I. Executive summary of the types of restrictive reinsurance measures applied by jurisdictions

Global Reinsurance Forum (GRF) members account for more than 65% of global net reinsurance premiums. The GRF believes that positive and significant economic benefits will result from the free global flow of risk through open and competitive reinsurance markets.

During the latest review, the GRF has identified 53 major territories, including regional groupings, which have implemented, are in the process of implementing or are considering implementing, barriers to the transfer of risks through global reinsurance markets. Whilst some jurisdictions have been pursuing liberalisation of their reinsurance markets, it remains concerning to see that significant existing barriers still remain in place and new restrictions to the free flow of reinsurance are being established. Such barriers reduce competition leading to reduced customer choice, higher reinsurance costs and less capacity over the long-term horizon. These reinsurance trade barriers and market access issues include but are not limited to:

- Restrictions on the ability of reinsurers to freely conduct business on a cross-border basis, thus limiting the capacity of global reinsurers to spread risk globally and to prevent domestic concentrations of risk. Varying levels of restriction are witnessed or developing in Australia, Algeria, Argentina, Azerbaijan, Brazil, China, Colombia, Ecuador, Egypt, European Union, Germany, India, Indonesia, Malaysia, Nepal, Netherlands, New Zealand, Nigeria, the Philippines, Singapore, South Africa, South Korea, Tanzania, Thailand, Uganda, Vietnam, Zimbabwe as well as the groupings of other member countries of the African Union and the grouping of the Conférence Interafricaine des Marchés d'Assurances.

- Requirements for reinsurers operating on a cross-border basis to collateralise or localise assets, preventing the global reinsurance market from transferring and spreading risk on the basis of a competitive, level playing field across borders. Such requirements exist or are evolving in jurisdictions including Argentina, Brazil, Canada, China, India, Israel, Portugal, Singapore and the United States.

- Restrictions on foreign ownership of subsidiaries and other barriers to the establishment of branches, subsidiaries and operations. This restricts the ability of reinsurers to deliver their full economic benefit by providing local underwriting expertise and direct services to transfer risk out of domestic markets on an open and competitive basis. Such barriers are present or developing to varying extents in a number of jurisdictions including, but not limited to: Algeria, Argentina, Azerbaijan, Bangladesh, Brazil, Cambodia, China, Egypt, Ethiopia, India, Indonesia, Kenya, Malaysia, Moldova, Myanmar, Nigeria, Russia, Saudi Arabia, United Arab Emirates, Uganda, the United Kingdom, the United States and Zimbabwe.

- The use of discriminatory and anti-competitive mechanisms such as compulsory cessions to domestic entities, systems of 'right of first refusal', and compulsory, subsidized or monopolistic governmental mechanisms limiting the competitive capacity of global reinsurers to operate on a level playing field. Such practices concentrate risk domestically, whilst limiting customer choice, and can be witnessed or are developing to varying degrees in the African Union, Algeria, Argentina, Bangladesh, Belarus, Bhutan, Brazil, Cambodia, China, Colombia, Ecuador, Egypt, Ethiopia, France, Gabon, India, Indonesia, Kenya, Malaysia, Mongolia, Myanmar, Namibia, Nepal, Nigeria, Pakistan, the Philippines, Russia, Saudi Arabia, Senegal, South Korea, Sri Lanka, Sudan, Tanzania, Uganda, Vietnam and elsewhere.