

**DISTRICT OF COLUMBIA**  
**OFFICIAL CODE**

**TITLE 31.**  
**INSURANCE AND SECURITIES.**

**CHAPTER 1.**  
**DEPARTMENT OF INSURANCE, SECURITIES, AND**  
**BANKING.**

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**DISTRICT OF COLUMBIA OFFICIAL CODE**  
**CHAPTER 1. DEPARTMENT OF INSURANCE,**  
**SECURITIES, AND BANKING.**

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**TABLE OF CONTENTS**

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**Subchapter I. Establishment of the Department of Insurance and Securities Regulation.**

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- § 31-101. Definitions.
- § 31-102. Establishment of the Department of Insurance, Securities, and Banking.
- § 31-103. Functions and duties.
- § 31-104. Commissioner.
- § 31-105. Transfers.
- § 31-106. Organization.
- § 31-107. Department funding.
- § 31-108. Abolition of Insurance Administration.

**Subchapter II. Regulations Under the Gramm-Leach-Bliley Act.**

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- § 31-121. Regulations.

# **CHAPTER 1. DEPARTMENT OF INSURANCE, SECURITIES, AND BANKING.**

## **SUBCHAPTER I. ESTABLISHMENT OF THE DEPARTMENT OF INSURANCE AND SECURITIES REGULATION.**

### **§ 31-101. DEFINITIONS.**

For the purposes of this subchapter, the term:

- (1) "Associate Commissioner for Securities and Banking" means the Associate Commissioner of the Securities and Banking Bureau.
- (2) "Commissioner" means the Commissioner of the Department of Insurance, Securities, and Banking, who shall be the chief executive officer of the Department of Insurance, Securities, and Banking.
- (3) "Department" means the Department of Insurance, Securities, and Banking.
- (4) "Deputy Commissioner" means the Deputy Commissioner of the Department of Insurance, Securities, and Banking.
- (5) "District of Columbia Banking Code" means the statutory provisions concerning banking and financial institutions codified in Title 26, laws administered by the Commissioner, and rules and regulations promulgated under those statutory provisions and laws.
- (6) "Insurance Bureau" means the office overseeing the regulation of insurance, insurers, and health maintenance organizations.
- (7) "Securities and Banking Bureau" means the office administering the District of Columbia Banking Code and overseeing the regulation of securities.

(May 21, 1997, D.C. Law 11-268, § 2, 44 DCR 1730; June 11, 2004, D.C. Law 15-166, § 3(a), 51 DCR 2817; Apr. 13, 2005, D.C. Law 15-354, § 98, 52 DCR 2638; Sept. 24, 2010, D.C. Law 18-223, § 2112(a), 57 DCR 6242.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 35-121.

##### *Effect of Amendments*

D.C. Law 15-166 redesignated par. (1) as paragraph (1B); in the redesignated par. (1B), substituted "Commissioner of the Department of Insurance, Securities, and Banking" for "Commissioner of Insurance and Securities"; rewrote par. (1); added par. (1A); and in par. (2), substituted "Department of Insurance, Securities, and Banking" for "Department of Insurance and Securities Regulation". Prior to amendment, par. (1) had read as follows:

"(1) 'Commissioner' means the Commissioner of Insurance and Securities, who shall be the chief executive officer of the Department of Insurance and Securities Regulation."

D.C. Law 15-354 validated a previously made technical correction.

D.C. Law 18-223 rewrote the section, which had read as follows:

"For the purposes of this subchapter, the term:

"(1) 'Banking Bureau' means the Bureau of Banking and Financial Institutions.

"(1A) 'Banking Director' means the Director of the Bureau of Banking and Financial Institutions.

"(1B) 'Commissioner' means the Commissioner of the Department of Insurance, Securities, and Banking, who shall be the chief executive officer of the Department of Insurance, Securities, and Banking.

"(2) 'Department' means the Department of Insurance, Securities, and Banking.

"(3) 'Deputy Commissioner' means the director of operations of the Insurance Bureau.

