

115TH CONGRESS
2D SESSION

H. R. 5059

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 2018

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “State Insurance Regu-
3 lation Preservation Act”.

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

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

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

14 “(L) BUSINESS OF INSURANCE.—The term
15 ‘business of insurance’ means any activity that
16 is regulated in accordance with the relevant
17 State insurance laws and regulations, including
18 the writing of insurance and the reinsuring of
19 risks.

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

23 “(i) a savings and loan holding com-
24 pany with 75 percent or more of its total
25 consolidated assets in an insurance under-
26 writing company (or insurance under-

1 writing companies), other than assets asso-
2 ciated with insurance for credit risk, dur-
3 ing the 4 most recent consecutive quarters,
4 as calculated in accordance with Generally
5 Accepted Accounting Principles or the
6 Statutory Accounting Principles in accord-
7 ance with State law;

8 “(ii) a company that—

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

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

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

3 “(I) was registered as a savings
4 and loan holding company before July
5 21, 2010; and

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

10 “(N) INSURANCE UNDERWRITING COM-
11 PANY.—The term ‘insurance underwriting com-
12 pany’ means an insurer that is subject to regu-
13 lation by a State insurance authority of the in-
14 surer’s domicile.

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

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

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

4 “A savings and loan holding company that is an in-
5 surance savings and loan holding company shall register
6 as an insurance savings and loan holding company.”.

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

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

22 “(E) RULE OF CONSTRUCTION.—Nothing
23 in this section may be construed as prohibiting
24 the Board from requesting reports and other in-
25 formation that is not otherwise collected and

1 shared with other Federal or State authori-
2 ties.”.

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

6 (1) by striking “Each” and inserting the fol-
7 lowing:

8 “(A) IN GENERAL.—Each”; and

9 (2) by inserting at the end the following new
10 subparagraph:

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

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

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

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

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

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

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

22 “(II) SCOPE AND FREQUENCY.—
23 Following public notice and comment,
24 the Board shall establish a schedule
25 for the frequency and the scope of ex-

1 aminations of insurance savings and
2 loan holding companies that is con-
3 sistent with the supervisory frame-
4 work required by paragraph (7).”.

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

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

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

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

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

1 “(B) REVIEW OF SUPERVISORY GUID-
2 ANCE.—Following public notice and comment,
3 the Board shall review and revise supervisory
4 policy letters and guidance applicable to insur-
5 ance savings and loan holding companies to en-
6 sure that such letters and guidance are not in-
7 consistent with the supervisory framework re-
8 quired by this paragraph.”.

9 **SEC. 3. ASSESSMENTS AND FEES FOR INSURANCE SAVINGS**
10 **AND LOAN HOLDING COMPANIES.**

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

14 “(4) EXCLUDED ASSETS.—For purposes of
15 paragraph (2)(B), the total consolidated assets of an
16 insurance savings and loan holding company, as de-
17 fined in section 10(a)(1)(L) of the Home Owners’
18 Loan Act (12 U.S.C. 1467a(a)(1)(L)), shall not in-
19 clude assets attributable to the business of insurance
20 conducted by such company or any affiliate of such
21 company, other than assets associated with insur-
22 ance for credit risk.”.

23 **SEC. 4. IMPLEMENTATION.**

24 (a) IMPLEMENTATION OF SUPERVISORY FRAME-
25 WORK.—The Board shall establish the supervisory frame-

1 work required by section 10(b)(7) of the Home Owners'
2 Loan Act (12 U.S.C. 1467a(b)(7)), as added by this Act,
3 within 24 months of the date of enactment of this Act.

4 (b) REVIEW OF SUPERVISORY GUIDANCE.—The
5 Board shall complete the review of supervisory policy let-
6 ters and policy guidance required by section 10(b)(7) of
7 the Home Owners' Loan Act (12 U.S.C. 1467a(b)(7)), as
8 added by this Act, within 30 months of the date of enact-
9 ment of this Act.

10 (c) REPORT TO CONGRESS.—The Board, no later
11 than 36 months after the date of enactment of this Act,
12 shall submit a report to the Committee on Banking, Hous-
13 ing, and Urban Affairs of the Senate and the Committee
14 on Financial Services of the House of Representatives on
15 the implementation of this Act.

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

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

20 This Act and the amendments made by this Act shall
21 not limit any authority over insurance savings and loan
22 holding companies (as defined under section 10(a)(1) of
23 the Home Owners' Loan Act) that is provided by a Fed-
24 eral law other than the Home Owners' Loan Act.

1 **SEC. 6. RULEMAKING AUTHORITY.**

2 The Board may issue regulations and orders as may
3 be necessary to—

4 (1) administer and carry out this Act and the
5 amendments made by this Act; and

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

8 **SEC. 7. RULE OF CONSTRUCTION.**

9 Nothing in this Act or the amendments made by this
10 Act may be construed to affect the authority of the Board
11 of Governors of the Federal Reserve System over any sub-
12 sidiary of an insurance savings and loan holding company
13 that is not an insurance underwriting company (as such
14 terms are defined, respectively, under section 10(a)(1) of
15 the Home Owners' Loan Act).

Passed the House of Representatives September 12,
2018.

Attest:

KAREN L. HAAS,

Clerk.