

**[DISCUSSION DRAFT NUMBER 3]**

112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

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

To exclude insurance companies from the Board of Governors of the Federal Reserve System’s leverage capital requirements, risk-based capital requirements, and accounting standards.

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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 Board of Governors of the Federal Reserve System’s leverage capital requirements, risk-based capital requirements, and accounting standards.

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”.

1 **SEC. 2. LEVERAGE AND RISK-BASED CAPITAL REQUIRE-**  
2 **MENTS.**

3 Subsection (b) of section 171 of the Dodd-Frank Wall  
4 Street Reform and Consumer Protection Act (12 U.S.C.  
5 5371(b)) is amended—

6 (1) by redesignating paragraphs (3), (4), (5),  
7 (6), and (7) as paragraphs (4), (5), (6), (7), and  
8 (8), respectively; and

9 (2) by inserting after paragraph (2) the fol-  
10 lowing new paragraph:

11 “(3) **INSURANCE COMPANIES.**—The minimum  
12 leverage capital requirements and the minimum risk-  
13 based capital requirements established under para-  
14 graphs (1) and (2) shall, for depository institution  
15 holding companies and nonbank financial companies  
16 for which a determination has been made under sec-  
17 tion 113 that are insurance companies, or that have  
18 subsidiaries that are insurance companies—

19 “(A) take into account the regulatory ac-  
20 counting practices and procedures applicable to,  
21 and the capital structure of, such companies;  
22 and

23 “(B) give deference to the applicable State  
24 laws governing risk-based capital for insurance  
25 companies.”.

1 **SEC. 3. ACCOUNTING STANDARDS APPLICABLE TO INSUR-**  
2 **ANCE COMPANIES.**

3 Section 115 of the Dodd-Frank Wall Street Reform  
4 and Consumer Protection Act (12 U.S.C. 5325) is amend-  
5 ed by adding at the end the following:

6 “(h) ACCOUNTING STANDARDS APPLICABLE TO IN-  
7 SURANCE COMPANIES.—

8 “(1) IN GENERAL.—With respect to a nonbank  
9 financial company supervised by the Board of Gov-  
10 ernors that is an insurance company, the Board of  
11 Governors may not require the insurance company  
12 to comply with accounting standards, including gen-  
13 erally accepted accounting principles, that are dif-  
14 ferent than those accounting standards that the in-  
15 surance company is required to comply with by the  
16 company’s State regulator.

17 “(2) COST-BENEFIT ANALYSIS.—Any time the  
18 Board of Governors proposes changes to the ac-  
19 counting standards that an insurance company de-  
20 scribed under paragraph (1) must comply with, the  
21 Board of Governors shall first carry out a cost-ben-  
22 efit analysis of the proposed change, including solie-  
23 iting public comments, and, if the burden of such  
24 change would outweigh the benefit, the Board of  
25 Governors shall not impose the proposed change.”.