

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Code
2001 Supp.*

To amend AN ACT To provide for the regulation of certain insurance rates in the District of Columbia, and for other purposes, to exempt insurers from filing with, or receiving approval for, rates or policy forms for certain commercial risks.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Insurance Economic Development Amendment Act of 2000".

Sec. 2. AN ACT To provide for the regulation of certain insurance rates in the District of Columbia, and for other purposes is amended as follows:

(a) Section 1 is amended by adding a new paragraph to read as follows:

""Exempt commercial risk" means a person or entity which meets at least 2 of the following criteria:

“(A) Retains or employs a certified or qualified risk manager to negotiate insurance coverage;

“(B) Possesses a net worth exceeding \$5 million;

“(C) Generates annual revenues exceeding \$10 million;

“(D) Has at least 25 full-time employees;

“(E) Pays annual aggregate country-wide standard insurance premiums exceeding \$250,000;

“(F) Has total insured property value of at least \$2 million; or

“(G) Is a nonprofit organization or public body generating annual budget expenditures of at least \$5 million.".

(b) A new section 13 is added to read as follows:

"Sec. 13. Exemptions and limitations.

"(a) An insurer shall not be required to file with, or to receive approval from, the Commissioner, for rates and policy forms used in the insurance of exempt commercial risks.

"(b) The filing and review exemption set forth in subsection (a) of this section shall not apply to workers' compensation and employer's liability policies and rates.

"(c)(1) All policies issued under this act shall contain a notice

to the insured that the rate and policy form are not subject to the filing, review, and approval requirements of the Commissioner.

"(2) An insurer providing a policy under this section shall, at the time of entering into the policy agreement and annually thereafter, on a form to be prescribed by the Commissioner, which form clearly sets forth the standards of this act; the right of the policyholder to obtain regulatory review under this act; the effects of the waiver of the regulatory review; and any other information the Commissioner considers useful; and obtain a written certification signed by the policyholder certifying that the policyholder:

"(A) Employs a certified or qualified risk manager or placed the business through a licensed insurance producer or otherwise meets the criteria of an exempt commercial risk;

"(B) Is aware that the policy being purchased is not subject to initial regulatory review or approval of rates and forms; and

"(C) Agrees to the use of the exempt rates and forms by its insurer.

"(3) The policyholder certification shall be filed with, and retained by, the insurance company issuing coverage to the policyholder. An insurer issuing policies under this section shall provide the number of exempt policyholders annually to the Commissioner.

"(d) If any provision of this section conflicts with any other law in the District, this section shall govern."

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233 (c)(3)).

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), a 30-day period of Congressional review as provided in

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section 602 (c) (1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia