ENROLLED ORIGINAL

Codification District of Columbia Code 2001 Supp.

AN ACT

D.C. ACT 13-407

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

AUGUST 2, 2000

To amend the Life Insurance Act of 1934, the Fire and Casualty Act of 1940, and the Health Maintenance Organization Act of 1996 to permit an insurer or health maintenance organization to attest that it meets all of the requirements of the insurance and health maintenance organization laws and regulations of the District of Columbia and that it qualifies to transact business in the District of Columbia for which it seeks a certificate of authority; and to provide the Commissioner with the authority to discipline an insurer or health maintenance organization for filing any false, misleading, or incomplete information in connection with its attestation as to its qualifications to transact business in the District of Columbia.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Insurer and Health Maintenance Organization Self-Certification Act of 2000".

Sec. 2. The Life Insurance Act of 1934 is amended as follows:

(a) Section 5 of Chapter II is amended by adding the following new sentences after the third sentence to read as follows:

"A company may, at its own option and expense, submit a statement from an independent organization acceptable to the Commissioner, attesting that it meets all the requirements of the laws and regulations of the District and is qualified to transact the business for which it seeks a certificate of authority. The statement shall be signed, under oath, by an officer or principal of the independent organization and shall be considered *prima facie* evidence by the Commissioner that the company is entitled to do business in the District, subject to (1) an investigation and review, and (2) the Commissioner's authority to revoke or suspend a certificate of authority as provided in this act.".

(b) Section 6(a) of Chapter II is amended as follows:

(1) Paragraph 10 is amended by striking the word "or".

(2) Paragraph 11 is amended by striking the period and inserting the phrase "or;" in its place.

(3) A new paragraph (12) is added to read as follows:

"(12) Has filed, caused to be filed, or failed to prevent the filing of, a statement on its behalf from an independent organization attesting to its qualifications to transact business in the District for which it sought and received a certificate of authority if it knew, or should have known, that the statement was based on false, misleading, or incomplete information.".

Sec. 3. The Fire and Casualty Act of 1940 is amended as follows:

(a) Section 2 of Chapter II is amended by adding the following new sentences after the third sentence to read as follows:

"A company may, at its own option and expense, submit a statement from an independent organization acceptable to the Commissioner, attesting that it meets all the requirements of the laws and regulations of the District and is qualified to transact the business for which it seeks a certificate of authority. The statement shall be signed, under oath, by an officer or principal of the independent organization and shall be considered *prima facie* evidence by the Commissioner that the company is entitled to do business in the District, subject to (1) an investigation and review, and (2) the Commissioner's authority to revoke or suspend a certificate of authority as provided in this act.".

(b) Section 3(a) of Chapter II is amended as follows:

(1) Paragraph (10) is amended by striking the word "or".

(2) Paragraph (11) is amended by striking the period and inserting the phrase "or;" in its place.

(3) A new paragraph (12) is added to read as follows:

"(12) Has filed, caused to be filed, or failed to prevent the filing of, a statement on its behalf from an independent organization attesting to its qualifications to transact business in the District for which it sought and received a certificate of authority if it knew, or should have known, that the statement was based on false, misleading, or incomplete information.".

Sec. 4. The Health Maintenance Organization Act of 1996 is amended as follows:

(a) Section 4 is amended by adding a new subsection (f) to read as follows:

"(f) A health maintenance organization may, at its own option and expense, submit a statement from an independent organization acceptable to the Commissioner, attesting that it meets all the requirements of the laws and regulations of the District and is qualified to transact the business for which it seeks a certificate of authority. The statement shall be signed, under oath, by an officer or principal of the independent organization and shall be considered *prima facie* evidence by the Commissioner that the health maintenance organization is entitled to do business in the District, subject to (1) an investigation and review, and (2) the Commissioner's authority to revoke or suspend a certificate of authority as provided in this act.".

(b) Section 20(a) is amended by adding a new paragraph (11) to read as follows:

"(11) The health maintenance organization has filed, caused to be filed, or failed

ENROLLED ORIGINAL

to prevent the filing of, a statement on its behalf from an independent organization attesting to its qualifications to transact business in the District for which it sought and received a certificate of authority if it knew, or should have known, that the statement was based on false, misleading, or incomplete information.".

Sec. 5. 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. 6. 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 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.

Linda W. Cropp

Chairman
Council of the District of Columbia

Anthony A. Williams

Mayor
District of Columbia
Approved: August 2, 2000