

S 418

Military Personnel Financial Services Protection Act

Congress: 109 (2005–2007, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Feb 17, 2005

Current Status: Became Public Law No: 109-290.

Latest Action: Became Public Law No: 109-290. (Sep 29, 2006)

Law: 109-290 (Enacted Sep 29, 2006)

Official Text: <https://www.congress.gov/bill/109th-congress/senate-bill/418>

Sponsor

Name: Sen. Enzi, Michael B. [R-WY]

Party: Republican • **State:** WY • **Chamber:** Senate

Cosponsors (12 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Clinton, Hillary Rodham [D-NY]	D · NY		Feb 17, 2005
Sen. Hagel, Chuck [R-NE]	R · NE		Feb 17, 2005
Sen. Schumer, Charles E. [D-NY]	D · NY		Feb 17, 2005
Sen. Kennedy, Edward M. [D-MA]	D · MA		Apr 25, 2005
Sen. Bingaman, Jeff [D-NM]	D · NM		Apr 27, 2005
Sen. Wyden, Ron [D-OR]	D · OR		May 16, 2005
Sen. Durbin, Richard J. [D-IL]	D · IL		May 26, 2005
Sen. Bunning, Jim [R-KY]	R · KY		Nov 18, 2005
Sen. Nelson, Bill [D-FL]	D · FL		Mar 27, 2006
Sen. Reed, Jack [D-RI]	D · RI		Jun 13, 2006
Sen. Dodd, Christopher J. [D-CT]	D · CT		Jun 20, 2006
Sen. Burns, Conrad R. [R-MT]	R · MT		Jul 18, 2006

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Reported By	Jul 13, 2006

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
109 HR 458	Related bill	Jun 28, 2005: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
109 HR 1077	Related bill	Apr 7, 2005: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
109 HR 461	Related bill	Feb 1, 2005: Referred to the House Committee on Financial Services.

(This measure has not been amended since it was reported to the Senate on July 13, 2006. The summary of that version is repeated here.)

Military Personnel Financial Services Protection Act - (Sec. 4) Amends the Investment Company Act of 1940 to make it unlawful for any registered investment company to issue or sell any periodic payment plan certificate.

Retains the validity of certain previously issued certificates.

Directs the Securities and Exchange Commission (SEC) to report to certain congressional committees on: (1) measures taken by a registered broker or dealer to refund voluntarily 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 five years preceding submission of the report, and any legislative or regulatory recommendations to improve such practices; and (3) the revenues generated by such brokers or dealers in the sales of periodic payment plan certificates over such five-year period, and the products marketed by them to replace the revenue generated from the sales of prohibited certificates.

(Sec. 5) Amends the Securities Exchange Act of 1934 to require the rules of a registered securities association to: (1) govern the sales, or offers of sales, of securities on the premises of any military installation to any member of the Armed Forces, including absence of referral fees or incentives and conspicuous disclosure that the securities are neither sanctioned, recommended, nor encouraged by the federal government; and (2) establish a system for collecting and retaining registration, disciplinary, and disputed information, as well as a toll-free telephone listing for prompt response to inquiries about member registration information.

(Sec. 7) Amends the Investment Advisers Act of 1940 to authorize the SEC to require an investment adviser to file with the SEC any fee, application, report, or notice required to be filed, and pay associated costs.

Directs the SEC to require such entity to establish and maintain a toll-free telephone listing, or other readily accessible process to receive and promptly respond to inquiries regarding registration, disciplinary, and other information involving investment advisers and associated persons.

(Sec. 8) Declares 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.

Prescribes the requirements of primary state jurisdiction of insurance or securities activities on federal land or facilities.

(Sec. 9) 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 the states have worked 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 federal military installation.

Expresses the sense of Congress that senior representatives of the Secretary of Defense, the SEC, and the NAIC should meet twice a year to coordinate their activities and monitor enforcement of the sale of financial products on federal military installations.

(Sec. 10) Prohibits an insurer or producer from selling, or offering for sale, any life insurance product to any member of the Armed Forces or a dependent on a federal military installation, unless specified written disclosures have been

provided at the time of the sale.

Makes the sale of a life insurance product in violation of this Act voidable from its inception, at the sole option of the member of the Armed Forces or dependent.

