

HR 5011

Military Personnel Financial Services Protection Act

Congress: 108 (2003–2005, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Sep 7, 2004

Current Status: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Oct 6, 2004)

Official Text: <https://www.congress.gov/bill/108th-congress/house-bill/5011>

Sponsor

Name: Rep. Burns, Max [R-GA-12]

Party: Republican • **State:** GA • **Chamber:** House

Cosponsors (8 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Edwards, Chet [D-TX-11]	D · TX		Sep 7, 2004
Rep. Norwood, Charles W. [R-GA-9]	R · GA		Sep 7, 2004
Rep. Simpson, Michael K. [R-ID-2]	R · ID		Sep 7, 2004
Rep. Wilson, Joe [R-SC-2]	R · SC		Sep 7, 2004
Rep. Bachus, Spencer [R-AL-6]	R · AL		Sep 9, 2004
Rep. Brown-Waite, Ginny [R-FL-5]	R · FL		Sep 9, 2004
Rep. Carter, John R. [R-TX-31]	R · TX		Sep 9, 2004
Rep. Ryun, Jim [R-KS-2]	R · KS		Sep 30, 2004

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Oct 6, 2004
Financial Services Committee	House	Reported By	Oct 5, 2004

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Military Personnel Financial Services Protection Act - (Sec. 3) Amends the Investment Company Act of 1940 to make it unlawful: (1) for any registered investment company to issue any periodic payment plan certificate; or (2) for such company or any depositor or underwriter of such company, or other person, to sell such a certificate. States that existing certificates are not invalidated.

Directs the Securities and Exchange Commission (SEC) to report to specified congressional committees on: (1) any measures taken by a registered broker or dealer voluntarily to refund payments made by military service members on any periodic payment plan certificate, and the amounts of such refunds; (2) the sales practices of such brokers or dealers on military installations over the past five years and any legislative or regulatory recommendations to improve such practices; and (3) the revenues generated by such brokers or dealers in certificate sales over such period, and what products such brokers or dealers market to replace the revenue generated from those sales which are now prohibited.

(Sec. 4) Amends the Securities Exchange Act of 1934 to require a registered securities association to establish and maintain: (1) a system for collecting and retaining broker/dealer registration information; and (2) a toll-free telephone listing, and a readily accessible process to respond promptly to inquiries regarding registration information on its members and their associated persons, including any other registered national securities exchange that uses such system for registration of its members.

Requires a registered securities association to adopt rules governing the process for making such inquiries in consultation with any registered national securities exchange providing such information.

Permits such associations to charge reasonable fees for responses to such inquiries, except to individual investors.

Requires a registered securities association to adopt rules establishing an administrative process for disputing the accuracy of information provided in response to inquiries in consultation with any registered national securities exchange providing the same type of information.

Shields an association or an exchange reporting information to the association from liability for actions taken or omitted in good faith.

(Sec. 5) Amends the Investment Advisers Act of 1940 to authorize the SEC to require an investment adviser to file with the SEC, through any designated entity, any fee, application, report, or notice required to be filed. Directs the SEC to require such entity to establish and maintain a toll-free telephone listing or other readily accessible electronic or other process to receive and promptly respond to inquiries regarding registration, disciplinary, and other information involving investment advisers and associated persons.

(Sec. 6) States that any State law, regulation, or order regarding the business of insurance shall apply to insurance activities conducted on Federal land or facilities in the United States and abroad, including military installations, unless it: (1) directly conflicts with any applicable Federal law, regulation, or authorized directive; or (2) would not apply if such activity were conducted on State land.

(Sec. 7) Declares that Congress intends that: (1) the States work collectively with the Secretary of Defense to ensure implementation of appropriate standards to protect members of the Armed Forces from dishonest and predatory insurance sales practices while on a U.S. military installation (including installations located outside of the United States); and (2) each State identify its role in promoting such standards in a uniform manner within 12 months after enactment of

this Act.

Expresses the sense of Congress that the National Association of Insurance Commissioners (NAIC) should study and report to certain congressional committees on the extent to which States have met the requirement of promoting such State standards.

