

and better serve eligible disabled persons and, importantly, I think, this bill will streamline the bureaucracy.

Those of us who have tried to assist disabled persons with their housing understand the hoops that one must go through. This bill, I think, through the great work of Congressman MURPHY and others, has solved much of that. But there is much to be said about the improvements to the current rental assistance program and the system for disbursing capital advances, which actually create and maintain affordable units.

Additionally, this bill will require HUD to carry out an important competitive demonstration program to expand the supply of truly supportive housing. I am especially pleased that this bill also authorizes appropriations for that assistance under section 8 in fiscal year 2009.

Having grown up in public housing, I am probably more aware than most of the important role that public housing fills in terms of the needs of our disabled community. This is especially true for our disabled citizens, who have a greater need for housing and facilities that meet their particular disabilities.

I encourage my colleagues to support those most in need in our country by voting for this important bipartisan measure. I must say Mr. MURPHY has been very gracious in recognizing everyone who has been involved here, but I must, in turn, I think, recognize his great involvement and great leadership here.

On behalf of all the families out there, like mine, who have disabled persons, and we recognize the challenges that they deal with every day on a regular basis, I just want to extend our thanks to CHRIS MURPHY, the Congressman from Connecticut, for his great work on this bill.

Mrs. CAPITO. I would like to join in the chorus of support.

Mr. Speaker, as we have heard, the section 811 program provides housing assistance and supportive services for persons with disabilities. I have seen firsthand in my own district the good works that this program provides, and I am sure it is the same for members across the Nation.

The timing of the passage of this legislation is especially significant, as the House just passed the Americans with Disabilities Act amendments earlier today. It is appropriate that we would now consider legislation to improve our housing programs for those with disabilities who choose to live independently.

We have heard a good review, I believe, of the program. We know that it allows persons with disabilities to live independently. I think that's important to emphasize the independent nature of the 811 program. It is also the only Federal program that is solely dedicated to very low-income folks with serious or long-term disabilities. Unfortunately, sometimes those are

coupled together because you have a serious or long-term disability, which sometimes prevents you from working, and it puts you into that low or very low-income bracket.

We have talked about some of the revisions, programmatic issues and changes that have been made, terminating 811's Mainstream Tenant-Based Rental Assistance Program and transferring those vouchers to section 8, modernizing the Capital Advance Program, establishing a project rental assistance demonstration program and revising the definitions of "group home," "people with disabilities," "supportive housing for persons with disabilities."

Also in this bill, we repeal the authority of the Secretary to waive size limitations on group homes and individual living facilities. These improvements to the program will help provide a better life for individuals with disabilities and their families.

The ability to live independently with the assistance of supportive services is critical to improving the lives of the disabled and allowing them to be active participants in their communities.

I join in thanking Chairman FRANK and Ranking Member BACHUS. I would like to particularly thank Mr. MURPHY for his leadership on this issue and Mrs. BIGGERT for her leadership as well.

Mr. Speaker, I yield back the balance of my time.

Mr. MURPHY of Connecticut. I thank Mrs. CAPITO and Mrs. BIGGERT for their leadership on this issue.

Just in closing, Mr. Speaker, although this bill will help scores of individuals with physical handicaps, I think, to myself, of how much help this is going to provide the millions of individuals across this country with mental illness that are struggling to live independently.

Years ago, when this country and States across this Nation made the decision, the right decision to close down the institutions that housed many of those individuals, we made a promise that we would find new housing, new opportunities for those individuals to live on their own in the community.

We have not lived up to that promise. In Connecticut, those of us that care about this issue often wear a button around the halls of the State legislature entitled "Keep the Promise." This legislation, I believe, is a step towards doing just that.

With that, I urge my colleagues to support the bill.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Connecticut (Mr. MURPHY) that the House suspend the rules and pass the bill, H.R. 5772, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS REFORM ACT OF 2008

Mr. SCOTT of Georgia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5611) to reform the National Association of Registered Agents and Brokers, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Association of Registered Agents and Brokers Reform Act of 2008".

SEC. 2. REESTABLISHMENT OF THE NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS.

(a) IN GENERAL.—Subtitle C of title III of the Gramm-Leach-Bliley Act (15 U.S.C. 6751 et seq.) is amended to read as follows:

"Subtitle C—National Association of Registered Agents and Brokers

"SEC. 321. NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS.

"(a) ESTABLISHMENT.—There is established the National Association of Registered Agents and Brokers (hereafter in this subtitle referred to as the 'Association').

"(b) STATUS.—The Association shall—

"(1) be a nonprofit corporation;

"(2) have succession until dissolved by an Act of Congress;

"(3) not be an agent or instrumentality of the United States Government; and

"(4) except as otherwise provided in this subtitle, be subject to, and have all the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29–301.01 et seq.).

"SEC. 322. PURPOSE.

"The purpose of the Association shall be to provide a mechanism through which licensing, continuing education, and other non-resident insurance producer qualification requirements and conditions can be adopted and applied on a multi-state basis (without affecting the laws, rules, and regulations pertaining to resident insurance producers or appointments or producing a net loss of producer licensing revenues to States), while preserving the right of States to license, supervise, discipline, and establish licensing fees for insurance producers, and to prescribe and enforce laws and regulations with regard to insurance-related consumer protection and unfair trade practices.

"SEC. 323. MEMBERSHIP.

"(a) ELIGIBILITY.—

"(1) IN GENERAL.—Any insurance producer licensed in its home State shall be eligible to become a member in the Association.

