

DISTRICT OF COLUMBIA
OFFICIAL CODE

TITLE 31.
INSURANCE AND SECURITIES.

CHAPTER 25.
FIRE, CASUALTY, AND MARINE INSURANCE.

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DISTRICT OF COLUMBIA OFFICIAL CODE
CHAPTER 25. FIRE, CASUALTY, AND MARINE
INSURANCE.

TABLE OF CONTENTS

Subchapter I. Applicability; Definitions.

- § 31-2501.01. Short title.
- § 31-2501.02. Applicability of chapter.
- § 31-2501.03. Definitions.

Subchapter II. Powers and Duties of the Commissioner.

- § 31-2502.01. Records of Commissioner; rules and regulations.
- § 31-2502.02. Certificate of authority to do business--Issuance or renewal.
- § 31-2502.03. Certificate of authority to do business--Revocation or suspension.
- § 31-2502.04. Cessation of business.
- §§ 31-2502.05 to 31-2502.07. Receivership proceedings; insolvency; impairment.[Repealed]
- § 31-2502.08. Required annual financial statements.[Repealed]
- § 31-2502.09. Making or publishing material false statements.
- § 31-2502.10. Examinations by Superintendent; violations; acceptance of reports in lieu of examinations.[Repealed]
- § 31-2502.11. Kinds of insurance authorized.
- § 31-2502.12. Limitations on exposure to risks or hazards.
- § 31-2502.13. Minimum capital and surplus requirements.
- § 31-2502.14. Applicability of provisions to existing companies.
- § 31-2502.15. Formation of domestic companies.
- § 31-2502.16. Acquisition, use and disposition of real estate by domestic companies.[Repealed]
- § 31-2502.17. Power of domestic mutual companies to borrow or assume liability.
- § 31-2502.18. Investment of funds by domestic companies.[Repealed]
- § 31-2502.19. Exclusive agency contracts of domestic companies.
- § 31-2502.20. Authority to transact business--Foreign or alien companies.
- § 31-2502.20a. Authority to transact business--Lloyd's organizations.
- § 31-2502.21. Procurement of certificate of authority by foreign or alien companies--Application forms.
- § 31-2502.22. Procurement of certificate of authority by foreign or alien companies--Delivery of certain documents to Commissioner; required showings; authorized examinations.
- § 31-2502.23. Service of process upon foreign or alien companies.[Repealed]
- § 31-2502.24. Names or designations used by mutual companies and reciprocal or interinsurance exchanges.
- § 31-2502.25. Premiums of mutual companies.
- § 31-2502.26. Company reserves.[Repealed]
- § 31-2502.26a. Actuarial opinion of reserves.
- § 31-2502.26b. Confidentiality of actuarial opinions, summaries, reports, and workpapers.
- § 31-2502.27. Filing and approval of policy forms.
- § 31-2502.28. Rate and form filing requirements for accident and health policies.
- § 31-2502.29. Discriminations prohibited.

- § 31-2502.30. Powers of agents, salaried employees and brokers.[Repealed]
- § 31-2502.31. Compensation of unlicensed persons prohibited.
- §§ 31-2502.32 to 31-2502.37. Procedure for obtaining licenses; effective dates; temporary transfer of licenses; renewal of licenses; revocation and suspension of licenses; unauthorized solicitation.[Repealed]
- § 31-2502.38. Exceptions to licensing provisions.
- § 31-2502.39. Persons not to act for unauthorized companies.
- § 31-2502.40. License to procure policies from unauthorized companies.
- § 31-2502.41. License fees.
- § 31-2502.42. Violations of provisions.
- §§ 31-2502.43 to 31-2502.45. Appeals from Commissioner to Mayor; court proceedings; severability.[Repealed]

CHAPTER 25. FIRE, CASUALTY, AND MARINE INSURANCE.

SUBCHAPTER I. APPLICABILITY; DEFINITIONS.

§ 31-2501.01. SHORT TITLE.

This chapter shall be known as the "Fire and Casualty Act."

(Oct. 9, 1940, 54 Stat. 1063, ch. 792, ch. I, § 1.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1501.

1973 Ed., § 35-1301.

§ 31-2501.02. APPLICABILITY OF CHAPTER.

All fire, marine, and casualty insurance companies now or hereafter incorporated or formed in the District or authorized to do business in the District, all brokers and all agents and other representatives of such companies shall, to the extent hereinafter provided, be subject to this chapter; provided, that this chapter shall not affect the business of life and title insurance, and shall not affect the right or authority of any solvent company to make contracts of fidelity or surety, and shall not affect a plan under which any person provides pension benefits to his employees.

(Oct. 9, 1940, 54 Stat. 1064, ch. 792, ch. I, § 2.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1502.

1973 Ed., § 35-1302.

§ 31-2501.03. DEFINITIONS.

In this chapter, unless the context otherwise requires:

(1) "District" means District of Columbia.

(2) "Mayor" means the Mayor of the District of Columbia.

(3) "Commissioner" means the Commissioner of the Department of Insurance, Securities, and Banking or the officer or officers, agency or agencies succeeding to his functions under Reorganization Plan No. 5 of 1952.

(4) "Department" means the Department of Insurance of the District of Columbia.

(5) "Company" means an insurance, surety, or indemnity company, and shall be deemed to include a corporation, company, partnership, association, individual, or aggregation of individuals engaging in or proposing or attempting to engage in any kind of insurance, surety, or indemnity business, including the exchanging of reciprocal or interinsurance contracts between individuals, partnerships, and corporations.

(6) "Authorized company" means a company which has authority from the Commissioner to do business in the District as provided under § 31-2502.02.

(7) "Unauthorized company" means a company which does not have authority from the Commissioner to do business in the District as provided under § 31- 2502.02.

(8) "Domestic company" means a company incorporated or organized under the laws of the District.

(9) "Foreign company" means a company incorporated or organized under the laws of any state of the United States.

(10) "Alien company" means a company incorporated or organized under the laws of any country other than the United States.

(11) "Reciprocal" includes interinsurance exchange.

(12) "Person" includes individuals, corporations, associations, exchanges, and partnerships.

(13) Personal pronouns include all genders; the singular includes the plural and the plural includes the singular.

(14) "Policy" means an insurance policy or contract, including contracts of fidelity and surety, and includes any contract wherein 1 party called the "company," for a consideration, undertakes to pay money or its equivalent, or to do an act valuable to any other party, upon the happening of the hazard or peril insured against whereby the party insured suffers loss or injury or is subjected to legal liability.

(15) "Officer," when used to refer to officer of the company, includes an attorney-in-fact.

(16) "Policy-writing agent" means any person who is not a salaried employee of a company, and whose residence or principal place of business is located in the District, and who is authorized in writing by any company authorized to transact business in the District to countersign policies and to solicit, negotiate, or effect contracts of insurance, surety, or indemnity for such company in the District.

(17) "Soliciting agent" means any person who is not a salaried employee of a company and whose residence or principal place of business is located in the District, and who is authorized by a company having authority to transact business in the District, or by a policy-writing agent, to solicit in the District contracts of insurance, surety, or indemnity in behalf of such company or agent.

(18) "Broker" means any person who for a consideration acts or aids in any manner in the solicitation or negotiation on behalf of the assured of contracts of insurance, surety, or indemnity.

(19) "Salaried company employee" means any person regularly employed by an authorized company, and who is paid a regular wage or salary to perform certain duties and functions authorized by such company. For the purposes of this chapter the term "salaried company employee" shall not include employees engaged solely in office duties or in the inspection, rating, or classifying of risks or in the supervision of agents, or any employee not engaged in the solicitation or writing of policies, or officers of companies or associations engaged in the performance of their usual and customary executive duties.

(20) "Surplus" means the excess of admitted assets over liabilities and capital in the case of a company with capital stock, and the excess of admitted assets over liabilities in the case of a company without capital stock.

(21) "Liabilities" means all debts due or to become due, contingent or otherwise, of which the company has knowledge, and includes the reserves required by this chapter.

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

(Oct. 9, 1940, 54 Stat. 1064, ch. 792, ch. I, § 3; June 30, 1953, 67 Stat. 120, ch. 168; Feb. 27, 1996, D.C. Law 11-90, § 9(a), 42 DCR 7155; May 21, 1997, D.C. Law 11-268, § 10(r)(1), 44 DCR 1730; Apr. 13, 2005, D.C. Law 15-354, § 47, 52 DCR 2638.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1503.

1973 Ed., § 35-1303.

Effect of Amendments

D.C. Law 15-354, in par. (3), substituted "of the Department of Insurance, Securities, and Banking" for "of Insurance and Securities".

