

114TH CONGRESS  
1ST SESSION

# H. R. 1478

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.

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## 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

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## 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".

1 **SEC. 2. SOURCE OF STRENGTH.**

2 Section 38A of the Federal Deposit Insurance Act  
3 (12 U.S.C. 1831o-1) is amended—

4 (1) by redesignating subsections (c), (d), and  
5 (e) as subsections (d), (e), and (f), respectively; and

6 (2) by inserting after subsection (b) the fol-  
7 lowing:

8 “(c) **AUTHORITY OF STATE INSURANCE REGU-**  
9 **LATOR.—**

10 “(1) **IN GENERAL.—**The provisions of section  
11 5(g) of the Bank Holding Company Act of 1956 (12  
12 U.S.C. 1844(g)) shall apply to a savings and loan  
13 holding company that is an insurance company, an  
14 affiliate of an insured depository institution that is  
15 an insurance company, and to any other company  
16 that is an insurance company and that directly or  
17 indirectly controls an insured depository institution,  
18 to the same extent as such section 5(g) applies to  
19 a bank holding company that is an insurance com-  
20 pany.

21 “(2) **RULE OF CONSTRUCTION.—**Requiring a  
22 bank holding company that is an insurance com-  
23 pany, a savings and loan holding company that is an  
24 insurance company, an affiliate of an insured depository  
25 institution that is an insurance company, or any  
26 other company that is an insurance company and

1 that directly or indirectly controls an insured deposi-  
2 tory institution to serve as a source of financial  
3 strength under this section shall be deemed an ‘ac-  
4 tion of the Board that requires a bank holding com-  
5 pany to provide funds or other assets to a subsidiary  
6 depository institution’ for purposes of such section  
7 5(g).”.

8 **SEC. 3. LIQUIDATION AUTHORITY.**

9 The Dodd-Frank Wall Street Reform and Consumer  
10 Protection Act (12 U.S.C. 5301 et seq.) is amended—

11 (1) in section 203(e)(3), by inserting “or reha-  
12 bilitation” after “orderly liquidation” each place  
13 such term appears; and

14 (2) in section 204(d)(4), by inserting before the  
15 semicolon the following: “, except that, if the covered  
16 financial company or covered subsidiary is an insur-  
17 ance company or a subsidiary of an insurance com-  
18 pany, the Corporation—

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

22 “(B) may not take such lien if the State  
23 insurance authority notified under subpara-  
24 graph (A) informs the Corporation, in writing,  
25 within 15 days of such notice, that the taking

1 of the lien on the assets of such company would  
2 have a materially adverse effect on the policy-  
3 holders of such company”.

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