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The Washington Report

for the week ended August 29, 2014

In This Issue

Safety & Soundness

FDIC Releases *Quarterly Banking Profile*

On August 29, 2014, the Federal Deposit Insurance Corporation (FDIC) released its *Quarterly Banking Profile* for the second quarter of 2014. It indicates that aggregate net income in the second quarter is up 5.3 percent from a year earlier, mainly as the result of a 22.4 percent decline in loan loss provisions and a 1.4 percent decline in noninterest expenses.

Highlights of the second quarter results include the following:

- Strong loan growth contributed to an increase in net interest income compared to a year ago, but lower income from reduced mortgage activity and a drop in trading revenue contributed to a year-over-year decline in noninterest income.
- Of the insured institutions reporting, 57.5 percent had year-over-year growth in quarterly earnings. The proportion of banks that were unprofitable fell to 6.8 percent from 8.4 percent a year earlier.
- Total loan and lease balances rose 2.3 percent, the largest quarterly increase since the fourth quarter of 2007.
- Commercial and industrial loans increased by 3.1 percent, residential mortgage loans rose by 1.2 percent, credit card balances were up 3 percent, and auto loans grew 3 percent. Over the last 12 months, loan and lease balances increased by 4.9 percent, the highest 12-month growth rate since before the financial crisis.
- Asset quality indicators continued to improve as: charged off loans were down 29.5 percent from a year earlier; the amount of noncurrent loans and leases fell 6.9 percent during the quarter; and the percentage of loans and leases that were noncurrent declined to 2.24 percent.
- Noninterest income from the sale, securitization, and servicing of mortgages was 42.5 percent lower than a year ago.
- Net operating revenue was 0.9 percent lower than a year earlier, as a 1.9 percent increase in net interest income was outweighed by a 5.3 percent drop in noninterest income.
- The average return on assets rose slightly to 1.07 percent in the second quarter from 1.06 percent a year earlier. The average return on equity rose from 9.46 percent to 9.54 percent.
- Net income at community banks was up 3.5 percent from a year earlier, driven by higher net interest income and lower loan loss provisions. Loan balances at community banks in the second quarter grew at a faster pace than in the industry as a whole. Asset quality indicators continued to show improvement, and community banks again accounted for 45 percent of small loans to businesses.
- The number of "problem banks" fell for the 13th consecutive quarter, declining to 354.
- The Deposit Insurance Fund (DIF) balance continued to increase, reaching a reserve ratio of 0.84 percent as of June 30. The DIF reserve ratio is required to reach 1.35 percent by 2020.

OCC to Host Workshops for Directors of National Community Banks and Federal Savings Associations in Dallas and Orlando

The Office of the Comptroller of the Currency (OCC) announced that it will host two workshops in Dallas, Texas, on September 30 and October 1, for directors of national community banks and federal savings associations. The *Credit Risk* workshop focuses on the roles of the board and bank management, current events, emerging industry trends, and a range of credit issues, such as the credit approval process, managing credit risk, and collections. The *Risk Assessment* workshop outlines the OCC's approach to risk-based supervision, and best practices to identify, measure, monitor, and control risk. The sessions also cover current industry topics, such as credit risk, interest rate risk, and the regulatory environment.

The OCC will separately host a directors' workshop in Orlando, Florida, on October 6, 7, and 8. This workshop, entitled *Mastering the Basics: A Director's Challenge*, is designed "exclusively for directors of institutions supervised by the OCC" and provides practical information on the roles and responsibilities of board participation. It focuses on directors' duties and core responsibilities, major laws and regulations, board reports, and bank ratings.

OCC Bulletin Advises Institutions of Revisions to Electronic Fund Transfer Act Booklet

On August 28, 2014, the Office of the Comptroller of the Currency (OCC) issued OCC Bulletin 2011-43, to announce that it has revised the *Electronic Fund Transfer Act* booklet of the *Comptroller's Handbook*. The new booklet replaces a similarly titled booklet previously issued in October 2011 and provides updated guidance to examiners and bankers relevant to recent changes made to Regulation E (12 CFR 1005) regarding remittance transfers.

