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COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

D.C. LAW 11- 36

" Insurance Omnibus Temporary Amendment Act of 1995".

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. 11-181 on first and second readings, May 2, 1995 and June 6, 1995, respectively. Following the signature of the Mayor on June 19, 1995, pursuant to Section 404(e) of "the Act", and was assigned Act No. 11-69 and published in the June 30, 1995, edition of the D.C. Register (Vol. 42 page 3257) and transmitted to Congress on June 22, 1995 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 11-36, effective September 8, 1995.



DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

June	22,23,26,27,28,29,30
July	10,11,12,13,14,17,18,19,20,21,24,25,26,27,28,31
Aug.	1,2,3,4
Sept.	5,6,7

AN ACT

D.C. ACT 11-69

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JUNE 19, 1995

To amend, on a temporary basis, the Insurers Rehabilitation and Liquidation Act of 1993, the Risk Retention Act of 1993, the Reinsurance Intermediary Act of 1993, the Annual Audited Financial Reports Act of 1993, the Law on Credit for Reinsurance Act of 1993, the Law on Examinations Act of 1993, the Holding Company System Act of 1993, the Fire and Casualty Act of 1940, and the Life Insurance Act of 1934 to correct technical errors and omissions.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the " Insurance Omnibus Temporary Amendment Act of 1995".

Sec. 2. Section 50(c) of the Insurers Rehabilitation and Liquidation Act of 1993, effective October 15, 1993 (D.C. Law 10-35; D.C. Code § 35-2849(c)), is amended by striking the phrase "county in which the principal business of the company is located, or the county in which its principal office or place of business is located," and inserting the phrase "District of Columbia" in its place.

Note, Section 35-2849

Sec. 3. The Risk Retention Act of 1993, effective October 21, 1993 (D.C. Law 10-46; D.C. Code § 35-2901 *et seq.*), is amended as follows :

(a) Section 2(12)(C) (D.C. Code § 35-2901(12)(C)) is amended to read as follows:

Note, Section 35-2901

"(C) Which is chartered and licensed as a liability insurance company and authorized to engage in the business of insurance under the laws of any state; or which, before January 1, 1985, was chartered or licensed and authorized to engage in the business of insurance under the laws of Bermuda or the Cayman Islands and, before that date, had certified to the insurance commissioner of at least one state that it satisfied the capitalization requirements of that state, except that any group shall be considered a risk retention group only if it has been engaged in business continuously since that date and only for the purpose of continuing to provide insurance to cover product liability or completed operations liability, as these terms were defined in the federal Product Liability Risk Retention Act of 1981, approved September 25, 1981 (95 Stat. 949; 15 U.S.C. 3901 *et seq.*), before the date of the enactment of the Liability Risk Retention Act of 1986, approved October 27, 1986 (100 Stat. 3170; 15 U.S.C. 3901 *et*

seq.); "

- (b) Section 2(12) (D) (D.C. Code § 35-2901(12)(D)) is repealed. Note, Section 35-2901
- (c) Section 2(12)(H)(ii) (D.C. Code § 35-2901 (12)(H)(ii)) is amended by striking the phrase "(9)(F)" and inserting the phrase "(9)(G)" in its place. Note, Section 35-2901
- (d) Section 4(1)(A) (D.C. Code § 35-2903(1)(A)) is amended by adding the phrase "on a form prescribed by the NAIC" after the phrase "submit to the Mayor". Note, Section 35-2903
- (e) Section 4(4) (D.C. Code § 35-2903(4)) is amended to read as follows: Note, Section 35-2903
 - "(4) Any risk retention group, its agents, and representatives shall comply with District law governing fraud or deceptive practices. If the Mayor seeks an injunction regarding this conduct, the injunction shall be obtained from a court of competent jurisdiction."
- (f) Section 4(5) (D.C. Code § 35-2903(5)) is amended to read as follows: Note, Section 35-2903
 - "Any risk retention group shall comply with the laws governing the proper transaction of insurance business as provided by the District."
- (g) Section 12(d) (D.C. Code § 35-2911(d)) is amended by striking the phrase "8(c)" and inserting the phrase "9(b)" in its place. Note, Section 35-2911

