

114TH CONGRESS  
1ST SESSION

# H. R. 1478

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## AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Policyholder Protection  
3 Act of 2015”.

4 **SEC. 2. ENSURING THE PROTECTION OF INSURANCE POL-**  
5 **ICYHOLDERS.**

6       (a) SOURCE OF STRENGTH.—Section 38A of the  
7 Federal Deposit Insurance Act (12 U.S.C. 1831o–1) is  
8 amended—

9           (1) by redesignating subsections (c), (d), and  
10       (e) as subsections (d), (e), and (f), respectively; and

11           (2) by inserting after subsection (b) the fol-  
12       lowing:

13       “(c) AUTHORITY OF STATE INSURANCE REGU-  
14 LATOR.—

15           “(1) IN GENERAL.—The provisions of section  
16       5(g) of the Bank Holding Company Act of 1956 (12  
17       U.S.C. 1844(g)) shall apply to a savings and loan  
18       holding company that is an insurance company, an  
19       affiliate of an insured depository institution that is  
20       an insurance company, and to any other company  
21       that is an insurance company and that directly or  
22       indirectly controls an insured depository institution,  
23       to the same extent as the provisions of that section  
24       apply to a bank holding company that is an insur-  
25       ance company.

1           “(2) RULE OF CONSTRUCTION.—Requiring a  
2       bank holding company that is an insurance com-  
3       pany, a savings and loan holding company that is an  
4       insurance company, an affiliate of an insured deposi-  
5       tory institution that is an insurance company, or any  
6       other company that is an insurance company and  
7       that directly or indirectly controls an insured deposi-  
8       tory institution to serve as a source of financial  
9       strength under this section shall be deemed an ac-  
10      tion of the Board that requires a bank holding com-  
11      pany to provide funds or other assets to a subsidiary  
12      depository institution for purposes of section 5(g) of  
13      the Bank Holding Company Act of 1956 (12 U.S.C.  
14      1844(g)).”.

15       (b) LIQUIDATION AUTHORITY.—The Dodd-Frank  
16      Wall Street Reform and Consumer Protection Act (12  
17      U.S.C. 5301 et seq.) is amended—

18           (1) in section 203(e)(3) (12 U.S.C. 5383(e)(3)),  
19       by inserting “or rehabilitation” after “orderly liq-  
20       uidation” each place that term appears; and

21           (2) in section 204(d)(4) (12 U.S.C.  
22       5384(d)(4)), by inserting before the semicolon at the  
23       end the following: “, except that, if the covered fi-  
24       nancial company or covered subsidiary is an insur-

1       ance company or a subsidiary of an insurance com-  
2       pany, the Corporation—

3               “(A) shall promptly notify the State insur-  
4       ance authority for the insurance company of the  
5       intention to take such lien; and

6               “(B) may only take such lien—

7                       “(i) to secure repayment of funds  
8       made available to such covered financial  
9       company or covered subsidiary; and

10                  “(ii) if the Corporation determines,  
11       after consultation with the State insurance  
12       authority, that such lien will not unduly  
13       impede or delay the liquidation or rehabili-  
14       tation of the insurance company, or the re-  
15       covery by its policyholders”.

Passed the House of Representatives November 16,  
2015.

Attest:

*Clerk.*



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