

115TH CONGRESS
1ST SESSION

S. 1360

To require the Board of Governors of the Federal Reserve System to establish an Insurance Policy Advisory Committee on International Capital Standards and Other Insurance Issues, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 14, 2017

Mr. HELLER (for himself and Mr. TESTER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the Board of Governors of the Federal Reserve System to establish an Insurance Policy Advisory Committee on International Capital Standards and Other Insurance Issues, 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 Capital Standards Accountability Act of 2017”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

1 (1) the term “appropriate committees of Con-
2 gress” means—

3 (A) the Committee on Banking, Housing,
4 and Urban Affairs of the Senate; and

5 (B) the Committee on Financial Services
6 of the House of Representatives;

7 (2) the term “Board of Governors” means the
8 Board of Governors of the Federal Reserve System;

9 (3) the term “Committee” means the Insurance
10 Policy Advisory Committee on International Capital
11 Standards and Other Insurance Issues established
12 under section 4(a); and

13 (4) the term “Secretary” means the Secretary
14 of the Treasury.

15 **SEC. 3. FINDINGS.**

16 Congress finds that the Secretary and the Board of
17 Governors should—

18 (1) support increasing transparency at any
19 global insurance or international standard-setting
20 regulatory or supervisory forum in which the Sec-
21 retary and the Board of Governors participate, in-
22 cluding supporting and advocating for greater public
23 observer access to working groups and committee
24 meetings of the International Association of Insur-
25 ance Supervisors; and

1 (2) achieve consensus positions with State in-
 2 surance regulators, through the National Association
 3 of Insurance Commissioners—

4 (A) if the Secretary and the Board of Gov-
 5 ernors take a position, or reasonably intend to
 6 take a position, with respect to an insurance
 7 proposal by a global insurance regulatory or su-
 8 pervisory forum; and

9 (B) when the Secretary, the Board of Gov-
 10 ernors, and the National Association of Insur-
 11 ance Commissioners represent the United
 12 States in negotiations with respect to insurance
 13 issues before the International Association of
 14 Insurance Supervisors, the Financial Stability
 15 Board, or any other international forum of fi-
 16 nancial regulators or supervisors that considers
 17 insurance issues.

18 **SEC. 4. INSURANCE POLICY ADVISORY COMMITTEE.**

19 (a) ESTABLISHMENT.—The Board of Governors shall
 20 establish the Insurance Policy Advisory Committee on
 21 International Capital Standards and Other Insurance
 22 Issues.

23 (b) MEMBERSHIP.—The Committee shall be com-
 24 posed of not more than 11 members, all of whom shall
 25 represent a diverse set of expert perspectives from the var-

ious sectors of the insurance industry of the United States, including individuals—

(1) from the fields of—

(A) life insurance;

(B) property and casualty insurance; and

(C) reinsurance; and

(2) with experience serving as—

(A) agents and brokers;

(B) academics;

(C) consumer advocates; or

(D) experts on issues facing underserved insurance communities and consumers.

(c) NONAPPLICABILITY OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Committee or the activities of the Committee.

SEC. 5. REQUIREMENTS FOR CONSENT TO ADOPT INTERNATIONAL CAPITAL INSURANCE STANDARDS.

The Secretary and the Board of Governors may not agree to, accept, establish, enter into, or consent to the adoption of a final international capital insurance standard with an international standard-setting organization or a foreign government, authority, or regulatory entity unless—

(1) the Secretary and the Chair of the Board of Governors have, with respect to the text of the

1 proposed final international capital insurance stand-
2 ard—

3 (A) published the text in the Federal Reg-
4 ister;

5 (B) made the text available for public com-
6 ment for a period of not less than 30 days; and

7 (C) submitted a copy of the text to the ap-
8 propriate committees of Congress on a date on
9 which both Houses of Congress are in session;

10 (2) the international capital insurance standard
11 is not inconsistent with capital requirements set
12 forth in the State-based system of insurance regula-
13 tion; and

14 (3) if the international capital insurance stand-
15 ard will apply to a company supervised by the Board
16 of Governors, the international capital insurance
17 standard is not inconsistent with the capital require-
18 ments of the Board of Governors for that company.

