

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 13

Suppliers Affected: ALL

Source: memo EPT-0697

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

The "Secretary's ratio" allows an arbitrary decision on the amount of surplus a foreign life insurance company should hold (currently 19%, even though the actual figure for most firms is probably no more than 5%). Then, the regulators determine a minimum earnings rate on that surplus whether it exists or not. That forms an important part of the tax base.