

It should be noted, however, that the benefits of the single EC banking licence will not be automatically available to banks based in third countries. These banks, if they are already authorized to provide services within the Community, may be able to take full advantage of the integrated market.⁸¹ Banks that are not already authorized to provide services within the Community may, however, find their access to EC markets to be contingent upon their home country's treatment of European banks. The Second Banking Directive provides for the possible suspension of authorizations for third country banks in cases where Community banks "do not receive national treatment offering the same competitive opportunities (in the third country) as are available to domestic institutions."⁸²

(ii) Insurance

The approach being taken toward the integration of EC markets for insurance parallels the approach that has been adopted in the Second Banking Directive. The basic objective is to establish a single licence that will allow suppliers of different forms of insurance, subject to control by one Member State, to establish branches and conduct business in all Member States. This has already been accomplished with respect to large industrial and commercial risks non-life insurance (i.e. for commercial enterprises having more than 500 employees).⁸³ Other steps that have been taken by the EC Commission to open Community markets for non-life insurance have included the publication, in June 1990, of a draft directive for certain types of motor vehicle insurance, and the release, in August 1990, of a proposed directive to establish a single EC licence and home country control for all types of non-life insurance.⁸⁴

The progress that has been made so far in the field of life insurance has been more modest. The Council of Ministers has reached agreement on the substance of a proposed directive on life insurance that would give policyholders greater freedom to obtain life insurance outside of their home state.⁸⁵ Consensus has not yet been reached, however, on the full integration of the EC life insurance sector along the lines that are being followed in other financial services areas.