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American Council of Life Insurers: “USMCA Modernizes NAFTA”

WASHINGTON -- Susan K. Neely, president and CEO of the American Council of Life Insurers (ACLI) made the following comment today about the United States-Mexico-Canada Agreement (USMCA):

“The USMCA modernizes NAFTA in important ways. ACLI supports and encourages swift passage by Congress. ACLI commends the Trump Administration and Congress for negotiating a modernized trilateral trade agreement between the United States, Mexico and Canada, updating the North American Free Trade Agreement (NAFTA). ACLI also applauds Mexico and Canada for committing to a revised agreement that reflects the modern economy.

“The USMCA contains several positive elements for the life insurance industry. ACLI is particularly pleased that USMCA modernizes NAFTA by including actionable commitments against data localization, providing certainty for American insurance and reinsurance providers in both Mexico and Canada.

“ACLI is also supportive of new language promoting fair competition between State-Owned Enterprises and the private sector. This language should be carried to, and improved in, all future trade agreements. The same can be said for strengthened anti-corruption provisions included in USMCA.

“The business of insurance is not, as a general rule, conducted cross-border. Insurance companies must be locally established and licensed at the jurisdictional level and are highly regulated by each country’s regulators. Therefore, critical to any agreement is continued dialogue and joint efforts with our trading partners to enhance regulatory consistency, cooperation and transparency. Positively, USMCA builds upon the existing financial services committee process to provide regular opportunities for U.S., Canadian and Mexican regulators to meet to review implementation and resolve regulatory issues before they become problems.

“While ACLI and its member companies are pleased with many provisions in the agreement, we are disappointed with changes made to government procurement and the investor state dispute settlement mechanism. We hope that such changes are not made in future trade agreements. That said, the improvements made more recently to the State-to-State dispute settlement system – including removing panel blocking – are important and fully appreciated.

“Several of our member companies are industry leaders in Mexico and Canada making the USMCA, and NAFTA before it, critical to that continued success. As NAFTA has been such a success for the U.S. life insurance industry, ACLI hopes this modernized trilateral trade agreement can build on that success.”

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The American Council of Life Insurers (ACLI) advocates on behalf of 280 member companies dedicated to providing products and services that promote consumers’ financial and retirement security. 90 million American families depend on our members for life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, dental and vision and other supplemental benefits. ACLI represents member companies in state, federal and international forums for public policy that supports the industry marketplace and the families that rely on life insurers’ products for peace of mind. ACLI members represent 95 percent of industry assets in the United States.

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