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 9(a) of Insurance Omnibus Temporary Amendment Act of 1995 (D.C. Law 11-36, September 8, 1995, law notification 42 DCR 5305).

Emergency Act Amendments

For temporary amendment of section, see § 10(a) of the Insurance Omnibus Emergency Amendment Act of

1995 (D.C. Act 11-48, May 15, 1995, 42 DCR 2544) and § 9(a) of the Insurance Omnibus Congressional Recess Emergency Amendment Act of 1995 (D.C. Act 11-97, July 19, 1995, 42 DCR 3844).

Legislative History of Laws

Law 11-90, the "Insurance Omnibus Insurance Amendment Act of 1995," was introduced in Council and assigned Bill No. 11-182, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on November 7, 1995, and December 5, 1995, respectively. Signed by the Mayor on December 18, 1995, it was assigned Act No. 11-173 and transmitted to both Houses of Congress for its review. D.C. Law 11-90 became effective on February 27, 1996.

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.

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

Change in Government

This section originated at a time when local government powers were delegated to a Board of Commissioners of the District of Columbia (see Acts Relating to the Establishment of the District of Columbia and its Various Forms of Governmental Organization in Volume 1). Section 401 of Reorganization Plan No. 3 of 1967 (see Reorganization Plans in Volume 1) transferred all of the functions of the Board of Commissioners under this section to a single Commissioner. The District of Columbia Self-Government and Governmental Reorganization Act, 87 Stat. 818, § 711 (D.C. Code, § 1-207.11), abolished the District of Columbia Council and the Office of Commissioner of the District of Columbia. These branches of government were replaced by the Council of the District of Columbia and the Office of Mayor of the District of Columbia, respectively. Accordingly, and also pursuant to § 714(a) of such Act (D.C. Code, § 1-207.14(a)), appropriate changes in terminology were made in this section.

Miscellaneous Notes

Department of Insurance abolished: The Department of Insurance, including the Superintendent, was abolished and the functions thereof transferred to the Board of Commissioners of the District of Columbia by Reorganization Plan No. 5 of 1952. Reorganization Order No. 43, dated June 23, 1953, as amended, established, under the direction and control of a Commissioner, a Department of Insurance headed by a Superintendent. The Order provided for the organization of the Department, abolished the previously existing Department of Insurance, and provided that all functions and positions of the previous Department would be transferred to the new Department of Insurance, including the duties, powers, and authorities of all officers and employees; and that all personnel, property, records and unexpended balances relating to the functions and positions transferred would also be transferred to the new Department. The executive functions of the Board of Commissioners were transferred to the Commissioner of the District of Columbia by § 401 of Reorganization Plan No. 3 of 1967. The functions of the Superintendent of Insurance were transferred to the Department of Consumer and Regulatory Affairs by Reorganization Plan No. 1 of 1983, effective March 31, 1983. Pursuant to the provisions of D.C. Law 11- 268, the Department of Insurance and Securities Regulation was established and the duties of the Superintendent of Insurance and the Insurance Administration were assumed by the Commissioner of Insurance and Securities and the Insurance Administration in the Department of Consumer and Regulatory Affairs was abolished.

SUBCHAPTER II. POWERS AND DUTIES OF THE COMMISSIONER.

§ 31-2502.01. RECORDS OF COMMISSIONER; RULES AND REGULATIONS.

(a) The office of the Commissioner shall be a public office, and the records, books, and papers thereof on file therein shall be public records of the District, except as the Commissioner for good reason may decide otherwise, or except as it may be provided otherwise herein.

(b) The Commissioner may, in accordance with § 2-505, promulgate reasonable rules and regulations as are necessary to implement the provisions of this chapter.

(Oct. 9, 1940, 54 Stat. 1066, ch. 792, ch. II, § 1; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730; Apr. 5, 2005, D.C. Law 15-292, § 2, 52 DCR 1463; Mar. 2, 2007, D.C. Law 16-191, § 53, 53 DCR 6794.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1504.

1973 Ed., § 35-1304.

Effect of Amendments

D.C. Law 15-292 rewrote subsec. (b) which had read:

"(b) The Council of the District of Columbia shall have authority to make, and the Commissioner shall have the authority to enforce, such reasonable rules and regulations as may be necessary in making effective the provisions of this chapter, but such rules and regulations shall not be contrary to nor inconsistent with the provisions of this chapter."

D.C. Law 16-191, in subsec. (b), validated a previously made technical correction.

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Law 15-292, the "Fire and Casualty Amendment Act of 2004", was introduced in Council and assigned Bill No. 15-878, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on November 9, 2004, and December 7, 2004, respectively. Signed by the Mayor on December 29, 2004, it was assigned Act No. 15-688 and transmitted to both Houses of Congress for its review. D.C. Law 15-292 became effective on April 5, 2005.

For Law 16-191, see notes following § 31-1131.02.

Change in Government

This section originated at a time when local government powers were delegated to a Board of Commissioners of the District of Columbia (see Acts Relating to the Establishment of the District of Columbia and its Various Forms of Governmental Organization in Volume 1). Section 402(277) of Reorganization Plan No. 3 of 1967 (see Reorganization Plans in Volume 1) transferred all of the functions of the Board of Commissioners under this section to the District of Columbia Council, subject to the right of the Commissioner as provided in § 406 of the Plan. The District of Columbia Self-Government and Governmental Reorganization Act, 87 Stat. 818, § 711 (D.C. Code, § 1-207.11), abolished the District of Columbia Council and the Office of Commissioner of the District of Columbia. These branches of government were replaced by the Council of the District of Columbia and the Office of Mayor of the District of Columbia, respectively. Accordingly, and also pursuant to § 714(a) of such Act (D.C. Code, § 1-207.14(a)), appropriate changes in terminology were made in this section.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.02. CERTIFICATE OF AUTHORITY TO DO BUSINESS--ISSUANCE OR RENEWAL.

(a) The Commissioner shall issue a certificate of authority to a company when it shall have complied with the requirements of the laws of the District so as to be entitled to do business therein. The Commissioner may, however, satisfy himself by such investigation as he may consider proper or necessary that the company is duly qualified under the laws of the District to transact business therein, and may refuse to issue or renew the certificate to a company if the issuance or renewal of the certificate would adversely affect the public interest. In each case, the certificate shall be issued under the seal of the Commissioner authorizing and empowering the company to transact the kind of business specified in the certificate, and the certificate shall expire on the 30th day of April next succeeding the date of its issuance.

(b) Repealed.

(c) No company shall transact any business in or from the District until it shall have received a certificate of authority as authorized by this section, and no company shall transact any business not specified in the certificate of authority. No domestic mutual company shall transact any business in the District until it has bona fide applications for insurance covering not less than 200 separate risks in not less than 20 policies to be issued to not less than 20 members, and has received the cash premium therefor, and has a surplus of not less than the amount provided under §§ 31-2502.12 and 31-2502.13.

(Oct. 9, 1940, 54 Stat. 1066, ch. 792, ch. II, § 2; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730; Oct. 21, 2000, D.C. Law 13-190, § 3(a), 47 DCR 7261; Oct. 1, 2002, D.C. Law 14-190, § 603(a), 49 DCR 6968; Mar. 8, 2007, D.C. Law 16-232, § 202(a), 54 DCR 368.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1505.

1973 Ed., § 35-1305.

Effect of Amendments

D.C. Law 13-190 inserted after the third sentence the new fourth and fifth sentences.

D.C. Law 14-190 rewrote the section which had read as follows:

"It shall be the duty of the Commissioner to issue a certificate of authority to a company when it shall have complied with the requirements of the laws of the District so as to be entitled to do business therein. The Commissioner may, however, satisfy himself by such investigation as he may deem proper or necessary that such company is duly qualified under the laws of the District to transact business therein, and may refuse to issue or renew any such certificate to a company if the issuance or renewal of such certificate would adversely affect the public interest. In each case the certificate shall be issued under the seal of the Commissioner authorizing and empowering the company to transact the kind or kinds of business specified in the certificate, and each such certificate shall be made to expire on the 30th day of April next succeeding the date of its issuance. 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 chapter. No company shall transact any business in or from the District until it shall have received a certificate of authority as authorized by this section, and no company shall transact any business not specified in such certificate of authority. No domestic mutual company shall transact any business in the District until it has bona fide applications for insurance covering not less than 200 separate risks in not less than 20 policies to be issued to not less than 20 members, and has received the cash premium therefor, and has a surplus of not less than the amount provided under §§ 31-2502.12 and 31-2502.13."

