

115TH CONGRESS
2D SESSION

H. R. 4537

IN THE SENATE OF THE UNITED STATES

JULY 11, 2018

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “International Insur-
3 ance Standards Act of 2018”.

4 **SEC. 2. CONGRESSIONAL FINDINGS.**

5 The Congress finds the following:

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

12 (2) Protecting policyholders by regulating to en-
13 sure an insurer’s ability to pay claims has been the
14 hallmark of the successful United States system and
15 should be the paramount objective of domestic pru-
16 dential regulation and emerging international stand-
17 ards.

18 (3) The Dodd-Frank Wall Street Reform and
19 Consumer Protection Act (Public Law 111–203) re-
20 affirmed the State-based insurance regulatory sys-
21 tem.

22 **SEC. 3. REQUIREMENT THAT INSURANCE STANDARDS RE-**
23 **FLECT UNITED STATES POLICY.**

24 (a) REQUIREMENT.—

25 (1) IN GENERAL.—Parties representing the
26 Federal Government in any international regulatory,

1 standard-setting, or supervisory forum or in any ne-
2 negotiations of any international agreements relating
3 to the prudential aspects of insurance shall not
4 agree to, accede to, accept, or establish any proposed
5 agreement or standard if the proposed agreement or
6 standard fails to recognize the United States system
7 of insurance regulation as satisfying such proposals.

8 (2) INAPPLICABILITY.—Paragraph (1) shall not
9 apply to any forum or negotiations relating to a cov-
10 ered agreement (as such term is defined in section
11 313(r) of title 31, United States Code).

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

16 (c) NEGOTIATIONS.—Nothing in this section shall be
17 construed to prevent participation in negotiations of any
18 proposed agreement or standard.

19 **SEC. 4. STATE INSURANCE REGULATOR INVOLVEMENT IN**
20 **INTERNATIONAL STANDARD SETTING.**

21 In developing international insurance standards pur-
22 suant to section 3, and throughout the negotiations of
23 such standards, parties representing the Federal Govern-
24 ment shall, on matters related to insurance, closely con-
25 sult, coordinate with, and seek to include in such meetings

1 State insurance commissioners or, at the option of the
2 State insurance commissioners, designees of the insurance
3 commissioners acting at their direction.

4 **SEC. 5. CONSULTATION WITH CONGRESS.**

5 (a) REQUIREMENT.—Parties representing the Fed-
6 eral Government with respect to any agreement under sec-
7 tion 3 shall provide written notice to and consult with the
8 Committee on Financial Services of the House of Rep-
9 resentatives and the Committee on Banking, Housing, and
10 Urban Affairs of the Senate, and any other relevant com-
11 mittees of jurisdiction—

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

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

17 (B) the nature and objectives of the nego-
18 tiations; and

19 (2) during negotiations to enter into the agree-
20 ment, regarding—

21 (A) the nature and objectives of the nego-
22 tiations;

23 (B) the implementation of the agreement,
24 including how it is consistent with and does not

1 materially differ from or otherwise affect Fed-
2 eral or State laws or regulations;

3 (C) the impact on the competitiveness of
4 United States insurers; and

5 (D) the impact on United States con-
6 sumers.

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

13 **SEC. 6. REPORT TO CONGRESS ON INTERNATIONAL INSUR-**
14 **ANCE AGREEMENTS.**

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

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

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

25 (3) the impact on United States consumers.

1 **SEC. 7. COVERED AGREEMENTS.**

2 (a) PREEMPTION OF STATE INSURANCE MEAS-
3 URES.—Subsection (f) of section 313 of title 31, United
4 States Code, is amended by striking “Director” each place
5 such term appears and inserting “Secretary”.

6 (b) DEFINITION.—Paragraph (2) of section 313(r) of
7 title 31, United States Code, is amended—

8 (1) in subparagraph (A), by striking “and” at
9 the end;

10 (2) in subparagraph (B), by striking the period
11 at the end and inserting “; and”; and

12 (3) by adding at the end the following new sub-
13 paragraph:

14 “(C) applies only on a prospective basis.”.

15 (c) CONSULTATION; SUBMISSION AND LAYOVER;
16 CONGRESSIONAL REVIEW.—Section 314 of title 31,
17 United States Code is amended—

18 (1) in subsection (b)—

19 (A) in paragraph (2)(C), by striking
20 “laws” and inserting the following: “and Fed-
21 eral law, and the nature of any changes in the
22 laws of the United States or the administration
23 of such laws that would be required to carry out
24 a covered agreement”; and

25 (B) by adding at the end the following new
26 paragraph:

1 “(3) ACCESS TO NEGOTIATING TEXTS AND
2 OTHER DOCUMENTS.—Appropriate congressional
3 committees and staff with proper security clearances
4 shall be given timely access to United States negoti-
5 ating proposals, consolidated draft texts, and other
6 pertinent documents related to the negotiations, in-
7 cluding classified materials.”;

