To provide for notice to, and input by, State insurance commissioners when requiring an insurance company to serve as a source of financial strength or when the Federal Deposit Insurance Corporation places a lien against an insurance company’s assets, and for other purposes.
A BILL

To provide for notice to, and input by, State insurance commissioners when requiring an insurance company to serve as a source of financial strength or when the Federal Deposit Insurance Corporation places a lien against an insurance company’s assets, and for other purposes.
Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Policyholder Protection
Act of 2015”.

SEC. 2. ENSURING THE PROTECTION OF INSURANCE POL-
ICYHOLDERS.

(a) SOURCE OF STRENGTH.—Section 38A of the Fed-
eral Deposit Insurance Act (12 U.S.C. 1831o–1) is amend-
ed—

(1) by redesignating subsections (c), (d), and (e)
as subsections (d), (e), and (f), respectively; and

(2) by inserting after subsection (b) the fol-
lowing:

“(c) AUTHORITY OF STATE INSURANCE REGU-
lator.—

“(1) IN GENERAL.—The provisions of section
5(g) of the Bank Holding Company Act of 1956 (12
U.S.C. 1844(g)) shall apply to a savings and loan
holding company that is an insurance company, an
affiliate of an insured depository institution that is
an insurance company, and to any other company
that is an insurance company and that directly or
indirectly controls an insured depository institution,
to the same extent as the provisions of that section
apply to a bank holding company that is an insurance company.

“(2) RULE OF CONSTRUCTION.—Requiring a bank holding company that is an insurance company, a savings and loan holding company that is an insurance company, an affiliate of an insured depository institution that is an insurance company, or any other company that is an insurance company and that directly or indirectly controls an insured depository institution to serve as a source of financial strength under this section shall be deemed an action of the Board that requires a bank holding company to provide funds or other assets to a subsidiary depository institution for purposes of section 5(g) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(g)).”.

(b) LIQUIDATION AUTHORITY.—The Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.) is amended—

(1) in section 203(e)(3) (12 U.S.C. 5383(e)(3)), by inserting “or rehabilitation” after “orderly liquidation” each place that term appears; and

(2) in section 204(d)(4) (12 U.S.C. 5384(d)(4)), by inserting before the semicolon at the end the following: “, except that, if the covered financial com-
pany or covered subsidiary is an insurance company
or a subsidiary of an insurance company, the Corporation—

“(A) shall promptly notify the State insurance authority for the insurance company of the
intention to take such lien; and

“(B) may only take such lien—

“(i) to secure repayment of funds made
available to such covered financial company
or covered subsidiary; and

“(ii) if the Corporation determines,
after consultation with the State insurance
authority, that such lien will not unduly
impede or delay the liquidation or rehabili-
tation of the insurance company, or the re-
cover by its policyholders”.