

[DISCUSSION DRAFT]

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “International Insur-
3 ance Standards Act of 2018”.

4 SEC. 2. CONGRESSIONAL FINDINGS.

5 The Congress finds the following:

6 (1) The State-based system for insurance regu-
7 lation in the United States has served American con-
8 sumers well for more than 150 years and has fos-
9 tered an open and competitive marketplace with a
10 diversity of insurance products to the benefit of pol-
11 icyholders and consumers.

12 (2) Protecting policyholders by regulating to en-
13 sure an insurer’s ability to pay claims has been the
14 hallmark of the successful United States system and
15 should be the paramount objective of domestic pru-
16 dential regulation and emerging international stand-
17 ards.

18 (3) The Dodd-Frank Wall Street Reform and
19 Consumer Protection Act (Public Law 111–203) re-
20 affirmed the State-based insurance regulatory sys-
21 tem.

1 **SEC. 3. REQUIREMENT THAT INSURANCE STANDARDS RE-**
2 **FLECT UNITED STATES POLICY.**

3 (a) REQUIREMENT.—

4 (1) IN GENERAL.—Parties representing the
5 Federal Government in any international regulatory,
6 standard-setting, or supervisory forum or in any ne-
7 gotiations of any international agreements relating
8 to the prudential aspects of insurance shall not
9 agree to, accede to, accept, or establish any proposed
10 agreement or standard if the proposed agreement or
11 standard fails to recognize the United States system
12 of insurance regulation as satisfying such proposals.

13 (2) INAPPLICABILITY.—Paragraph (1) shall not
14 apply to any forum or negotiations relating to a cov-
15 ered agreement (as such term is defined in section
16 313(r) of title 31, United States Code).

17 (b) FEDERAL INSURANCE OFFICE FUNCTIONS.—
18 Subparagraph (E) of section 313(c)(1) of title 31, United
19 States Code, is amended by inserting “Federal Govern-
20 ment” after “United States”.

21 (c) NEGOTIATIONS.—Nothing in this section shall be
22 construed to prevent participation in negotiations of any
23 proposed agreement or standard.

1 **SEC. 4. STATE INSURANCE REGULATOR INVOLVEMENT IN**
2 **INTERNATIONAL STANDARD SETTING.**

3 In developing international insurance standards pur-
4 suant to section 3, and throughout the negotiations of
5 such standards, parties representing the Federal Govern-
6 ment shall, on matters related to insurance, closely con-
7 sult, coordinate with, and seek to include in such meetings
8 State insurance commissioners or, at the option of the
9 State insurance commissioners, designees of the insurance
10 commissioners acting at their direction.

11 **SEC. 5. CONSULTATION WITH CONGRESS.**

12 (a) **REQUIREMENT.**—Parties representing the Fed-
13 eral Government with respect to any agreement under sec-
14 tion 3 shall provide written notice to and consult with the
15 Committee on Financial Services of the House of Rep-
16 resentatives and the Committee on Banking, Housing, and
17 Urban Affairs of the Senate, and any other relevant com-
18 mittees of jurisdiction—

19 (1) before initiating negotiations to enter into
20 the agreement, regarding—

21 (A) the intention of the United States to
22 participate in or enter into such negotiations;
23 and

24 (B) the nature and objectives of the nego-
25 tiations; and

1 (2) during negotiations to enter into the agree-
2 ment, regarding—

3 (A) the nature and objectives of the nego-
4 tiations

5 (B) the implementation of the agreement,
6 including how it is consistent with and does not
7 materially differ from or otherwise affect Fed-
8 eral or State laws or regulations;

9 (C) the impact on the competitiveness of
10 United States insurers; and

11 (D) the impact on United States con-
12 sumers.

13 (b) CONSULTATION WITH FEDERAL ADVISORY COM-
14 MITTEE ON INSURANCE.—Before entering into an agree-
15 ment under section 3, the Secretary of the Treasury shall
16 seek to consult with the Federal Advisory Committee on
17 Insurance formed pursuant to section 313(h) of title 31,
18 United States Code.

19 **SEC. 6. REPORT TO CONGRESS ON INTERNATIONAL INSUR-**
20 **ANCE AGREEMENTS.**

21 Before entering into an agreement under section 3,
22 parties representing the Federal Government shall submit
23 to the appropriate congressional committees and leader-
24 ship a report that describes —

1 (1) the implementation of the agreement, in-
2 cluding how it is consistent with and does not mate-
3 rially differ from or otherwise affect Federal or
4 State laws or regulations;

5 (2) the impact on the competitiveness of United
6 States insurers; and

7 (3) the impact on United States consumers.

8 **SEC. 7. COVERED AGREEMENTS.**

9 (a) PREEMPTION OF STATE INSURANCE MEAS-
10 URES.—Subsection (f) of section 313 of title 31, United
11 States Code, is amended by striking “Director” each place
12 such term appears and inserting “Secretary”.

13 (b) DEFINITION.—Paragraph (2) of section 313(r) of
14 title 31, United States Code, is amended—

15 (1) in subparagraph (A), by striking “and” at
16 the end;

17 (2) in subparagraph (B), by striking the period
18 at the end and inserting “; and”; and

19 (3) by adding at the end the following new sub-
20 paragraph:

21 “(C) applies only on a prospective basis.”.