D.C. Law 16-232 repealed subsec. (b), which formerly read:

"(b) The Commissioner may, in accordance with § 2-505, promulgate reasonable rules and regulations as are necessary to implement the provisions of this chapter."

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 603(a) of Fiscal Year 2003 Budget Support Emergency Act of 2002 (D.C. Act 14-453, July 23, 2002, 49 DCR 8026).

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Law 13-190, the "Insurer and Health Maintenance Organization Self-Certification Act of 2000," was introduced in Council and assigned Bill No. 13-722, 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 2, 2000, it was assigned Act No. 13-407 and transmitted to both Houses of Congress for its review. D.C. Law 13-190 became effective on October 21, 2000.

Law 14-190, the "Fiscal Year 2003 Budget Support Act of 2002", was introduced in Council and assigned Bill No. 14-609, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on May 7, 2002, and June 4, 2002, respectively. Signed by the Mayor on July 3, 2002, it was assigned Act No. 14-403 and transmitted to both Houses of Congress for its review. D.C. Law 14-190 became effective on October 1, 2002.

For Law 16-232, see notes following § 31-231.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.03. CERTIFICATE OF AUTHORITY TO DO BUSINESS-- REVOCATION OR SUSPENSION.

(a) The Commissioner shall have power to revoke or suspend the certificate of authority to transact business in the District of any company which has failed or refused to comply with any provision or requirement of this chapter, or which:

- (1) Is impaired in capital or surplus;
- (2) Is insolvent;
- (3) Is determined, pursuant to Chapter 21 of this title, to be in such condition that further transaction of business by the company will be hazardous to its policyholders, creditors, or the general public;
- (4) Has refused or neglected to pay a valid final judgment against such company within 30 days after such judgment shall have become final either by expiration without appeal within the time when such

appeal might have been perfected, or by final affirmance on appeal;

(5) Has violated any law of the District or has in the District violated its charter or exceeded its corporate powers;

(6) Has refused to submit its books, papers, accounts, records, or affairs to the reasonable inspection or examination of the Commissioner, his deputies, or duly appointed examiners;

(7) Has an officer who has refused upon reasonable demand to be examined under oath touching its affairs;

(8) Fails to file with the Commissioner a copy of an amendment to its charter or articles of association within 30 days after the effective date of such amendment;

(9) Has had its corporate existence dissolved or its certificate of authority revoked in the state in which it was organized;

(10) Has had all its risks reinsured in their entirety in another company, without prior approval of the Commissioner;

(11) Has made, issued, circulated, or caused to be issued or circulated any estimate, illustration, circular, or statement of any sort misrepresenting either its status or the terms of any policy issued or to be issued by it, or the benefits or advantages promised thereby, or the dividends or shares of the surplus to be received thereon, or has used any name or title of any policy or class of policies misrepresenting the true nature thereof;

(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; or

(13) Has filed, caused to be filed, or failed to prevent the filing of a statement on its behalf from a corporate officer 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.

(b) The Commissioner shall not revoke or suspend the certificate of authority of any company until he has given the company not less than 30 days notice of the proposed revocation or suspension and of the grounds alleged therefor, and has afforded the company an opportunity for a full hearing; provided, that if the Commissioner shall find upon examination that the further transaction of business by the company would be hazardous to the public or to the policyholders or creditors of the company in the District, he may suspend such authority without giving notice as herein required; provided further, that in lieu of revoking or suspending the certificate of authority of any company for causes enumerated in this section after hearing as herein provided, the Commissioner may subject such company to a penalty of not more than \$10,000 for any violation, or not more than \$25,000 for intentional violations, when in his judgment he finds that public interest would be best served by the continued operation of the company. The amount of any such penalty shall be paid by the company through the office of the Commissioner to the Collector of Taxes, District of Columbia. At any hearing provided by this section, the Commissioner shall have authority to administer oaths to witnesses. Anyone testifying falsely after having been administered such an oath shall be subject to the penalties of perjury. Civil fines, penalties, and fees may be imposed as alternative sanctions for any infraction of the provisions of this chapter, or any rules or regulations issued under the authority of this chapter, pursuant to Chapter 18 of Title 2. Adjudication of any infraction of this chapter shall be pursuant to Chapter 18 of Title 2.

(Oct. 9, 1940, 54 Stat. 1066, ch. 792, ch. II, § 3; Apr. 22, 1944, 58 Stat. 192, ch. 173, § 1; Feb. 22, 1958, 72 Stat. 21, Pub. L. 85-334, § 4; Mar. 14, 1985, D.C. Law 5-160, § 2(a), 32 DCR 39; Oct. 5, 1985, D.C. Law 6-42, § 447(a), 32 DCR 4450; Mar. 8, 1991, D.C. Law 8-237, § 2(r)(1), 38 DCR 314; Apr. 26, 1994, D.C. Law 10-103, § 7(b), 41 DCR 1005; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730; Oct. 21, 2000, D.C. Law 13-190, § 3(b), 47 DCR 7261; Oct. 1, 2002, D.C. Law 14-190, § 603(b), 49 DCR 6968; Mar. 13, 2004, D.C. Law 15-105, § 65, 51 DCR 881.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1506.

1973 Ed., § 35-1306.

Effect of Amendments

D.C. Law 13-190 added par. (12) to subsec. (a).

D.C. Law 14-190, in subsec. (a), made nonsubstantive changes to pars. (11) and (12), and added par. (13).

D.C. Law 15-105, in par. (12) of subsec. (a), validated a previously made technical correction.

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 7(b) of Insurance Omnibus Temporary Amendment Act of 1993 (D.C. Law 10-76, March 17, 1994, law notification 41 DCR 1626).

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 603(b) of Fiscal Year 2003 Budget Support Emergency Act of 2002 (D.C. Act 14-453, July 23, 2002, 49 DCR 8026).

Legislative History of Laws

Law 5-160, the "Life Insurance Amendments Reform Act of 1984," was introduced in Council and assigned Bill No. 5-471, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on November 20, 1984, and December 4, 1984, respectively. Signed by the Mayor on December 7, 1984, it was assigned Act No. 5-225 and transmitted to both Houses of Congress for its review.

Law 6-42, the "Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985," was introduced in Council and assigned Bill No. 6-187, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on June 25, 1985, and July 9, 1985, respectively. Signed by the Mayor on July 16, 1985, it was assigned Act No. 6-60 and transmitted to both Houses of Congress for its review.

Law 8-237, the "Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985 Technical and Clarifying Amendments Act of 1990," was introduced in Council and assigned Bill No. 8-203, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on December 4, 1990, and December 18, 1990, respectively. Signed by the Mayor on December 27, 1990, it was assigned Act No. 8-320 and transmitted to both Houses of Congress for its review.

Law 10-103, the "Insurance Omnibus Amendment Act of 1994," was introduced in Council and assigned Bill No. 10-394, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on January 4, 1994, and February 1, 1994, respectively. Signed by the Mayor on February 17, 1994, it was assigned Act No. 10-191 and transmitted to both Houses of Congress for its review. D.C. Law 10-103 became effective on April 26, 1994.

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

For Law 13-190, see notes following § 31-2501.03.

For Law 14-190, see notes following § 31-2502.02.

For Law 15-105, see notes following § 31-2402.

Miscellaneous Notes

Office of Collector of Taxes abolished: The Office of the Collector of Taxes was abolished and the functions thereof transferred to the Board of Commissioners of the District of Columbia by Reorganization Plan No. 5 of 1952. All functions of the Office of the Collector of Taxes including the functions of all officers, employees, and subordinate agencies were transferred to the Director, Department of General Administration by Reorganization Order No. 3, dated August 28, 1952. Reorganization Order No. 20, dated November 10, 1952, transferred the functions of the Collector of Taxes to the Finance Office. The same Order provided for the Office of the Collector of Taxes headed by a Collector in the Finance Office, and abolished the previously existing Office of the Collector of Taxes. Reorganization Order No. 20 was superseded and replaced by Organization Order No. 121, dated December 12, 1957, which provided that the Finance Office (consisting of the Office of the Finance Officer, Property Tax Division, Revenue Division, Treasury Division, Accounting Division, and Data Processing Division) would continue under the direction and control of the Director of General Administration, and that the Treasury Division would perform the function of collecting revenues of the District of Columbia and depositing the same with the Treasurer of the United States. Organization Order No. 121, was revoked by Organization Order No. 3, dated December 13, 1967, Part IVC of which prescribed the functions of the Finance Office within a newly established Department of General Administration. The executive functions of the Board of Commissioners were transferred to the Commissioner of the District of Columbia by § 401 of Reorganization Plan No. 3 of 1967. Functions of the Finance Office as stated in Part IVC of Organization Order No. 3 were transferred to the Director of the Department of Finance and Revenue by Commissioner's Order No. 69-96, dated March 7, 1969. The collection functions of the Director of the Department of Finance and Revenue were transferred to the District of Columbia Treasurer by § 47-316 on March 5, 1981.