"(4) 'District' means the District of Columbia.

"(5) 'Insurance Bureau' means the office overseeing regulation of insurance, insurers and health maintenance organizations.

"(6) 'Securities Bureau' means the office overseeing regulation of securities.

"(7) 'Securities Director' means the Director of the Securities Bureau."

#### *Emergency Act Amendments*

For temporary (90 day) amendment of section, see § 3(a) of Consolidation of Financial Services Emergency Amendment Act of 2004 (D.C. Act 15-381, February 27, 2004, 51 DCR 2653).

For temporary (90 day) amendment of section, see § 2112(a) of Fiscal Year 2011 Budget Support Emergency Act of 2010 (D.C. Act 18-463, July 2, 2010, 57 DCR 6542).

#### *Legislative History of Laws*

Law 11-268, the "Department of Insurance and Securities Regulation Establishment Act of 1996," was introduced in Council and assigned Bill No. 11- 415, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on November 7, 1996, and December 3, 1996, respectively. Signed by the Mayor on December 30, 1996, it was assigned Act No. 11-524 and transmitted to both Houses of Congress for its review. D.C. Law 11-268 became effective May 21, 1997.

Law 15-166, the "Consolidation of Financial Services Amendment Act of 2004", was introduced in Council and assigned Bill No. 15-518, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on January 6, 2004, and February 3, 2004, respectively. Signed by the Mayor on February 27, 2004, it was assigned Act No. 15-385 and transmitted to both Houses of Congress for its review. D.C. Law 15-166 became effective on June 11, 2004.

Law 15-354, the "Technical Amendments Act of 2004", was introduced in Council and assigned Bill No. 15-1130 which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on December 7, 2004, and December 21, 2004, respectively. Signed by the Mayor on February 9, 2005, it was assigned Act No. 15-770 and transmitted to both Houses of Congress for its review. D.C. Law 15-354 became effective on April 13, 2005.

Law 18-223, the "Fiscal Year 2011 Budget Support Act of 2010", was introduced in Council and assigned Bill No. 18-731, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on May 26, 2010, and June 15, 2010, respectively. Signed by the Mayor on July 2, 2010, it was assigned Act No. 18-462 and transmitted to both Houses of Congress for its review. D.C. Law 18-223 became effective on September 24, 2010.

#### *Miscellaneous Notes*

Short title: Section 2111 of D.C. Law 18-223 provided that subtitle K of title II of the act may be cited as the "Department of Insurance, Securities, and Banking Reorganization Amendment Act of 2010".

## **§ 31-102. ESTABLISHMENT OF THE DEPARTMENT OF INSURANCE, SECURITIES, AND BANKING.**

The Department, under the supervision of the Commissioner, is established as a cabinet level agency of the District government.

(May 21, 1997, D.C. Law 11-268, § 3, 44 DCR 1730; June 11, 2004, D.C. Law 15-166, § 3(b), 51 DCR 2817; Apr. 13, 2005, D.C. Law 15-354, § 40(a), 52 DCR 2638.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 35-122.

##### *Effect of Amendments*

D.C. Law 15-166 rewrote the section which had read as follows:

"Pursuant to § 1-204.04(b), the Council establishes the Department of Insurance and Securities Regulation as a cabinet level agency of the executive branch of the Government of the District of Columbia, under the supervision of the Commissioner of Insurance and Securities."

D.C. Law 15-354, in the section heading, validated a previously made technical correction.

*Emergency Act Amendments*

For temporary (90 day) amendment of section, see § 3(b) of Consolidation of Financial Services Emergency Amendment Act of 2004 (D.C. Act 15-381, February 27, 2004, 51 DCR 2653).

*Legislative History of Laws*

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-101.

For Law 15-166, see notes following § 31-101.

For Law 15-354, see notes following § 31-101.

## **§ 31-103. FUNCTIONS AND DUTIES.**

(a) The functions and duties contained and referenced herein are transferred to the Department and shall be performed by the following major organizational components of the Department.

