



Insurance Services 2023

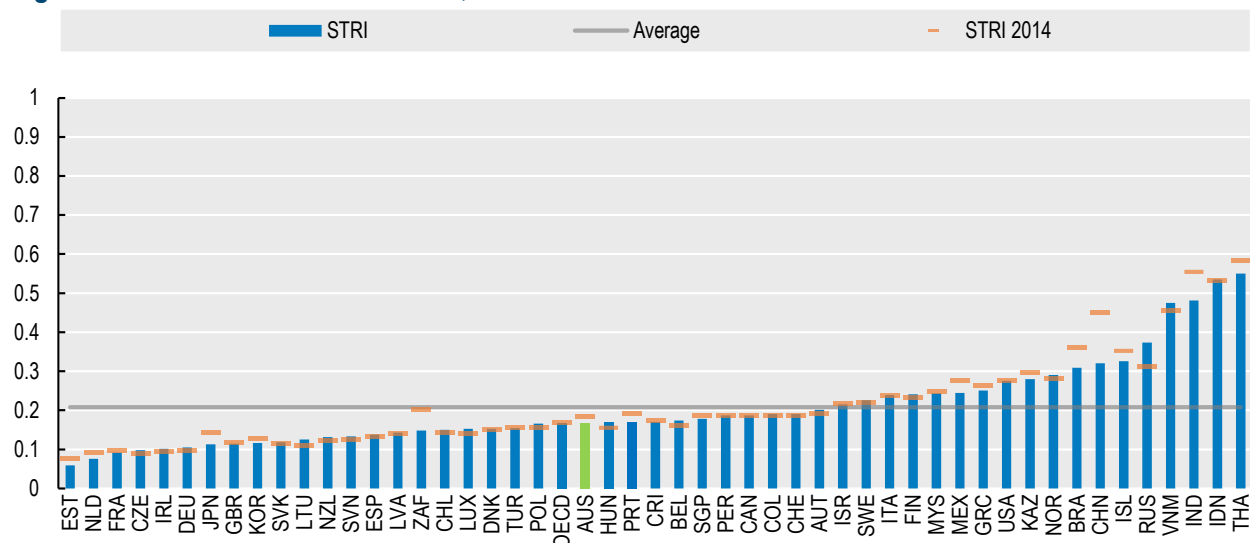
Key findings

- The average 2023 STRI in the insurance sector is 0.21 out of a maximum of 1 (most trade restricted), indicating a relatively low overall level of restrictiveness. However, individual country scores diverge considerably, ranging between 0.06 and 0.55.
- The best performing countries in the sector are Estonia, the Netherlands, and France. Most reforms in 2023 were recorded in Korea, Brazil, and China.
- In this sector, barriers related to restrictions on foreign entry are most prominent and amount to 69% of all restrictions in OECD economies and 73% in non-OECD economies.
- OECD estimates suggest that halving the distance to best practice in this sector is associated with a reduction in the costs of cross-border trade in insurance services between 11% and 19% for the average country included in the STRI database.

Insurance services (ISIC Rev 4, codes 651 and 652) comprise life insurance, property and casualty insurance, reinsurance, and auxiliary services. Private health insurance and private pensions are not covered. Major exporters are the United States, the United Kingdom, and Ireland. Efficient insurance services are one of the backbones of dynamic economies, providing firms with risk management tools and channelling savings towards long-term investment. It should be noted that insurance is a heavily regulated sector for the purpose of maintaining the stability and soundness of the financial system. Prudential rules and standards are set by national governments and regulators as well as international financial standard-setting bodies. The STRI does not seek to define the scope or nature of what measures would be considered prudential, but aims to record in an objective and comparable manner the state of legal and regulatory impediments faced by foreign insurers.

The 2023 STRIs in the insurance sector range between 0.06 and 0.55, with a sample average of 0.21 (Figure 1). There are 32 countries below and 18 countries above the average. The best performing countries in the sector are Estonia, the Netherlands, and France.