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.04. CESSATION OF BUSINESS.

If a company shall cease to do business in the District, it shall thereupon make report to the Commissioner of the taxable premiums collected which have not been reported prior to the date of the cessation of business, and shall forthwith pay to the Collector of Taxes of the District, through the Commissioner, a tax

thereon computed according to law. If a company fails or refuses to make such a report or to pay the tax imposed upon it as required by law, it shall be liable to the District for the amount of such taxes, plus a penalty of 8 per centum per month for each month or part thereof during which such taxes remain unpaid.

(Oct. 9, 1940, 54 Stat. 1067, ch. 792, ch. II, § 4; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1507.

1973 Ed., § 35-1307.

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

Office of Collector of Taxes abolished: See Historical and Statutory Notes following § 31-2502.03.

§§ 31-2502.05 TO 31-2502.07. RECEIVERSHIP PROCEEDINGS; INSOLVENCY; IMPAIRMENT.[REPEALED]

(Oct. 15, 1993, D.C. Law 10-35, § 59(b), 40 DCR 5773.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., §§ 35-1508 to 35-1510.

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 7(b) of Insurance Omnibus Temporary Amendment Act of 1993 (D.C. Law 10-76, March 17, 1994, law notification 41 DCR 1626).

Legislative History of Laws

Law 10-35, "Insurers Rehabilitation and Liquidation Act of 1993," was introduced in Council and assigned Bill No. 10-123, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on June 29, 1993, and July 13, 1993, respectively. Signed by the Mayor on July 29, 1993, it was assigned Act No. 10-68 and transmitted to both Houses of Congress for its review. D.C. Law 10-35 became effective on October 15, 1993.

For legislative history of D.C. Law 10-103, see Historical and Statutory Notes following § 31-2502.03.

Editor's Notes

D.C. Law 10-76 and D.C. Law 10-103 purported to amend former § 35-1508 [1981 Ed.] by rewriting (a)(1)(D).

Miscellaneous Notes

D.C. Law 10-103, § 7(b) (41 DCR 1005), eff. April 26, 1994, subsequent to its repeal, amended former § 35-1508(a)(1)(D) [1981 Ed.] to read:

"(D) Is determined, pursuant to the Standards to Identify Insurance Companies Deemed to be in Hazardous Financial Condition Act of 1993, to be in such condition that further transaction of business by the company will be hazardous to its policyholders, creditors, or the general public;"

§ 31-2502.08. REQUIRED ANNUAL FINANCIAL STATEMENTS.[REPEALED]

(Oct. 21, 1993, D.C. Law 10-42, § 7(c), 40 DCR 6020.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1511.

Legislative History of Laws

Law 10-42, the "Required Annual Financial Statements and Participation in the NAIC Insurance Regulatory Information System Act of 1993," was introduced in Council and assigned Bill No. 10-129, which was referred

to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on June 29, 1993, and July 13, 1993, respectively. Signed by the Mayor on August 4, 1993, it was assigned Act No. 10-77 and transmitted to both Houses of Congress for its review. D.C. Law 10-42 became effective on October 21, 1993.

§ 31-2502.09. MAKING OR PUBLISHING MATERIAL FALSE STATEMENTS.

Any director, officer, agent, or employee of any company who subscribes to, makes or concurs in making or publishing any annual or other statement required by law, knowing the same to contain any material statement which is false, shall be fined not more than \$5,000 or imprisoned for not more than 5 years, or both.

(Oct. 9, 1940, 54 Stat. 1069, ch. 792, ch. II, § 9.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1512.

1973 Ed., § 35-1312.

§ 31-2502.10. EXAMINATIONS BY SUPERINTENDENT; VIOLATIONS; ACCEPTANCE OF REPORTS IN LIEU OF EXAMINATIONS.[REPEALED]

(Oct. 21, 1993, D.C. Law 10-49, § 9(c), 40 DCR 6110.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1513.

Legislative History of Laws

Law 10-49, the "Law on Examinations Act of 1993," was introduced in Council and assigned Bill No. 10-131, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on June 29, 1993, and July 13, 1993, respectively. Signed by the Mayor on August 4, 1993, and it was assigned Act No. 10-94 and transmitted to both Houses of Congress for its review. D.C. Law 10-49 became effective on October 21, 1993.

§ 31-2502.11. KINDS OF INSURANCE AUTHORIZED.

Any company authorized to do business in the District may, when empowered by its charter, make all or any 1 or more of the kinds of insurance and reinsurance comprised in either or both of the following classes, subject to and in accordance with the provisions of this chapter:

(1) *Fire and marine.* -- On houses, buildings, and all other kinds of property against loss, damage, or damages by fire, lightning, or storm; to insure against loss or damage by water to any goods or premises arising from the breakage or leakage of sprinklers or water pipes; and to make all kinds of insurance against loss of or damage to goods, merchandise, or other property caused by fire, risks of transportation, or navigation, the action of the elements or adverse manifestations of nature, as well as all and every risk or peril to which the subject of insurance may be exposed, against which it is not contrary to public policy to insure, including every insurable interest therein or in the use thereof, or profit or income therefrom, or legal liability therefor, but not to include injury to the person nor loss caused by breach of trust; and

(2)(A) *Casualty.* -- Upon the health of persons, or against injury, disablement, or death of persons resulting from traveling or general accidents by land or water, and against liability of the assured for injuries to employees or other persons;

(B) Against liability of the assured for loss or destruction of or damage to property;

(C) Upon the lives of domestic animals;

(D) Against loss of or damage to glass and its appurtenances;

(E) Against loss of or damage to any property resulting from the explosion of or injury to any boiler, heater, unfired pressure vessel, pipes, or containers connected therewith, any engine, turbine, compressor, pump, or wheel or any apparatus generating, transmitting or using electricity, or any other machine or apparatus connected with or operated by any of the previously named boilers, vessels, or machines; and including the incidental power to make inspections of and to issue

certificates of inspection upon, any such boilers, apparatus, and machinery, whether insured or otherwise;

(F) Against loss by burglary or theft, or both, and against loss of or damage to moneys and securities;

(G) To guarantee and indemnify merchants, traders, and those engaged in business and giving credit, from loss and damage by reason of giving and extending credit to their customers and those dealing with them;

(H) Against loss or damage by water or other fluid or substance to any property resulting from the breakage or leakage of sprinklers or water pipes; and

(I) To insure against any other casualty risk which may lawfully be the subject of insurance, and which it is not contrary to public policy to insure; provided, that this section shall not be construed as having any effect whatever upon the right or authority of any solvent company to make contracts of fidelity or surety.

(Oct. 9, 1940, 54 Stat. 1069, ch. 792, ch. II, § 11; Mar. 24, 1998, D.C. Law 12-81, § 29(a), 45 DCR 745.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1514.

1973 Ed., § 35-1314.

Legislative History of Laws

Law 12-81, the "Technical Amendments Act of 1998," was introduced in Council and assigned Bill No. 12-408, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on November 4, 1997, and December 4, 1998, respectively. Signed by the Mayor on December 22, 1997, it was assigned Act No. 12-246 and transmitted to both Houses of Congress for its review. D.C. Law 12-81 became effective on March 24, 1998.

§ 31-2502.12. LIMITATIONS ON EXPOSURE TO RISKS OR HAZARDS.

No company other than a mutual or reciprocal company doing business in the District shall expose itself to any loss on any one risk or hazard, whether located in the District or outside of the District, to an amount exceeding 10% of the sum of its capital stock and surplus. No mutual or reciprocal company shall expose itself to any loss on any one risk or hazard, whether located in the District or outside of the District, to an amount exceeding 10% of its surplus. No portion of any such risk or hazard which shall have been reinsured in a company authorized to do business in the District shall be included in determining limitation of risk; provided, that the provisions of this section shall not apply to the insurance of workmen's compensation, employers' liability, marine, or inland marine risks.

(Oct. 9, 1940, 54 Stat. 1070, ch. 792, ch. II, § 12; Apr. 26, 1994, D.C. Law 10-103, § 3, 41 DCR 1005; Mar. 8, 2007, D.C. Law 16-232, § 202(b), 54 DCR 368.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1515.