(1) All duties and responsibilities in respect to the regulation of life and health and property and casualty insurance, insurers, and health maintenance organizations that heretofore have been given to the Mayor, the Superintendent of Insurance, or the Insurance Administrator, by virtue of various District of Columbia laws, shall be assumed by the Commissioner of Insurance and Securities who shall exercise those regulatory responsibilities through the Insurance Bureau.

(2) All functions and duties assigned to the Public Service Commission in Chapter 36 of Title 3 and Chapter 37 of Title 3, shall be assumed by the Commissioner who shall exercise those regulatory responsibilities through the Securities and Banking Bureau.

(3) Pursuant to §§ 26-551.03 and 26-551.05, the Commissioner, through the Securities and Banking Bureau, shall administer the District of Columbia Banking Code, as defined in § 26-551.02(14).

(b) The Mayor, at his or her discretion, may transfer the regulatory functions and duties of other executive offices and agencies to the Department.

(May 21, 1997, D.C. Law 11-268, § 4, 44 DCR 1730; June 11, 2004, D.C. Law 15-166, § 3(c), 51 DCR 2817; Apr. 13, 2005, D.C. Law 15-354, § 40(b), 52 DCR 2638; Sept. 24, 2010, D.C. Law 18-223, § 2112(b), 57 DCR 6242.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 35-123.

*Effect of Amendments*

D.C. Law 15-166, in subsec. (a), deleted "of Insurance and Securities" following "Commissioner" in par. (2), and added par. (3).

D.C. Law 15-354, in subsec. (a)(3), substituted "Banking Code, as defined in § 26-551.02(14)" for "Banking Code".

D.C. Law 18-223, in subsec. (a)(2), substituted "Securities and Banking Bureau" for "Securities Bureau"; and, in subsec. (a)(3), substituted "Securities and Banking Bureau" for "Banking Bureau".

*Emergency Act Amendments*

For temporary (90 day) amendment of section, see § 3(c) of Consolidation of Financial Services Emergency Amendment Act of 2004 (D.C. Act 15-381, February 27, 2004, 51 DCR 2653).

For temporary (90 day) amendment of section, see § 2112(b) of Fiscal Year 2011 Budget Support Emergency Act of 2010 (D.C. Act 18-463, July 2, 2010, 57 DCR 6542).

*Legislative History of Laws*

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-101.

For Law 15-166, see notes following § 31-101.

For Law 15-354, see notes following § 31-101.

For Law 18-223, see notes following § 31-101.

## **§ 31-104. COMMISSIONER.**

(a) The Commissioner shall be appointed by the Mayor, with the advice and consent of the Council,

pursuant to § 1-204.22(1).

(1) Notwithstanding the provisions of § 1-611.07(c), the rate of pay for the Commissioner or for any other position in the Department for which the Mayor deems it necessary, may exceed the rate of pay for the Mayor.

(2) The Mayor shall submit a resolution to the Council for a 45-day period of review, excluding Saturdays, Sundays, holidays, and periods of Council recess, indicating the proposed rate of pay for the Commissioner and for each other employee in the Department. A resolution which has not been approved or disapproved, in whole or part, within the prescribed period of 45 days shall be deemed approved by the Council.

(b) The Commissioner shall employ staff as needed, in accordance with annual appropriations.

(May 21, 1997, D.C. Law 11-268, § 5, 44 DCR 1730; June 11, 2004, D.C. Law 15-166, § 3(d), 51 DCR 2817; Apr. 13, 2005, D.C. Law 15-354, § 40(c), 52 DCR 2638.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 35-124.

##### *Effect of Amendments*

D.C. Law 15-166, deleted "of Insurance and Securities" following "Commissioner" throughout the section.

D.C. Law 15-354, in the section heading, validated a previously made technical correction.

