



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 31, 2016

## H.R. 5143 Transparent Insurance Standards Act of 2016

*As ordered reported by the House Committee on Financial Services on June 16, 2016*

H.R. 5143 would require the Department of the Treasury and the Federal Reserve to provide additional reports and testimony to the Congress on international negotiations regarding regulatory standards in the insurance industry. Before agreeing to or adopting such standards, the bill would require that the Treasury and the Federal Reserve publish any proposed final standard, allow for public comment, and report to the Congress on the impact of those standards on U.S. consumers, markets, and state laws. The bill also would require the Federal Reserve to promulgate a rule on domestic capital standards before agreeing to any international standard related to capital standards for insurance firms. Finally, H.R. 5143 would require the Government Accountability Office (GAO) to review those reports on insurance regulations.

Based on information provided by the Federal Reserve, CBO estimates that enacting H.R. 5143 would increase costs to the Federal Reserve System for conducting the required analysis and for preparing reports and testimony. Those increased costs would reduce revenues paid to the Treasury by the Federal Reserve by \$7 million over the 2017-2026 period; therefore pay-as-you-go procedures apply. Those changes are shown in the following table. Enacting the bill would not affect direct spending.

**CBO Estimate of Pay-As-You-Go Effects for H.R. 5143 as ordered reported by the House Committee on Financial Services on June 16, 2016**

	By Fiscal Year, in Millions of Dollars												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-2021	2016-2026
<b>NET INCREASE IN THE DEFICIT</b>													
Statutory Pay-As-You-Go Impact	0	0	1	1	1	1	1	1	1	1	1	3	7

In addition, based on information from the Treasury and the cost of similar activities, CBO estimates that implementing H.R. 5143 would cost \$1 million in 2017 and less than \$500,000 in subsequent years for the GAO report and the reporting requirements related to

international standards. Such spending would be subject to the availability of appropriated amounts.

CBO estimates that enacting H.R. 5143 would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5143 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contacts for this estimate are Matthew Pickford (for federal costs) and Nathaniel Frentz (for revenues). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.