1973 Ed., § 35-1315.

Effect of Amendments

D.C. Law 16-232 substituted "any one risk or hazard, whether located in the District or outside of the District" for "any 1 risk or hazard in the District".

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 3 of Insurance Omnibus Temporary Amendment Act of 1993 (D.C. Law 10-76, March 17, 1994, law notification 41 DCR 1626).

Legislative History of Laws

For legislative history of D.C. Law 10-103, see Historical and Statutory Notes following § 31-2502.03.

For Law 16-232, see notes following § 31-231.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.13. MINIMUM CAPITAL AND SURPLUS REQUIREMENTS.

Every stock company authorized to do business in the District shall have and shall at all times maintain a paid-up capital stock of not less than \$300,000, and a surplus of not less than \$300,000. Every domestic mutual company and every domestic reciprocal company shall have and shall at all times maintain a surplus of not less than \$300,000 and every foreign or alien mutual company and every foreign or alien reciprocal company shall have and shall at all times maintain a surplus of not less than \$400,000.

(Oct. 9, 1940, 54 Stat. 1070, ch. 792, ch. II, § 13; Apr. 16, 1966, 80 Stat. 121, Pub. L. 89-399, § 1(b); Aug. 14, 1973, 87 Stat. 304, Pub. L. 93-89, title IV, § 401.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1516.

1973 Ed., § 35-1316.

§ 31-2502.14. APPLICABILITY OF PROVISIONS TO EXISTING COMPANIES.

No company shall be exempt from the provisions of this chapter by reason of its having been incorporated in the District or elsewhere prior to the effective date of this chapter, except that, in the case of companies authorized in the District on October 9, 1940, and continuously thereafter without any increase of authority, the minimum capital and surplus required of a stock company, and the minimum surplus required of a mutual or reciprocal company, or of a Lloyd's organization, by the laws of the District heretofore applicable shall not be increased by this chapter, and provided also that in the case of such continuously authorized companies the provisions of § 31-2502.24 relating to the names of companies, and the provisions of § 31-2502.25 relating to the amount of surplus necessary to the issuance of policies having no provision for contingent liability, shall not be applicable.

(Oct. 9, 1940, 54 Stat. 1070, ch. 792, ch. II, § 14; Aug. 14, 1973, 87 Stat. 304, Pub. L. 93-89, title IV, § 401; Feb. 23, 1980, D.C. Law 3-52, § 4, 27 DCR 26.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1517.

1973 Ed., § 35-1317.

Legislative History of Laws

Law 3-52, the "District of Columbia Insurance Act Amendment of 1979," was introduced in Council and assigned Bill No. 3-53, which was referred to the Committee on Public Services and Consumer Affairs. The Bill was adopted on first and second readings on November 20, 1979, and December 4, 1979, respectively. Signed by the Mayor on December 21, 1979, it was assigned Act No. 3-142 and transmitted to both Houses of Congress for its review.

References in Text

"The effective date of this chapter," referred to near the beginning of the section, means the effective date of the Act of October 9, 1940. Section 48 of such Act provided that the Act would become effective 30 days after October 9, 1940.

§ 31-2502.15. FORMATION OF DOMESTIC COMPANIES.

Any domestic stock, mutual, or reciprocal company desiring to transact business in the District shall, after complying with the general laws of the District governing the formation of companies or corporations, file with the Commissioner copies of its articles of incorporation, bylaws, charter, proposed forms of policies, and such other information as may be necessary to manifest and explain the organization, objects, and purposes of the company, and to satisfy the Commissioner that such company has complied with the laws of the District regarding the formation of companies. Thereafter, upon application made to the Commissioner upon such forms as the Commissioner shall prescribe, the Commissioner, subject to the provisions of § 31-2502.02, shall issue to the company a certificate of authority to transact business in the District.

(Oct. 9, 1940, 54 Stat. 1071, ch. 792, ch. II, § 15; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1518.

1973 Ed., § 35-1318.

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.16. ACQUISITION, USE AND DISPOSITION OF REAL ESTATE BY DOMESTIC COMPANIES.[REPEALED]

(Oct. 9, 1940, 54 Stat. 1071, ch. 792, ch. II, § 16; May 21, 1997, D.C. Law 11-268, § 10, 44 DCR 1730; Mar. 24, 1998, D.C. Law 12-81, § 29(b), 45 DCR 745; Apr. 11, 2003, D.C. Law 14-297, § 401(a), 50 DCR 330.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1519.

1973 Ed., § 35-1319.

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

For legislative history of D.C. Law 12-81, see Historical and Statutory Notes following § 31-2502.11.

For Law 14-297, see notes following § 31-1371.01.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.17. POWER OF DOMESTIC MUTUAL COMPANIES TO BORROW OR ASSUME LIABILITY.

A domestic mutual company may borrow or assume liability for the repayment of a sum of money sufficient to defray the reasonable expenses of its organization or to enable it to comply with any requirement of law or as a surplus fund upon agreement which shall first be submitted to and approved by the Commissioner that such loan or advance with interest at a rate not exceeding 6% per annum shall be repaid only with the approval of the Commissioner whenever in his judgment the company shall be in possession of sufficient surplus in excess of a surplus equal to the amount required by this chapter. Any such loan or advance shall not form a part of the legal liabilities of the company, but until such loan or advance has been repaid all statements published by such company or filed with the Commissioner shall show the amount thereof then remaining unpaid.

(Oct. 9, 1940, 54 Stat. 1071, ch. 792, ch. II, § 17; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1520.

1973 Ed., § 35-1320.

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.18. INVESTMENT OF FUNDS BY DOMESTIC COMPANIES.[REPEALED]

(Oct. 9, 1940, 54 Stat. 1072, ch. 792, ch. II, § 18; July 19, 1954, 68 Stat. 494, ch. 546, § 1; Oct. 3, 1962, 76 Stat. 715, Pub. L. 87-739, § 2; Oct. 30, 1981, D.C. Law 4-50, § 3, 28 DCR 4258; Mar. 9, 1983, D.C. Law 4-174, § 3, 29 DCR 5753; June 13, 1990, D.C. Law 8-141, § 3, 37 DCR 2654; Apr. 11, 2003, D.C. Law 14-

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1521.

1973 Ed., § 35-1321.

Legislative History of Laws

Law 4-50, the "District of Columbia Local Business Investment Act of 1981," was introduced in Council and assigned Bill No. 4-137, which was referred to the Committee on Housing and Economic Development. The Bill was adopted on first and second readings on July 14, 1981, and July 28, 1981, respectively. Signed by the Mayor on August 6, 1981, it was assigned Act No. 4-77 and transmitted to both Houses of Congress for its review.

Law 4-174, the "Eviction Limitation, Fire and Casualty Amendment Act, and Anti-Drunk Driving Clarifying Amendments Act of 1982," was introduced in Council and assigned Bill No. 4-398, which was referred to the Committee on Housing and Economic Development. The Bill was adopted on first and second readings on October 19, 1982, and November 16, 1982, respectively. Signed by the Mayor on December 8, 1982, it was assigned Act No. 4-257 and transmitted to both Houses of Congress for its review.

Law 8-141, the "African Development Bank and Asian Development Bank Investment Amendment Act of 1990," was introduced in Council and assigned Bill No. 8-127, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on March 13, 1990, and March 27, 1990, respectively. Signed by the Mayor on April 17, 1990, it was assigned Act No. 8-197 and transmitted to both Houses of Congress for its review.

For Law 14-297, see notes following § 31-1371.01.

Miscellaneous Notes

Home Owners' Loan Corporation abolished: The Home Owners' Loan Corporation, referred to in paragraph (9) of subsection (a), was dissolved by order of the Secretary of the Home Loan Bank Board, effective February 3, 1954, pursuant to the Act of June 30, 1953, 67 Stat. 121.

§ 31-2502.19. EXCLUSIVE AGENCY CONTRACTS OF DOMESTIC COMPANIES.

No domestic company authorized to do an insurance business in the District shall have or make any contract with any person whereby such person is granted the exclusive right or privilege to solicit, procure, write, produce, or manage the entire insurance business of such company, or to collect premiums therefor, unless such contract is filed with and approved in writing by the Commissioner. The Commissioner shall not approve any such contract which:

- (1) Subjects the company to excessive charges for expenses or commissions; or
- (2) Gives to such person the right to manage any of the affairs of such company or the exclusive right to solicit, procure, write, or produce the entire insurance business for such company, or to collect the premiums therefor for such unreasonable period as may jeopardize the interests or security of the company's policyholders.