"(2) INELIGIBILITY FOR SUSPENSION OR REVOCATION OF LICENSE.—Notwithstanding paragraph (1), a State-licensed insurance producer shall not be eligible to become a member if a State insurance regulator has suspended or revoked such producer's license in that State during the 3-year period preceding the date on which such producer applies for membership.

"(3) RESUMPTION OF ELIGIBILITY.—Paragraph (2) shall cease to apply to any insurance producer if—

"(A) the State insurance regulator renews the license of such producer in the State in

which the license was suspended or revoked; or

“(B) the suspension or revocation is subsequently overturned.

“(4) CRIMINAL BACKGROUND CHECK REQUIRED.—

“(A) IN GENERAL.—A State-licensed insurance producer shall not be eligible to become a member unless the producer has submitted to a national criminal background record check.

“(B) CRIMINAL BACKGROUND CHECK ORDERED BY HOME STATE.—Any insurance producer licensed in a State that, as a condition for such licensure, requires the submission of identification information to the Federal Bureau of Investigation for a national criminal background record check shall be deemed to have submitted to a national criminal background record check for purposes of subparagraph (A).

“(C) CRIMINAL HISTORY CHECK ORDERED BY ASSOCIATION.—

“(i) IN GENERAL.—The Association may submit identification information obtained from any State-licensed insurance producer licensed in a State that has not submitted to a national criminal background record check, and a request for a national criminal background record check of such producer, to the Federal Bureau of Investigation.

“(ii) BYLAWS OR RULES.—The board of directors of the Association shall prescribe bylaws or rules for obtaining and utilizing identification information and criminal background record information, including the establishment of fees required to perform a criminal background record check.

“(D) ATTORNEY GENERAL AUTHORIZATION.—Upon receiving a request from the Association, the Attorney General shall—

“(i) search the records of the Criminal Justice Information Services Division of the Federal Bureau of Investigation, and any other similar database over which the Attorney General has authority and deems appropriate, for any criminal background records (including wanted persons information) corresponding to the identification information provided under subparagraph (F); and

“(ii) provide any relevant information contained in such records that pertain to the request directly to the Association.

“(E) RELEVANT INFORMATION DEFINED.—For purposes of subparagraph (D)(ii), the term ‘relevant information’ means any of the following records:

“(i) All felony convictions.

“(ii) All misdemeanor convictions involving—

“(I) violation of a law involving financial activities;

“(II) dishonesty or breach of trust, within the meaning of section 1033 of title 18, United States Code, including taking, withholding, misappropriating, or converting money or property;

“(III) failure to comply with child support obligations;

“(IV) failure to pay taxes; and

“(V) domestic violence, child abuse, burglary of a dwelling, or a criminal offense that has as an element the use or attempted use of physical force, or threat of great bodily harm, or the use, attempted use, or threatened use of a deadly weapon, against an individual, including committing or attempting to commit murder, manslaughter, kidnapping, aggravated assault, forcible sex offenses, robbery, arson, extortion, and extortionate extension of credit.

“(F) FORM OF REQUEST.—A request under subparagraph (C) shall include a copy of any necessary identification information required by the Attorney General concerning the person about whom the record is requested and a statement signed by the per-

son acknowledging that the Association may request the search.

“(G) LIMITATION ON PERMISSIBLE USES OF INFORMATION.—Information obtained under this section may—

“(i) be used only for regulatory or law enforcement purposes or for purposes of determining compliance with membership criteria established by the Association;

“(ii) be disclosed only to the Association, State insurance regulators, or Federal or State law enforcement agencies; and

“(iii) be disclosed only if the recipient agrees to—

“(I) maintain the confidentiality of such information; and

“(II) limit the use of such information to the purposes described in clause (i).

“(H) PENALTY FOR IMPROPER USE.—Whoever uses any information obtained under this section knowingly and willfully for an unauthorized purpose shall be fined under title 18, United States Code, imprisoned for not more than 2 years, or both.

“(I) RELIANCE ON INFORMATION.—Neither the Association nor any of its directors, officers, or employees who reasonably rely on information provided under this section shall be liable in any action for using information as permitted under this section in good faith.

“(J) CLARIFICATION OF SECTION 1033.—

“(i) IN GENERAL.—With respect to any action brought under section 1033(e)(1)(B) of title 18, United States Code, no person engaged in the business of conducting financial activities shall be subject to any penalty resulting from such section if the individual whom the person permitted to engage in the business of insurance is a member of the Association or is licensed, or approved (as part of an application or otherwise), by a State insurance regulator that performs criminal background checks under this section, unless such person knows that the individual is in violation of section 1033(e)(1)(A) of such title.

“(ii) FINANCIAL ACTIVITIES DEFINED.—For purposes of this subparagraph, the term ‘financial activities’—

“(I) means banking activities (including the ownership of a bank), securities activities, insurance activities, or commodities activities; and

“(II) includes all activities that are financial in nature or are incidental to a financial activity (as defined under section 4(k) of the Bank Holding Company Act of 1956).

“(K) FEES.—The Attorney General may charge a reasonable fee for the provision of information under this paragraph.

“(L) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as—

“(i) requiring a State insurance regulator to perform criminal background checks under this section; or

“(ii) superseding or otherwise limiting any other authority that allows access to criminal background records.

“(M) REGULATIONS.—The Attorney General may prescribe regulations to carry out this paragraph.

“(N) INELIGIBILITY FOR MEMBERSHIP.—The Association may deny membership to any State-licensed insurance producer on the basis of criminal history information obtained pursuant to subparagraph (D).