(Sec. 8) Prohibits an insurer or producer from selling or soliciting, in person, any life insurance product to any member of the Armed Forces on a Federal military installation unless written disclosures have been provided before the sale that: (1) subsidized life insurance may be available to such member from the Federal Government; (2) the Federal Government has in no way sanctioned, recommended, or encouraged the sale of the product being offered; (3) is in readily understandable language and in a type font at least as large as the font used for the majority of the policy; and (4) lists the address and phone number where consumer complaints are received by the State insurance commissioner for the State in which the individual has been issued a resident license or the entity is domiciled.

Requires the prohibition from further engagement in the insurance business with respect to Federal employees on Federal land of any individual or entity that has intentionally failed to provide these disclosures.

Exempts from such prohibition any insurance activities specifically: (1) contracted by or through the Federal Government or any State government; or (2) exempted from the applicability of this Act by a Federal or State law, regulation, or order that specifically refers to this Act.

Declares that, if a majority of the States have adopted, in materially identical form, a standard setting forth such required disclosures, after the expiration of the two-year period beginning on such majority adoption, the standard shall apply with respect to such States in lieu of the requirements of this Act, to the extent that it does not directly conflict with any applicable authorized Federal regulation or directive.

(Sec. 9) Expresses the sense of Congress that the NAIC should study and report to certain congressional committees on ways of improving the quality of and sale of life insurance products on Federal military installations, which may include limiting sales authority to companies and producers certified as meeting appropriate best practices procedures or creating standards for products specifically designed for members of the Armed Forces regardless of the sales location.

Directs the Comptroller General, if the NAIC does not submit its report, to study and report to such congressional committees on proposals to improve the quality and sale of such life insurance products.

(Sec. 10) Prohibits any insurer from contracting with an insurance producer that solicits or sells life insurance on U.S. military installations unless the insurer has implemented a system to report to the appropriate State insurance commissioner any disciplinary actions taken against the producer regarding such sales or solicitations.

Expresses the sense of Congress that, within two years after enactment of this Act, the States should implement collectively a system to: (1) receive reports of disciplinary actions taken against insurance producers by insurers or government entities with respect to the producers' sale or solicitation of insurance on a military installation; and (2) disseminate such information to all other States and to the Secretary of Defense.

(Sec. 11) Requires the Secretary of Defense to: (1) establish a registry of insurance agents and financial advisors that have been barred or banned from doing business on Federal military installations; and (2) notify the appropriate Federal and State regulatory agencies upon the inclusion or removal of an insurance agent or financial advisor in or from the registry.

(Sec. 12) Expresses the sense of Congress that Federal and State agencies responsible for insurance and securities regulation should provide advice to the appropriate Federal entities to consider: (1) significantly increasing the life insurance coverage made available through the Federal Government to members of the Armed Forces; (2) implementing appropriate procedures to encourage members of the Armed Forces to improve their financial literacy and obtain objective financial counseling before purchasing additional life insurance coverage or investments beyond those provided by the Federal Government; and (3) improving the benefits and matching contributions provided under the Thrift Savings Plan to members of the Armed Forces.

Actions Timeline

- **Oct 6, 2004:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Oct 5, 2004:** Reported (Amended) by the Committee on Financial Services. H. Rept. 108-725.
- **Oct 5, 2004:** Reported (Amended) by the Committee on Financial Services. H. Rept. 108-725.
- **Oct 5, 2004:** Placed on the Union Calendar, Calendar No. 445.
- **Oct 5, 2004:** Mr. Baker moved to suspend the rules and pass the bill, as amended.
- **Oct 5, 2004:** Considered under suspension of the rules. (consideration: CR H8104-8110)
- **Oct 5, 2004:** DEBATE - The House proceeded with forty minutes of debate on H.R. 5011.
- **Oct 5, 2004:** At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed.
- **Oct 5, 2004:** Considered as unfinished business. (consideration: CR H8131)
- **Oct 5, 2004:** Passed/agreed to in House: On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 396 - 2 (Roll no. 496).(text: CR H8104-8106)
- **Oct 5, 2004:** On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 396 - 2 (Roll no. 496). (text: CR H8104-8106)
- **Oct 5, 2004:** Motion to reconsider laid on the table Agreed to without objection.
- **Sep 29, 2004:** Committee Consideration and Mark-up Session Held.
- **Sep 29, 2004:** Ordered to be Reported (Amended) by the Yeas and Nays: 68 - 0.
- **Sep 7, 2004:** Introduced in House
- **Sep 7, 2004:** Introduced in House
- **Sep 7, 2004:** Referred to the House Committee on Financial Services.