Specifically, this booklet:

- Reflects the transfer of rulemaking authority for the *Electronic Fund Transfer Act* (EFTA) to the Consumer Financial Protection Bureau (CFPB) from the Federal Reserve Board as required by the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (Dodd-Frank Act).
- Reflects the Dodd-Frank Act's amendments to the EFTA creating a new system of consumer protections for remittance transfers sent by consumers in the United States to individuals and businesses in foreign countries.
- Reflects the CFPB's issuance of a final rule that restructures Regulation E by adding subparts and specific requirements for remittance service providers in new subpart B. Subpart A addresses the requirements for electronic fund transfers, which generally have not changed. Regulatory citations are changed to 12 CFR 1005 throughout.

Enterprise & Consumer Compliance

CFPB and Government Agencies Enter Agreement to Strengthen Enforcement and Compliance of Servicemember Protections Related to Student Loans

On August 26, 2014, the Consumer Financial Protection Bureau (CFPB or Bureau) announced in a blog post that it has signed an agreement with Departments of Veterans Affairs, Defense, and Education for the purpose of carrying out a comprehensive strategy to strengthen their enforcement and compliance work in accordance with Executive Order (EO) 13607, dated April 27, 2012: *Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other, Family Members*.

The Bureau states the agreement is part of a larger effort to prevent abusive and deceptive recruiting practices by schools serving servicemembers and veterans, their spouses, and other family members. The agreement defines the relationship among the agencies and articulates the intent and purpose regarding information sharing to:

- Provide meaningful information to servicemembers, veterans, and their family members about the financial cost and performance outcomes for educational institutions to assist those who are prospective students in making choices about how to use their federal, veteran, and military educational benefits;
- Prevent abusive and deceptive recruiting practices that target the recipients of federal, military, and veterans educational benefits; and
- Ensure that educational institutions provide high-quality academic and student support services to servicemembers, veterans, and their family members.

The agreement requires the agencies to:

- Have a point of contact for sharing information;
- Share complaints about schools;
- Alert each other of suspected fraud, deception, or misleading practices; and/or
- Notify each other of any agency action that could lead to a college's loss of eligibility, a suspension of enrollment, or a termination of license.

Lenders and Mortgage Servicers Partner with Federal Government to Ensure Eligible Servicemembers Receive SCRA Protections

On August 26, 2014, President Obama announced the formation of a voluntary partnership between the Administration and five financial lenders and mortgage servicers that is intended to ensure that active duty servicemembers obtain the financial and home loan-related protections available to them through the *Servicemembers Civil Relief Act* (SCRA). Enacted in 2003, the SCRA requires servicemembers to notify creditors of their active duty status. The partnership establishes concrete steps to reduce this burden for servicemembers by having

participating mortgage servicers proactively identify, notify, and assist eligible servicemembers.

Key provisions of the partnership include:

- *Proactive Identification of Active Duty Servicemembers:* Participating mortgage servicers will proactively identify active duty personnel no less than once a quarter by querying the Defense Manpower Data Center (DMDC), a searchable database of individuals who were or are on Title 10 active duty status, for comparison against their loan portfolios.
- *Proactive Outreach to Eligible Servicemembers:* Participating mortgage servicers will proactively reach out to individuals that have been identified as being eligible for benefits under SCRA to notify them of their benefits.
- *Simplified Application Process:* Participating mortgage servicers will work together to ease the burden of enrollment and satisfaction of the SCRA written notice requirement.

The Administration also announced that the Department of Education (DoE) has directed its federal student loan servicers to match their student borrower portfolios against Department of Defense's database to identify active-duty servicemembers who are eligible to cap interest rates on student loans, including federal student loans, at 6 percent and to reduce those interest rates automatically for those eligible without the need for additional paperwork. The DoE separately announced that it is "doubling down on efforts to make sure America's active duty service members are served well, requiring loan servicers to focus dedicated resources and enhance outreach and information efforts for this important population."

CFPB Publishes Report to Promote Financial Wellness in the Workplace

On August 26, 2014, the Consumer Financial Protection Bureau (CFPB or Bureau) published a report on *Financial Wellness in the Workplace*. Part of the CFPB's mission is to "develop and implement initiatives to educate and empower consumers so they can make better and more informed financial decisions." The CFPB also acknowledges there is a natural connection between an employee's workplace and certain key financial decisions, and that some employers are "already playing a critical educational role for their employees." Case studies provided in the report are based on the CFPB's research of certain of these existing financial wellness programs and are designed to serve as a resource of "promising practices and policies" for employers to consider when promoting programs that can improve employees' financial health.