Sec. 4. The Reinsurance Intermediary Act of 1993, effective October 21, 1993 (D.C. Law 10-47; D.C. Code § 35-3101 *et seq.*), is amended as follows:

- (a) Section 7(4)(E) (D.C. Code § 35-3106(4)(E)) is amended by striking the phrase "Names and addresses of reinsurers;" and inserting the phrase "Names and addresses of ceding insurers"; in its place. Note, Section 35-3106
- (b) Section 11(a)(3) (D.C. Code § 35-3110(a)(3)) is amended by striking the word "Commissioner" and inserting the word "Superintendent" in its place. Note, Section 35-3110
- (c) Section 11(b) (D.C. Code § 35-3110(b)) is amended by striking the phrase "managing general agent" and inserting the phrase "reinsurance intermediary" in its place. Note, Section 35-3110

Sec. 5. Annual Audited Financial Reports Act of 1993, effective October 21, 1993 (D.C. Law 10-48; D.C. Code § 35-3201 *et seq.*) is amended as follows:

- (a) Section 4(6)(A) (D.C. Code § 35-3203(6)(A)) is amended to read as follows: Note, Section 35-3203
 - "(A) A reconciliation of differences, if any, between the audited statements to be filed with the Mayor and the NAIC annual statement filed pursuant to the insurance laws of the District of Columbia; and"
- (b) Section 6(a) (D.C. Code § 35-3205(a)) is amended to read as follows: Note, Section 35-3205
 - "(a) The Mayor shall not recognize any person or firm as a qualified independent certified public accountant that is not in good standing with the American Institute of Certified Public Accountants in all states in which the accountant is licensed to practice, or, for a Canadian or British company, that is not a chartered accountant."
- (c) Section 6(d)(1) (D.C. Code § 35-3205(d)(1)) is amended to read as follows: Note, Section 35-3205
 - "(1) Has been convicted of fraud, bribery, a violation of the Racketeer Influenced and Corrupt Organizations Act, approved October 15, 1970 (84 Stat. 941; 18 U.S.C. § 1961 *et seq.*), or any dishonest conduct or practices under federal or state law;"
- (d) Section 8 (D.C. Code § 35-3207) is amended to read as follows: Note, Section 35-3207
 - "Financial statements furnished pursuant to section 4 shall be examined by an

independent certified public accountant. The examination of the insurer's financial statements shall be conducted in accordance with generally accepted auditing standards. Consideration should also be given to such other procedures illustrated in the Financial Condition Examiner's Handbook promulgated by the NAIC as the independent certified public accountant deems necessary. "

(e) Section 9(c) (D.C. Code § 35-3208(c)) is amended by striking the word "Mayor" and inserting the word "accountant" in its place.

Note, Section
35-3208

(f) Section 11(5) (D.C. Code § 35-3210(5)) is amended to read as follows:

Note, Section
35-3210

"(5) The accountant is properly licensed by an appropriate state licensing authority and is a member in good standing in the American Institute of Certified Public Accountants."

Sec. 6. Section 2(a) of the Law on Credit for Reinsurance Act of 1993, effective October 21, 1993 (D.C. Law 10-36; D.C. Code § 35-3301 (a)), is amended by inserting the phrase "(1)" before the phrase "(2), (3), (4), or (5)".

Note, Section
35-3301

Sec. 7. Section 5(d)(2)(A) of the Law on Examinations Act of 1993, effective October 21, 1993 (D.C. Law 10-49; D.C. Code § 35-3604(d)(2)(A)), is amended by striking the sentence "The Mayor shall not appoint an examiner as an authorized representative to conduct the hearing."

Note, Section
35-3604

Sec. 8. The Holding Company System Act of 1993, effective October 21, 1993 (D.C. Law 10-44; D.C. Code § 35-3701 *et seq.*), is amended as follows:

(a) Section 7(a)(4) (D.C. Code § 35-3706(a)(4)) is amended by striking the number "10" and inserting the number "12" in its place.

