

116TH CONGRESS
1ST SESSION

H. R. 4592

To preserve the State-based system of insurance regulation and provide greater oversight of and transparency on international insurance standards setting processes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 1, 2019

Mr. HECK (for himself and Mr. BUDD) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To preserve the State-based system of insurance regulation and provide greater oversight of and transparency on international insurance standards setting processes, 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 “International Insur-
5 ance Standards Act of 2019”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 The Congress finds the following:

1 (1) The State-based system for insurance regu-
 2 lation in the United States has served American con-
 3 sumers well for more than 150 years and has fos-
 4 tered an open and competitive marketplace with a
 5 diversity of insurance products to the benefit of pol-
 6 icyholders and consumers.

7 (2) Protecting policyholders by regulating to en-
 8 sure an insurer's ability to pay claims has been the
 9 hallmark of the successful United States system and
 10 should be the paramount objective of domestic pru-
 11 dential regulation and emerging international stand-
 12 ards.

13 (3) The Dodd-Frank Wall Street Reform and
 14 Consumer Protection Act (Public Law 111–203) re-
 15 affirmed the State-based insurance regulatory sys-
 16 tem.

17 **SEC. 3. REQUIREMENT THAT INSURANCE STANDARDS RE-**
 18 **FLECT UNITED STATES POLICY.**

19 (a) REQUIREMENT.—

20 (1) IN GENERAL.—Parties representing the
 21 Federal Government in any international regulatory,
 22 standard-setting, or supervisory forum or in any ne-
 23 gotiations of any international agreements relating
 24 to the prudential aspects of insurance shall not
 25 agree to, accede to, accept, or establish any proposed

1 agreement or standard if such parties determine
 2 that the United States system of insurance regula-
 3 tion would not satisfy such proposals.

4 (2) INAPPLICABILITY.—Paragraph (1) shall not
 5 apply to any forum or negotiations relating to a cov-
 6 ered agreement (as such term is defined in section
 7 313(r) of title 31, United States Code).

8 (b) FEDERAL INSURANCE OFFICE FUNCTIONS.—
 9 Subparagraph (E) of section 313(c)(1) of title 31, United
 10 States Code, is amended by inserting “Federal Govern-
 11 ment” after “United States”.

12 (c) NEGOTIATIONS; REGULATORY DIALOGUES.—

13 (1) NEGOTIATIONS.—Nothing in this section
 14 shall be construed to prevent participation in nego-
 15 tiations of any proposed agreement or standard.

16 (2) REGULATORY DIALOGUES.—Nothing in this
 17 section shall apply to regulatory dialogues not in-
 18 tended to create standards or result in an agreement
 19 not creating standards relating to the prudential as-
 20 pects of insurance.

21 **SEC. 4. STATE INSURANCE REGULATOR INVOLVEMENT IN**
 22 **INTERNATIONAL STANDARD SETTING.**

23 In developing international insurance standards or
 24 agreements pursuant to section 3, and throughout the ne-
 25 gotiations of such standards or agreements, and in regu-

latory dialogues, parties representing the Federal Government shall, on matters related to insurance, closely consult, coordinate with, and seek to include in such meetings State insurance commissioners or, at the option of the State insurance commissioners, designees of the insurance commissioners acting at their direction.

SEC. 5. CONSULTATION WITH CONGRESS.

(a) REQUIREMENT.—Parties representing the Federal Government with respect to any agreement under section 3 shall provide written notice to and consult with the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, and any other relevant committees of jurisdiction—

(1) before initiating negotiations to enter into the agreement, regarding—

(A) the intention of the United States to participate in or enter into such negotiations; and

(B) the nature and objectives of the negotiations; and

(2) during negotiations to enter into the agreement, regarding—

(A) the nature and objectives of the negotiations;

1 (B) the implementation of the agreement,
2 including how it is consistent with and does not
3 materially differ from or otherwise affect Fed-
4 eral or State laws or regulations;

5 (C) the impact on the competitiveness of
6 United States insurers; and

7 (D) the impact on United States con-
8 sumers.

9 (b) CONSULTATION WITH FEDERAL ADVISORY COM-
10 MITTEE ON INSURANCE.—Before entering into an agree-
11 ment under section 3, the Secretary of the Treasury shall
12 seek to consult with the Federal Advisory Committee on
13 Insurance formed pursuant to section 313(h) of title 31,
14 United States Code.

15 **SEC. 6. REPORT TO CONGRESS ON INTERNATIONAL INSUR-**
16 **ANCE AGREEMENTS.**

17 Before entering into an agreement under section 3,
18 parties representing the Federal Government shall submit
19 to the appropriate congressional committees and leader-
20 ship a report that describes—

21 (1) the implementation of the agreement, in-
22 cluding how it is consistent with and does not mate-
23 rially differ from or otherwise affect Federal or
24 State laws or regulations;

1 (2) the impact on the competitiveness of United
2 States insurers; and

3 (3) the impact on United States consumers.

4 **SEC. 7. INAPPLICABILITY TO TRADE AGREEMENTS.**

5 This Act shall not apply to any forum or negotiations
6 related to a trade agreement.

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