be pleased to answer any questions you may have about this report and stands ready to discuss what can be done to effectively counter existing and emerging reinsurance trade barriers and market access issues.

I would welcome any comments you may have on this letter or the attached table.

Yours sincerely



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CEO, Lloyd's