“(b) AUTHORITY TO ESTABLISH MEMBERSHIP CRITERIA.—The Association may establish membership criteria that—

“(1) bear a reasonable relationship to the purposes for which the Association was established; and

“(2) do not unfairly limit the access of smaller agencies to the Association membership, including imposing discriminatory membership fees on smaller insurance producers.

“(c) ESTABLISHMENT OF CLASSES AND CATEGORIES OF MEMBERSHIP.—

“(1) CLASSES OF MEMBERSHIP.—The Association may establish separate classes of membership, with separate criteria, if the Association reasonably determines that performance of different duties requires different levels of education, training, experience, or other qualifications.

“(2) CATEGORIES.—

“(A) SEPARATE CATEGORIES FOR PRODUCERS PERMITTED.—The Association may establish separate categories of membership for producers and for other persons within each class, based on the types of licensing categories that exist under State laws.

“(B) SEPARATE TREATMENT FOR DEPOSITORY INSTITUTIONS PROHIBITED.—No special categories of membership, and no distinct membership criteria, shall be established for members which are depository institutions or for employees, agents, or affiliates of depository institutions.

“(d) MEMBERSHIP CRITERIA.—

“(1) IN GENERAL.—The Association may establish criteria for membership which shall include standards for personal qualifications, education, training, and experience.

“(2) QUALIFICATIONS.—In establishing criteria under paragraph (1), the Association shall consider the NAIC Producer Licensing Model Act and the highest levels of insurance producer qualifications established under the licensing laws of the States.

“(3) ASSISTANCE FROM STATES.—

“(A) IN GENERAL.—The Association may request a State to provide assistance in investigating and evaluating a prospective member's eligibility for membership in the Association.

“(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as requiring or authorizing any State to adopt new or additional requirements concerning the licensing or evaluation of insurance producers.

“(4) DENIAL OF MEMBERSHIP.—The Association may deny membership to any State-licensed insurance producer for failure to meet the membership criteria established by the Association.

“(e) EFFECT OF MEMBERSHIP.—

“(1) AUTHORITY OF ASSOCIATION MEMBERS.—Membership in the Association shall—

“(A) authorize an insurance producer to sell, solicit, negotiate, effect, procure, deliver, renew, continue, or bind insurance in any State for which the member pays the licensing fee set by such State for any line or lines of insurance specified in such producer's home State license, and exercise all such incidental powers, as shall be necessary to carry out such activities, including claims adjustments and settlement, risk management, employee benefits advice, retirement planning, and any other insurance-related consulting activities;

“(B) be the equivalent of a nonresident insurance producer license issued in any state where the member pays the licensing fee; and

“(C) subject an insurance producer to all laws, regulations, provisions or other action of any State concerning revocation or suspension of a member's ability to engage in any activity within the scope of authority granted under this subsection and to all state laws, regulations, provisions and actions preserved under paragraph (4).

“(2) DUPLICATIVE LICENSES.—No State, other than the member's home State, may require an individual member to obtain a business entity license or membership in order to engage in any activity within the scope of authority granted in paragraph (1) or in order for the member or any employer, employee, or affiliate of the member to receive compensation for the member's performance of any such activity.

“(3) AGENT FOR REMITTING FEES.—The Association shall act as any member's agent for

purposes of remitting licensing fees to any State pursuant to paragraph (1).

“(4) **PRESERVATION OF STATE CONSUMER PROTECTION AND MARKET CONDUCT REGULATION.**—No provision of this section shall be construed as altering or affecting the continuing effectiveness of any law, regulation, provision, or other action of any State which purports to regulate market conduct or unfair trade practices or establish consumer protections to the extent that such law, regulation, provision, or other action is not inconsistent with the provisions of this subtitle, and then only to the extent of such inconsistency.

“(f) **BIENNIAL RENEWAL.**—Membership in the Association shall be renewed on a biennial basis.

“(g) **CONTINUING EDUCATION.**—

“(1) **IN GENERAL.**—The Association shall establish, as a condition of membership, continuing education requirements which shall be comparable to the continuing education requirements under the licensing laws of a majority of the States.

“(2) **STATE CONTINUING EDUCATION REQUIREMENTS.**—A member may not be required to satisfy continuing education requirements imposed under the laws, regulations, provisions, or actions of any State other than such member's home State.

“(3) **RECIPROCITY.**—The Association shall not require a member to satisfy continuing education requirements that are equivalent to any continuing education requirements of the member's home State that have been satisfied by the member during the applicable licensing period.

“(4) **LIMITATION ON ASSOCIATION.**—The Association shall not directly or indirectly offer any continuing education courses for insurance producers.

“(h) **PROBATION, SUSPENSION AND REVOCATION.**—The Association may place an insurance producer that is a member of the Association on probation or suspend or revoke such producer's membership in the Association, as the Association determines to be appropriate, if—

“(1) the producer fails to meet the applicable membership criteria of the Association; or

“(2) the producer has been subject to disciplinary action pursuant to a final adjudicatory proceeding under the jurisdiction of a State insurance regulator.

“(i) **OFFICE OF CONSUMER COMPLAINTS.**—

“(1) **IN GENERAL.**—The Association shall establish an office of consumer complaints that shall—

“(A) receive and, when appropriate, investigate complaints from both consumers and State insurance regulators related to members of the Association;

“(B) maintain records of all complaints received in accordance with subparagraph (A) and make such records available to the National Association of Insurance Commissioners (hereinafter in this subtitle referred to as the ‘NAIC’) and to each State insurance regulator for the State of residence of the consumer who filed the complaint; and

“(C) refer, when appropriate, any such complaint to any appropriate State insurance regulator.

