

24 May 2021

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 AXA XL, Gen Re, Hannover Re, Lloyd's, MAPFRE Re, Munich Re, Partner Re, RenaissanceRe, RGA, SCOR, Swiss Re and Toa Re. Collectively, GRF members account for more than 65% of global net reinsurance premiums.

GRF Table of Reinsurance Restrictions and Market Barriers

The GRF's main objective is to promote a stable, innovative and competitive reinsurance market worldwide. In pursuit of this objective, it periodically updates a table on 'reinsurance trade barriers and market access issues worldwide'. This table outlines key trade barriers and market access issues, both existing and prospective, by jurisdiction. It covers more than 50 territories and also highlights the changes since the GRF's last report on this subject, dated December 2020. The most recent version, dated 30 April 2021, is attached to this letter and available on our website www.grf.info.

Previous GRF reports on this topic have recorded gradual increases in the number and extent of reinsurance trade barriers worldwide. This latest report confirms that the current magnitude of this issue worldwide remains very sizeable. To avoid the economic cost of protectionist barriers, it is essential that governments understand the adverse impact of such barriers to cross-border reinsurance and refrain from maintaining or introducing them.

Impact of Reinsurance Trade Barriers

For reinsurance markets to function optimally, they need to be able to pool different forms of catastrophic and non-catastrophic risk drawn from diverse and uncorrelated regions. The GRF remains of the view that trade barriers undermine the efficiency of reinsurance markets and reduce competition, leading to reduced customer choice, higher 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.

Concluding Remarks

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.

Yours sincerely,

Jean-Jacques Henchoz

Chair, Global Reinsurance Forum