##### *Emergency Act Amendments*

For temporary (90 day) amendment of section, see § 3(d) of Consolidation of Financial Services Emergency Amendment Act of 2004 (D.C. Act 15-381, February 27, 2004, 51 DCR 2653).

##### *Legislative History of Laws*

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-101.

For Law 15-166, see notes following § 31-101.

For Law 15-354, see notes following § 31-101.

##### *Miscellaneous Notes*

Commissioner of the Department of Insurance and Securities Regulation Salary Approval Resolution of 1998: Pursuant to Resolution 12-582, effective July 7, 1998, the Council approved the rate of pay for the Commissioner of the Department of Insurance and Securities Regulation.

## **§ 31-105. TRANSFERS.**

(a) All positions, property, records, and unexpended balances of appropriations, allocations, assessments, and other funds available or to be made available to the Department of Consumer and Regulatory Affairs and the Public Service Commission relating to the duties and functions assigned herein, are transferred to the Department.

(b) All powers, duties, and functions transferred to the Department of Banking and Financial Institutions under § 26-551.03, are hereby transferred to the Department.

(c) All positions, property, records, and unexpended balances of appropriations, allocations, assessments, and other funds available or to be made available to the Department of Banking and Financial Institutions under § 26-551.03, are hereby transferred to the Department.

(May 21, 1997, D.C. Law 11-268, § 6, 44 DCR 1730; June 11, 2004, D.C. Law 15-166, § 3(e), 51 DCR 2817; Apr. 13, 2005, D.C. Law 15-354, § 40(d), 52 DCR 2638.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 35-125.

##### *Effect of Amendments*

D.C. Law 15-166 designated the existing text as subsec. (a); and added subsecs. (b) and (c).

D.C. Law 15-354, in subsec. (a), validated a previously made technical correction.

##### *Emergency Act Amendments*

For temporary (90 day) amendment of section, see § 3(e) of Consolidation of Financial Services Emergency

Amendment Act of 2004 (D.C. Act 15-381, February 27, 2004, 51 DCR 2653).

*Legislative History of Laws*

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-101.

For Law 15-166, see notes following § 31-101.

For Law 15-354, see notes following § 31-101.

## **§ 31-106. ORGANIZATION.**

(a) The Commissioner, as the chief executive officer of the Department is authorized to organize the personnel and property transferred herein within any organizational unit of the Department as the Commissioner deems appropriate.

(b)(1) The Securities and Banking Bureau is established to oversee the regulation of securities under the supervision of the Commissioner and administer the District of Columbia Banking Code.

(2) The position of Associate Commissioner for Securities and Banking is hereby established to administer the Banking Bureau under the supervision of the Commissioner.

(May 21, 1997, D.C. Law 11-268, § 7, 44 DCR 1730; June 11, 2004, D.C. Law 15-166, § 3(f), 51 DCR 2817; Sept. 24, 2010, D.C. Law 18-223, § 2112(c), 57 DCR 6242.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 35-126.

*Effect of Amendments*

D.C. Law 15-166 designated the text of the existing section as subsection (a); in subsec. (a), substituted "Commissioner" for "Commissioner of Insurance and Securities" and substituted "Department" for "Department of Insurance and Securities Regulation"; and added subsec. (b).

D.C. Law 18-223 rewrote subsec. (b)(1); and, in subsec. (b)(2), substituted "Associate Commissioner for Securities and Banking" for "Director of the Bureau of Banking and Financial Institutions". Prior to amendment, subsec. (b)(1) read as follows:

"(b)(1) The Bureau of Banking and Financial Institutions is hereby established to administer the District of Columbia Banking Code under supervision of the Commissioner."

*Emergency Act Amendments*

For temporary (90 day) amendment of section, see § 3(f) of Consolidation of Financial Services Emergency Amendment Act of 2004 (D.C. Act 15-381, February 27, 2004, 51 DCR 2653).

For temporary (90 day) amendment of section, see § 2112(c) of Fiscal Year 2011 Budget Support Emergency Act of 2010 (D.C. Act 18-463, July 2, 2010, 57 DCR 6542).

