

**[DISCUSSION DRAFT NUMBER 2]**

112TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To exclude insurance companies from the Federal Depository Insurance Corporation's "orderly liquidation authority".

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IN THE HOUSE OF REPRESENTATIVES

M\_\_\_\_. \_\_\_\_\_ introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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**A BILL**

To exclude insurance companies from the Federal Depository Insurance Corporation's "orderly liquidation authority".

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 "\_\_\_\_\_ Act  
5        of 2011".

6        **SEC. 2. LIQUIDATION AUTHORITY.**

7        (a) DEFINITION OF FINANCIAL COMPANY.—Clause  
8        (iii) of section 201(a)(11)(B)) of the Dodd-Frank Wall

1 Street Reform and Consumer Protection Act (12 U.S.C.  
2 5381(a)(11)(B)(iii)) is amended—

3 (1) by inserting “with respect to paragraph  
4 (4)(B) of such subsection or” after “other than”;  
5 and

6 (2) by inserting “of this subparagraph” before  
7 the semicolon.

8 (b) TREATMENT OF INSURANCE COMPANIES AND  
9 SUBSIDIARIES.—Paragraph (1) of section 203(e) of the  
10 Dodd-Frank Wall Street Reform and Consumer Protec-  
11 tion Act (12 U.S.C. 5383(e)(1)) is amended—

12 (1) by striking “(1) IN GENERAL.—Notwith-  
13 standing” and inserting the following:.

14 “(1) IN GENERAL.—

15 “(A) INSURANCE COMPANIES CONTROLLED  
16 BY MUTUAL HOLDING COMPANIES.—If an in-  
17 surance company is controlled by a mutual  
18 holding company as a result of a previous con-  
19 version under State law from an insurance com-  
20 pany in mutual form to an insurance company  
21 in stock form, then such mutual holding com-  
22 pany shall be deemed to be an insurance com-  
23 pany for purposes of this subsection.

1                   “(B) APPLICABILITY OF STATE LAW TO  
2                   COVERED FINANCIAL COMPANIES.—Notwith-  
3                   standing”.

4           (c) FUNDING.—Paragraph (4) of section 204(d) of  
5 the Dodd-Frank Wall Street Reform and Consumer Pro-  
6 tection Act (12 U.S.C. 5384(d)(4)) is amended—

7                   (1) by inserting after “any covered subsidiary,”  
8                   the following: “other than a covered subsidiary that  
9                   is a subsidiary of an insurance company,”; and

10                  (2) by inserting before the semicolon at the end  
11                  the following: “, except that the Corporation shall  
12                  not take a lien on any assets of an insurance com-  
13                  pany without the written consent of the State insur-  
14                  ance regulator in the insurance company’s State of  
15                  domicile”.

16           (d) ASSESSMENTS.—Subparagraph (A) of section  
17 210(o)(1) of the Dodd-Frank Wall Street Reform and  
18 Consumer Protection Act is amended by inserting “, ex-  
19 cluding any assets, liabilities, or revenues attributable to  
20 the company’s activities that are a part of the business  
21 of insurance,” after “\$50,000,000,000”.