“(2) **TELEPHONE AND OTHER ACCESS.**—The office of consumer complaints shall maintain a toll-free telephone number for the purpose of this subsection and, as practicable, other alternative means of communication with consumers, such as an Internet web page.

“SEC. 324. BOARD OF DIRECTORS.

“(a) **ESTABLISHMENT.**—There is established the board of directors of the Association (hereafter in this subtitle referred to as the ‘Board’) for the purpose of governing and supervising the activities of the Association and the members of the Association.

“(b) **POWERS.**—

“(1) **IN GENERAL.**—The Board shall have such powers and authority as may be specified in the bylaws of the Association.

“(2) **QUORUM REQUIRED.**—All decisions of the Board shall require an affirmative vote of a simple majority of Board members.

“(c) **COMPOSITION.**—

“(1) **IN GENERAL.**—The Board shall be composed of 11 members, of whom—

“(A) 6 shall be State insurance commissioners appointed in the manner provided in paragraph (2), and

“(B) 5 shall be insurance industry representatives appointed in the manner provided in paragraph (3).

“(2) **MEMBERS APPOINTED BY THE NAIC.**—

“(A) **IN GENERAL.**—The NAIC shall appoint 1 member of the Board from among State insurance commissioners in each of the following 3 categories of States:

“(i) The 18 States with the smallest total direct written premiums from all insurance policies written in such States.

“(ii) The 18 States with the largest total direct written premiums from all insurance policies written in such States.

“(iii) The States that are not among the States described in clauses (i) and (ii).

“(B) **AT-LARGE MEMBERS.**—The NAIC shall appoint 3 Board members pursuant to criteria established by the NAIC's membership.

“(3) **MEMBERS APPOINTED BY INSURANCE TRADE ASSOCIATIONS.**—

“(A) **INSURANCE PRODUCER REPRESENTATIVES.**—3 of the 5 members who are insurance industry representatives shall be appointed as follows by the following trade associations or their successor organizations:

“(i) 1 member appointed by the Council of Insurance Agents and Brokers from among representatives of such association.

“(ii) 1 member appointed by the Independent Insurance Agents and Brokers of America from among representatives of such association.

“(iii) 1 member appointed by the National Association of Insurance and Financial Advisors from among representatives of such association.

“(B) **PROPERTY AND CASUALTY INSURER REPRESENTATIVE.**—1 of the 5 members who are insurance industry representatives shall be appointed by the American Insurance Association, the National Association of Mutual Insurance Companies, and the Property and Casualty Insurers Association of America from among representatives of each such association, on a rotating basis.

“(C) **LIFE AND HEALTH INSURER REPRESENTATIVE.**—1 of the 5 members who are insurance industry representatives shall be appointed by the American Council of Life Insurers and the Association of Health Insurance Plans from among representatives of each such association, on a rotating basis.

“(4) **ALTERNATE APPOINTMENT.**—

“(A) **IN GENERAL.**—If the NAIC or a nominating group of insurance trade associations fails to make appointments to the Board as required under paragraph (2) or (3), the President shall appoint such members of the Association's Board from lists of candidates provided by the NAIC, in the case of a member described in paragraph (2) or the nominating group of insurance trade associations pursuant to the relevant subparagraph of paragraph (3), in the case of a member described in any such subparagraph.

“(B) **PROCEDURES FOR OBTAINING NAIC APPOINTMENT RECOMMENDATIONS.**—

“(i) **PRESIDENTIAL APPOINTMENT FROM LIST.**—If the NAIC fails to appoint members of the Board as provided under subparagraph (A) or (B) of paragraph (2) within 60 days after the date of the enactment of the National Association of Registered Agents and Brokers Reform Act of 2008, the President

shall, with the advice and consent of the Senate, appoint 6 members to the Board who are current State insurance commissioners in accordance with the requirements of subparagraphs (A) and (B) of paragraph (2) from a list of candidates recommended to the President by the NAIC.

“(ii) **PRESIDENTIAL APPOINTMENT WITHOUT A LIST.**—If the NAIC fails to provide a list within 90 days after the date of the enactment of the National Association of Registered Agents and Brokers Reform Act of 2008, or if any list that is provided does not include at least 10 recommended candidates or comply with the requirements of paragraph (2), the President shall, with the advice and consent of the Senate, appoint 6 members to the Board without considering the views of the NAIC, in accordance with requirements of paragraph (2).

“(C) **PROCEDURES FOR OBTAINING INSURANCE TRADE ASSOCIATION GROUP APPOINTMENT RECOMMENDATIONS.**—

“(i) **PRESIDENTIAL APPOINTMENT FROM LIST.**—If any group of nominating insurance trade associations identified under subparagraph (A), (B), or (C) of paragraph (3) fails to appoint members of the Board as provided under such subparagraph within 60 days after the date of the enactment of the National Association of Registered Agents and Brokers Reform Act of 2008, the President shall, with the advice and consent of the Senate, make the requisite appointments pursuant to each such subparagraph from a list of candidates recommended to the President by such group.

“(ii) **PRESIDENTIAL APPOINTMENT WITHOUT A LIST.**—If the nominating group of insurance trade associations identified under subparagraph (A), (B), or (C) of paragraph (3) fails to provide a list within 90 days after date of the enactment of the National Association of Registered Agents and Brokers Reform Act of 2008, or if any list that is provided does not comply with the requirements of the subparagraph, the President shall, with the advice and consent of the Senate, make the requisite appointments without considering the views of such group.