According to the CFPB, research indicates that financial distress is widespread among the American workforce, and it can have a significant, negative impact on employees by decreasing productivity, increasing absenteeism, and possibly undermining their health. The CFPB suggests that companies can use financial wellness programs to reduce this distress and support an employee's overall financial health. These programs are designed to educate employees on how to plan their life goals and make responsible financial decisions to meet those goals.

In addition to researching existing financial wellness programs, the CFPB reviewed the delivery of financial education in the workplace, including leveraging technology, peer-to-peer relationships, and other practices. The Bureau also engaged with executives in the private sector, nonprofit leaders, and financial education practitioners to solicit feedback. The Bureau

found that many businesses believe financial wellness programs generate greater engagement, loyalty, and productivity.

FDIC Consumer News Features Tips on Preparing Financially for a Stressful Life Event

The summer 2014 edition of *FDIC Consumer News* features tips on preparing financially for stressful life events, plus basic strategies for helping family members or others who are facing a personal hardship. Other articles address enhancements to the Federal Deposit Insurance Corporation (FDIC) Web pages explaining deposit insurance, tips for rebounding from a bad credit history, and basics to know about new credit and debit cards that contain a computer chip for added security. The newsletter is available on the FDIC Web site.

CFPB Takes Enforcement Action against Debt-Settlement Payment Processor

On August 25, 2014, the Consumer Financial Protection Bureau (CFPB or Bureau) announced an enforcement action against an Oklahoma-based debt-settlement payment processor for allegedly helping other companies to collect illegal upfront fees from consumers. The Bureau has asked a federal district court to approve a Consent Order that would require the company and its two owners to halt all illegal activities and to pay more than $6 million in relief to harmed consumers and a $1 million civil penalty.

The CFPB alleges the company and its two principals violated *the Consumer Financial Protection Act* and the *Telemarketing and Consumer Fraud and Abuse Prevention Act*, and more specifically the *Telemarketing Sales Rule*, by transmitting consumer fees to debt-relief service providers for debts the company knew were not yet settled. The *Telemarketing Sales Rule* prohibits debt-settlement companies from charging consumers fees before settling any of their debts.

FTC Seeks Court Action Against Misleading Debt Relief and Credit Repair Program

On August 22, 2014, the Federal Trade Commission (FTC) filed a complaint against the operators of two Web sites the FTC alleges misrepresented a debt relief and credit repair program and falsely claimed the program was provided and funded by the federal government. The misrepresentations included promises that consumers' credit scores would "increase within 30 days" and assurances the defendants would pay off consumers' debts in exchange for advance "service charges."

The FTC charged the operators of the two Web sites with two counts of violating the FTC Act's prohibition on deceptive acts or practices, as well as two counts of violating the *Credit Repair Organizations Act's* prohibitions on collecting advance fees before providing credit repair services, and making untrue or misleading representations about their services. The FTC is seeking an immediate halt to the scam and disgorgement.

Capital Markets & Investment Management

SEC Announces Pilot Plan to Assess Stock Market Tick Size Impact for Smaller Companies

On August 26, 2014, the Securities and Exchange Commission (SEC) announced that the national securities exchanges and the Financial Industry Regulatory Authority (FINRA) had filed a proposal with the SEC that would establish a national market system plan to implement a 12-month pilot program that would, among other things, widen minimum quoting and trading increments (tick sizes) for certain stocks with smaller capitalization.

In June 2014, the SEC had ordered the exchanges and FINRA to develop and file a proposal for a tick size pilot program, pursuant to Section 11A(a)(3)(B) of the *Securities Exchange Act*, which authorizes the SEC to require by order self-regulatory organizations to act jointly with respect to matters in which they share authority in planning, developing, operating, or regulating a national market system. The SEC states that it intends to use the pilot program to assess whether such changes would enhance market quality for smaller capitalization stocks for the benefit of investors and issuers. The SEC is seeking comment on the proposed plan for a period of 21 days.

