

TITLE V: INSURANCE

- **Establishes the Federal Insurance Office:** Within the Department of Treasury, headed by a Director appointed by the Secretary of Treasury.
- **Office Functions:** The office will handle all insurance (with the exception of health insurance) and will have authority to monitor the insurance industry, identify regulatory gaps or systemic risk, deal with international insurance matters, and monitor the extent to which underserved communities have access to affordable insurance products (except health insurance).
- **FSOC Recommendations:** May make recommendations to Financial Stability Oversight Council (FSOC) on whether an insurer (including reinsurers) poses a systemic risk under Title I and should therefore be placed under the supervision of the Federal Reserve.
- **New Authority to Negotiate and Enforce Narrow International Agreements on Insurance:** The Office has the authority to jointly enter into agreements, with the U.S. Trade Representative, which cover prudential measures related to the business of insurance and reinsurance. In doing so, the Office has limited preemption authority over state law in cases where it is determined that the state law is inconsistent with a negotiated international agreement and treats a non-U.S. insurer less favorably than a U.S. insurer. The power of preemption is further limited by a savings clause, which states that the Office has no authority to preempt state laws on insurer's rates, premiums, underwriting, sales practices, capital, solvency or state antitrust laws.
- **The Federal Insurance Office Reporting:** Annual Reports to the President and Senate Banking Committee are expected of the Office.
- **Insurance Study:** A study must be completed on how to improve insurance regulation in the United States, including state insurance, due no more than 18 months after enactment.