

Briefing concerning the Testimony given on 16th June 2009 to US Congress by
Peter Skinner MEP.

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Dear Mr. President,

It was with great pleasure that I was able to represent the Parliament at the USA Congressional Hearing of the 16th of June in Washington. The testimony was given to the hearing on "Systemic risk and Insurance", before the USA House of Representatives Committee on Financial Services Subcommittee on Capital Markets

The late arrival of the invitation and its timing meant that the preparations for this testimony were swifter than I would have wished for.

Background: I am the Rapporteur for the Solvency 2 directive which has recently passed EP Consent (voted in May this year). The Directive deals directly with the issue of third Country Equivalence in relation to the Insurance industry. For this reason there are some overlapping aspects of the development of USA Insurance regulation which the Congressional Committee wished to consider. Chief among these is the on-going and expensive battle between the USA and the State Regulators as to how much capital should be posted by non-USA firms. This has been the centre of a difficult and testy relationship which has left EU companies discriminated against. The Move to invite a European Member of Parliament to discuss this issue and to allow open debate on the possibility of a Federal regulator to act in these contentious situations is one which has been long overdue and was very welcome. A developing aspect is the current plans which followed in the wake of this hearing to overhaul the regulatory system for oversight of the USA insurance market.

Schedule:

After arriving on the Monday, I took a little time to prepare myself for any final changes to the testimony. Arrangements were made that day for the necessary practical issues of gaining access and presenting myself to the Committee in good time for the next morning.

The next day I arrived at the Congressional Subcommittee hearing room at 10.00 a.m. and was seated alongside 6 other members of a panel testifying at the hearing. Each of my fellows Panelists represented either expert industrial opinion or were representative of the state regulators.

Each of us spoke for 5 minutes addressing ourselves to the testimony which had already been distributed to the Congressmen and Congresswomen. A lively and often critical debate ensued around the EP Legislation (Solvency 2) with some willful misinterpretation by one of the panelists. Congressmen were able to ask questions directly of the panelists which had only been planned until 12.00 but in fact went on till after 13.00.

After the hearing was over Congressmen approached me to encourage more contact and to enquire as to the progress of financial services regulation within the EU. This had led to a return visit by Chairman Konjorski this September before the Econ Committee. It was overall a very positive experience

Comment:

This visit has opened a new door in U.S. Congressional/EP relations, the latest development of which is a return visit and a deeper understanding of each others institutions. Furthermore, the issues involved are those which are on-going and by which the USA and the EU are very closely connected, financial services. I believe that personally I have corrected some poor understanding of the insurance legislation the EP is involved with and that similar outcomes are now being searched for with Congress and the U.S. Administration.

Thank you for your strong support in this endeavour.

Yours Sincerely

A handwritten signature in cursive script, appearing to read 'Peter', with a horizontal line underneath the name.

Peter W. Skinner MEP