The pilot program will include common stocks with a market capitalization of $5 billion or less; an average daily trading volume of one million shares or less; and a closing share price of at least $2 per share. The pilot will consist of one control group and three test groups with 400 securities in each test group selected by stratified sampling:

- Pilot securities in the control group will be quoted at the current tick size increment of $0.01 per share, and trade at the increments currently permitted. The control group would represent a baseline for analysis during the pilot period.
- Pilot securities in the first test group will be quoted in $0.05 minimum increments. Trading would continue to occur at any price increment that is currently permitted.
- Pilot securities in the second test group will be quoted in $0.05 minimum increments, and traded in $0.05 minimum increments subject to certain exceptions.
- Pilot securities in the third test group will be subject to the same minimum quoting and trading increments (and the same exceptions) as the second test group, but in addition would be subject to a "trade-at" requirement. In general, a "trade-at" requirement prevents price matching by a trading center that is not displaying the best bid or offer.

The pilot also directs the exchanges and FINRA to collect and transmit data to the SEC and make the data available to the public in an agreed-upon format. After the end of the pilot period, the exchanges and FINRA will complete an assessment of the impact of the pilot and submit the assessment to the SEC. The plan is expected to allow the SEC, market participants, and the public to study and assess the impact of increment conventions on the liquidity and trading of the common stocks of small capitalization companies.

SEC Adopts Credit Rating Agency Reform Rules

The Securities and Exchange Commission (SEC) announced on August 27, 2014, that it had adopted final rules to implement new requirements for credit rating agencies that are intended to "enhance governance, protect against conflicts of interest, and increase transparency to improve the quality of credit ratings and increase credit rating agency accountability." The new rules and amendments, which implement 14 rulemaking requirements under *the Dodd-Frank Wall Street Reform and Consumer Protection Act,* apply to credit rating agencies registered with the SEC as nationally recognized statistical rating organizations (NRSROs).

The new requirements for NRSROs address:

- Internal controls;
- Conflicts of interest;
- Disclosure of credit rating performance statistics;
- Procedures to protect the integrity and transparency of rating methodologies;
- Disclosures to promote the transparency of credit ratings; and
- Standards for training, experience, and competence of credit analysts.

In addition, the rules require a chief executive officer (CEO) to provide an annual certification regarding the effectiveness of internal controls and additional certifications to accompany credit ratings, attesting that the rating was not influenced by other business activities.

The SEC also adopted requirements for issuers, underwriters, and third-party due diligence services to promote the transparency of the findings and conclusions of third-party due diligence regarding asset-backed securities.

Certain amendments will become effective 60 days after publication in the *Federal Register.* The amendments with respect to the annual report on internal controls and the production and disclosure of performance statistics will be effective on January 1, 2015, which means that the first internal controls report to be submitted by an NRSRO would cover the fiscal year that ends on or after January 1, 2015, and the first annual certification on Form NRSRO relating to performance statistics is required for the annual certifications filed after the end of the 2015 calendar year.

To provide time for NRSROs, issuers, underwriters, and providers of third-party due diligence services to prepare for the changes resulting from the new requirements, the following provisions are effective nine months after publication in the *Federal Register*:

- Prohibiting the sales and marketing conflict;
- Addressing look-back reviews to determine whether the credit analyst's prospects of future employment influenced a credit rating;
- Requiring the disclosure of rating histories;
- Addressing rating methodologies;
- Requiring the form and certification to accompany credit ratings;
- Addressing issuer and underwriter disclosure of third-party due diligence findings;
- Addressing the certification of a third-party due diligence provider;
- Addressing NRSRO standards of training, experience, and competence; and
- Addressing universal rating symbols.

CFTC Staff Issues Rule Interpretation Concerning Deposit of Customer Funds with United Kingdom Depositories

On August 28, 2014, the Commodity Futures Trading Commission's (CFTC) Division of Swap Dealer and Intermediary Oversight (Division) issued CFTC Staff Letter 14-110 to convey an interpretation of CFTC Regulation 30.7(c) under the *Commodity Exchange Act*. The interpretation permits futures commission merchants (FCMs) to deposit customer funds margining foreign futures positions with UK-licensed investment firms that hold such funds in accordance with either UK Financial Conduct Authority's (FCA) client money rules or as bank deposits subject to UK Prudential Regulation Authority (PRA) regulations.