*Legislative History of Laws*

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-101.

For Law 15-166, see notes following § 31-101.

For Law 18-223, see notes following § 31-101.

## **§ 31-107. DEPARTMENT FUNDING.**

(a) Control of the Insurance Regulatory Trust Fund, and all monies required to be deposited therein, pursuant to Chapter 7 of this title, is transferred to the Department.

(b) Repealed.

(b-1) Repealed.

(b-2) There is established within the General Fund of the District of Columbia a trust fund designated as the Securities and Banking Regulatory Trust Fund ("Fund"), to which shall be credited all proceeds from licensure and any funds obtained pursuant to securities regulation and banking regulation. All funds received but not expended in a fiscal year shall revert to the unrestricted fund balance of the General Fund of the District of Columbia. All funds received and deposited in the Fund shall be used to fund the expenses of the Securities and Banking Bureau in the discharge of its administrative and regulatory duties as prescribed by law. All licensing fees, fines, and any other fees imposed, assessed, and collected for securities regulation and banking regulation shall be deposited into the Fund. The Mayor, through the Commissioner, shall administer the Fund.

(c) The administrative costs of the Department, including the compensation of the Commissioner and the Department's central administrative staff, shall be charged on a pro-rata basis to each of the respective Bureau trust funds in a manner reflecting the central administrative costs associated with the operation of each Bureau. In no circumstances shall monies collected and deposited pursuant to the statutory funding requirements of the District of Columbia Securities Act, the Investment Advisors Act, and the Insurance Regulatory Trust Fund Act, be commingled or used to fund the regulatory activities of a bureau other than the bureau regulating the activities for which the respective funds were established.

(d) The Mayor shall submit to the Council, as part of the annual budget, a budget for the Department and a request for an appropriation for expenditures from the Insurance Regulatory Trust Fund and the Securities and Banking Regulatory Trust Fund. The Mayor's request shall be based on an estimated projection of the expenditures necessary to perform the administration and regulatory functions of the Department. This estimate shall include, but not be limited to, expenditures for salaries, fringe benefits, overhead charges, travel, training, supplies, technical, professional, and any and all other services necessary to discharge the duties and responsibilities of this subchapter.

(May 21, 1997, D.C. Law 11-268, § 8, 44 DCR 1730; June 11, 2004, D.C. Law 15-166, § 3(g), 51 DCR 2817; Sept. 24, 2010, D.C. Law 18-223, § 2112(d), 57 DCR 6242; Sept. 14, 2011, D.C. Law 19-21, § 9039, 58 DCR 6226.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 35-127.

##### *Effect of Amendments*

D.C. Law 15-166, in subsec. (a), substituted "Department" for "Department of Insurance and Securities Regulation"; added subsec. (b-1); and, in subsec. (d), substituted ", the Security Regulatory Trust Fund, and the Banking Regulatory Trust Fund" for "and the Security Regulatory Trust Fund".

D.C. Law 18-223 repealed subsecs. (b) and (b-1); added subsec. (b-2); and, in subsec. (d), substituted "and the Securities and Banking Regulatory Trust Fund" for ", the Securities Regulatory Trust Fund, and the Banking Regulatory Trust Fund". Prior to repeal, subsecs. (b) and (b-1) read as follows:

"(b) There is established within the General Fund of the District of Columbia a trust fund designated as the Securities Regulatory Trust Fund, to which shall be credited all funds obtained pursuant to securities regulation. Any monies received but not expended in a given fiscal year shall be returned to the General Fund. Subject to the applicable laws relating to the appropriation of District funds, monies received and deposited in the Securities Regulatory Trust Fund shall be used to fund the expenses of the Securities Bureau in the discharge of its administrative and regulatory duties as prescribed by law. All licensing fees and fines, and any other fees determined by the Mayor to be necessary to securities regulation, shall be collected by the Securities Bureau and deposited into the fund. The Mayor shall be responsible for the deposit and expenditure of these monies as provided by law.

