

The ACLI logo is located in the top right corner. It consists of three slanted parallel lines followed by the letters "ACLI" in a bold, sans-serif font.

**ACLI**

# drive▶▶

**ACLI Annual Conference 2019**

October 13-15 | Sheraton Boston Hotel | Boston, MA



## George Swan

Partner, Head of Insurance  
Freshfields Bruckhaus Deringer LLP  
London

[www.freshfields.com/brexit](http://www.freshfields.com/brexit)

# Current state of play

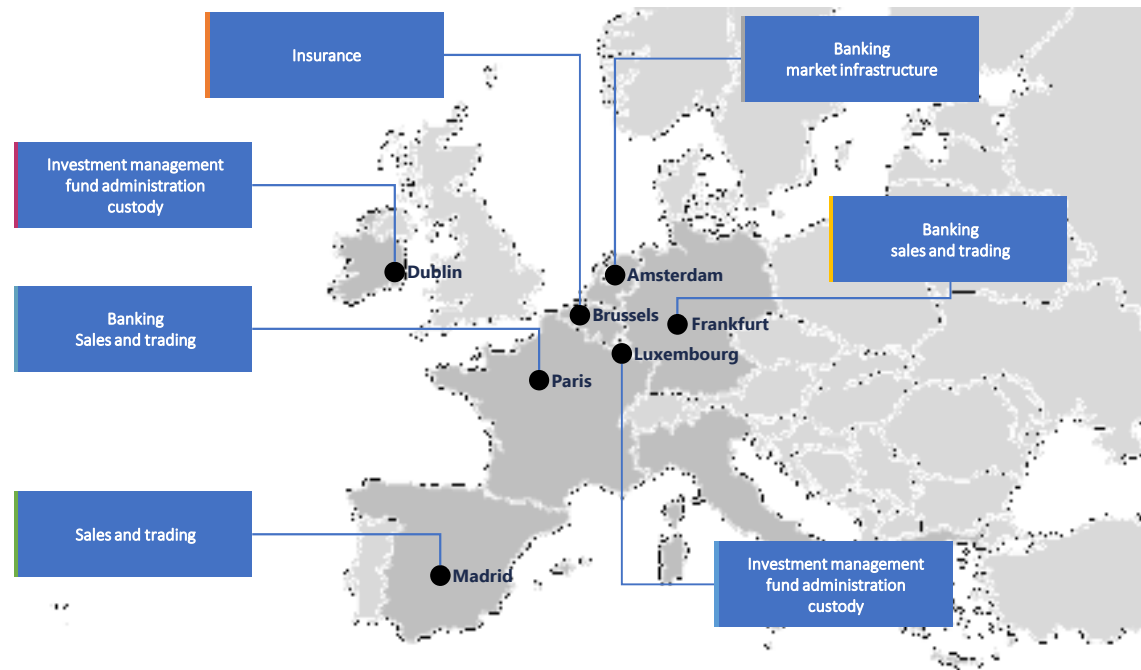
- If the UK can't get a new/revised Withdrawal Agreement with the EU:
  - UK will leave the EU on 31 October by automatic operation of law
  - EU law no longer applies to UK and UK leaves EU single market and customs union
- EU (Withdrawal) Act 2018: the vast majority of existing EU rules gets converted into UK law
- WTO rules apply by default to the EU/UK trading relationship.

# Legal and regulatory impact

- PRA/FCA focus in the UK
- EIOPA supportive to minimise policyholder detriment...
- ...but only to a point
- Focus on run-off of existing cross-border policies rather than future relationship
- Reliance on regulatory forbearance / grandfathering



# UK businesses have already moved...



# Don't panic (or at least not yet...)

- PRA has indicated “business as usual”
- No bonfire of regulations
- UK regulators will want to continue to encourage inbound activity. New focus on competition?
- A less-European approach in future?
- US-UK Covered Agreement

# The future framework...

- Political Declaration 14 November 2018
- New regime will need to apply at the end of any transition period
- Both the EU and the UK want *‘an ambitious, broad, deep and flexible partnership which is rooted in [shared] values and interests’*
- *‘Mutual autonomy on equivalence decisions’*
- Likely to be based on existing EU equivalence regimes
- Determinations made by EU which can be withdrawn on short notice
- Regime being tightened

# Upcoming challenges

- Solvency II review – 2020/21
- Regulatory divergence
- The dilution of the London market

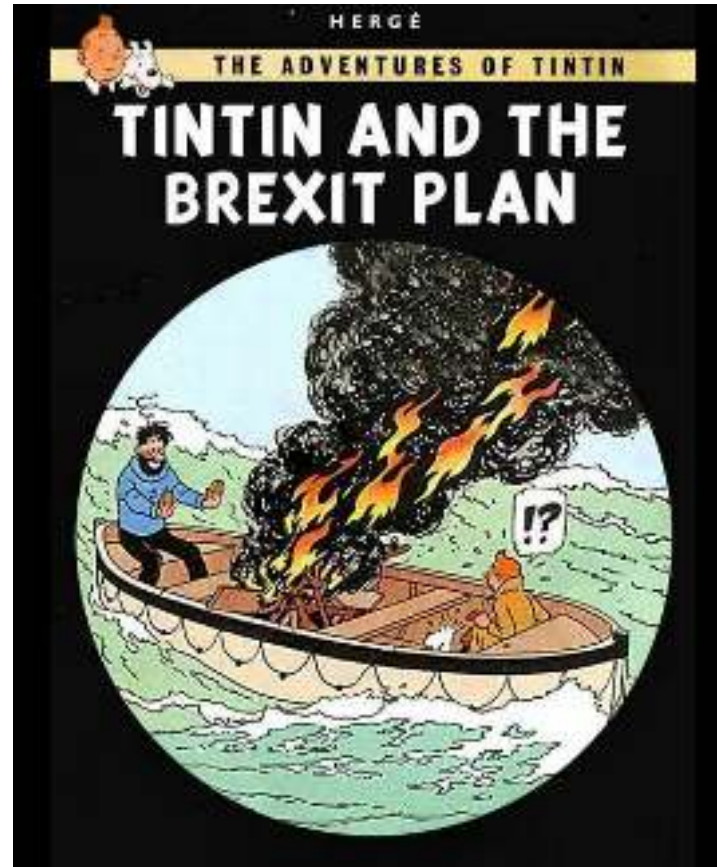


# Next steps/dates\*

- EU summit: October 17-18
  - Benn Act triggered: October 19
  - Election called? October 21-23
  - Brexit deadline: October 31
  - General election? December 5
- 
- Second election? Second referendum?

\* Actual results may vary

# The End?



## Unlikely....