(Oct. 9, 1940, 54 Stat. 1073, ch. 792, ch. II, § 19; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1522.

1973 Ed., § 35-1322.

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.20. AUTHORITY TO TRANSACT BUSINESS--FOREIGN OR ALIEN COMPANIES.

Upon complying with the provisions of this chapter, a foreign or alien company organized as a stock,

mutual, or reciprocal company, or as a Lloyd's organization, but not otherwise, may be authorized by certificate of authority to transact in the District the kind or kinds of business which a domestic company similarly organized may be authorized to transact under this chapter. Such certificate of authority shall be issued as provided under § 31-2502.02. The issuance of a certificate of authority to a Lloyd's organization shall be subject to the provisions of § 31-2502.20a. Any company chartered by special act of the legislature of its state of domicile prior to the effective date of this chapter, as provided in § 48 of this act, as a company without capital stock but doing business exclusively on the stock plan and maintaining at all times a surplus of not less than \$300,000 shall, in the administration of this chapter, be considered as a stock company.

(Oct. 9, 1940, 54 Stat. 1073, ch. 792, ch. II, § 20; June 27, 1960, 74 Stat. 222, Pub. L. 85-526, § 1.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1523.

1973 Ed., § 35-1323.

References in Text

"Section 48 of this act," referred to in the last sentence of this section, means § 48 of the Act of October 9, 1940, which provided that such Act would be effective 30 days after October 9, 1940.

§ 31-2502.20A. AUTHORITY TO TRANSACT BUSINESS--LLOYD'S ORGANIZATIONS.

Individuals and aggregations of individuals transacting an insurance business upon the plan known as Lloyd's whereby the individual underwriters become liable severally for specified proportions of the whole amount insured by a policy, heretofore organized under the laws of a state of the United States, or of a foreign government, may be authorized to transact business in the District, upon the following conditions:

- (1) They shall comply with and be subject to the same terms, conditions, and provisions as are imposed by this chapter upon foreign stock insurance companies, except as provided in the next succeeding paragraph and except that the maximum amount of insurance to be assumed by an individual underwriter upon any single risk for each kind of insurance shall not exceed 10% of the value of the cash and securities deposited in trust by such underwriter, plus the share of admitted assets other than underwriter's deposits of such Lloyd's belonging to such underwriter, less the share of liabilities and reserves of such Lloyd's allocable to such underwriter, but in no event shall it exceed 10 per centum of the value of cash or securities deposited in trust by such underwriter;
- (2) They shall have and shall at all times maintain surpluses of not less than \$300,000 in the aggregate and shall at all times have on deposit with an insurance department of a state of the United States, or with a bank or trust company designated by such insurance department, for the benefit of all policyholders within the United States the sum of at least \$350,000 in cash or in securities such as are required for the investment of the assets of insurance companies authorized to do business in the District: Provided, that they shall not be required to establish or maintain such a deposit if they have on deposit in the hands of a bank or trust company in the United States as trustee cash deposits or securities issued by the United States worth not less than \$2,000,000 in the aggregate and held in trust for the benefit of all policyholders in the United States;
- (3) They shall file with the Commissioner an authenticated copy of their powers of attorney and an authenticated copy of the trust agreement, or other agreement under which deposits made by underwriters are held;
- (4) They shall notify the Commissioner forthwith of any amendments to their powers of attorney, deposit agreement, or other documents underlying their organization, by filing with the Commissioner an authenticated copy of such document as amended;
- (5) They shall notify the Commissioner forthwith of any change in their names or change of attorney-in-fact, or change of address of their attorney-in-fact;
- (6) In the case of an alien Lloyd's, their annual statement shall embrace only their condition and transactions in the United States, and may be verified by the oath of their resident manager or other person or persons having proper authority; and
- (7) There shall be filed with the Commissioner by the attorney-in-fact at the time of filing the annual statement, or more often if the Commissioner requires, a statement verified by the appropriate official of such Lloyd's, setting forth:
 - (A) The names and addresses of all the underwriters of such Lloyd's;
 - (B) A description of the cash and securities deposited in trust by each underwriter;

(C) The maximum amount of insurance assumed by each underwriter upon any single risk or each kind of insurance; and

(D) That the maximum amount of insurance assumed upon any single risk for each kind of insurance by any individual underwriter does not exceed the limitation provided for in paragraph (1) of this section.

(Oct. 9, 1940, 54 Stat. 1073, ch. 792, ch. II, § 20a; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1524.

1973 Ed., § 35-1324.

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.21. PROCUREMENT OF CERTIFICATE OF AUTHORITY BY FOREIGN OR ALIEN COMPANIES--APPLICATION FORMS.

A foreign or alien company, in order to procure a certificate of authority to transact business in the District, shall make application therefor to the Commissioner on forms prescribed and furnished by the Commissioner. Such forms shall be executed for the company, by its president or vice-president, or executive officer corresponding thereto, and verified by such officer, and if a corporation the corporate seal shall be thereto affixed, attested by its secretary or other proper officer.

(Oct. 9, 1940, 54 Stat. 1074, ch. 792, ch. II, § 21; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1525.

1973 Ed., § 35-1325.

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.22. PROCUREMENT OF CERTIFICATE OF AUTHORITY BY FOREIGN OR ALIEN COMPANIES--DELIVERY OF CERTAIN DOCUMENTS TO COMMISSIONER; REQUIRED SHOWINGS; AUTHORIZED EXAMINATIONS.

A foreign or alien company shall deliver to the Commissioner: (1) an application of the company for a certificate of authority; (2) a copy of its articles of incorporation or articles of association and amendments thereto, duly certified by the proper officer of the state or country under whose laws the company is organized or incorporated, or if reciprocal, the power of attorney of the attorney-in-fact; (3) if an alien company, a copy of the appointment and authority of its United States manager, certified by a proper officer of the company; (4) a copy of its bylaws and regulations; (5) forms of contracts and policies it proposes to issue in the District, and forms of the applications therefor, if any; (6) proof of compliance with the service of process provisions of § 31-202; (7) a statement of its financial condition and business as of the end of the preceding calendar year, complying as to form and verification with the requirements of this chapter for annual statements, or financial statement as of such later date as the Commissioner may require; (8) a copy of the last report of examination, certified to by an insurance commissioner or other proper supervisory official; and (9) a certificate from the proper official of the state or country wherein it is incorporated or organized, that it is duly incorporated or organized and is authorized to write the kind or kinds of insurance which it proposes to write in the District. Before a certificate of authority to transact business in the District is issued to a foreign or alien company, such company shall satisfy the Commissioner that: (1) the company is duly organized under the laws of the state or country under whose laws it professes to be organized and is authorized to do the business it is transacting or proposes to

transact; (2) its name is not the same as, or so deceptively similar to, the name of any domestic company, or the name of any department of the federal government or existing corporation authorized to transact business in the District as to mislead the public or cause confusion; (3) if a stock company, it has a paid-up capital and surplus at least equal to the capital and surplus required by this chapter or if a mutual company or reciprocal, it has a surplus and provision for contingent liability of policyholders at least equal to the surplus and provision for contingent liability of policyholders required by this chapter; and (4) its funds are invested in accordance with the laws of its domicil, and in securities or property which afford a degree of financial security substantially equal to that required for similar domestic companies. Before issuing a certificate of authority to a foreign or alien company, the Commissioner may cause an examination to be made of the condition and affairs of such company.

(Oct. 9, 1940, 54 Stat. 1074, ch. 792, ch. II, § 22; Mar. 21, 1995, D.C. Law 10-233, § 6, 42 DCR 24; Apr. 18, 1996, D.C. Law 11-110, § 38, 43 DCR 530; Apr. 9, 1997, D.C. Law 11-255, § 39, 44 DCR 1271; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1526.

1973 Ed., § 35-1326.

Legislative History of Laws

Law 10-233, the "Insurers Service of Process Act of 1994," was introduced in Council and assigned Bill No. 10-666, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on November 1, 1994, and December 6, 1994, respectively. Signed by the Mayor on December 27, 1994, it was assigned Act No. 10-376 and transmitted to both Houses of Congress for its review. D.C. Law 10-233 became effective on March 21, 1995.

Law 11-110, the "Technical Amendments Act of 1996," was introduced in Council and assigned Bill No. 11-485, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on December 5, 1995, and January 4, 1996, respectively. Signed by the Mayor on January 26, 1996, it was assigned Act No. 11-199 and transmitted to both Houses of Congress for its review. D.C. Law 11-110 became effective on April 18, 1996.