“(iii) **LIST OF RECOMMENDATIONS.**—Any list of recommended candidates provided to the President by a nominating group of insurance trade associations identified under subparagraph (A), (B), or (C) of paragraph (3) shall include—

“(I) at least 2 recommended candidates from each association identified under paragraph (3)(A);

“(II) at least 2 recommended candidates, in the case of associations identified under paragraph (3)(B); and

“(III) at least 2 recommended candidates, in the case of associations identified under paragraph (3)(C).

“(D) **ALTERNATE APPOINTMENT OF STATE INSURANCE COMMISSIONERS.**—If fewer than 6 State insurance commissioners accept appointment to the Board pursuant to subparagraph (B), the President, with the advice and consent of the Senate, may appoint the remaining State insurance commissioner members of the Board from among individuals who are current or former State insurance commissioners, to the extent that—

“(i) any former insurance commissioner appointed by the President shall not be employed by or have a present direct or indirect financial interest in any insurer or other entity in the insurance industry other than direct or indirect ownership of, or beneficial interest in, any insurance policy or annuity contract written or sold by an insurer; and

“(ii) not more than 3 members appointed to membership on the Board under this subparagraph belong to the same political party as the President.

“(5) STATE INSURANCE COMMISSIONER DEFINED.—For purposes of this subsection, the term ‘State insurance commissioner’ means a person who serves in the position in State government, or on the board, commission, or other body that is the principal insurance regulatory authority for the State.

“(d) TERMS.—

“(1) IN GENERAL.—The term of each Board member shall, after the initial appointment of the members of the Board, be for 2 years, with ½ of the members to be appointed each year and divided as evenly as possible between members appointed under paragraphs (2) and (3) of subsection (c).

“(2) LIMITATION ON SUCCESSIVE TERMS.—Only Board members appointed under subsections (c)(2) and (c)(3)(A) may be re-appointed for an additional term.

“(e) BOARD VACANCIES.—

“(1) IN GENERAL.—Any vacancy on the board of directors shall be filled as provided under subparagraph (A) or (B) of paragraph (2), and any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.

“(2) ALTERNATE APPOINTMENT.—If the NAIC or a nominating group of trade associations fails to appoint a member to the Board to fill a vacancy within 60 days from the date that such vacancy occurs, the President shall, with the advice and consent of the Senate, make the requisite appointment pursuant to the procedures established under the applicable subparagraph of subsection (c)(4).

“(f) MEETINGS.—The Board shall meet at the call of the chairperson, or as otherwise provided by the bylaws of the Association.

“SEC. 325. OFFICERS.

“(a) POSITIONS.—The officers of the Association shall consist of a chairperson and a vice chairperson of the Board, an executive director, secretary, and treasurer of the Association, and such other officers and assistant officers as may be deemed necessary.

“(b) MANNER OF SELECTION.—Each officer of the Board and the Association shall be elected or appointed at such time, in such manner, and for such terms as may be prescribed in the bylaws of the Association.

“SEC. 326. BYLAWS, RULES, AND DISCIPLINARY ACTION.

“(a) ADOPTION AND AMENDMENT OF BYLAWS.—

“(1) COPY REQUIRED TO BE FILED.—The board of directors of the Association shall submit to the President, the Congress, and the NAIC any proposed bylaw or rules of the Association or any proposed amendment to the bylaws or rules, accompanied by a concise general statement of the basis and purpose of such proposal.

“(2) EFFECTIVE DATE.—Any proposed bylaw or rule or proposed amendment to the bylaws or rules shall take effect, after notice published in an insurance trade journal and opportunity for comment, upon such date as the Association may designate.

“(b) DISCIPLINARY ACTION BY THE ASSOCIATION.—

“(1) SPECIFICATION OF CHARGES.—In any proceeding to determine whether membership shall be denied, suspended, revoked, or not renewed (hereafter in this section referred to as a ‘disciplinary action’) or to determine whether a member of the Association should be placed on probation, the Association shall bring specific charges, notify such member of such charges, give the member an opportunity to defend against the charges, and keep a record.

“(2) SUPPORTING STATEMENT.—A determination to take disciplinary action shall be supported by a statement setting forth—

“(A) any act or practice in which such member has been found to have been engaged;

“(B) the specific provision of this subtitle, the rules or regulations under this subtitle, or the rules of the Association which any such act or practice is deemed to violate; and

“(C) the sanction imposed and the reason for such sanction.

“SEC. 327. POWERS.

“In addition to all the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act, the Association shall have the following powers:

“(1) To establish and collect such membership fees as the Association finds necessary to impose to cover the costs of its operations.

“(2) To adopt, amend, and repeal bylaws and rules governing the conduct of Association business and performance of its duties.

“(3) To establish procedures for providing notice and opportunity for comment pursuant to section 326(a).

“(4) To enter into and perform such agreements as necessary to carry out its duties.

“(5) To hire employees, professionals or specialists, and elect or appoint officers, and to fix their compensation, define their duties and give them appropriate authority to carry out the purposes of this subtitle, and determine their qualification; and to establish the Association's personnel policies and programs relating to, among other things, conflicts of interest, rates of compensation, and qualifications of personnel.

“(6) To borrow money.

“(7) To assess board member organizations and associations fees for such amounts that the Association determines to be necessary and appropriate to organize and begin operations of the Association, which shall be treated as loans to be repaid by the Association with interest at market rate.

“SEC. 328. REPORT BY ASSOCIATION.

“(a) IN GENERAL.—As soon as practicable after the close of each fiscal year, the Association shall submit to the President, the Congress, and the NAIC a written report regarding the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year.

