

Suspend the Rules and Pass the Bill, HR. 5059, with an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

115TH CONGRESS
2^D SESSION

H. R. 5059

To amend the Home Owners' Loan Act with respect to the registration and supervision of insurance savings and loan holding companies, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 15, 2018

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

A BILL

To amend the Home Owners' Loan Act with respect to the registration and supervision of insurance savings and loan holding companies, 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 "State Insurance Regu-
5 lation Preservation Act".

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

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

6 “(K) DOMICILE.—The term ‘domicile’
7 means the State in which an insurance under-
8 writing company or the holding company for
9 such company is incorporated, chartered, or or-
10 ganized.

11 “(L) BUSINESS OF INSURANCE.—The term
12 ‘business of insurance’ means any activity that
13 is regulated in accordance with the relevant
14 State insurance law, including the writing of in-
15 surance and the reinsuring of risks.

16 “(M) INSURANCE SAVINGS AND LOAN
17 HOLDING COMPANY.—The term ‘insurance sav-
18 ings and loan holding company’ means—

19 “(i) a savings and loan holding com-
20 pany with 75 percent or more of its total
21 consolidated assets in an insurance under-
22 writing company (or insurance under-
23 writing companies), other than assets asso-
24 ciated with insurance for credit risk, dur-
25 ing the 4 most recent consecutive quarters,
26 as calculated in accordance with Generally

1 Accepted Accounting Principles or the
2 Statutory Accounting Principles in accord-
3 ance with State law;

4 “(ii) a company that—

5 “(I) was a savings and loan hold-
6 ing company as of July 21, 2010, and
7 through date of enactment of this
8 clause; and

9 “(II) was not subject to the
10 Basel III capital regulation promul-
11 gated by the Board of Governors of
12 the Federal Reserve System and the
13 Comptroller of the Currency on Octo-
14 ber 11, 2013 (78 Fed. Reg. 62018),
15 because the savings and loan holding
16 company held 25 percent or more of
17 its total consolidated assets in subsidi-
18 aries that are insurance underwriting
19 companies (other than assets associ-
20 ated with insurance for credit risk); or

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

23 “(I) was registered as a savings
24 and loan holding company before July
25 21, 2010; and

1 “(II) is a New York not-for-prof-
2 it corporation formed for the purpose
3 of holding the stock of a New York in-
4 surance company.

5 “(N) INSURANCE UNDERWRITING COM-
6 PANY.—The term ‘insurance underwriting com-
7 pany’ means an entity that is subject to regula-
8 tion by a State insurance authority.

9 “(O) STATE INSURANCE AUTHORITY.—The
10 term ‘State insurance authority’ means the
11 State insurance authority of the State in which
12 an insurance underwriting company or holding
13 company for such company is domiciled.

14 “(P) TOP-TIER SAVINGS AND LOAN HOLD-
15 ING COMPANY.—The term ‘top-tier savings and
16 loan holding company’ means the ultimate par-
17 ent company in a savings and loan holding com-
18 pany structure.”.

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

22 “A savings and loan holding company that is an in-
23 surance savings and loan holding company shall register
24 as an insurance savings and loan holding company.”.

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

4 “(D) INSURANCE SAVINGS AND LOAN
5 HOLDING COMPANIES.—The Board, to the full-
6 est extent possible, shall request reports and
7 other information filed by insurance savings
8 and loan holding companies and any insurance
9 underwriting company that is a subsidiary of
10 such company with other Federal authorities
11 and the State insurance authority for such com-
12 pany before requesting such reports or informa-
13 tion from the insurance savings and loan hold-
14 ing company or any insurance underwriting
15 company that is a subsidiary of such company.

16 “(E) RULE OF CONSTRUCTION.—Nothing
17 in this section may be construed as prohibiting
18 the Board from requesting reports and other in-
19 formation that is not otherwise collected or
20 shared with other Federal or State authori-
21 ties.”.

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 an insurance
10 savings and loan holding company with the rec-
11 ordkeeping requirements imposed by the State
12 insurance authority of such company and any
13 insurance underwriting company that is a sub-
14 sidiary of such company.”.