Law 11-255, the "Second Technical Amendments Act of 1996," was introduced in Council and assigned Bill No. 11-905, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on November 7, 1996, and December 3, 1996, respectively. Signed by the Mayor on December 24, 1996, it was assigned Act No. 11-519 and transmitted to both Houses of Congress for its review. D.C. Law 11-255 became effective on April 9, 1997.

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.23. SERVICE OF PROCESS UPON FOREIGN OR ALIEN COMPANIES.[REPEALED]

(Mar. 21, 1995, D.C. Law 10-233, § 12, 42 DCR 24.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1527.

Legislative History of Laws

For legislative history of D.C. Law 10-233, see Historical and Statutory Notes following § 31-2502.22.

§ 31-2502.24. NAMES OR DESIGNATIONS USED BY MUTUAL COMPANIES AND RECIPROCAL OR INTERINSURANCE EXCHANGES.

Except as otherwise provided in § 31-2502.14, no mutual company shall be authorized to transact business in the District unless the name of such company shall include the word "mutual," and no reciprocal or interinsurance exchange shall be authorized to transact business in the District unless the name or designation under which reciprocal or interinsurance contracts are to be exchanged shall include the words "reciprocal" or "interinsurance exchange," or be supplemented by the following words immediately below the name or designation under which such contracts are exchanged: "A reciprocal" or

"an interinsurance exchange."

(Oct. 9, 1940, 54 Stat. 1076, ch. 792, ch. II, § 24.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1528.

1973 Ed., § 35-1328.

§ 31-2502.25. PREMIUMS OF MUTUAL COMPANIES.

The maximum premium shall be expressed in the policy of a mutual company, and it may be solely a cash premium, or may be a cash premium and an additional contingent premium, which contingent premium shall be not less than the cash premium, but no mutual company, except as otherwise provided in § 31-2502.14, shall issue any policy for a cash premium without an additional contingent premium until and unless it possesses a surplus of not less than \$600,000.

(Oct. 9, 1940, 54 Stat. 1076, ch. 792, ch. II, § 25; Aug. 14, 1973, 87 Stat. 305, Pub. L. 93-89, title IV, § 401.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1529.

1973 Ed., § 35-1329.

§ 31-2502.26. COMPANY RESERVES.[REPEALED]

(Oct. 9, 1940, 54 Stat. 1076, ch. 792, ch. II, § 26; Apr. 11, 2003, D.C. Law 14-297, 401(a), 50 DCR 330.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1530.

1973 Ed., § 35-1330.

Legislative History of Laws

For Law 14-297, see notes following § 31-1371.01.

§ 31-2502.26A. ACTUARIAL OPINION OF RESERVES.

(a) Every property and casualty insurance company doing business in the District, unless otherwise exempted by the Commissioner, shall annually submit the opinion of an actuary appointed by the company entitled "Statement of Actuarial Opinion." The opinion shall be prepared and filed in accordance with the appropriate National Association of Insurance Commissioners Property and Casualty Annual Statement Instructions.

(b)(1) Every property and casualty insurance company domiciled in the District that is required to submit a Statement of Actuarial Opinion shall annually submit a summary entitled "Actuarial Opinion Summary," written by the actuary appointed by the company. The Actuarial Opinion Summary shall be prepared and filed in accordance with the appropriate National Association of Insurance Commissioners Property and Casualty Annual Statement Instructions and shall be a document supporting the Statement of Actuarial Opinion required by subsection (a) of this section.

(2) A company licensed but not domiciled in the District shall provide the Actuarial Opinion Summary upon request.

(c)(1) A report entitled "Actuarial Report" and underlying workpapers as required by the appropriate National Association of Insurance Commissioners Property and Casualty Annual Statement Instructions shall be prepared to support each Statement of Actuarial Opinion.

(2) If the company fails to provide a supporting Actuarial Report or workpapers at the request of the Commissioner or the Commissioner determines that the supporting Actuarial Report or workpapers provided by the company have been improperly prepared or are otherwise unacceptable, the Commissioner may engage a qualified actuary at the expense of the company to review the Statement of Actuarial Opinion and the basis for the opinion and prepare the supporting Actuarial Report or workpapers.

(d) The actuary appointed by the company shall not be liable for damages to any person other than the insurance company and the Commissioner for any act, error, omission, decision, or conduct with respect to the actuary's opinion, except in cases of fraud, willful misconduct, or gross negligence on the part of the actuary.

(Oct. 9, 1940, 54 Stat. 1076, ch. 792, ch. II, § 26a, as added Mar. 20, 2009, D.C. Law 17-289, § 2, 55 DCR 12619.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

Law 17-289, the "Property and Casualty Actuarial Opinion Amendment Act of 2008", was introduced in Council and assigned Bill No. 17-253 which was referred to the Committee on Public Services and Consumer Affairs. The Bill was adopted on first and second readings on October 7, 2008, and November 18, 2008, respectively. Signed by the Mayor on December 8, 2008, it was assigned Act No. 17-576 and transmitted to both Houses of Congress for its review. D.C. Law 17-289 became effective on March 20, 2009.

§ 31-2502.26B. CONFIDENTIALITY OF ACTUARIAL OPINIONS, SUMMARIES, REPORTS, AND WORKPAPERS.

(a) The Statement of Actuarial Opinion shall be provided with the annual financial statement required by § 31-1901, in accordance with the appropriate National Association of Insurance Commissioners Property and Casualty Annual Statement Instructions and shall be a public document.

(b)(1) An Actuarial Report, underlying workpapers, or Actuarial Opinion Summary in the possession or control of the Commissioner, and any other material provided by the company to the Commissioner in connection with the Actuarial Report, workpapers, or Actuarial Opinion Summary, shall not be subject to subchapter II of Chapter 5 of Title 2, except a subpoena issued pursuant to:

(A) A civil action or an administrative proceeding in which insurance premium rates are an issue; or

(B) Oversight by the Council or the federal government.

(2) This section shall not limit the Commissioner's authority to:

(A) Release the documents to the Actuarial Board for Counseling and Discipline if the material is required for the purpose of professional disciplinary proceedings and the Actuarial Board for Counseling and Discipline establishes procedures satisfactory to the Commissioner for preserving the confidentiality of the documents; or

(B) Use the documents, materials, or other information in furtherance of any regulatory or legal action brought as part of the Commissioner's official duties.

(c) The Commissioner or any person who received documents, materials, or other information while acting under the authority of the Commissioner shall not be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to subsection (b) of this section.

(d) To assist in the performance of the Commissioner's duties, the Commissioner may:

(1) Share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to subsection (b) of this section with other state, federal, and international regulatory agencies, with the National Association of Insurance Commissioners and its affiliates and subsidiaries, and with state, federal, and international law enforcement authorities; provided, that the recipient agrees to maintain the confidentiality and privileged status of the document, material, or other information and has the authority to maintain confidentiality;

(2) Receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the National Association of Insurance Commissioners and its affiliates and subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and

(3) Enter into agreements governing sharing and use of information consistent with subsections (b) through (d) of this section.

(e) No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the Commissioner under this section or as a result of sharing as authorized in subsection (d) of this section.

(Oct. 9, 1940, 54 Stat. 1076, ch. 792, ch. II, § 26b, as added Mar. 20, 2009, D.C. Law 17-289, § 2, 55 DCR 12619.)

For Law 17-289, see notes following § 31-2502.26a.

§ 31-2502.27. FILING AND APPROVAL OF POLICY FORMS.

The Commissioner may require that all policy forms used by every company covering risks in the District be filed with the Commissioner. The Commissioner shall have authority to disapprove, within 60 days after the date of the receipt of a filing, the use in the District of any policy form which is inequitable, or does not comply with the requirement of the law of the District. If a policy form is not disapproved for use within the 60-day period described above, the Commissioner may not disapprove it for use unless it does not comply with the requirements of the law of the District.

(Oct. 9, 1940, 54 Stat. 1076, ch. 792, ch. II, § 27; Feb. 27, 1996, D.C. Law 11-90, § 9(b), 42 DCR 7155; Sept. 20, 1996, D.C. Law 11-160, § 3, 43 DCR 3722; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1531.

1973 Ed., § 35-1331.

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 9(b) of Insurance Omnibus Temporary Amendment Act of 1995 (D.C. Law 11-36, September 8, 1995, law notification 42 DCR 5305).