Prohibits any person who has intentionally violated, or willfully disregarded, these prohibitions and requirements from further engaging in the business of insurance with respect to federal employees on federal land, except regarding existing policies.

Exempts from these prohibitions and requirements any life insurance product specifically contracted by or through the federal government.

(Sec. 11) 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 sold on federal military installations.

Directs the Comptroller General, if the NAIC does not submit such a report, to study and report to specified congressional committees on any proposals that have been made to improve the quality and sale of life insurance products sold on military installations of the United States.

(Sec. 12) Prohibits any insurer from contracting with any person that sells or solicits the sale of any life insurance product on U.S. military installations unless the insurer has implemented a system to report to certain state insurance commissioners any federal, state, or corporate disciplinary actions taken with respect to such sales or solicitations.

Expresses the sense of Congress that the states should collectively implement a system to: (1) receive reports of such disciplinary actions; and (2) disseminate such information to all other states and to the Secretary of Defense.

(Sec. 13) Requires the Secretary of Defense to: (1) establish a list of insurance agents and financial advisors that have been barred or banned from doing business on federal military installations; and (2) ensure that federal and state regulatory agencies for securities and insurance are promptly notified upon the inclusion in or removal from the list.

(Sec. 14) Instructs the Inspector General of the Department of Defense to study and report to certain congressional committees on the impact of a certain Department of Defense Instruction and the reforms included in this Act on the quality and suitability of sales of securities and insurance products marketed or otherwise offered to members of the Armed Forces.

Actions Timeline

- **Sep 29, 2006:** Signed by President.
- **Sep 29, 2006:** Signed by President.
- **Sep 29, 2006:** Became Public Law No: 109-290.
- **Sep 29, 2006:** Became Public Law No: 109-290.
- **Sep 25, 2006:** Presented to President.
- **Sep 25, 2006:** Presented to President.
- **Sep 21, 2006:** Considered as unfinished business. (consideration: CR H6861-6862)
- **Sep 21, 2006:** Passed/agreed to in House: On motion to suspend the rules and pass the bill Agreed to by the Yeas and Nays: (2/3 required): 418 - 3 (Roll no. 463).(text: CR 9/20/2006 H6786-6789)
- **Sep 21, 2006:** On motion to suspend the rules and pass the bill Agreed to by the Yeas and Nays: (2/3 required): 418 - 3 (Roll no. 463). (text: CR 9/20/2006 H6786-6789)
- **Sep 21, 2006:** Motion to reconsider laid on the table Agreed to without objection.
- **Sep 20, 2006:** Mr. Davis (KY) moved to suspend the rules and pass the bill.
- **Sep 20, 2006:** Considered under suspension of the rules. (consideration: CR H6786-6792)
- **Sep 20, 2006:** DEBATE - The House proceeded with forty minutes of debate on S. 418.
- **Sep 20, 2006:** 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.
- **Jul 20, 2006:** Received in the House.
- **Jul 20, 2006:** Message on Senate action sent to the House.
- **Jul 20, 2006:** Held at the desk.
- **Jul 19, 2006:** Measure laid before Senate by unanimous consent. (consideration: CR S7941-7944)
- **Jul 19, 2006:** The committee substitute agreed to by Unanimous Consent.
- **Jul 19, 2006:** Passed/agreed to in Senate: Passed Senate with an amendment by Unanimous Consent.(text: CR S7944)
- **Jul 19, 2006:** Passed Senate with an amendment by Unanimous Consent. (text: CR S7944)
- **Jul 13, 2006:** Committee on Banking, Housing, and Urban Affairs. Reported by Senator Shelby with an amendment in the nature of a substitute. With written report No. 109-282.
- **Jul 13, 2006:** Committee on Banking, Housing, and Urban Affairs. Reported by Senator Shelby with an amendment in the nature of a substitute. With written report No. 109-282.
- **Jul 13, 2006:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 518.
- **Jun 14, 2006:** Committee on Banking, Housing, and Urban Affairs. Ordered to be reported with an amendment in the nature of a substitute favorably.
- **Feb 17, 2005:** Introduced in Senate
- **Feb 17, 2005:** Sponsor introductory remarks on measure. (CR S1632)
- **Feb 17, 2005:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.