

105TH CONGRESS
1ST SESSION

H. R. 2940

To enhance competition and consumer choice in the delivery of financial products and services.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 1997

Mr. DREIER (for himself and Mrs. MYRICK) introduced the following bill; which was referred to the Committee on Banking and Financial Services, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To enhance competition and consumer choice in the delivery of financial products and services.

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 “Financial Services
5 Competitive Enhancement Act”.

6 **SEC. 2. ANTI-AFFILIATION PROVISIONS OF “GLASS-**
7 **STEAGALL ACT” REPEALED.**

8 (a) **SECTION 20 REPEALED.**—Section 20 of the
9 Banking Act of 1933 (12 U.S.C. 377) is repealed.

1 (b) SECTION 32 REPEALED.—Section 32 of the
2 Banking Act of 1933 (12 U.S.C. 78) is repealed.

3 **SEC. 3. FINANCIAL ACTIVITIES.**

4 Section 4(c)(8) of the Bank Holding Company Act
5 of 1956 (12 U.S.C. 1843(c)(8)) is amended to read as
6 follows:

7 “(8) shares of any company the activities of
8 which the Board has determined (by regulation or
9 order) to be financial in nature or incidental to such
10 financial activities and—

11 “(A) effective 90 days after the date of the
12 enactment of the Financial Services Competitive
13 Equality Act, it shall be financial in nature to
14 provide insurance as principal, agent, or broker
15 in any State, in full compliance with the laws
16 and regulations of such State that uniformly
17 apply to each type of insurance license or au-
18 thorization in such State, except that in no
19 event shall the company, the bank holding com-
20 pany, or any affiliate of the company or bank
21 holding company be subject to any State law or
22 regulation that restricts a bank from having an
23 affiliate, agent, or employee in such State li-
24 censed to provide insurance as principal, agent,
25 or broker; and

1 “(B) the Board shall prescribe regulations
2 concerning insurance affiliations that provide
3 equivalent treatment for all stock and mutual
4 insurance companies that control or are other-
5 wise affiliated with a bank and fully accommo-
6 date and are consistent with State law;”.

7 **SEC. 4. INSURANCE COMPANY INVESTMENTS.**

8 Section 4 of the Bank Holding Company Act of 1956
9 (12 U.S.C. 1843) is amended by adding at the end the
10 following new subsection:

11 “(k) INSURANCE COMPANY INVESTMENTS.—Not-
12 withstanding subsection (a), a bank holding company may
13 directly or indirectly acquire or control, whether as prin-
14 cipal, on behalf of 1 or more entities (including any sub-
15 sidiary of the holding company which is not a depository
16 institution or subsidiary of a depository institution) or oth-
17 erwise, shares, assets, or ownership interests (including
18 without limitation debt or equity securities, partnership
19 interests, trust certificates or other instruments represent-
20 ing ownership) of a company or other entity, whether or
21 not constituting control of such company or entity, en-
22 gaged in any activity not authorized pursuant to this sec-
23 tion if—

1 “(1) the shares, assets, or ownership interests
2 are not acquired or held by a depository institution
3 or a subsidiary of a depository institution;

4 “(2) such shares, assets, or ownership interests
5 are acquired and held by an insurance company that
6 is predominantly engaged in underwriting life, acci-
7 dent and health, or property and casualty insurance
8 (other than credit-related insurance);

9 “(3) such shares, assets, or ownership interests
10 represent an investment made in the ordinary course
11 of business of such insurance company in accordance
12 with relevant State law governing such investments;
13 and

14 “(4) during the period such shares, assets, or
15 ownership interests are held, the bank holding com-
16 pany does not directly or indirectly participate in the
17 day-to-day management or operation of the company
18 or entity except insofar as necessary to achieve the
19 objectives of paragraph (3).”.

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