



1 the Association under paragraph (1) shall do so by  
2 enacting legislation indicating such election.

3 “(3) EFFECTIVE DATE OF OPT-OUT.—

4 “(A) IN GENERAL.—Except as provided in  
5 subparagraph (B), the effective date of an elec-  
6 tion by a State, as described in section  
7 333(9)(A), not to participate in the Association  
8 under paragraph (1) is 2 years after the date  
9 on which the State enacts legislation under  
10 paragraph (2).

11 “(B) IMMEDIATELY EFFECTIVE OPT-  
12 OUT.—An election by a State, as described in  
13 section 333(9)(A), not to participate in the As-  
14 sociation under paragraph (1) shall take effect  
15 upon the enactment of legislation under para-  
16 graph (2) if such legislation is enacted not later  
17 than 180 days after the date of enactment of  
18 this Act.

19 “(4) EXCLUSION OF INSURANCE PRODUCERS.—  
20 No insurance producer, the home State, as described  
21 in section 333(9)(A), of which has made an election  
22 not to participate in the Association under para-  
23 graph (1), may become a member of the Association.

24 “(5) NOTIFICATION OF OPT-OUT.—A State, as  
25 described in section 333(9)(A), that elects not to

1       participate in the Association under paragraph (1)  
2       shall notify the Board and the primary insurance  
3       regulatory authority of each State of such election.

4       “(6) CHANGE IN ELECTION.—

5               “(A) OPT-IN.—A State, as described in  
6       section 333(9)(A), that has elected not to par-  
7       ticipate in the Association under paragraph (1)  
8       may elect to participate in the Association by  
9       enacting legislation indicating such election.

10              “(B) EFFECTIVE DATE OF OPT-IN.—An  
11       election by a State, as described in section  
12       333(9)(A), to participate in the Association  
13       under subparagraph (A) shall take effect upon  
14       the enactment of the legislation indicating such  
15       election.

16              “(C) NOTIFICATION OF OPT-IN.—A State,  
17       as described in section 333(9)(A), that has  
18       elected to participate in the Association under  
19       subparagraph (A) shall notify the Board and  
20       the primary insurance regulatory authority of  
21       each State of such election.

22       In section 334 of subtitle C of title III of the Gramm-  
23       Leach-Bliley Act, as added by section 202(a), strike para-  
24       graph (9) and insert the following:

1           “(9) STATE.—The term ‘State’—

2                   “(A) means any State, the District of Co-  
3           lumbia, any territory of the United States,  
4           Puerto Rico, Guam, American Samoa, the  
5           Trust Territory of the Pacific Islands, the Vir-  
6           gin Islands, and the Northern Mariana Islands;  
7           and

8                   “(B) does not include any State (as de-  
9           scribed in subparagraph (A)) that has made an  
10          election not to participate in the Association  
11          under section 330(c)(1).