“(b) FINANCIAL STATEMENTS.—Each report submitted under subsection (a) with respect to any fiscal year shall include financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year.

“SEC. 329. LIABILITY OF THE ASSOCIATION AND THE DIRECTORS, OFFICERS, AND EMPLOYEES OF THE ASSOCIATION.

“(a) IN GENERAL.—The Association shall not be deemed to be an insurer or insurance producer within the meaning of any State law, rule, regulation, or order regulating or taxing insurers, insurance producers, or other entities engaged in the business of insurance, including provisions imposing premium taxes, regulating insurer solvency or financial condition, establishing guaranty funds and levying assessments, or requiring claims settlement practices.

“(b) LIABILITY OF THE ASSOCIATION, ITS DIRECTORS, OFFICERS, AND EMPLOYEES.—Neither the Association nor any of its directors, officers, or employees shall have any liability to any person for any action taken or omitted in good faith under or in connection with any matter subject to this subtitle.

“SEC. 330. PRESIDENTIAL REVIEW.

“(a) REMOVAL.—If the President determines and certifies to the Speaker of the House, the House Minority Leader, the Senate Majority Leader and the Senate Minority

Leader that the Association is acting in a manner contrary to the purposes of this subtitle or has failed to perform its duties under this subtitle, the President may remove the entire existing Board for the remainder of the term to which the members of the Board were appointed and appoint, in accordance with section 324(c)(4) with the advice and consent of the Senate, new members to fill the vacancies on the Board for the remainder of such terms.

“(b) SUSPENSION OF RULES OR ACTIONS.—The President, or a person designated by the President for such purpose, may suspend the effectiveness of any rule, or prohibit any action, of the Association which the President or the designee determines and certifies to the Speaker of the House, the House minority leader, the Senate majority leader, and the Senate minority leader is contrary to the purposes of this subtitle.

“SEC. 331. RELATIONSHIP TO STATE LAW.

“(a) PREEMPTION OF STATE LAWS.—State laws, regulations, provisions, or other actions purporting to regulate insurance producers shall be preempted to the extent provided in subsection (b).

“(b) PROHIBITED ACTIONS.—

“(1) IN GENERAL.—No State shall—

“(A) impede the activities of, take any action against, or apply any provision of law or regulation to, any insurance producer because that insurance producer or any affiliate plans to become, has applied to become, or is a member of the Association;

“(B) impose any requirement upon a member of the Association that it pay fees different from those required to be paid to that State were it not a member of the Association;

“(C) impose any continuing education requirements on nonresident insurance producers; or

“(D) impose any licensing, registration, or appointment requirements upon any nonresident insurance producer that sells, solicits, negotiates, effects, procures, delivers, renews, continues, or binds insurance for commercial property and casualty risks to an insured with risks located in more than 1 State, provided that such nonresident insurance producer is otherwise licensed as an insurance producer in the State where the insured maintains its principal place of business and the contract of insurance insures risks located in that State.

“(2) STATES OTHER THAN A HOME STATE.—No State, other than a member's home State, shall—

“(A) impose any licensing, integrity, personal or corporate qualifications, education, training, experience, residency, continuing education, or bonding requirement upon a member of the Association that is different from the criteria for membership in the Association or renewal of such membership;

“(B) impose any requirement upon a member of the Association that it be licensed, registered, or otherwise qualified to do business or remain in good standing in such State, including any requirement that such insurance producer register as a foreign company with the secretary of state or equivalent State official; or

“(C) require that a member of the Association submit to a criminal history record check as a condition of doing business in such State.

“SEC. 332. COORDINATION WITH OTHER REGULATORS.

“(a) COORDINATION WITH STATE INSURANCE REGULATORS.—The Association may—

“(1) establish a central clearinghouse, or utilize the NAIC or any other entity as a central clearinghouse, through which members of the Association may pursuant to section 323(e) disclose their intent to operate in

1 or more States and pay the licensing fees to the appropriate States; and

“(2) establish a national database for the collection of regulatory information concerning the activities of insurance producers or contract with the NAIC or any other entity to utilize such a database.

“(b) COORDINATION WITH THE FINANCIAL INDUSTRY REGULATORY AUTHORITY.—The Association shall coordinate with the Financial Industry Regulatory Authority in order to ease any administrative burdens that fall on persons that are members of both associations, consistent with the purposes of this subtitle and the Federal securities laws.

“SEC. 333. JUDICIAL REVIEW AND ENFORCEMENT.

“(a) JURISDICTION.—The appropriate United States district court shall have exclusive jurisdiction over litigation to which the Association is a party or any matter arising under this subtitle, including disputes between the Association and its members that arise under this subtitle, subject to chapter 7 of title 5, United States Code.

“(b) EXHAUSTION OF REMEDIES.—An aggrieved person shall be required to exhaust all available administrative remedies before the Association before it may seek judicial review of an Association decision.

“(c) EQUAL WEIGHT AND DEFERENCE.—In any other proceeding involving this subtitle, the court shall give at least equal weight and deference to the interpretations of the Association as would be given to any State or Federal agency with respect to any law, regulation, interpretation, or order addressing the same issues.

“SEC. 334. DEFINITIONS.

“For purposes of this subtitle, the following definitions shall apply:

“(1) HOME STATE.—The term ‘home State’ means the State in which the insurance producer maintains its principal place of residence or business and is licensed to act as an insurance producer.

“(2) INSURANCE.—The term ‘insurance’ means any product, other than title insurance, defined or regulated as insurance by the appropriate State insurance regulatory authority.

