

Market access and trade barriers faced by European insurers and reinsurers in foreign jurisdictions

ARGENTINA



European (re)insurers continue to face significant barriers in developing business in Argentina. A number of positive measures were introduced in 2017, and it is possible the recently elected government will further open the Argentinian economy. However, there are still several trade barriers in place.

Restrictions on cross-border reinsurers

While restrictions on cross-border reinsurance are being eased under the new administration led by President Javier Milei, there are still a number of restrictions in place:

- Compulsory cessions: the percentage of ceded premiums per contract that may be ceded by Argentinian insurers to admitted reinsurers has been gradually increased in recent years and currently stands at 80%.
- Facultative and catastrophe risks above \$35m: these risks can be ceded by local insurers and reinsured by admitted reinsurers directly, in their entirety.
- An annually increasing portion of all other risks: local reinsurers may not transfer more than 75% of aggregate premiums in a fiscal year to subsidiaries or companies belonging to the same financial conglomerate located abroad.

Certain requirements must be fulfilled to become a local reinsurer, namely:

- Capital requirements: to become a local reinsurer, foreign reinsurers must set up an Argentinian subsidiary or branch with capital equalling the greater of a) 3 750 000 UVA/ARS (approx. €4.5m)¹, b) 16% of premiums retained or c) 40% of gross written premiums². Admitted reinsurers are also required to submit proof of credit rating.
- Intra-group restrictions: local reinsurers cannot transfer abroad more than 75% of premiums to subsidiaries or companies belonging to the same financial conglomerate.

Insurance Europe and the Reinsurance Advisory Board (RAB) take the view that these requirements should be abolished to take into account the specificities of global (re)insurance markets, which rely on the diversification of risks by geography, line of business, etc.

Compulsory investment constraints

While the scope and extent of compulsory investments have been partially addressed, (re)insurers continue to face investment constraints that negatively affect their ability to make investment decisions in line with their business model and appropriate risk management.

The 2012–2020 Argentinian Insurance Plan established the levels of insurers' investment portfolios that need to be directed to medium and long-term infrastructure projects. An eligibility committee (formed of the Ministries of Economy and Industry and the Superintendency of Insurance of the Nation (SSN)) identified the sectors and/or products in which these investments should be placed.

In January 2016, the government eliminated most of the requirements for insurers to invest in certain government- approved investments.

¹ Res 2025-24 – U.V.A Unidad de valor adquisitivo.

² SSN [Resolution 39957/2016](#), 29 July 2016

After the decision, which eliminated minimum investment levels of 18% for general (non-life) insurers, 14% for life insurers and 8% for workers' compensation insurers, the current regulations oblige (re)insurers to invest at least 5%, and up to a maximum of 20%, of their portfolios in SMEs.

Under the new government, there has been a marked change in approach, with no official recommendations made to the insurance sector regarding investments in any specific product or industry. However, investment restrictions continue to apply to exclusive-purpose reinsurance entities and branches of foreign reinsurance entities established in Argentina. While these entities are permitted to hold investments and maintain cash flows abroad, such foreign assets may not, under any circumstances, exceed 50% of the capital required to be credited.

The types and limits of admissible foreign investments include:

- Sovereign public securities listed daily on foreign stock exchanges, up to a maximum of 90% of investments abroad;
- Shares of companies listed daily on foreign stock exchanges, up to a maximum of 50%;
- Fixed-term deposits in financial institutions, up to a maximum of 90%;
- Negotiable bonds of companies regularly listed on foreign stock exchanges, up to a maximum of 50%;
- Shares of mutual funds located outside the country, up to a maximum of 80%.

These limitations continue to shape the investment strategies of reinsurance entities operating in Argentina, particularly in terms of the scope and geographical allocation of their portfolios.

Foreign exchange restrictions on reinsurance premium payments from Argentina

In September 2019, foreign exchange regulations were implemented. Following this, the Central Bank of Argentina (BCRA) established that prior authorisation from the BCRA would be required for payments for services performed by related parties abroad.

In October 2019, the SSN published a resolution³ identifying the foreign beneficiaries that will not be subject to foreign exchange restrictions on reinsurance premium payments from Argentina. It established that:

- Admitted reinsurers and collection agents appointed by those companies to collect payments derived from reinsurance premiums on their behalf (intermediaries) will both qualify as "foreign beneficiaries".
- Therefore, reinsurance premium payments from Argentina to reinsurance companies and their intermediaries will not be subject to prior authorisation from the BCRA.

The resolution also creates a special registry in which intermediaries must enrol to receive reinsurance premium payments and establishes the documents that the admitted reinsurance companies appointing those intermediaries must file with SSN.

Following the issuance of BCRA communications, the new regulation reduces obstacles to foreign currency transfers for services looking to reduce pressure on companies with foreign currency commitments and provide greater predictability to international trade operations. However, restrictions on drawing foreign currency for payments for services rendered by non-residents are largely maintained.

In addition, while the approval of reinsurance premium payments to foreign countries had been increasingly delayed since October 2022, the situation has eased significantly in recent months (early 2025). Nevertheless, some delays continue, preventing primary insurers from complying with their contractual obligations, which could result in the termination and rejection of reinsurance coverage. This would directly affect the Argentine economy and put at risk local (re)insurers who, in most cases, are not in a financial position to face the entire risks ceded alone, ultimately to the detriment of policyholders. That said, SSN issued Resolution 2023-63-APN-SS which is expected to improve the process of obtaining the authorisation or the payment of reinsurance and retrocession premium⁴.

Since January 2024, all contract payments to foreign countries can be made according to the accrual basis of any business. For facultative contracts, payments may be made based on the duration of the contract – companies are allowed to pay 30 days after the end of each validity period. For example, if a contract runs for 12 months, payments can be divided quarterly, with the first payment permitted on the 120th day after the contract start date.

3 Comunicaciones BCRA "A" 8042, 8054 y 8055

4 [Source](#)

Companies with automatic contracts – whether proportional or non-proportional – may also follow the same payment terms as those applied to facultative business. Additionally, under the current government, the foreign exchange control ("*cepo cambiario*") has recently been lifted. As of 14 April, there are no longer any restrictions on access to foreign currency exchange.

Indeed, in April 2025, the government announced positive measures to ease foreign exchange restrictions on reinsurance premium payments from Argentina. BCRA will now be able to authorise reinsurance premium payments to foreign countries.

- To an intragroup company: The local company may make payments 90 days after the service is provided (previously 180 days).
- To an external company: Payments may be made from the moment the service is provided (previously 30 days).

In both cases, one of the main conditions is that the Argentine company must not have sufficient funds in a foreign bank account to make the payment. Importantly, each bank has its own interpretation of when the service is provided – particularly for annual reinsurance contracts. Where payments are due monthly, some banks interpret the service as being provided monthly, while others consider it to be provided only once the contract is completed (ie at year-end).

Insurance Europe and the RAB take the view that the restrictions on reinsurance premium payments should be lifted.

Recommendations and preferred outcomes

In the spirit of trade liberalisation, Insurance Europe and the RAB support the removal of all market access barriers and discriminatory requirements applied to foreign (re)insurers in order to fully open the Argentinian (re)insurance market. Restrictions on cross-border reinsurance, including on investment and the foreign exchange of reinsurance premium payments should be eliminated.

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