

To: Neville Henderson and Bernard Dupont
Office of the Superintendent of Financial Institutions
12th Floor, 255 Albert Street
Ottawa, Ontario
Canada

Date: 10 January 2020

Subject: Follow-up on the November 15th meeting in Abu Dhabi

Dear Mr. Neville Henderson and Mr. Bernard Dupont,

The international insurance industry, as represented by the Global Federation of Insurance Associations (GFIA) would like to thank you for meeting with the GFIA Trade Working Group members on November 15th in Abu Dhabi. We appreciate the opportunity for the industry to articulate their concerns in regards to OSFI's proposed reinsurance framework, and we are encouraged by your reconsideration of the initial proposals outlined in the June 2018 Discussion Paper on OSFI's Reinsurance Framework.

As discussed during our meeting, reinsurance markets are global in nature and depend on the global fungibility and transferability of capital across jurisdictions. Large commercial insurers and reinsurers rely on this globally-accepted, long-standing insurance business model in order to optimally serve local and multinational clients. International regulation has also evolved to serve the global economy, primarily through mutual recognition arrangements amongst regulators. For example, the European Union (EU), the United States (US) and Bermuda have introduced lessened collateral requirements or have completely eliminated them in order to facilitate more efficient cross-border reinsurance arrangements. Similar to OSFI, regulators in these jurisdictions also have the responsibility to protect policyholders and domiciled insurers. In addition, insurance regulators and the international insurance industry has been working on developing uniform solvency standards, reporting and disclosure requirements for (re) insurance companies in order to service the global economy and diversify risk concentration.

GFIA hopes that OSFI will take into consideration the views of the international insurance community and keep us involved with the consultations related to the forthcoming guidance on the Canadian reinsurance framework. GFIA and its member associations stand ready to assist by drawing upon the experience of our members in order to assess potential impacts of any proposals on the global (re) insurance business model.

We wish you a happy new year and look forward to our further collaboration in 2020.

Sincerely,

Brad Smith
Chair of the GFIA Trade working group (BradSmith@acli.com)



About GFIA

Through its 40 member associations and 1 observer association, the Global Federation of Insurance Associations (GFIA) represents the interests of insurers and reinsurers in 64 countries. These companies account for around 89% of total insurance premiums worldwide. GFIA is incorporated in Switzerland and its secretariat is based in Brussels.