SECTION 1. SHORT TITLE.

This Act may be cited as the “International Insurance Standards Act of 2018”.

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds the following:

(1) The State-based system for insurance regulation in the United States has served American consumers well for more than 150 years and has fostered an open and competitive marketplace with a diversity of insurance products to the benefit of policyholders and consumers.

(2) Protecting policyholders by regulating to ensure an insurer’s ability to pay claims has been the hallmark of the successful United States system and should be the paramount objective of domestic prudential regulation and emerging international standards.

(3) The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203) reaffirmed the State-based insurance regulatory system.
SEC. 3. REQUIREMENT THAT INSURANCE STANDARDS REFLECT UNITED STATES POLICY.

(a) REQUIREMENT.—

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

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

(b) FEDERAL INSURANCE OFFICE FUNCTIONS.—

Subparagraph (E) of section 313(c)(1) of title 31, United States Code, is amended by inserting “Federal Government” after “United States”.

(c) NEGOTIATIONS.—Nothing in this section shall be construed to prevent participation in negotiations of any proposed agreement or standard.
SEC. 4. STATE INSURANCE REGULATOR INVOLVEMENT IN INTERNATIONAL STANDARD SETTING.

In developing international insurance standards pursuant to section 3, and throughout the negotiations of such standards, parties representing the Federal Government shall, on matters related to insurance, closely consult, coordinate with, and seek to include in such meetings State insurance commissioners or, at the option of the State insurance commissioners, designees of the insurance commissioners acting at their direction.

SEC. 5. CONSULTATION WITH CONGRESS.

(a) REQUIREMENT.—Parties representing the Federal Government with respect to any agreement under section 3 shall provide written notice to and consult with the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, and any other relevant committees of jurisdiction—

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

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

(B) the nature and objectives of the negotiations; and
(2) during negotiations to enter into the agreement, regarding—

(A) the nature and objectives of the negotiations

(B) the implementation of the agreement, including how it is consistent with and does not materially differ from or otherwise affect Federal or State laws or regulations;

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

(D) the impact on United States consumers.

(b) Consultation With Federal Advisory Committee on Insurance.—Before entering into an agreement under section 3, the Secretary of the Treasury shall seek to consult with the Federal Advisory Committee on Insurance formed pursuant to section 313(h) of title 31, United States Code.

Sec. 6. Report to Congress on International Insurance Agreements.

Before entering into an agreement under section 3, parties representing the Federal Government shall submit to the appropriate congressional committees and leadership a report that describes —
(1) the implementation of the agreement, including how it is consistent with and does not materially differ from or otherwise affect Federal or State laws or regulations;

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

(3) the impact on United States consumers.

SEC. 7. COVERED AGREEMENTS.

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

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

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

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

(3) by adding at the end the following new subparagraph:

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

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

(1) in subsection (b)—
(A) in paragraph (2)(C), by striking “laws” and inserting the following: “and Federal law, and the nature of any changes in the laws of the United States or the administration of such laws that would be required to carry out a covered agreement”; and

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

“(3) ACCESS TO NEGOTIATING TEXTS AND OTHER DOCUMENTS.—Appropriate congressional committees and staff with proper security clearances shall be given timely access to United States negotiating proposals, consolidated draft texts, and other pertinent documents related to the negotiations, including classified materials.”;

(2) by redesignating subsection (c) as subsection (d);

(3) by inserting after subsection (b) the following new subsection:

“(c) REQUIREMENTS FOR CONSULTATIONS WITH STATE INSURANCE COMMISSIONERS.—Throughout the negotiations of a covered agreement, parties representing the Federal Government shall closely consult and coordinate with State insurance commissioners.”;
(4) in subsection (d), as so redesignated by paragraph (2)—

(A) in the matter preceding paragraph (1), by striking "only if—" and inserting the following: "only if, before signing the final legal text or otherwise entering into the agreement—";

(B) in paragraph (1), by striking "congressional committees specified in subsection (b)(1)" and inserting "appropriate congressional committees and leadership and to congressional committee staff with proper security clearances"; and

(C) by striking paragraph (2) and inserting the following new paragraph:

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

"(B) the covered agreement has not been prevented from taking effect pursuant to subsection (e)."; and

(5) by adding at the end the following new subsections:
“(e) Period for Review by Congress.—

“(1) In general.—During the layover period referred to in subsection (d)(2)(A), the Committees on Banking, Housing, and Urban Affairs and Finance of the Senate and the Committees on Financial Services and Ways of Means of the House of Representatives should, as appropriate, exercise their full oversight responsibility.

“(2) Effect of enactment of a joint resolution of disapproval.—Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a covered agreement submitted under subsection (d)(1) is enacted in accordance with subsection (f), the covered agreement shall not enter into force with respect to the United States.

“(f) Joint Resolutions of Disapproval.—

“(1) Definition.—In this subsection, the term ‘joint resolution of disapproval’ means, with respect to proposed covered agreement, only a joint resolution of either House of Congress—

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

“(B) which does not have a preamble;
“(C) the title of which is as follows: ‘A joint resolution disapproving a certain proposed covered agreement under section 314 of title 31, United States Code.’; and

“(D) the sole matter after the resolving clause of which is the following: ‘Congress disapproves of the proposed covered agreement submitted to Congress under section 314 (c)(1) of title 31, United States Code, on ____________ relating to ____________’, with the first blank space being filled with the appropriate date and the second blank space being filled with a short description of the proposed covered agreement.

“(2) INTRODUCTION.—During the layover period referred to in subsection (d)(2)(A), a joint resolution of disapproval may be introduced—

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

“(B) in the Senate, by any Senator,

and shall be referred to the appropriate committees.

“(3) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This subsection is enacted by Congress—
“(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such is deemed a part of the rules of each House, respectively, and supersedes other rules only to the extent that it is inconsistent with such rules; and

“(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

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

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

“(2) the Committees on Financial Services and Ways and Means, and the Speaker, the majority leader, and the minority leader, of the House of Representatives.”.
SEC. 8. INAPPLICABILITY TO TRADE AGREEMENTS.

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