

Proposed Side Letter

Dear _____:

I have the honor to refer to Annex 13-B of the United States – Australia Free Trade Agreement (the Agreement), of this date. In connection with our discussions regarding expedited availability of insurance services, the United States notes that a significant number of the States allow introduction of “commercial lines” insurance products without review of forms or rates, because the consumers of such insurance are businesses that can adequately assess the risks involved. Each of these U.S. states has developed a definition of “commercial lines” based on factors such as an insured’s total premium levels, net worth or revenues, number of employees, retention of a risk manager, or other factors. Other U.S. states are considering the possibility of instituting such changes to regulation of commercial lines. The United States will provide Australia with further updates on this matter as part of the work of the Financial Services Committee.

Sincerely,

/s/