

Union Calendar No.

114TH CONGRESS
1ST SESSION

H. R. 1478

[Report No. 114-]

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.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2015

Mr. POSEY (for himself and Mr. SHERMAN) introduced the following bill;
which was referred to the Committee on Financial Services

NOVEMBER --, 2015

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on March 19, 2015]

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. ENSURING THE PROTECTION OF INSURANCE POL-**
7 **ICYHOLDERS.**

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

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

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

15 “(c) **AUTHORITY OF STATE INSURANCE REGU-**
16 **LATOR.—**

17 “(1) **IN GENERAL.—***The provisions of section*
18 *5(g) of the Bank Holding Company Act of 1956 (12*
19 *U.S.C. 1844(g)) shall apply to a savings and loan*
20 *holding company that is an insurance company, an*
21 *affiliate of an insured depository institution that is*
22 *an insurance company, and to any other company*
23 *that is an insurance company and that directly or*
24 *indirectly controls an insured depository institution,*
25 *to the same extent as the provisions of that section*

1 *apply to a bank holding company that is an insur-*
2 *ance company.*

3 “(2) *RULE OF CONSTRUCTION.—*Requiring a
4 *bank holding company that is an insurance company,*
5 *a savings and loan holding company that is an in-*
6 *surance company, an affiliate of an insured deposi-*
7 *tory institution that is an insurance company, or*
8 *any other company that is an insurance company*
9 *and that directly or indirectly controls an insured de-*
10 *pository institution to serve as a source of financial*
11 *strength under this section shall be deemed an action*
12 *of the Board that requires a bank holding company*
13 *to provide funds or other assets to a subsidiary deposi-*
14 *tory institution for purposes of section 5(g) of the*
15 *Bank Holding Company Act of 1956 (12 U.S.C.*
16 *1844(g)).”.*

17 “(b) *LIQUIDATION AUTHORITY.—*The Dodd-Frank Wall
18 *Street Reform and Consumer Protection Act (12 U.S.C.*
19 *5301 et seq.) is amended—*

20 (1) *in section 203(e)(3) (12 U.S.C. 5383(e)(3)),*
21 *by inserting “or rehabilitation” after “orderly liq-*
22 *uidation” each place that term appears; and*

23 (2) *in section 204(d)(4) (12 U.S.C. 5384(d)(4)),*
24 *by inserting before the semicolon at the end the fol-*
25 *lowing: “, except that, if the covered financial com-*

1 *pany or covered subsidiary is an insurance company*
2 *or a subsidiary of an insurance company, the Cor-*
3 *poration—*

4 *“(A) shall promptly notify the State insur-*
5 *ance authority for the insurance company of the*
6 *intention to take such lien; and*

7 *“(B) may only take such lien—*

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

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