

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 10

Suppliers Affected: -ALL

Source: memo EPT-0700

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 28/12/88

Last Updated: 28/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: FINANCE AND INSURANCE DIVISION

733 - PROPERTY AND CASUALTY INSURERS

Detailed Description:

It is more difficult for Canadian firms to establish in the U.S. than for American firms to establish in Canada. In the U.S., all insurance companies must register with and obtain licences from each state, whereas Canada's procedure of companies registering with the federal government makes it easier to obtain the provincial licences.

Most states have reciprocity provisions which, in addition to the regular admission requirements, subject foreign (out-of-state) and alien (non-U.S.) insurers to any additional taxes, licences or other fees, mandatory deposits, penalties, or other obligations, prohibitions or restrictions that their home jurisdictions impose on an insurer from the jurisdiction whose authorization is sought.

Foreign (out-of-state) insurance companies must apply for certification. One requirement is that the company must have actively transacted for three years the classes of insurance it proposes to transact in Washington state unless it is a subsidiary of an insurer which has held a certificate of authority in the state for three years.