Figure 1. STRI in insurance services, 2023

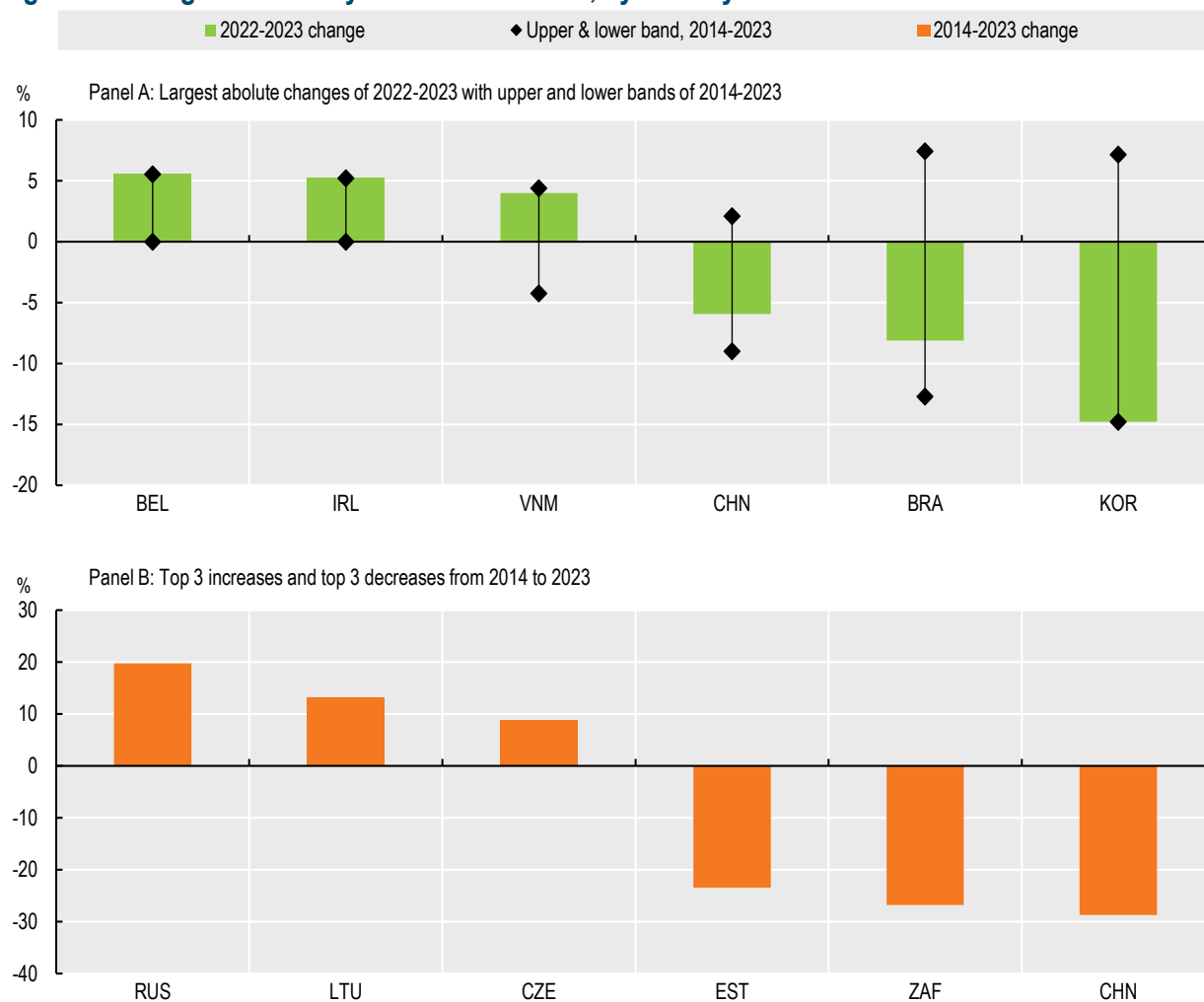


Note: The STRI indices take values between zero and one, one being the most restrictive. The indices are based on laws and regulations in force on 31 October 2023. The STRI regulatory database covers the 38 OECD countries, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russian Federation, Singapore, South Africa, Thailand, and Viet Nam. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Source: OECD (2023). STRI database.

