

US-EU Covered Agreement: A Rocky Road to Implementation

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Carlton Fields insurance Shareholder Roland Goss was quoted in the *InsuranceERM* article, “US-EU Covered Agreement: A Rocky Road to Implementation.” Goss discussed the drawn out implementation phase of a covered agreement that will remove \$40 billion of collateral posted by European Union reinsurers in the United States.

The agreement, meant to harmonize collateral regulations between the two regions, requires its provisions to be written into each of the 50 states’ amendments within five years of signing; otherwise, the deal provides authority for U.S. federal powers to pre-empt state rules and pass the necessary legislature.

Though the route of federal preemption is not preferred by either the European Union or the United States, the United States National Association of Insurance Commissioners (NAIC) may not move forward quickly with enforcement. The group continues to reexamine and revise the model laws.

“I am not used to seeing changes to model acts and model regulations giving an NAIC task force the ability to make technical corrections or clarifications, but it looks like the NAIC is pushing forward with the proposed changes to the models,” Goss noted.

[Read the article.](#) (Subscription may be required)

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