



# INTERNATIONAL INSURANCE COUNCIL

May 18, 2001

Ms. Gloria Blue  
Executive Secretary  
TPSC, Office of the USTR  
600 17<sup>th</sup> Street, NW  
Washington, DC 20508

Dear Ms. Blue:

On behalf of the directors and members of the International Insurance Council (IIC), thank you for the opportunity to comment on preparations for the Fourth Ministerial Conference of the World Trade Organization (WTO), in Doha, Qatar, November 9-13, 2001.

The IIC is a trade association whose members generate the majority of U.S. international insurance and reinsurance sales abroad. Our members are licensed in all 50 states and the District of Columbia, and include life and health, property/casualty insurers and reinsurers, pensions and financial management companies, trade associations (the Alliance of American Insurers, Council of Insurance Agents and Brokers and the Reinsurance Association of America), and insurance service providers. Member companies are visible in more than 110 markets and, through the Council, are active in promoting increased trade and investment relations around the world.

We support the initial sectoral proposal on financial services submitted by the USTR to the WTO relative to improving "fundamental liberalization" and regulatory transparency. We have not commented before in writing, but have communicated our position informally to USTR staff. We have done considerable work with our members and other industry trade associations identifying trade barriers in key overseas markets and will provide this information shortly to U.S. negotiators.

We believe that our members and their customers can benefit significantly from further liberalization in financial services sectors worldwide through the launching of a new round of trade negotiations as soon as possible. We applaud Ambassador Zoellick for his remarks this week at the ministerial conference of the Organization for Economic Co-operation and Development in support of launching a global trade liberalization round this year.

Regarding the U.S. proposal, we were pleased to see that it included an attachment on "Transparency and Principles for Regulation of Financial Services". Our members recognize

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that domestic regulatory issues will be an important aspect for an upcoming round of WTO discussions. Moving beyond traditional issue of market access, U.S. insurers are interested in more forward-reaching commitments by governments along the lines of the draft "Model Schedule" which has been proposed by insurers in the U.S., EU and Japan. These proposed new commitments build on existing commitments in the schedules of many countries but would provide greater specificity and predictability to existing market access and national treatment commitments. Also, the proposed new commitments would advance aspects of domestic regulation not addressed by market access or national treatment provisions but which still constitute barriers to full and free market access and fair competition.


Further, we urge you to advocate greater cooperation between the WTO and international financial supervisors' organizations and, particularly, the International Association of Insurance Supervisors (IAIS). We are aware that discussions are taking place within relevant WTO committees on this topic and urge your strong support. Given the reference within the GATS agreement to international organizations and the need to address domestic regulatory issues, we see this step as essential.

Clearly, the support of poorer less-advanced and least-developed countries will be critical to the success of the WTO process and it is important for the U.S. and our trading partners to help these markets acquire the capacity to participate fully in the multilateral trade system. Our members are supportive of technical assistance efforts in these markets and in the past year we have worked with the U.S. government on projects in Brazil, China, Egypt, Malaysia, and Russia. We have also worked with international organizations on projects in Mexico and there have been others, as well. The news this week regarding the U.S. \$1 million contribution to the WTO for technical assistance activities in developing countries is a positive step. We urge the relevant U.S. agencies to work together to coordinate information on both planned technical assistance projects, as well as those already underway. Let us and our members assist both in the coordinating and in carrying out the assistance in the field.

Lastly, while we want to emphasize our support for launching a new round of GATS negotiations, we hope that your efforts do not detract from the importance of finalizing China's access to the WTO. Our industry has diligently supported efforts to promote China's WTO's accession, and China remains the most important international market of opportunity for the financial services industry.

Thank you for the opportunity to comment.

Sincerely yours,

  
Kevin T. Cronin  
President and CEO