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

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

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

22 (3) by adding at the end the following new
23 clause:

24 “(iii) INSURANCE SAVINGS AND LOAN
25 HOLDING COMPANIES.—

1 “(I) COORDINATION.—The
2 Board, to the fullest extent possible,
3 shall coordinate examinations of an
4 insurance savings and loan holding
5 company in conjunction with the State
6 insurance authority of such company
7 and any insurance underwriting com-
8 pany that is a subsidiary of such com-
9 pany and other State and Federal au-
10 thorities in order to minimize the po-
11 tential for duplication and conflict be-
12 tween the examinations conducted by
13 the Board and the examinations con-
14 ducted by other State and Federal au-
15 thorities.

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

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

4 “(7) INSURANCE SAVINGS AND LOAN HOLDING
5 COMPANIES.—

6 “(A) TAILORED SUPERVISION.—The
7 Board, by rule, shall establish a supervisory
8 framework for insurance savings and loan hold-
9 ing companies that—

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

13 “(ii) to the fullest extent possible, and
14 consistent with the safe and sound oper-
15 ation of insurance savings and loan holding
16 companies, does not unnecessarily dupli-
17 cate the supervision of insurance under-
18 writing companies by the State insurance
19 authorities for such companies or insur-
20 ance underwriting companies that are sub-
21 sidiaries of such companies;

22 “(iii) informs the Board of the risks
23 specified in paragraph (4)(A); and

24 “(iv) permits the Board to monitor
25 compliance with—

1 “(I) this section;

2 “(II) Federal laws the Board has
3 specific authority to enforce against
4 such companies and their subsidiaries;
5 and

6 “(III) other than in the case of a
7 functionally regulated subsidiary, any
8 other applicable provisions of Federal
9 law.

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

18 **SEC. 3. ASSESSMENTS AND FEES FOR INSURANCE SAVINGS**

19 **AND LOAN HOLDING COMPANIES.**

20 Section 11(s) of the Federal Reserve Act (12 U.S.C.
21 248(s)), which relates to assessments and fees, is amended
22 by inserting at the end the following new paragraph:

23 “(3) EXCLUDED ASSETS.—For purposes of
24 paragraph (2)(B), the total consolidated assets of an
25 insurance savings and loan holding company, as de-

1 fined in section 10(a)(1)(L) of the Home Owners’
2 Loan Act (12 U.S.C. 1467a(a)(1)(L)), shall not in-
3 clude assets attributable to the business of insurance
4 conducted by such company or any affiliate of such
5 company, other than assets associated with insur-
6 ance for credit risk.”.

7 **SEC. 4. IMPLEMENTATION.**

8 (a) IMPLEMENTATION OF SUPERVISORY FRAME-
9 WORK.—The Board shall establish the supervisory frame-
10 work required by section 10(b)(7) of the Home Owners’
11 Loan Act (12 U.S.C. 1467a(b)(7)), as added by this Act,
12 within 24 months of the date of enactment of this Act.

13 (b) REVIEW OF SUPERVISORY GUIDANCE.—The
14 Board shall complete the review of supervisory policy let-
15 ters and policy guidance required by section 10(b)(7) of
16 the Home Owners’ Loan Act (12 U.S.C. 1467a(b)(7)), as
17 added by this Act, within 30 months of the date of enact-
18 ment of this Act.

19 (c) REPORT TO CONGRESS.—The Board, no later
20 than 36 months after the date of enactment of this Act,
21 shall submit a report to the Committee on Banking, Hous-
22 ing, and Urban Affairs of the Senate and the Committee
23 on Financial Services of the House of Representatives on
24 the implementation of this Act.

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

4 **SEC. 5. RELATIONSHIP TO OTHER LAWS.**

5 This Act and the amendments made by this Act shall
6 not limit any authority over insurance savings and loan
7 holding companies (as defined under section 10(a)(1) of
8 the Home Owners’ Loan Act) that is provided by a Fed-
9 eral law other than this Act.

10 **SEC. 6. RULEMAKING AUTHORITY.**

11 The Board may issue regulations and orders as may
12 be necessary to—

13 (1) administer and carry out this Act and the
14 amendments made by this Act; and

15 (2) prevent evasions of this Act and the amend-
16 ments made by this Act.

17 **SEC. 7. RULE OF CONSTRUCTION.**

18 Nothing in this Act or the amendments made by this
19 Act may be construed to affect the authority of the Board
20 of Governors of the Federal Reserve System over any sub-
21 sidiary of an insurance savings and loan holding company
22 that is not an insurance underwriting company (as such
23 terms are defined, respectively, under section 10(a)(1) of
24 the Home Owners’ Loan Act).