

**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)**

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> 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.

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## 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

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## 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 laws and regulations, including  
15 the writing of insurance and the reinsuring of  
16 risks.

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

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

1 as calculated in accordance with Generally  
2 Accepted Accounting Principles or the  
3 Statutory Accounting Principles in accord-  
4 ance with State law;

5 “(ii) a company that—

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

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

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

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

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

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

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

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

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

1       “A savings and loan holding company that is an in-  
2 surance savings and loan holding company shall register  
3 as an insurance savings and loan holding company.”.

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

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

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

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

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

6 “(A) IN GENERAL.—Each”; and

7 (2) by inserting at the end the following new  
8 subparagraph:

9 “(B) INSURANCE SAVINGS AND LOAN  
10 HOLDING COMPANIES.—The Board, to the full-  
11 est extent possible, shall align any prescribed  
12 recordkeeping requirements for an insurance  
13 savings and loan holding company with the rec-  
14 ordkeeping requirements imposed by the State  
15 insurance authority of such company and any  
16 insurance underwriting company that is a sub-  
17 sidiary of such company.”.

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

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

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

1           (3) by adding at the end the following new  
2       clause:

3                       “(iii) INSURANCE SAVINGS AND LOAN  
4                       HOLDING COMPANIES.—

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

20                      “(II) SCOPE AND FREQUENCY.—  
21                      Following public notice and comment,  
22                      the Board shall establish a schedule  
23                      for the frequency and the scope of ex-  
24                      aminations of insurance savings and  
25                      loan holding companies that is con-

1                   sistent with the supervisory frame-  
2                   work required by paragraph (7).”.

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

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

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

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

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

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



1 “(iv) permits the Board to monitor  
2 compliance with—

3 “(I) this section;

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

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

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

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

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

1           “(4) 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, other than assets associated with insur-  
9 ance for credit risk.”.

10 **SEC. 4. IMPLEMENTATION.**

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

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

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

1 on Financial Services of the House of Representatives on  
2 the implementation of this Act.

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

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

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

12 **SEC. 6. RULEMAKING AUTHORITY.**

13 The Board may issue regulations and orders as may  
14 be necessary to—

15 (1) administer and carry out this Act and the  
16 amendments made by this Act; and

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

19 **SEC. 7. RULE OF CONSTRUCTION.**

20 Nothing in this Act or the amendments made by this  
21 Act may be construed to affect the authority of the Board  
22 of Governors of the Federal Reserve System over any sub-  
23 sidiary of an insurance savings and loan holding company  
24 that is not an insurance underwriting company (as such

1 terms are defined, respectively, under section 10(a)(1) of  
2 the Home Owners' Loan Act).