

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 12

Suppliers Affected: ALL

Source: memo EPT-0672

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

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Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

The U.S. is probably more restrictive than Canada in investment portfolio regulations.

In many states, the insurance commissioners have the discretion to specify local investment for insurance companies and may disallow any foreign investment deemed not to be adequately secured for the protection of local policyholders.

In Alaska, the commissioner may specify investments as he deems necessary, including specifying local investment.

In Idaho, the commissioner also has the power to specify investments. As well, because local investments entitle insurance companies to a premium tax break in Idaho, most choose local investments.

Most states, including Oregon and Georgia, limit exposure of an alien (non-U.S.) insurer on any risk to the policyholder surplus held in the U.S. branch alone, not the entire company's policyholder surplus as is the case for U.S.-owned insurers.