

Union Calendar No. 260

114TH CONGRESS
1ST SESSION

H. R. 1478

[Report No. 114–338]

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 16, 2015

Additional sponsors: Ms. BORDALLO, Mr. DUNCAN of Tennessee, Mr. ROSS, Mr. STIVERS, Mr. BYRNE, Mr. FINCHER, Mr. HECK of Nevada, Mr. JONES, Mr. WILSON of South Carolina, Mr. HUIZENGA of Michigan, Mrs. WAGNER, Mr. MULVANEY, Mr. PEARCE, Mr. GROTHMAN, Mr. BLUM, Mr. TIPTON, Mr. DUFFY, Mr. GUTHRIE, Mrs. NOEM, Mr. HULTGREN, Mr. AMODEI, Mr. GOSAR, Mr. WEBSTER of Florida, Mr. JOYCE, Mrs. ROBY, Mr. POLIQUIN, Mr. CRAMER, Mr. BARR, Mr. HARRIS, Mr. PITTINGER, Mr. EMMER of Minnesota, Mr. HECK of Washington, Mr. LUCAS, and Mr. DELANEY

NOVEMBER 16, 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 italic]

[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”.*

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