

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5059
OFFERED BY MR. ROTHFUS OF PENNSYLVANIA**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “State Insurance Regu-
3 lation Preservation Act”.

4 **SEC. 2. SUPERVISION OF INSURANCE SAVINGS AND LOAN
5 HOLDING COMPANIES.**

6 (a) DEFINITIONS.—Section 10(a)(1) of the Home
7 Owners’ Loan Act (12 U.S.C. 1467a(a)(1)) is amended
8 by inserting at the end the following:

9 “(K) BUSINESS OF INSURANCE.—The
10 term ‘business of insurance’ means the writing
11 of insurance or the reinsuring of risks by an in-
12 surer, including all acts necessary to such writ-
13 ing or reinsuring and the activities related to
14 the writing of insurance or the reinsuring of
15 risks conducted by persons who act as, or are,
16 officers, directors, agents, or employees of in-
17 surers or who are other persons authorized to
18 act on behalf of such persons.

1 “(L) INSURANCE SAVINGS AND LOAN
2 HOLDING COMPANY.—The term ‘insurance sav-
3 ings and loan holding company’ means—

4 “(i) a savings and loan holding com-
5 pany with 75 percent or more of its total
6 consolidated assets in an insurance under-
7 writing company (or insurance under-
8 writing companies), other than assets asso-
9 ciated with insurance for credit risk, dur-
10 ing the 4 most recent consecutive quarters,
11 as calculated in accordance with generally
12 accepted accounting principles or the stat-
13 utory accounting principles of the National
14 Association of Insurance Commissioners,
15 as applicable;

16 “(ii) a savings and loan holding com-
17 pany that was exempted from the Basel III
18 capital regulation promulgated by the
19 Board of Governors of the Federal Reserve
20 System and the Comptroller of the Cur-
21 rency on October 11, 2013 (78 Fed. Reg.
22 62018), because of the insurance under-
23 writing activity of the company or its sub-
24 sidiaries; or

1 “(iii) a top-tier savings and loan hold-
2 ing company that—

3 “(I) was registered as a savings
4 and loan holding company before July
5 21, 2010; and

6 “(II) is a New York not-for-prof-
7 it corporation formed for the purpose
8 of holding the stock of a New York in-
9 surance company.

10 “(M) INSURANCE UNDERWRITING COM-
11 PANY.—The term ‘insurance underwriting com-
12 pany’ means an entity that is—

13 “(i) engaged in the business of insur-
14 ance;

15 “(ii) subject to regulation by a State
16 insurance authority; and

17 “(iii) covered by a State law that is
18 designed to specifically deal with the reha-
19 bilitation, liquidation, or insolvency of an
20 insurance company.

21 “(N) STATE INSURANCE AUTHORITY.—
22 The term ‘State insurance authority’ means the
23 chief insurance regulatory authority of a State.

24 “(O) TOP-TIER SAVINGS AND LOAN HOLD-
25 ING COMPANY.—The term ‘top-tier savings and

1 loan holding company’ means the ultimate par-
2 ent company in a savings and loan holding com-
3 pany structure.”.

4 (b) REGISTRATION.—Section 10(b)(1) of the Home
5 Owners’ Loan Act (12 U.S.C. 1467a(b)(1)) is amended
6 by inserting at the end the following new sentence:

7 “A savings and loan holding company that is an in-
8 surance savings and loan holding company shall register
9 as an insurance savings and loan holding company.”.

10 (c) REPORTS.—Section 10(b)(2) of the Home Own-
11 ers’ Loan Act (12 U.S.C. 1467a(b)(2)) is amended by add-
12 ing at the end the following new subparagraph:

13 “(D) INSURANCE SAVINGS AND LOAN
14 HOLDING COMPANIES.—The Board, to the full-
15 est extent possible, shall request reports and
16 other information filed by insurance savings
17 and loan holding companies with other Federal
18 or State authorities from such other authorities
19 before requesting such reports or information
20 from insurance savings and loan holding compa-
21 nies.”.

22 (d) BOOKS AND RECORDS.—Section 10(b)(3) of the
23 Home Owners’ Loan Act (12 U.S.C. 1467a(b)(3)) is
24 amended—

1 (1) by striking “Each” and inserting the fol-
2 lowing:

3 “(A) IN GENERAL.—Each”; and

4 (2) by inserting at the end the following new
5 subparagraph:

6 “(B) INSURANCE SAVINGS AND LOAN
7 HOLDING COMPANIES.—The Board, to the full-
8 est extent possible, shall align any prescribed
9 recordkeeping requirements for insurance sav-
10 ings and loan holding companies with the rec-
11 ordkeeping requirements imposed by State in-
12 surance authorities.”.