Note, Section
35-3706

(b) Section 7(c)(2) (D.C. Code § 35-3706(c)(2)) is amended by striking the phrase "5(a)(1)" and inserting the phrase "7(a)(1)" in its place.

Note, Section
35-3706

(c) Section 11(b)(2) (D.C. Code § 35-3709(b)(2)) is amended by striking the word "3" and inserting the word "4" in its place.

Note, Section
35-3709

Sec. 9. The Fire and Casualty Act, approved October 9, 1940 (54 Stat. 1063; D.C. Code § 35-1501 *et seq.*), is amended as follows :

(a) Section 3 of chapter I (D.C. Code § 35-1503) is amended by amending the definition for "admitted assets" to read as follows:

Note, Section
35-1503

""Admitted assets" includes the investments authorized or permitted pursuant to the National Association of Insurance Commissioners Accounting Practices Manual."

(b) Section 27 of chapter II (D.C. Code § 35-1531) is amended by designating the existing text as subsection (a) and adding a new subsection (b) to read as follows:

Note, Section
35-1531

"(b) A filing fee of \$25 shall be paid to the District of Columbia through the Superintendent of Insurance for each rate, rule, or rate and rule filing for use in the District."

Sec. 10. Section 2(b) of chapter II of the Life Insurance Act, approved June 19, 1934

(48 Stat. 1130; D.C. Code § 35-402(b)), is amended to read as follows:

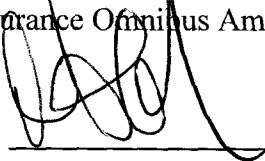
Note, Section
35-402

"(b) For filing charter or articles of incorporation or association, or deed of settlement or copy thereof, required by law, \$300; for each company certificate of authority, \$200, renewal fee, \$200; for license of each general agent, \$100, renewal fee, \$100; for license of each agent, or solicitor, \$50, renewal fee \$50; for license of each broker, \$100, renewal fee, \$100. For each appointment fee for each agent, general agent or each solicitor, \$25 fee, \$25 renewal fee; provided, however, that beginning October 1, 1994, the license and renewal fee of each general agent, agent or solicitor, and broker shall be payable biennially in accordance with the rulemaking procedures in section 3(a)(2)."

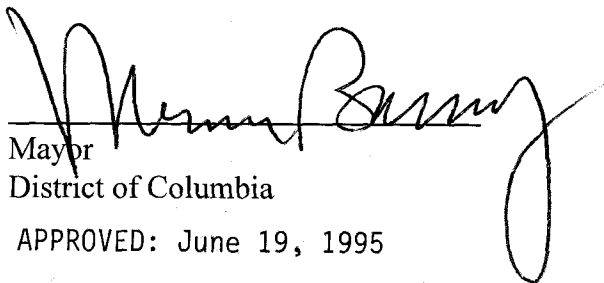
Sec. 11. Effective date.

(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) This act shall expire on the 225th day of its having taken effect or upon the effective date of the Insurance Omnibus Amendment Act of 1995, whichever occurs first.



Chairman
Council of the District of Columbia



Mayor
District of Columbia

APPROVED: June 19, 1995



COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD ELEVEN

RECORD OF OFFICIAL COUNCIL VOTE

Docket No. B11-181

ITEM ON CONSENT CALENDAR

ACTION & DATE

Adopted First Reading, 05-02-95

VOICE VOTE

Approved

RECORDED VOTE ON REQUEST

Jarvis, Lightfoot and Ray

ABSENT

ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason									
Cropp					Patterson									
Evans					Ray									

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

[Signature]
Secretary to the Council

June 9, 1995
Date

ITEM ON CONSENT CALENDAR

ACTION & DATE

Adopted Final Reading, 06-06-95

VOICE VOTE

Approved

RECORDED VOTE ON REQUEST

Brazil and Thomas

ABSENT

ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X indicates no

AB-Absent

NV-Present not voting

CERTIFICATION RECORD

[Signature]
Secretary to the Council

June 9, 1995
Date

ITEM ON CONSENT CALENDAR

ACTION & DATE

VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT

ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date