CFTC Regulation 30.7 generally addresses how FCMs may hold funds deposited by customers for trading on foreign markets. Regulation 30.7(c) provides that an FCM must deposit customer funds under the laws and regulations of a foreign jurisdiction that provides the greatest degree of protection to such funds, and further provides that an FCM may not waive any of the protections afforded to customer funds under the laws of the foreign jurisdiction.

The CFTC indicates the Division is issuing the interpretation to address requests received from FCMs for confirmation that an FCM is not waiving protections provided to customer funds if it elects to deposit customer funds with UK investment firms that are licensed banks as bank deposits subject to PRA regulation in lieu of client money deposits subject to FCA regulation.

According to CFTC Staff Letter 14-110, the Division's view, based on the facts presented in the Assessment Reports, is that "an FCM is not waiving rights or protections otherwise available to its 30.7 customers, if the FCM deposits 30.7 customer funds at a banking investment firm that elects the 'bank exemption.' Thus, the Division believes that an FCM could, on behalf of its 30.7 customers, maintain customer omnibus accounts with a U.K. investment firm that elects the "bank exemption" and that qualifies as a depository for holding 30.7 customer funds."

SEC Adopts Rule to Revise Regulation AB and Other Rules Governing Asset-Backed Securities

The Securities and Exchange Commission announced on August 27, 2014, that it had adopted revisions to Regulation AB and other rules governing the offering process, disclosure, and reporting for asset-backed securities (ABS). The rule requires, with some exceptions, prospectuses for public offerings of ABS under the *Securities Act* as well as ongoing reports under the *Securities Exchange Act*, to contain specified asset-level information about each of the assets in the pool. The rule applies to ABS backed by real estate-related assets, auto-related assets or debt securities, including resecuritizations

The final rule also:

- Revises filing deadlines for ABS offerings to provide investors more time to consider transaction-specific information, including information about the pool assets.
- Adopts new registration forms tailored to ABS offerings.
- Repeals the credit ratings references in shelf eligibility criteria for ABS issuers and establishes new shelf eligibility criteria.

The rules will become effective 60 days after publication in the *Federal Register*. Issuers must comply with new rules, forms, and disclosures other than the asset-level disclosure requirements no later than one year after the rules are published in the *Federal Register*. Offerings of ABS backed by residential and commercial mortgages, auto loans, auto leases,

and debt securities (including resecuritizations) must comply with the asset-level disclosure requirements no later than two years after the rules are published in the *Federal Register.*

SEC Awards Whistleblower with Audit and Compliance Functions

On August 29, 2014, the Securities and Exchange Commission (SEC) announced a whistleblower award of more than $300,000. It is the first award for a whistleblower with an audit or compliance function.

The SEC recounts the whistleblower reported concerns of wrongdoing to appropriate personnel within the company, including a supervisor. When the company took no action on the information within 120 days, the whistleblower reported the same information to the SEC, which led directly to an SEC enforcement action.

Enforcement Actions

The Securities and Exchange Commission (SEC), the Commodity Futures Trading Commission (CFTC), and the Financial Industry Regulatory Authority (FINRA) recently announced the following enforcement actions:

- FINRA fined an investment banking and securities brokerage service unit of a large financial services entity $1.85 million for failing to provide best execution in approximately 22,000 customer transactions involving non-convertible preferred securities, and for related supervisory deficiencies for more than three years. FINRA also ordered the company to pay more than $638,000 in restitution, plus interest, to affected customers.
- The SEC charged a director of market intelligence at a New York-based investor relations firm with insider trading ahead of impending news announcements by more than a dozen clients. The director made nearly $1 million in illicit profits. The SEC seeks disgorgement with prejudgment interest and civil money penalties. In a parallel action, the U.S. Attorney's Office announced criminal charges against the director.
- The SEC charged two executives of a Texas-based company with mischaracterizing an arrangement with an equipment manufacturer to purport that it was conducting so-called "resale transactions" to inflate the company's reported revenue. Without admitting or denying the findings, the executives agreed to collectively disgorge bonuses related to the internal revenue growth plus prejudgment interest totaling $569,327 and to individually pay a $52,000 penalty.
- The CFTC issued an Order filing and simultaneously settling charges against a New York-based financial management and advisory company for failing to diligently supervise its officers', employees', and agents' processing of futures exchange and clearing fees charged to its customers. The CFTC alleges that the company's fee reconciliation process for identifying and correcting discrepancies between the invoices from the exchange clearinghouses and the amounts charged its customers had been faulty for more than two years. Without admitting or denying the charges, the company agreed to pay a $1.2 million civil monetary penalty and cease and desist from violating CFTC Regulations governing diligent supervision, and to hire an outside consulting firm to assist in training staff and reviewing and updating its current procedures regarding exchange and clearing fee reconciliations.
- The CFTC issued an Order filing and simultaneously settling charges against a foreign-based financial services entity for executing unlawful prearranged, noncompetitive trades on the Chicago Board of Trade (CBOT). The CFTC's Order requires the financial services entity to pay a $150,000 civil monetary penalty and to institute, update, and/or strengthen