13 (e) EXAMINATIONS.—Section 10(b)(4)(C) of the
14 Home Owners’ Loan Act (12 U.S.C.1467a(b)(4)(C)) is
15 amended—

16 (1) in clause (i), by striking the word “and” at
17 the end;

18 (2) in clause (ii), by striking the period at the
19 end and inserting “; and”; and

20 (3) by adding at the end the following new
21 clause:

22 “(iii) INSURANCE SAVINGS AND LOAN
23 HOLDING COMPANIES.—

24 “(I) COORDINATION.—The
25 Board, to the fullest extent possible,

1 shall conduct examinations of insur-
2 ance savings and loan holding compa-
3 nies in conjunction with other State
4 and Federal authorities in order to
5 minimize the potential for duplication
6 and conflict between the inspections
7 conducted by the Board and the ex-
8 aminations conducted by other State
9 and Federal authorities.

10 “(II) SCOPE AND FREQUENCY.—
11 Following public notice and comment,
12 the Board shall establish a schedule
13 for the frequency and the scope of ex-
14 aminations of insurance savings and
15 loan holding companies that is con-
16 sistent with the supervisory frame-
17 work required by paragraph (7).”.

18 (f) SUPERVISION.—Section 10(b) of the Home Own-
19 ers’ Loan Act (12 U.S.C. 1467a(b)) is amended by insert-
20 ing at the end the following new paragraph:

21 “(7) INSURANCE SAVINGS AND LOAN HOLDING
22 COMPANIES.—

23 “(A) TAILORED SUPERVISION.—The
24 Board, by rule, shall establish a supervisory

1 framework for insurance savings and loan hold-
2 ing companies that—

3 “(i) is tailored to the unique risks, op-
4 erations, and activities of insurance sav-
5 ings and loan holding companies; and

6 “(ii) to the fullest extent possible, and
7 consistent with the safe and sound oper-
8 ation of insurance savings and loan holding
9 companies, does not unnecessarily dupli-
10 cate the supervision of insurance under-
11 writing companies by State insurance au-
12 thorities.

13 “(B) REVIEW OF SUPERVISORY GUID-
14 ANCE.—Following public notice and comment,
15 the Board shall review and revise supervisory
16 policy letters and guidance applicable to insur-
17 ance savings and loan holding companies to en-
18 sure that such letters and guidance are not in-
19 consistent with the supervisory framework re-
20 quired by this paragraph.”.

21 **SEC. 3. ASSESSMENTS AND FEES FOR INSURANCE SAVINGS**
22 **AND LOAN HOLDING COMPANIES.**

23 Section 11(s) of the Federal Reserve Act (12 U.S.C.
24 248(s)), which relates to assessments and fees, is amended
25 by inserting at the end the following new paragraph:

1 “(3) EXCLUDED ASSETS.—For purposes of
2 paragraph (2)(B), the total consolidated assets of an
3 insurance savings and loan holding company, as de-
4 fined in section 10(a)(1)(L) of the Home Owners’
5 Loan Act (12 U.S.C. 1467a(a)(1)(L)), shall not in-
6 clude assets attributable to the business of insurance
7 conducted by such company or any affiliate of such
8 company.”.

9 **SEC. 4. STATE REGULATION OF THE BUSINESS OF INSUR-**
10 **ANCE.**

11 The Act entitled “An Act to express the intent of
12 Congress with reference to the regulation of the business
13 of insurance” and approved March 9, 1945, (15 U.S.C.
14 1011 et seq.) (commonly referred to as the “McCarran-
15 Ferguson Act”) remains the law of the United States, and
16 nothing in this Act shall be interpreted to limit or restrict
17 State regulation of the business of insurance.

18 **SEC. 5. IMPLEMENTATION.**

19 (a) IMPLEMENTATION OF SUPERVISORY FRAME-
20 WORK.—The Board shall establish the supervisory frame-
21 work required by section 10(b)(7) of the Home Owners’
22 Loan Act (12 U.S.C. 1467a(b)(7)), as added by this Act,
23 within 12 months of the date of enactment of this Act.

24 (b) REVIEW OF SUPERVISORY GUIDANCE.—The
25 Board shall complete the review of supervisory policy let-

1 ters and policy guidance required by section 10(b)(7) of
2 the Home Owners' Loan Act (12 U.S.C. 1467a(b)(7)), as
3 added by this Act, within 18 months of the date of enact-
4 ment of this Act.

5 (c) REPORT TO CONGRESS.—The Board, no later
6 than 18 months after the date of enactment of this Act,
7 shall submit a report to the Committee on Banking, Hous-
8 ing, and Urban Affairs of the Senate and the Committee
9 on Financial Services of the House of Representatives on
10 the implementation of this Act.

11 (d) BOARD DEFINED.—As used in this section, the
12 term “Board” means the Board of Governors of the Fed-
13 eral Reserve System.