8 (2) by redesignating subsection (c) as sub-
9 section (d);

10 (3) by inserting after subsection (b) the fol-
11 lowing new subsection:

12 “(c) REQUIREMENTS FOR CONSULTATIONS WITH
13 STATE INSURANCE COMMISSIONERS.—Throughout the
14 negotiations of a covered agreement, parties representing
15 the Federal Government shall closely consult and coordi-
16 nate with State insurance commissioners.”;

17 (4) in subsection (d), as so redesignated by
18 paragraph (2)—

19 (A) in the matter preceding paragraph (1),
20 by striking “only if—” and inserting the fol-
21 lowing: “only if, before signing the final
22 legal text or otherwise entering into the agree-
23 ment—”;

24 (B) in paragraph (1), by striking “congres-
25 sional committees specified in subsection

1 (b)(1)” and inserting “appropriate congres-
2 sional committees and leadership and to con-
3 gressional committee staff with proper security
4 clearances”; and

5 (C) by striking paragraph (2) and insert-
6 ing the following new paragraph:

7 “(2)(A) the 90-day period beginning on the
8 date on which the copy of the final legal text of the
9 agreement is submitted under paragraph (1) to the
10 congressional committees, leadership, and staff has
11 expired; and

12 “(B) the covered agreement has not been pre-
13 vented from taking effect pursuant to subsection
14 (e).”; and

15 (5) by adding at the end the following new sub-
16 sections:

17 “(e) PERIOD FOR REVIEW BY CONGRESS.—

18 “(1) IN GENERAL.—During the layover period
19 referred to in subsection (d)(2)(A), the Committees
20 on Banking, Housing, and Urban Affairs and Fi-
21 nance of the Senate and the Committees on Finan-
22 cial Services and Ways of Means of the House of
23 Representatives should, as appropriate, exercise
24 their full oversight responsibility.

1 “(2) EFFECT OF ENACTMENT OF A JOINT RES-
2 OLUTION OF DISAPPROVAL.—Notwithstanding any
3 other provision of law, if a joint resolution of dis-
4 approval relating to a covered agreement submitted
5 under subsection (d)(1) is enacted in accordance
6 with subsection (f), the covered agreement shall not
7 enter into force with respect to the United States.

8 “(f) JOINT RESOLUTIONS OF DISAPPROVAL.—

9 “(1) DEFINITION.—In this subsection, the term
10 ‘joint resolution of disapproval’ means, with respect
11 to proposed covered agreement, only a joint resolu-
12 tion of either House of Congress—

13 “(A) that is introduced during the 90-day
14 period referred to in subsection (d)(2)(A) relat-
15 ing to such proposed covered agreement;

16 “(B) which does not have a preamble;

17 “(C) the title of which is as follows: ‘A
18 joint resolution disapproving a certain proposed
19 covered agreement under section 314 of title
20 31, United States Code.’; and

21 “(D) the sole matter after the resolving
22 clause of which is the following: ‘Congress dis-
23 approves of the proposed covered agreement
24 submitted to Congress under section 314 (c)(1)
25 of title 31, United States Code, on

1 _____ relating to
2 _____.’, with the first blank space
3 being filled with the appropriate date and the
4 second blank space being filled with a short de-
5 scription of the proposed covered agreement.

6 “(2) INTRODUCTION.—During the layover pe-
7 riod referred to in subsection (d)(2)(A), a joint reso-
8 lution of disapproval may be introduced—

9 “(A) in the House of Representatives, by
10 any Member of the House, and

11 “(B) in the Senate, by any Senator,
12 and shall be referred to the appropriate committees.

13 “(3) RULES OF HOUSE OF REPRESENTATIVES
14 AND SENATE.—This subsection is enacted by Con-
15 gress—

“(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such is deemed a part of the rules of each House, respectively, and supersedes other rules only to the extent that it is inconsistent with such rules; and

22 “(B) with full recognition of the constitu-
23 tional right of either House to change the rules
24 (so far as relating to the procedure of that
25 House) at any time, in the same manner, and

1 to the same extent as in the case of any other
2 rule of that House.

3 “(g) APPROPRIATE CONGRESSIONAL COMMITTEES
4 AND LEADERSHIP DEFINED.—In this section, the term
5 ‘appropriate congressional committees and leadership’
6 means—

7 “(1) the Committees on Banking, Housing, and
8 Urban Affairs and Finance, and the majority and
9 minority leaders, of the Senate; and

10 “(2) the Committees on Financial Services and
11 Ways and Means, and the Speaker, the majority
12 leader, and the minority leader, of the House of
13 Representatives.”.

14 **SEC. 8. INAPPLICABILITY TO TRADE AGREEMENTS.**

15 This Act and the amendments made by this Act shall
16 not apply to any forum or negotiations related to a trade
17 agreement.

Passed the House of Representatives July 10, 2018.

Attest: KAREN L. HAAS,
Clerk.