19 **SEC. 6. REPORTS.**

20 (a) REPORTS AND TESTIMONY BY SECRETARY OF
21 THE TREASURY AND CHAIR OF THE BOARD OF GOV-
22 ERNORS OF THE FEDERAL RESERVE SYSTEM.—

23 (1) IN GENERAL.—The Secretary and the Chair
24 of the Board of Governors, or their designees, shall
25 submit to the appropriate committees of Congress

1 an annual report, and provide annual testimony to
2 those committees, relating to the efforts of the Sec-
3 retary and the Chair, along with the National Asso-
4 ciation of Insurance Commissioners, with respect to
5 global insurance regulatory or supervisory forums,
6 including a description of—

7 (A) the insurance regulatory or supervisory
8 standard-setting issues under discussion at
9 international standard-setting bodies, including
10 the Financial Stability Board and the Inter-
11 national Association of Insurance Supervisors;

12 (B) the effects that proposals discussed at
13 international insurance regulatory or super-
14 visory forums of insurance could have on con-
15 sumer and insurance markets in the United
16 States;

17 (C) any position taken by the Secretary
18 and the Board of Governors during inter-
19 national insurance discussions; and

20 (D) the efforts by the Secretary and the
21 Board of Governors to increase transparency
22 at—

23 (i) the Financial Stability Board with
24 respect to insurance proposals; and

1 (ii) the International Association of
2 Insurance Supervisors, including efforts to
3 provide additional public access to working
4 groups and committees of the International
5 Association of Insurance Supervisors.

6 (2) TERMINATION.—This paragraph shall ter-
7minate on December 31, 2020.

8 (b) REPORTS AND TESTIMONY BY NATIONAL ASSO-
9CIATION OF INSURANCE COMMISSIONERS.—The National
10 Association of Insurance Commissioners may provide tes-
11timony to Congress on the issues described in subsection
12(a)(1).

13 (c) JOINT REPORT BY THE CHAIR OF THE BOARD
14 OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM AND
15 THE SECRETARY OF THE TREASURY.—

16 (1) IN GENERAL.—Before supporting or con-
17sented to the adoption of any final international in-
18surance capital standard, the Secretary and the
19Chair of the Board of Governors shall, in consulta-
20tion with the National Association of Insurance
21Commissioners, complete a study, and submit to
22Congress a report on the results of the study, with
23respect to the impact that the capital standard
24would have on consumers and markets in the United
25States.

1 (2) NOTICE AND COMMENT.—

2 (A) NOTICE.—With respect to a report de-
3 scribed in paragraph (1), the Secretary and the
4 Chair of the Board of Governors shall, on the
5 date on which the Secretary and the Chair
6 begin drafting the report, provide notice to the
7 appropriate committees of Congress that the
8 Secretary and the Chair have begun drafting
9 the report.

10 (B) OPPORTUNITY FOR COMMENT.—Dur-
11 ing the period beginning on the date on which
12 a report is submitted to Congress under para-
13 graph (1) and ending on the date that is 60
14 days after the date on which the report is sub-
15 mitted, the Secretary and the Chair of the
16 Board of Governors shall provide an oppor-
17 tunity for public comment with respect to the
18 report.

19 (3) REVIEW BY COMPTROLLER GENERAL.—On
20 the date on which the Secretary and the Chair of the
21 Board of Governors submit to Congress a report
22 under paragraph (1), the Secretary and the Chair
23 shall submit to the Comptroller General of the
24 United States a copy of the report for review by the
25 Comptroller General.

1 (d) REPORT ON REDUCTION IN TRANSPARENCY.—
2 Not later than 180 days after the date of enactment of
3 this Act, the Chair of the Board of Governors and the
4 Secretary, or their designees, shall submit to Congress a
5 report, and provide testimony to Congress, with respect
6 to the efforts of the Chair and the Secretary to increase
7 transparency at meetings of the International Association
8 of Insurance Supervisors.

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