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USMCA Modernizes NAFTA

WASHINGTON – Susan Neely, president and CEO of the American Council of Life Insurers (ACLI), made the following statement today regarding the United States-Mexico-Canada Agreement:

“The USMCA, which takes effect today, modernizes the North American Free Trade Agreement (NAFTA) in important ways. ACLI commends the Trump Administration and Congress for having negotiated a modernized trilateral trade agreement between the United States, Mexico and Canada and updating NAFTA. ACLI also applauds Mexico and Canada for having committed to a revised agreement that reflects the modern economy.

“The USMCA contains several positive features 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 also supports 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.

“Also of note, 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 proactively review and engage in discussions on prudential and other regulatory changes while they are still in the proposal stage.

“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.

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The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI’s member companies are dedicated to protecting consumers’ financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI’s 280 member companies represent 94 percent of industry assets in the United States.

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“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 and private individual account pension industry, ACLI hopes this modernized trilateral trade agreement can build on that success.”

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