“(3) INSURANCE PRODUCER.—The term ‘insurance producer’ means any insurance agent or broker, excess or surplus lines broker or agent, insurance consultant, limited insurance representative, and any other individual or entity that solicits, negotiates, effects, procures, delivers, renews, continues or binds policies of insurance or offers advice, counsel, opinions or services related to insurance.

“(4) STATE.—The term ‘State’ includes any State, the District of Columbia, any territory of the United States, and Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

“(5) STATE LAW.—

“(A) IN GENERAL.—The term ‘State law’ includes all laws, decisions, rules, regulations, or other State action having the effect of law, of any State.

“(B) LAWS APPLICABLE IN THE DISTRICT OF COLUMBIA.—A law of the United States applicable only to or within the District of Columbia shall be treated as a State law rather than a law of the United States.”

(b) CLERICAL AMENDMENT.—The table of contents for the Gramm-Leach-Bliley Act is amended by striking the items relating to subtitle C of title III and inserting the following new items:

“Subtitle C—National Association of Registered Agents and Brokers

“Sec. 321. National association of registered agents and brokers.

“Sec. 322. Purpose.

“Sec. 323. Membership.

“Sec. 324. Board of directors.

“Sec. 325. Officers.

“Sec. 326. Bylaws, rules, and disciplinary action.

“Sec. 327. Powers.

“Sec. 328. Report by association.

“Sec. 329. Liability of the association and the directors, officers, and employees of the association.

“Sec. 330. Presidential review.

“Sec. 331. Relationship to state law.

“Sec. 332. Coordination with other regulators.

“Sec. 333. Judicial review and enforcement.

“Sec. 334. Definitions.”

□ 1845

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Georgia (Mr. SCOTT) and the gentleman from Kentucky (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia.

GENERAL LEAVE

Mr. SCOTT of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. SCOTT of Georgia. Mr. Speaker, I yield myself such time as I may consume.

First, I want to thank Chairman KANJORSKI of the Capital Markets Subcommittee, as well as Chairman FRANK, for working with us and allowing H.R. 5611, the National Association of Registered Agents and Brokers Reform Act, to be considered today. This is, indeed, an important piece of legislation.

I was pleased to introduce this bill, along with my good friend, the gentleman from Kentucky (Mr. DAVIS), as insurance regulatory reform is an issue many involved agree requires action. It, indeed, has been a pleasure to work with Representative DAVIS on this, who is one of my distinguished colleagues on the Committee on Financial Services. We both believe that this bill is a good starting point for leveling the playing field for insurance agents and brokers.

Never before, Mr. Speaker, have we really seen the significance and importance of the financial services industry as we are seeing it today. There are so many, many, many pieces that need to be reformed and looked at and improved upon, and this legislation happens to be one of those pieces.

H.R. 5611 will simply establish the National Association of Registered Agents and Brokers, which we refer to as NARAB, to provide for nonresident insurance agent and broker licensing while preserving the rights of States to supervise and discipline insurance agents and brokers. The legislation will further benefit consumers through increased competition among agents and brokers, leading to greater consumer choice.

This legislation is straightforward. Insurance agents and brokers who are licensed in good standing in their home States can apply for membership in the National Association for Registered Agents and Brokers, NARAB, which will allow them to operate in multiple States. This is very much needed. Membership will be voluntary and not affecting the rights of a nonmember producer under any State license, respecting the sanctity of the State. This legislation will benefit policyholders by increasing marketplace competition and consumer choice by enabling insurance producers to more quickly and responsibly serve the needs of the consumer.

A private, nonprofit NARAB entity consisting of State insurance regulators and marketplace representatives will serve as a portal for agents and brokers to obtain nonresident licenses in additional States. This is provided that they pay the required State non-licensing fees and meet the NARAB standards for membership.

This bill would also establish membership criteria which would include standards for personal qualifications, education, training and experience; and further, member applicants must be required to undergo a national criminal background check. And, to be very clear, NARAB would not, I repeat, would not be part of nor report to any Federal agency and would not have any Federal regulatory power. This is being done to streamline and bring greater efficiency and greater choice to consumers.

Federal legislation is needed to ensure a reciprocal licensing process for insurance agents and brokers, and Congress already endorsed this concept when we passed the Gramm-Leach-Bliley Act in 1999. The Gramm-Leach-Bliley Act would have created NARAB if a number of States had not reached a certain number of licensing reciprocity, and although enough reciprocity was provided to avoid the creation of NARAB, it has been brought to my attention and to Mr. DAVIS' attention by agents across this country that there is a frustration over incomplete insurance licensing reciprocity, and this legislation addresses that important fact. It is abundantly clear that the bar was not set high enough in Gramm-Leach-Bliley, thus the reason behind this important legislation that we are considering today. We, my colleague, Mr. DAVIS and I, are simply working to ensure an updated version of NARAB.

I believe the increased competition among agents and brokers this bill would create will be beneficial to all, and on all accounts, be more fair; and, in addition, lead to greater consumer choice. Mr. Speaker, this is what is important. The bottom line, it is the benefit to the consumer.

As more and more agents operate across State lines, this problem of reciprocity has become worse, and it has become apparent to us that true non-resident licensing reform for insurance

agents could only really be achieved through legislation at the Federal level. That is why this Congress is acting today.

The NARAB Reform Act that we are looking at today has garnered support from both sides of the aisle, both Democrats and Republicans, with 48 bipartisan cosponsors, and 27 of these cosponsors are Members serving on the Financial Services Committee.