"(b-1) There is established within the General Fund of the District of Columbia a trust fund designated as the Banking Regulatory Trust Fund, to which shall be credited all funds obtained pursuant to banking regulation. Any monies received but not expended in a given fiscal year shall be returned to the General Fund of the District of Columbia. Subject to the applicable laws relating to the appropriation of District funds, monies received and deposited in the Banking Regulatory Trust Fund shall be used to fund the expenses of the Banking Bureau in the discharge of its administrative and regulatory duties as prescribed by law. All licensing fees and fines, and any other fees determined by the Mayor to be necessary to banking regulation, shall be collected by the Banking Bureau and deposited into the fund. The Mayor shall be responsible for the deposit and expenditure of these monies as provided by law."

D.C. Law 19-21, in subsec. (b-2), substituted "all proceeds from licensure and any funds" for "all funds".

##### *Emergency Act Amendments*

For temporary (90 day) amendment of section, see § 3(g) of Consolidation of Financial Services Emergency Amendment Act of 2004 (D.C. Act 15-381, February 27, 2004, 51 DCR 2653).

For temporary (90 day) amendment of section, see § 2112(d) of Fiscal Year 2011 Budget Support Emergency Act of 2010 (D.C. Act 18-463, July 2, 2010, 57 DCR 6542).

##### *Legislative History of Laws*

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-101.

For Law 15-166, see notes following § 31-101.

For Law 18-223, see notes following § 31-101.

Law 19-21, the "Fiscal Year 2012 Budget Support Act of 2011", was introduced in Council and assigned Bill No. 19-203, which was referred to the Committee of the Whole. The Bill was adopted on first and second



readings on May 25, 2011, and June 14, 2011, respectively. Signed by the Mayor on July 22, 2011, it was assigned Act No. 19-98 and transmitted to both Houses of Congress for its review. D.C. Law 19-21 became effective on September 14, 2011.

*References in Text*

The "District of Columbia Securities Act", referred to in (c), is the Act of August 30, 1964, 78 Stat. 620, Pub. L. 88-503, which is codified primarily as § 3-3601 et seq.

The "Investment Advisors Act", referred to in (c), is D.C. Law 9-216, which is codified as § 3-3701 et seq.

The "Insurance Regulatory Trust Fund Act", referred to in (c), is D.C. Law 10-40, which is codified as § 31-1201 et seq.

## **§ 31-108. ABOLITION OF INSURANCE ADMINISTRATION.**

The Insurance Administration in the Department of Consumer and Regulatory Affairs as currently organized is abolished.

(May 21, 1997, D.C. Law 11-268, § 9, 44 DCR 1730.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 35-128.

*Legislative History of Laws*

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-101.

## **SUBCHAPTER II. REGULATIONS UNDER THE GRAMM-LEACH-BLILEY ACT.**

### **§ 31-121. REGULATIONS.**

The Commissioner may promulgate rules, regulations, and orders as are necessary or appropriate to conform to the Gramm-Leach-Bliley Act, approved November 12, 1999 (113 Stat. 1338; codified in scattered sections of the U.S. Code), or regulations promulgated thereunder.

(Oct. 21, 2000, D.C. Law 13-191, § 8, 47 DCR 7311.)

*HISTORICAL AND STATUTORY NOTES*

*Emergency Act Amendments*

For temporary (90 day) amendment of section, see § 2 of the Insurer Confidentiality and Information Sharing Emergency Act of 2000 (D.C. Act 13-444, October 24, 2000, 47 DCR 9007).

*Legislative History of Laws*

Law 13-191, the "Insurer Confidentiality and Information Sharing Amendment Act of 2000," was introduced in Council and assigned Bill No. 13-706, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on June 26, 2000, and July 11, 2000, respectively. Signed by the Mayor on August 4, 2000, it was assigned Act No. 13-419 and transmitted to both Houses of Congress for its review. D.C. Law 13-191 became effective on October 21, 2000.