DEPARTMENT OF THE TREASURY

UNITED STATES TRADE REPRESENTATIVE

Notice of Intent To Initiate Covered Agreement Negotiations With the European Union

AGENCY: Department of the Treasury, Departmental Offices; United States Trade Representative, Services and Investment.

ACTION: Notice.

SUMMARY: This notice announces that the Department of the Treasury and the United States Trade Representative intend to initiate negotiations to enter into a covered agreement with the European Union (EU) and is intended to promote transparency, stakeholder awareness, and public engagement.

DATE: *Effective date:* January 19, 2016.

FOR FURTHER INFORMATION CONTACT:

Treasury: Philip J. Goodman, Senior Insurance Regulatory Policy Analyst, Federal Insurance Office, (202) 622–1170; Kevin K. Meehan, Policy Advisor, Federal Insurance Office, (202) 622–7009.

USTR: Sarah C. Ellerman, Director, Services & Investment, (202) 395–9556.

SUPPLEMENTARY INFORMATION:

Under Title V of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Federal Insurance Office Act of 2010, hereinafter the FIO Act), the Secretary of the Treasury (Treasury) and the United States Trade Representative (USTR) are authorized to jointly negotiate a ''covered agreement'' with one or more foreign governments, authorities, or regulatory entities. A covered agreement is a ''written bilateral or multilateral agreement regarding prudential measures with respect to the business of insurance or reinsurance.'' The FIO Act states that Treasury and USTR shall consult with the Committee on Financial Services and the Committee on Ways and Means of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs and the Committee on Finance of the Senate (the four Committees) before initiating negotiations of a covered agreement, during such negotiations, and before entering into any such agreement.

On November 20, 2015, Treasury and USTR jointly sent identical letters to the Chair and Ranking member of each of the four Committees. The text of the letters reads:

We write because we intend to initiate negotiations to enter into a covered agreement with the European Union (EU). A covered agreement is a ''written bilateral or multilateral agreement regarding prudential measures with respect to the business of insurance or reinsurance.'' The United States and the EU are the two largest insurance markets in the world and both markets present important opportunities for organic and acquisition-based growth for insurers and reinsurers. A covered agreement with the EU would level the regulatory playing field for U.S.-based insurers and reinsurers operating there, and further confirm that the existing U.S. insurance regulatory system serves the goals of insurance sector oversight, policyholder protection, and national and global financial stability.

The Federal Insurance Office (FIO) Act of 2010 authorizes the Secretary of the Treasury (Treasury) and the United States Trade Representative (USTR) jointly to negotiate a covered agreement with one or more foreign governments, authorities, or regulatory entities. A covered agreement must ''relate[] to the recognition of prudential measures with respect to the business of insurance or reinsurance that achieves a level of protection for insurance or reinsurance consumers that is substantially equivalent to the level of protection achieved under State insurance or reinsurance regulation.'' [1]

In the United States, state insurance regulators have general authority over the business of insurance (including reinsurance). Treasury and USTR support the U.S. integrated system of state and federal insurance regulation, including the primary role of state insurance regulators as supervisors of the business of insurance. Treasury and USTR will not enter into a covered agreement with the EU unless the terms of that agreement are beneficial to the United States. State insurance regulators will have a meaningful role during the covered agreement negotiating process.

In particular, covered agreement negotiations with the EU will seek to address the following prudential measures: (1) obtain treatment of the U.S. insurance regulatory system by the EU as ''equivalent'' to allow for a level playing field for U.S. insurers and reinsurers operating in the EU; (2) obtain recognition by the EU of the integrated state and federal insurance regulatory and oversight system in the United States, including with respect to group supervision; (3) facilitate the exchange of confidential regulatory information between lead supervisors across national borders; (4) afford nationally uniform treatment of EU-based reinsurers operating in the United States, including with respect to collateral requirements; and (5) obtain permanent equivalent treatment for the solvency regime in the United States and applicable to insurance and reinsurance undertakings.

Effective January 1, 2016, the EU will implement insurance regulatory reform (known as Solvency II) that will subject an insurer to disadvantageous treatment if the insurer's country of domicile is not recognized by the EU as ''equivalent'' under the provisions of Solvency II. Through negotiating a covered agreement, Treasury and USTR will seek to ensure that U.S. insurers and reinsurers will be permitted to operate in the EU on the same regulatory terms as insurers and reinsurers domiciled in the EU or in jurisdictions deemed equivalent under Solvency II.

The FIO Act provides that Treasury and USTR jointly shall consult with the Financial Services and Ways and Means Committees of the House of Representatives and the Banking, Housing, and Urban Affairs and Finance Committees of the Senate before initiating negotiations of a covered agreement, during such negotiations, and before entering into any such agreement. Treasury and USTR welcome the opportunity to meet with Committee members and staff to consult before we initiate negotiations on this covered agreement and on developments during the negotiations.

The letters can also be found at the following link:

https://www.treasury.gov/initiatives/fio/reports-and-notices/Documents/Covered%20Agreement%20Letters%20to%20Congress.pdf.

Michael T. McRaith,

Director, Federal Insurance Office, U.S. Department of the Treasury.

Sarah C. Ellerman,

Director, Services & Investment, Office of the United States Trade Representative.

[FR Doc. 2016–00856 Filed 1–15–16; 8:45 am]

BILLING CODE 4810–25–P

[1] 31 U.S.C. 313(r)(2)(B). Moreover, the FIO Act defines the term ''substantively equivalent to the level of protection achieved.'' 31 U.S.C. 313(r)(9).

DEPARTMENT OF VETERANS AFFAIRS

Advisory Committee on Disability Compensation, Notice of Meeting

The Department of Veterans Affairs (VA) gives notice under the Federal Advisory Committee Act, 5 U.S.C. App. 2, that the Advisory Committee on Disability Compensation (Committee) will meet on March 21–22, 2016. The Committee will meet at 1800–G Street Northwest, Washington, DC 20001, on the Sixth Floor in Conference Room 645A. The sessions will begin at 8:30 a.m. and end at 4:30 p.m. each day. The meeting is open to the public.

The purpose of the Committee is to advise the Secretary of Veterans Affairs on the maintenance and periodic readjustment of the VA Schedule for Rating Disabilities. The Committee is to assemble and review relevant information relating to the nature and character of disabilities arising during service in the Armed Forces, provide an ongoing assessment of the effectiveness of the rating schedule, and give advice on the most appropriate means of responding to the needs of Veterans relating to disability compensation.

The Committee will receive briefings on issues related to compensation for