



Recommendation of the Council  
concerning Institutional  
Co-operation between  
Authorities of Member  
Countries Responsible for  
Supervision of Private  
Insurance

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## **Date(s)**

Adopted on 29/02/1980  
Abrogated on 12/07/2017

**THE COUNCIL,**

**HAVING REGARD** to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

**HAVING REGARD** to the Report by the Insurance Committee of 26 November 1979 on Institutional Co-operation between Insurance Supervisory Authorities in Member countries [C(79)195 and Corrigendum 1] and in particular, to paragraph 5 thereof;

**HAVING REGARD** to the Comments of the Payments Committee of 8 February 1980 on that Report [C(80)6 and Corrigendum 1];

**RECOMMENDS** that Member countries:

1. Require their administrative authorities responsible for supervision of private insurance, whenever they receive a request from the supervisory authority of another Member country, to exchange directly between themselves information of a general character relating, *inter alia*, to legislative, regulatory and administrative requirements in the field of insurance, in order to allow comparisons between countries such as might promote voluntary alignments of the relevant national provisions;

2. Conclude in the light of the developments of their economic relations in the insurance sector, bilateral conventions, using the following model as a basis, in order to enable their authorities responsible for supervision of private insurance concerns to communicate to each other information needed by them in order to exercise their function of supervision and to lend one another assistance reciprocally.

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**MODEL CONVENTION**

**Preamble**

**States A) and B)**

**BEING DESIROUS** of facilitating the operations of insurance concerns carrying on business in their countries and of strengthening as much as possible the protection of policy holders and beneficiaries under contracts of insurance;

**CONSIDERING** that for such purpose it is essential to increase the means of obtaining information which are available to supervisory authorities in order that they may, through better knowledge of the overall situation of a concern undertaking insurance in their countries, exercise their function with the maximum effectiveness;

**AGREE** as follows:

**Article 1: General Provisions**

1. Co-operation and reciprocal assistance as provided for in the following provisions relate to direct insurance.

2. The administrative authorities responsible for cooperation and reciprocal assistance (hereinafter called the "authorities") are:

- in (State A):.....

- in (State B):.....

**Article 2: Exchange of Information**

The authorities undertake to give each other such information as they need for the exercise of their function, and in particular, for the supervision of the solvency of private insurance concerns; however, authorities may neither request from other authorities nor furnish to such authorities information which they themselves could not obtain under the national law of either of them.<sup>1</sup>

### **Article 3: Reciprocal Assistance**

1. The authorities shall reciprocally lend each other assistance in order to facilitate as far as possible the application of each State's own law relating to supervision of insurance concerns.
2. Should the situation of a concern carrying on insurance business in the Contracting States be such that it is expedient to take measures to safeguard the interests of its policy holders, the authorities should, whenever possible, consult together with a view to taking, if possible by mutual agreement, appropriate measures in accordance with their national law.

### **Article 4: Secret**

1. The rules as to secrecy to which the authorities are subject shall not impede co-operation between such authorities and reciprocal assistance as provided for in the present Convention. Information exchanged may be used by such authorities only to carry out their supervisory functions.
2. Nevertheless, any request for information, any information provided or any consultation shall be kept secret in relation to third parties, unless the authorities concerned decide by mutual agreement that it is not of a confidential character.
3. The provisions of Articles 2 and 3 and of paragraph 1 of this Article may in no case be construed as obliging a Contracting State to communicate any information which would reveal a commercial secret of the concern in question, or any information the communication of which would be contrary to public policy ("ordre public").

### **Article 5: Application of the Convention**

1. For the purpose of applying the present Convention, the authorities shall communicate directly between themselves.
2. If oral exchanges of views should appear likely to facilitate the application of the Convention, then such exchanges of views may take place in a Commission composed of representatives of the authorities.

### **Final Provisions**

(Provisions concerning: arbitration, ratification, entry into force, termination of the Convention.)

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<sup>1</sup> The term "national law" is understood to mean the national law in force at the moment this provision is actually applied.

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