

## Union Calendar No. 728

115TH CONGRESS  
2D SESSION

# H. R. 5059

[Report No. 115–937]

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

SEPTEMBER 12, 2018

Additional sponsors: Mr. LUETKEMEYER, Mr. GONZALEZ of Texas, and Mr.  
BUDD

SEPTEMBER 12, 2018

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 February 15, 2018]

# **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 Regula-*  
 5       *tion Preservation Act”.*

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

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

11               “(K) *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               “(L) *INSURANCE SAVINGS AND LOAN HOLD-*  
 17               *ING COMPANY.*—The term ‘insurance savings and  
 18               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, during  
 25               the 4 most recent consecutive quarters, as

1           *calculated in accordance with Generally Ac-*  
2           *cepted Accounting Principles or the Statu-*  
3           *tory Accounting Principles in accordance*  
4           *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 Basel  
11                   *III capital regulation promulgated by*  
12                   *the Board of Governors of the Federal*  
13                   *Reserve System and the Comptroller of*  
14                   *the Currency on October 11, 2013 (78*  
15                   *Fed. Reg. 62018), because the savings*  
16                   *and loan holding company held 25*  
17                   *percent or more of its total consoli-*  
18                   *dated assets in subsidiaries that are*  
19                   *insurance underwriting companies*  
20                   *(other than assets associated with in-*  
21                   *surance 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-profit  
5                   corporation formed for the purpose of  
6                   holding the stock of a New York insur-  
7                   ance company.

8                   “(M) 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                  “(N) STATE INSURANCE AUTHORITY.—The  
13                  term ‘State insurance authority’ means the chief  
14                  insurance regulatory authority of a State.

15                  “(O) TOP-TIER SAVINGS AND LOAN HOLDING  
16                  COMPANY.—The term ‘top-tier savings and loan  
17                  holding company’ means the ultimate parent  
18                  company in a savings and loan holding com-  
19                  pany structure.”.

20                  (b) REGISTRATION.—Section 10(b)(1) of the Home  
21                  Owners’ Loan Act (12 U.S.C. 1467a(b)(1)) is amended by  
22                  inserting at the end the following new sentence: “A savings  
23                  and loan holding company that is an insurance savings  
24                  and loan holding company shall register as an insurance  
25                  savings and loan holding company.”.

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

4               “(D) *INSURANCE SAVINGS AND LOAN HOLD-*  
 5       *ING COMPANIES*.—The Board, to the fullest extent  
 6       possible, shall request reports and other informa-  
 7       tion filed by insurance savings and loan holding  
 8       companies with other Federal or State authori-  
 9       ties from such other authorities before requesting  
 10      such reports or information from insurance sav-  
 11      ings and loan holding companies.”.

12      (d) *BOOKS AND RECORDS*.—Section 10(b)(3) of the  
 13   *Home Owners’ Loan Act* (12 U.S.C. 1467a(b)(3)) is amend-  
 14   ed—

15              (1) by striking “Each” and inserting the fol-  
 16   lowing:

17                      “(A) *IN GENERAL*.—Each”; and

18              (2) by inserting at the end the following new  
 19   subparagraph:

20               “(B) *INSURANCE SAVINGS AND LOAN HOLD-*  
 21       *ING COMPANIES*.—The Board, to the fullest extent  
 22       possible, shall align any prescribed recordkeeping  
 23       requirements for insurance savings and loan  
 24       holding companies with the recordkeeping re-

1            *quirements imposed by State insurance authori-*  
 2            *ties.”.*

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

5            *(1) in clause (i), by striking the word “and” at*  
 6            *the end;*

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

9            *(3) by adding at the end the following new*  
 10           *clause:*

11                            *“(iii) INSURANCE SAVINGS AND LOAN*  
 12                            *HOLDING COMPANIES.—*

13                            *“(I) COORDINATION.—The Board,*  
 14                            *to the fullest extent possible, shall con-*  
 15                            *duct examinations of insurance savings*  
 16                            *and loan holding companies in con-*  
 17                            *junction with other State and Federal*  
 18                            *authorities in order to minimize the*  
 19                            *potential for duplication and conflict*  
 20                            *between the inspections conducted by*  
 21                            *the Board and the examinations con-*  
 22                            *ducted by other State and Federal au-*  
 23                            *thorities.*

24                            *“(II) SCOPE AND FREQUENCY.—*  
 25                            *Following public notice and comment,*

1                   *the Board shall establish a schedule for*  
 2                   *the frequency and the scope of exami-*  
 3                   *nations of insurance savings and loan*  
 4                   *holding companies that is consistent*  
 5                   *with the supervisory framework re-*  
 6                   *quired by paragraph (7).”.*

7           (f) *SUPERVISION.—Section 10(b) of the Home Owners’*  
 8   *Loan Act (12 U.S.C. 1467a(b)) is amended by inserting at*  
 9   *the end the following new paragraph:*

10                   “(7) *INSURANCE SAVINGS AND LOAN HOLDING*  
 11           *COMPANIES.—*

12                   “(A) *TAILORED SUPERVISION.—The Board,*  
 13                   *by rule, shall establish a supervisory framework*  
 14                   *for insurance savings and loan holding compa-*  
 15                   *nies that—*

16                   “(i) *is tailored to the unique risks, op-*  
 17                   *erations, and activities of insurance savings*  
 18                   *and loan holding companies; and*

19                   “(ii) *to the fullest extent possible, and*  
 20                   *consistent with the safe and sound oper-*  
 21                   *ation of insurance savings and loan holding*  
 22                   *companies, does not unnecessarily duplicate*  
 23                   *the supervision of insurance underwriting*  
 24                   *companies by State insurance authorities.*



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 para-*  
 15                   *graph (2)(B), the total consolidated assets of an in-*  
 16                   *surance savings and loan holding company, as de-*  
 17                   *finied 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 insurance*  
 22                   *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 Board*  
 5 *shall complete the review of supervisory policy letters and*  
 6 *policy guidance required by section 10(b)(7) of the Home*  
 7 *Owners’ Loan Act (12 U.S.C. 1467a(b)(7)), as added by this*  
 8 *Act, within 30 months of the date of enactment of this Act.*

9 *(c) REPORT TO CONGRESS.—The Board, no later than*  
 10 *36 months after the date of enactment of this Act, shall sub-*  
 11 *mit a report to the Committee on Banking, Housing, and*  
 12 *Urban Affairs of the Senate and the Committee on Finan-*  
 13 *cial Services of the House of Representatives on the imple-*  
 14 *mentation of this Act.*

15 *(d) BOARD DEFINED.—As used in this section, the*  
 16 *term “Board” means the Board of Governors of the Federal*  
 17 *Reserve System.*

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

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



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