



April 11, 2017

The Honorable Steven T. Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Re: Support for the U.S.-EU Covered Agreement

Dear Secretary Mnuchin:

The Risk and Insurance Management Society, Inc. (RIMS), is the preeminent organization dedicated to educating, engaging and advocating for the global risk community. Our membership of over 11,000 risk practitioners spans all industries and sectors of both the U.S. and European Union (EU) economy, including Fortune 500 companies who have substantial U.S. operations and employ thousands of individuals in this country.

On behalf of RIMS we write in support of the “Covered Agreement” that was recently negotiated by the United States and the European Union due to the provisions that improve affordability and availability of reinsurance. In addition, provisions related to disputes are also beneficial to our members who do business with EU member countries and who have an international business presence.

Although risk managers are not directly affected by the Agreement, they will benefit indirectly via additional capital that would otherwise be tied up in collateral requirements as well as from increased reinsurance capacity. This could have a positive impact on competition and prices for reinsurance. Risk managers would also benefit in the event of disputes with a non-local assuming insurer. By requirements to be eligible for the benefits of the Agreement, such insurers must appoint insurance commissioners for service of process, agree to the jurisdiction of U.S. courts, and agree to recognize and pay final judgments of U.S. courts.

We appreciate your consideration of this matter. If you have any questions please contact RIMS Government Relations Director, Whitney Craig at wrcraig@rims.org or 212-655-2699.

Sincerely

Nowell Seaman, RIMS-CRMP, FCIP, CRM
President, RIMS

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EX OFFICIO
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Diatom Ventures LLC

CHIEF EXECUTIVE OFFICER
Mary Roth, ARM
RIMS
mroth@RIMS.org