22 (c) CONSULTATION; SUBMISSION AND LAYOVER;
23 CONGRESSIONAL REVIEW.—Section 314 of title 31,
24 United States Code is amended—

25 (1) in subsection (b)—

1 (A) in paragraph (2)(C), by striking
2 “laws” and inserting the following: “and Fed-
3 eral law, and the nature of any changes in the
4 laws of the United States or the administration
5 of such laws that would be required to carry out
6 a covered agreement”; and

7 (B) by adding at the end the following new
8 paragraph:

9 “(3) ACCESS TO NEGOTIATING TEXTS AND
10 OTHER DOCUMENTS.—Appropriate congressional
11 committees and staff with proper security clearances
12 shall be given timely access to United States negoti-
13 ating proposals, consolidated draft texts, and other
14 pertinent documents related to the negotiations, in-
15 cluding classified materials.”;

16 (2) by redesignating subsection (c) as sub-
17 section (d);

18 (3) by inserting after subsection (b) the fol-
19 lowing new subsection:

20 “(c) REQUIREMENTS FOR CONSULTATIONS WITH
21 STATE INSURANCE COMMISSIONERS.—Throughout the
22 negotiations of a covered agreement, parties representing
23 the Federal Government shall closely consult and coordi-
24 nate with State insurance commissioners.”;

1 (4) in subsection (d), as so redesignated by
2 paragraph (2)—

3 (A) in the matter preceding paragraph (1),
4 by striking “only if—” and inserting the fol-
5 lowing: “only if, before signing the final legal
6 text or otherwise entering into the agreement—
7 ”;

8 (B) in paragraph (1), by striking “congres-
9 sional committees specified in subsection
10 (b)(1)” and inserting “appropriate congres-
11 sional committees and leadership and to con-
12 gressional committee staff with proper security
13 clearances”; and

14 (C) by striking paragraph (2) and insert-
15 ing the following new paragraph:

16 “(2)(A) the 90-day period beginning on the
17 date on which the copy of the final legal text of the
18 agreement is submitted under paragraph (1) to the
19 congressional committees, leadership, and staff has
20 expired; and

21 “(B) the covered agreement has not been pre-
22 vented from taking effect pursuant to subsection
23 (e).”; and

24 (5) by adding at the end the following new sub-
25 sections:

1 “(e) PERIOD FOR REVIEW BY CONGRESS.—

2 “(1) IN GENERAL.—During the layover period
3 referred to in subsection (d)(2)(A), the Committees
4 on Banking, Housing, and Urban Affairs and Fi-
5 nance of the Senate and the Committees on Finan-
6 cial Services and Ways of Means of the House of
7 Representatives should, as appropriate, exercise
8 their full oversight responsibility.

9 “(2) EFFECT OF ENACTMENT OF A JOINT RES-
10 OLUTION OF DISAPPROVAL.—Notwithstanding any
11 other provision of law, if a joint resolution of dis-
12 approval relating to a covered agreement submitted
13 under subsection (d)(1) is enacted in accordance
14 with subsection (f), the covered agreement shall not
15 enter into force with respect to the United States.

16 “(f) JOINT RESOLUTIONS OF DISAPPROVAL.—

17 “(1) DEFINITION.—In this subsection, the term
18 ‘joint resolution of disapproval’ means, with respect
19 to proposed covered agreement, only a joint resolu-
20 tion of either House of Congress—

21 “(A) that is introduced during the 90-day
22 period referred to in subsection (d)(2)(A) relat-
23 ing to such proposed covered agreement;

24 “(B) which does not have a preamble;

1 “(C) the title of which is as follows: ‘A
2 joint resolution disapproving a certain proposed
3 covered agreement under section 314 of title
4 31, United States Code.’; and

5 “(D) the sole matter after the resolving
6 clause of which is the following: ‘Congress dis-
7 approves of the proposed covered agreement
8 submitted to Congress under section 314 (e)(1)
9 of title 31, United States Code, on
10 _____ relating to
11 _____.’, with the first blank space
12 being filled with the appropriate date and the
13 second blank space being filled with a short de-
14 scription of the proposed covered agreement.

15 “(2) INTRODUCTION.—During the layover pe-
16 riod referred to in subsection (d)(2)(A), a joint reso-
17 lution of disapproval may be introduced—

18 “(A) in the House of Representatives, by
19 any Member of the House, and

20 “(B) in the Senate, by any Senator,
21 and shall be referred to the appropriate committees.

22 “(3) RULES OF HOUSE OF REPRESENTATIVES
23 AND SENATE.—This subsection is enacted by Con-
24 gress—

1 “(A) as an exercise of the rulemaking
2 power of the Senate and the House of Rep-
3 resentatives, respectively, and as such is deemed
4 a part of the rules of each House, respectively,
5 and supersedes other rules only to the extent
6 that it is inconsistent with such rules; and

7 “(B) with full recognition of the constitu-
8 tional right of either House to change the rules
9 (so far as relating to the procedure of that
10 House) at any time, in the same manner, and
11 to the same extent as in the case of any other
12 rule of that House.

13 “(g) APPROPRIATE CONGRESSIONAL COMMITTEES
14 AND LEADERSHIP DEFINED.—In this section, the term
15 ‘appropriate congressional committees and leadership’
16 means—

17 “(1) the Committees on Banking, Housing, and
18 Urban Affairs and Finance, and the majority and
19 minority leaders, of the Senate; and

20 “(2) the Committees on Financial Services and
21 Ways and Means, and the Speaker, the majority
22 leader, and the minority leader, of the House of
23 Representatives.”.

1 **SEC. 8. INAPPLICABILITY TO TRADE AGREEMENTS.**

2 This Act and the amendments made by this Act shall
3 not apply to any forum or negotiations related to a trade
4 agreement.