

ENROLLMENT(S)



COUNCIL OF THE DISTRICT OF COLUMBIA

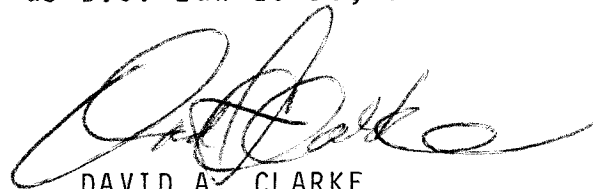
NOTICE

D.C. LAW 10-50

"Life Insurance Actuarial Opinion of Reserves Act of 1993".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 10-133 on first and second readings, June 29, 1993, and July 13, 1993, respectively. Following the signature of the Mayor on August 4, 1993, this legislation was assigned Act No. 10-95, published in the August 20, 1993, edition of the D.C. Register, (Vol. 40 page 6117) and transmitted to Congress on September 1, 1993 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 10-50, effective October 21, 1993.



DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

September 7,8,9,10,13,14,15,16,17,20,21,22,23,24,27,28,29,30

October 1,4,5,6,7,12,13,14,15,18,19,20

AN ACT

Codification

D.C. ACT 10-95

District of Columbia Code

(1994 Supplement)

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

AUGUST 4, 1993

To require life insurance companies to submit annually qualified actuary opinions of reserves.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Life Insurance Actuarial Opinion of Reserves Act of 1993".

Sec. 2. Actuarial opinion of reserves.

(a) General requirements and guidelines.

Note, Section
35-3801

(1) Every life insurance company doing business in the District of Columbia shall annually submit the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the Mayor, by regulation, are computed appropriately, are based on assumptions which satisfy contractual provisions, are consistent with prior reported amounts, and comply with section 1 of the Life Insurance Act, approved June 19, 1934 (48 Stat. 1156; D.C. Code § 35-501), and all applicable laws of the District of Columbia. The Mayor by regulation shall define the specifics of this opinion and add any other items deemed to be necessary to its scope.

(2) For each year ending on or after December 31, 1993, the opinion shall be submitted with the annual statements and reports required by sections 647 and 653 of An Act To establish a code of law for the District of Columbia, approved March 3, 1901 (31 Stat. 1290; D.C. Code §§ 35-103 and 35-202), and the Annual Audited Financial Reports Act of 1993.

(3) The opinion shall apply to all business in force, including individual and group health insurance plans, in form and substance acceptable to the Mayor as specified by regulation.

(4) The opinion shall be based on standards adopted from time to time by the Actuarial Standards Board and on any additional standards the Mayor may prescribe by regulation.

(5) In the case of an opinion required to be submitted by a foreign or alien company, the Mayor may accept the opinion filed by that company with the insurance supervisory official of another state if the Mayor determines that the opinion reasonably meets the requirements applicable to a company domiciled in the District of Columbia.

(6) For the purposes of this section, the term "qualified actuary" means a member in good standing of the American Academy of Actuaries who meets the requirements set forth in regulations.

(7) Except in cases of fraud or willful misconduct, the qualified actuary shall not be liable for damages to any person, other than the insurance company and the Mayor, for any act, error, omission, decision, or conduct with respect to the actuary's opinion.

(8) Disciplinary action by the Mayor against the company or the qualified actuary shall be defined in regulations by the Mayor.

(9) A memorandum, in form and substance acceptable to the Mayor as specified by regulation, shall be prepared to support each actuarial opinion.

(10) If the insurance company fails to provide a supporting memorandum at the request of the Mayor within a period specified by regulation, or the Mayor determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the regulations or is otherwise unacceptable to the Mayor, the Mayor may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare any supporting memorandum required by the Mayor.

(11) Any memorandum in support of the opinion, and any other supporting material provided by the company to the Mayor, shall be kept confidential by the Mayor and shall not be made public and shall not be subject to subpoena, other than for the purpose of defending an action seeking damages from any person by reason of any action required by this section or by regulations promulgated hereunder. However, the memorandum or other material may otherwise be released by the Mayor with the written consent of the company, upon request stating that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the Mayor for preserving the confidentiality of the memorandum or other material. Once any portion of the confidential memorandum is cited by the company in its marketing or is cited before any governmental agency other than a state insurance department or is released by the company to the news media, all portions of the confidential memorandum shall no longer be confidential.

(b) Actuarial analysis of reserves and assets supporting reserves.

(1) Every life insurance company, except as exempted by or pursuant to regulation, shall also annually include in the opinion required by section 2(a)(1) an opinion of the same qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the Mayor by regulation, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including, but not limited to, the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts, including, but not limited to, the benefits under and expenses associated with the policies and contracts.

(2) The Mayor may provide by regulation for a transition period during which a life insurance company may establish any higher reserves that the qualified actuary deems necessary in order to render the opinion required by this section.

Enrolled Original

Sec. 3. Effective date.

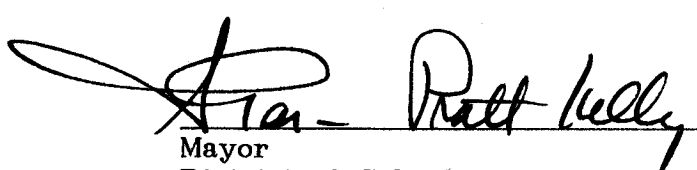
(a) This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in either the District of Columbia Register, the District of Columbia Statutes-at-Large, or the District of Columbia Municipal Regulations.

(b) The provisions of the act shall not apply until 1 year after the effective date of this act.

Note,
New Section
35-3801



Acting Chairman
Council of the District of Columbia



Mayor
District of Columbia

Approved: August 4, 1993



COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD TEN

RECORD OF OFFICIAL COUNCIL VOTE

Bill 10-133

DOCKET NO:

Item on Consent Calendar

ACTION & DATE: Adopted First Reading, 6-29-93

VOICE VOTE: Approved

Recorded vote on request

Absent: Barry and Chavous

ROLL CALL VOTE: -- RESULT

Table with 16 columns: COUNCIL MEMBER, AYE, NAY, N.V., A.B. and 4 rows of member names: CHMN. RAY, BARRY, BRAZIL, CHAVOUS, CROPP, EVANS, JARVIS, LIGHTFOOT, MASON, NATHANSON, SMITH, JR., THOMAS, SR.

X - Indicates Vote A.B. - Absent N.V. - Present, not voting

CERTIFICATION RECORD

Secretary to the Council

Date July 21, 1993

Item on Consent Calendar

ACTION & DATE: Adopted Final Reading, 7-13-93

VOICE VOTE: Approved

Recorded vote on request

Absent: Chavous

ROLL CALL VOTE: -- RESULT

Table with 16 columns: COUNCIL MEMBER, AYE, NAY, N.V., A.B. and 4 rows of member names: CHMN. RAY, BARRY, BRAZIL, CHAVOUS, CROPP, EVANS, JARVIS, LIGHTFOOT, MASON, NATHANSON, SMITH, JR., THOMAS, SR.

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Absent:

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CERTIFICATION RECORD

Secretary to the Council

Date