The Policyholder Protection Act of 2015 (PPA) is bipartisan, bicameral legislation that clarifies Congressional intent with regard to provisions of the Dodd-Frank Act (DFA). Specifically, the PPA seeks to preserve the authority of state insurance regulators to protect consumers of home, auto and business insurance provided by those companies that are regulated by the states and also federally regulated due to their affiliation with a bank or thrift.

**SUMMARY**
State insurance regulation in the U.S. has a long and successful record of addressing insurer solvency and protecting policyholders from insurer failures. One way state insurance regulators do this is by strictly protecting the capital of insurance companies, even when they are part of larger financial groups. The goal of state regulators is to ensure that sufficient funds are available to pay policyholder claims and are not jeopardized by risk taking elsewhere within the affiliated bank or thrift. When Congress passed the DFA, it sought to preserve these important insurer solvency and policyholder protection walls. However, several provisions of the DFA must be addressed to prevent federal regulators from transferring the assets of state regulated insurance companies to rescue affiliated banks or thrifts without the consent of state insurance regulators. Further, the DFA needs clarification if it is to reflect Congressional intent, which asserts the primary authority of state insurance regulators in responding to a failing insurer. The PPA is really a “technical corrections” bill that addresses several ambiguities and loopholes in the DFA in order to preserve the authority of state insurance regulators to protect policyholders.

**LEGISLATIVE STATUS**
On March 19, 2015, Senators David Vitter (R-LA) and Jon Tester (D-MT) and Representatives Bill Posey (R-FL) and Brad Sherman (D-CA) introduced S. 798 and H.R. 1478, the Policyholder Protection Act of 2015. PCI strongly supports the passage of this legislation. No hearing has been scheduled yet.

In addition to PCI, the following organizations issued letters of support for the PPA on March 18, 2015:

- the Independent Insurance Agents & Brokers of America;
- the National Association of Insurance Commissioners;
- the National Association of Mutual Insurance Companies;
- the National Conference of Insurance Guaranty Funds;
- the National Conference of Insurance Legislators; and
- the National Organization of Life and Health Insurance Guaranty Associations.