Several countries introduced regulatory changes affecting the STRIs in 2023 and more so since 2014 (Figure 2). In 2023, the STRIs in this sector saw the biggest changes in Belgium (6%), Ireland (5%), Viet Nam (4%), China (-6%), Brazil (-8%), and Korea (-15%). Since 2014, on the one hand, countries that have had the strongest restrictive trends in the insurance services sector include the Russian Federation (20%), Lithuania (13%), and Czechia (9%). On the other hand, strong liberalisation has taken place in Estonia (-23%), South Africa (-27%), and China (-29%).

Figure 2. Change in the last year and since 2014, by country

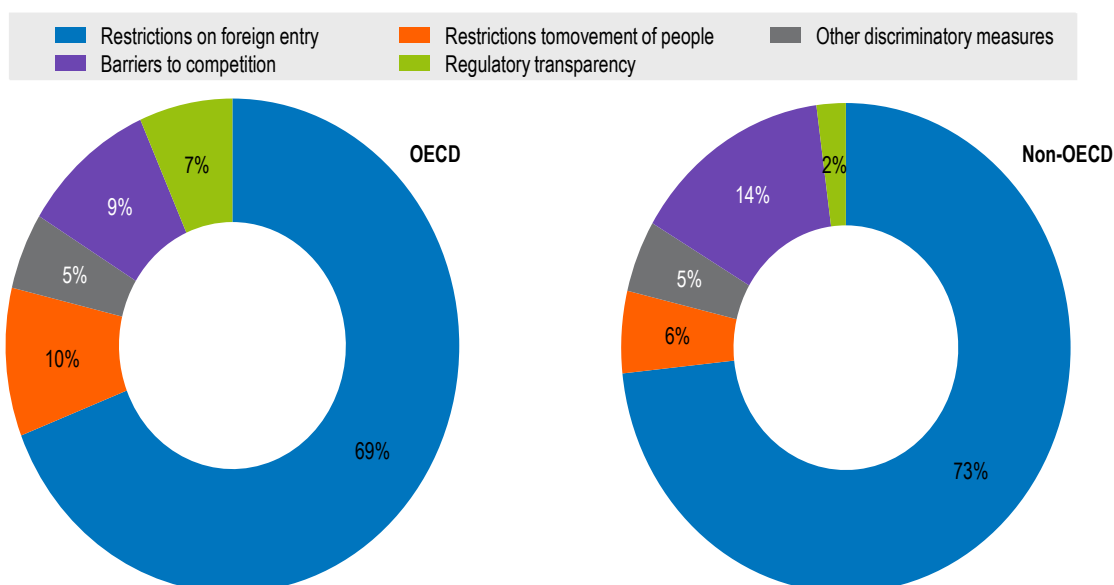


Note: Selection criteria for Panel A were based on largest absolute changes since 2022. Panel B selection is the 3 largest increases, and the 3 largest decreases in the STRI since 2014.

Source: OECD (2023). STRI database.

The measures in the STRI database are organised under five policy areas (Figure 3). Restrictions on foreign entry include barriers related to establishing and operating companies, such as foreign equity limits or requirements on board of directors and cross-border data flows. Restrictions on the movement of people cover barriers that affect the temporary entry of foreign services providers through quotas, labour market tests and short durations of stay. Other discriminatory measures include discrimination of foreign services suppliers as far as taxes, subsidies and public procurement are concerned. Barriers to competition include information on anti-trust policy, government ownership of major firms and the extent to which government-owned enterprises are exempt from competition laws. Regulatory transparency includes information on consultations and dissemination prior to laws and regulations entering into force. It also records information on obtaining a license or a visa. In this sector, barriers related to restrictions on foreign entry are most prominent and amount to 69% of all restrictions in OECD economies and 73% in non-OECD economies.