Again, I was very much pleased to work with the gentleman from Kentucky (Mr. DAVIS) on this legislation which again narrowly targets only the area where there is a problem. We have gone in with a laser beam and simply targeted where there is a problem to fix, and we have done that.

Our manager's amendment was recently endorsed by the NAIC, showing that the State insurance regulators believe that this type of legislation is badly needed reform. Other groups that support this bill include the Independent Insurance Agents and Brokers of America, the IIABA; the National Association of Insurance and Financial Advisers, the NAIFA; the National Association of Mutual Insurance Companies, the NAMIC; the Property Casualty Insurers Association of America, PCI; and the Council of Insurance Agents and Brokers, the CIAB; as well as a number of individual insurance companies.

As talks continue on this issue, we are very hopeful for the expansion of our regulatory board to include PIA, the National Association of Professional Insurance Agents. This has been a very inclusive process, Mr. Speaker, working in a very much needed area to bring a greater degree of consumer choice and benefits to the American consumer of insurance products.

I am proud to have the opportunity again to work along with my colleagues on the Financial Services Committee and Mr. DAVIS on this important legislation. And to close, I would just simply urge all of my fellow Members to support H.R. 5611.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Kentucky. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 5611, the National Association of Registered Agents and Brokers Reform Act, or NARAB II.

First, I would like to commend my friend, DAVID SCOTT. We come from two different parties, but a common background in the business community, in the small business community, understanding the issues that business people deal with on a daily basis, and crossing multiple regulatory frameworks dealing with multiple States.

My experience has led to my support and working to develop this bill and to get it passed tonight and hopefully signed into law before the end of year. It was based on my experience as a small business owner, not as an agent, but as a business owner who had em-

ployees in several different States, and suddenly found when I reached out to a good friend of mine who was an agent himself that he had to deal with several different agents. It suddenly became very complicated and very costly from a time standpoint. It was inefficient and not cost effective at all for any of us to get these different plans to fit the needs and in compliance with each State.

After I came to Congress, with that experience in the back of my mind, I also heard from many, many agents in the insurance industry, and many small business owners who encountered situations like I had sitting astride the nexus of three States.

Insurance reform has been the subject of discussion for many years now. There are many different perspectives on it. What DAVID and I have tried to do through this bill, and our staffs, is to simply solve a process problem that allows people to work together more effectively. To me, this is the height of bipartisanship at its best. We are working to common cause, to fix a process that helps our citizens across the country.

I am very pleased to see this meaningful and targeted reform measure make it to the floor today after over a year of work. NARAB II goes straight to the heart of the difficulties that insurance agents and brokers, and small business owners who are their customers, face on a daily basis as they try to navigate this web of State licensing requirements.

The Gramm-Leach-Bliley Act would have created the original NARAB system in the event that the States did not satisfy the producer licensing reform objectives outlined in the underlying bill. Ultimately, the States were perceived to have achieved a specified level of licensing reciprocity, and NARAB was never created. Thus, the problem remained.

Nearly 10 years since the passage of Gramm-Leach-Bliley, we are still in need of progress on this issue. H.R. 5611 mandates the creation of NARAB. The board's purposes and function will be generally the same as the provisions of Gramm-Leach-Bliley. In short, agents and brokers licensed in good standing in their home State and meeting NARAB-member criteria will be able to join NARAB. Members will pay the appropriate fees required by each State in which they are licensed, and so this will not eliminate any revenue States currently generate from licensing. NARAB would not have any Federal regulatory authority, an important point that my friend from Georgia highlighted during his remarks as well. This is not an expansion of the Federal bureaucracy, it is a correction to allow the private sector to continue to grow business and create jobs.

I would like to think of NARAB as a stamp of approval for an insurance agent acknowledged and accepted nationwide.

I appreciate the hard work, expertise and advice from all of the insurance in-

dustry groups in helping us to come to compromise on H.R. 5611. In particular, the NAIC has been an invaluable source of knowledge, and I appreciate their substantive suggestions for ways we can improve the bill.

We made sure that the State insurance commissioners had a voice in the shaping of this legislation to ensure that State rights were protected, and at the same time we were able to address a direct issue that was affecting these brokers and small business customers.

H.R. 5611 takes a significant step toward improving the way our insurance markets operate within the existing State-based system. I would like to thank in particular Chairman FRANK, Ranking Member BACHUS, Chairman KANJORSKI, and Ranking Member PRYCE for their leadership on the important issue of insurance reform and for their support of this bill that Mr. SCOTT and I introduced.

Lastly, I want to thank my good friend, DAVID SCOTT, for his work and also his staff, Michael Andel and Tammy McAthey, and my legislative director, Lauren O'Brien, who have worked long and hard to bring this to pass. This has been a great piece of legislation. I urge support for the bill.

Mr. Speaker, I yield back the balance of my time.

□ 1900

Mr. SCOTT of Georgia. Mr. Speaker, in conclusion, I just want to again echo my sentiments, and appreciate the fine work that Mr. DAVIS has done on this. It's been a pleasure working with him and the full committee and all of our staffs combined and working with the insurance industry itself and especially our agents to make their work smoother and to pass a bill that is very forward-looking to improve consumer benefits on their end.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. SCOTT) that the House suspend the rules and pass the bill, H.R. 5611, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PERMISSION TO CONSIDER AS ADOPTED MOTIONS TO SUSPEND THE RULES

Mrs. DAVIS of California. Mr. Speaker, I ask unanimous consent that the motions to suspend the rules relating to the following measures be considered as adopted in the form considered by the House on Monday, September 15, 2008:

House Resolution 1255, House Resolution 1372, House Resolution 1425, House