policies and procedures designed to detect, deter, discipline, and correct any potential prearranged, fictitious, or noncompetitive trading in violation of the and CFTC Regulations.

- The CFTC announced that a federal district court had entered an emergency Order freezing and preserving the assets of a California-based operator of a foreign currency exchange. The Order prohibits the operator from destroying books and records and grants the CFTC immediate access to the records. The Order follows an earlier CFTC Complaint charging the operator with fraudulently soliciting $500,000 from a member of the public in connection with off-exchange foreign currency transactions in which he misappropriated at least $385,000 of the funds. The CFTC seeks disgorgement, restitution, a civil monetary penalty, a permanent registration and trading ban, and a permanent injunction.

Recent Supervisory Actions against Financial Institutions

Last Updated: August 29, 2014

Agency	Institution Type	Action	Date	Synopsis of Action
CFPB	Nonbank Debt Settlement Payment Processor	Consent Order	08/25	The Consumer Financial Protection Bureau issued a Consent Order against a debt settlement payment processor for allegedly helping other companies to collect illegal upfront fees from consumers in violation of the *Consumer Financial Protection Act* and the *Telemarketing and Consumer Fraud and Abuse Prevention Act*. The Bureau is seeking $6 million in relief to consumers as well as a $1 million civil penalty.
FTC	Nonbank Debt Relief and Credit Repair entity	Complaint	08/22	The Federal Trade Commission asked a federal court to shut down a an illegitimate debt relief and credit repair program that made false claims it was provided and funded by the federal government. The FTC charged the operators with two counts of violating the FTC Act's prohibition on deceptive acts or practices, as well as two counts of violating the *Credit Repair Organizations Act's* prohibitions on collecting advance fees before providing credit repair services.
FDIC	Banking Entities	Settlement	08/21	The Federal Deposit Insurance Corporation, as receiver for twenty-six failed banks, announced a settlement of more than $1 billion with eighteen related entities of a large bank related to misrepresentations in the offering documents for 155 residential mortgage-backed securities (RMBS) purchased by the failed banks.
Federal Reserve Board	State Member Bank	Written Agreement	08/12	The Federal Reserve Board entered into a (((with a Louisiana state member bank to address deficiencies related to the implementation of a compliance risk management program that includes strengthening board and senior management oversight, developing acceptable consumer compliance and fair lending risk assessments, and a developing a program of interim compliance reviews, risk monitoring, and training sessions.
CFPB	Nonbank Mortgage Lender	Consent Order	08/12	The Consumer Financial Protection Bureau issued a Consent Order against an online mortgage lender, its affiliate, and their owner to address violations of the *Consumer Financial Protection Act*, the *Real Estate Settlement Procedures Act*, the *Truth in Lending Act*, and the *Omnibus Appropriations Act*. The Consent Order requires the company and its servicing affiliate to pay $14.8 million in refunds to harmed consumers and a $4.5 million penalty. The owner will pay an additional $1.5 million penalty.
Department of Justice	Banking entity	Settlement	08/07	The Department of Justice settled a lawsuit against a large banking entity that it alleged had engaged in discrimination on the basis of disability and receipt of public assistance in violation of the *Fair Housing Act,* and the *Equal Credit Opportunity Act*. Under the settlement, the banking entity has agreed to maintain revised policies, conduct employee training, and pay over $1.5 million to compensate victims.
Federal Reserve Board	State Member Bank	Civil Money Penalty	08/05	The Federal Reserve Board issued an Order to Assess Civil Money Penalties against an Iowa-state member bank to address violations of the National Flood Insurance Act.

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