Figure 3. STRI for insurance by policy area in OECD and non-OECD economies, 2023



Source: OECD (2023). STRI database.

There are no countries that are fully closed to trade in this sector.

Table 1 lists the most relevant restrictions identified in each policy area. Restrictions on foreign entry are the most prominent barrier in this sector. These include local and commercial presence requirements for cross-border supply in almost all countries in the sample. Other burdensome requirements involve local availability tests for cross-border trade and foreign investment screening mechanisms.

Under restrictions to movement of people, 43 out of the 50 countries covered require a licence or authorisation to provide broking or agency services, but at the same time, laws or regulations in 26 countries do not establish a process for recognising foreign qualifications. Additionally, most countries conduct labour market tests and have a relatively short initial duration of stay for contractual services suppliers.

Under other discriminatory measures, limitations to foreign suppliers' access to public procurement markets are common. These can take the form of explicit preferences for foreign suppliers, lack of an explicit prohibition of discrimination against foreign suppliers, or reciprocity conditions to access public tenders. Additionally, discriminatory financial requirements on foreign reinsurance suppliers occur in 24 countries.

Under barriers to competition, the national, state or provincial government controls at least one major firm in the insurance sector in 18 countries. 18 governments also have discretionary control over the funding of their supervisory agency. Other burdensome requirements include restrictions on advertising in nine countries.

Under barriers related to regulatory transparency, lengthy visa processing times and procedural hurdles related to business visas are the most prominent barriers in this sector.

Table 1. Top 5 most relevant measures by policy area, 2023

Policy area	Measure	Countries having a restriction ¹
Restrictions on foreign entry	Local presence is required for cross-border supply	48
	Commercial presence is required in order to provide cross-border services (life and non-life)	44
	Local availability test for cross-border trade (non-life)	35
	Local availability test for cross-border trade (MAT)	28
	Screening exists without exclusion of economic interests	28
Restrictions to movement of people	Memo: Licence or authorisation is required to practice (broking and agency services)	43
	Labour market tests or similar economic considerations: contractual services suppliers	37
	Labour market tests or similar economic considerations: intra-corporate transferees	36
	Limitation on duration of stay for contractual services suppliers (months)	36
	Laws or regulations establish a process for recognising qualifications gained abroad	26
Other discriminatory measures	Public procurement: Procurement regulation explicitly prohibits discrimination of foreign suppliers	42
	Access to the procurement market is conditional on reciprocity	29
	Discriminatory financial requirements on foreign reinsurance suppliers	24
	Public procurement: The procurement process affects the conditions of competition in favour of local firms	24
	Public procurement: Explicit preferences for local suppliers	21
Barriers to competition	National, state or provincial government control at least one major firm in the sector (life)	18
	The government has discretionary control over funding of the supervisory agency	18
	Length of term of heads of the supervisory authority	16
	Restrictions on advertising	9
	Decisions by the regulatory body can be appealed	1
Regulatory transparency	Range of visa processing time (days)	31
	Number of documents needed to obtain a business visa	26
	There is an adequate public comment procedure open to interested persons, including foreign suppliers	9

Note: The count for “memo” type of measures, which are not scored in the STRI, indicates the number of positive answers recorded for that measure across the 50 countries covered. The topmost relevant measures are selected on the basis of the following criteria: (1) most restricted horizontal measures (i.e. same answer across sectors), (2) most restricted sector-specific measures, (3) key measures or (4) memos affecting the score of other measures through hierarchy rules.

Source: OECD STRI database (2023).

More information

» Access all country notes, sector notes, and interactive STRI tools at <http://oe.cd/stri>

» Read more about [Services Trade Policies and the Global Economy](#)

» Calculation based on: Benz, S. and A. Jaax (2020), "The costs of regulatory barriers to trade in services: New estimates of *ad valorem* tariff equivalents", *OECD Trade Policy Papers*, No. 238, OECD Publishing, Paris, <https://doi.org/10.1787/bae97f98-en>

» Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