Emergency Act Amendments

For temporary amendment of section, see § 10(b) of the Insurance Omnibus Emergency Amendment Act of 1995 (D.C. Act 11-48, May 15, 1995, 42 DCR 2544) and § 9(b) of the Insurance Omnibus Congressional Recess Emergency Amendment Act of 1995 (D.C. Act 11-97, July 19, 1995, 42 DCR 3844).

Legislative History of Laws

For legislative history of D.C. Law 11-90, see Historical and Statutory Notes following § 31-2501.03.

Law 11-160, the "Automobile Insurance Amendment Act of 1996," was introduced in Council and assigned Bill No. 11-157, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on May 7, 1996, and June 4, 1996, respectively. Signed by the Mayor on June 26, 1996, it was assigned Act No. 11-296 and transmitted to both Houses of Congress for its review. D.C. Law 11-160 became effective on September 20, 1996.

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Miscellaneous Notes

Report by Commissioner of Insurance and Securities: Section 5 of D.C. Law 11-160 provided that "Within two years of September 20, 1996, the Commissioner of Insurance and Securities shall prepare and submit to the Council of the District of Columbia for its review a report on the impact of this act on the private passenger motor vehicle insurance market or any part thereof, the funding for the Office of Insurance, the District of Columbia insurance premium tax, the number of insurers doing business in the District, and the number of insurers domiciled in the District of Columbia. In preparing such report, the Commissioner may request from specific private passenger motor vehicle insurers doing business in the District, or from all such insurers, reasonable and pertinent information. Information which is proprietary to any affected insurer shall be treated as confidential by the Commissioner, but may be used in the aggregate with other information from other affected insurers for statistical or other reporting purposes."

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.28. RATE AND FORM FILING REQUIREMENTS FOR ACCIDENT AND HEALTH POLICIES.

The Commissioner may require that the provisions and conditions contained in any policy of insurance against loss or damage from sickness or bodily injury or death of the insured by accident issued by and the rate-making and filing obligations of, any company authorized by this chapter to transact business in the District be made to conform to the requirements prescribed under § 31-4712.

(Oct. 9, 1940, 54 Stat. 1076, ch. 792, ch. II, § 28; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730; Apr. 8, 2011, D.C. Law 18-360, § 501, 58 DCR 896; Sept. 26, 2012, D.C. Law 19-171, § 87, 59 DCR 6190.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1532.

1973 Ed., § 35-1332.

Effect of Amendments

D.C. Law 18-360, in the section heading, substituted "Rate and form filing requirements for" for "Required provisions in"; and substituted "issued by, and the rate-making and filing obligations of," for "issued by".

D.C. Law 19-171 deleted a comma following "issued by".

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

For history of Law 18-360, see notes under § 31-2231.11.

For history of Law 19-171, see notes under § 31-305.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.29. DISCRIMINATIONS PROHIBITED.

Discrimination between individual risks of the same class or hazard in the amount of premiums or rates charged for any policy, or in the benefits or amount of insurance payable thereon, or in any of the terms or conditions of such policy, or in any other manner whatsoever, is prohibited, and the Commissioner is empowered after investigation to order removed at such time and in such manner as he shall specify any such discrimination which his investigation may reveal.

(Oct. 9, 1940, 54 Stat. 1077, ch. 792, ch. II, § 29; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1533.

1973 Ed., § 35-1333.

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.30. POWERS OF AGENTS, SALARIED EMPLOYEES AND BROKERS.[REPEALED]

(April 9, 1997, D.C. Law 11-227, § 16(c), 44 DCR 140.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1534.

Legislative History of Laws

Law 11-227, the "Insurance Agents and Brokers Licensing Revision Act of 1996," was introduced in Council and assigned Bill No. 11-523, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on October 1, 1996, and November 7, 1996, respectively. Signed by the Mayor on December 4, 1996, it was assigned Act No. 11-455 and transmitted to both Houses of Congress for its review. D.C. Law 11- 227 became effective on April 9, 1997.

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Miscellaneous Notes

D.C. Law 11-268, § 10(r)(2) (44 DCR 1730), eff. May 21, 1997, amends this section subsequent to repeal.

§ 31-2502.31. COMPENSATION OF UNLICENSED PERSONS PROHIBITED.

No company, policy-writing agent, soliciting agent, broker, or salaried employee shall pay any money or commission or brokerage or give or allow any valuable consideration to any person for or because of service in the District in negotiating or effecting a policy on any person, property, business activity, or insurable interest in the District, unless said person is duly licensed in conformity with this chapter as a broker or as an agent or salaried employee of the company issuing the policy. This section shall not apply to contracts of reinsurance, and shall not apply to persons and kinds of insurance exempted under § 31-2502.38.

(Oct. 9, 1940, 54 Stat. 1077, ch. 792, ch. II, § 31.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1535.

1973 Ed., § 35-1335.

§§ 31-2502.32 TO 31-2502.37. PROCEDURE FOR OBTAINING LICENSES; EFFECTIVE DATES; TEMPORARY TRANSFER OF LICENSES; RENEWAL OF LICENSES; REVOCATION AND SUSPENSION OF LICENSES; UNAUTHORIZED SOLICITATION.[REPEALED]

(April 9, 1997, D.C. Law 11-227, § 16(c), 44 DCR 140.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., §§ 35-1536 to 35-1541.

Legislative History of Laws

For legislative history of D.C. Law 11-227, see Historical and Statutory Notes following § 31-2502.30.

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Miscellaneous Notes

D.C. Law 11-268, § 10(r)(2) (44 DCR 1730), eff. May 21, 1997, amends former §§ 35-1536, 35-1538, 35-1539, and 35-1540 [1981 Ed.] subsequent to repeal.

§ 31-2502.38. EXCEPTIONS TO LICENSING PROVISIONS.

The provisions of this chapter relating to the licensing of policy-writing agents, soliciting agents, salaried company employees, and brokers shall not apply to the sale of personal accident insurance in the ticket offices of railroad companies or other common carriers, or in the offices of travel bureaus, nor to the business of ocean marine insurance, nor to insurance covering the property of railroad companies and other common carriers engaged in interstate commerce.

(Oct. 9, 1940, 54 Stat. 1080, ch. 792, ch. II, § 38; Feb. 22, 1958, 72 Stat. 26, Pub. L. 85-334, § 9.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1542.

1973 Ed., § 35-1342.

§ 31-2502.39. PERSONS NOT TO ACT FOR UNAUTHORIZED COMPANIES.

Except as provided in § 31-2502.40, no person shall act as agent in the District for any company which is not authorized to do business in the District, nor shall any person directly or indirectly negotiate for or solicit applications for policies of, or for membership in, any company which is not authorized to do business in the District. The term "company" as used in this section shall include any association, society, company, corporation, joint-stock company, individual, partnership, trustee, or receiver engaged in the business of assuming risks of insurance, surety, or indemnity, and any Lloyd's organization, assessment, or cooperative fire company, or any reciprocal or interinsurance exchange and any company, association, or society, whether organized for profit or not, conducting a business, including any of the principles or

features of insurance, surety, or indemnity. Any person who violates any provision of this section upon conviction shall be fined not less than \$100 nor more than \$1,000 for each offense, or be imprisoned for not more than 12 months, or both, and any such person shall be personally liable to any resident of the District having claim against any such unauthorized company under any policy which said person has solicited or negotiated, or has aided in soliciting or negotiating; provided, that the provisions of this section shall not apply to any person who negotiates with an unauthorized company for policies covering his own property or interests, nor shall the provisions of this section apply to the officers, agents, or representatives of any company which is in process of organization under the laws of the District, and which is authorized temporarily to solicit or secure memberships or applications for policies for the purpose of completing such organization. Prosecutions for violations of this section shall be upon information filed in the Superior Court of the District of Columbia by the Corporation Counsel or any of his assistants.

(Oct. 9, 1940, 54 Stat. 1080, ch. 792, ch. II, § 39; Feb. 22, 1958, 72 Stat. 26, Pub. L. 85-334, § 10; July 8, 1963, 77 Stat. 77, Pub. L. 88-60, § 1; July 29, 1970, 84 Stat. 570, Pub. L. 91-358, title I, § 155(a).)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1543.

1973 Ed., § 35-1343.

§ 31-2502.40. LICENSE TO PROCURE POLICIES FROM UNAUTHORIZED COMPANIES.

(a) Any person may be licensed as a surplus lines insurance producer under Chapter 11A of this title to procure policies from companies which are not authorized to do business in the District where such person is, after diligent effort, unable to procure policies to cover the kind or kinds of business required from companies duly authorized to transact business in the District. Each agent or broker so licensed shall pay to the Collector of Taxes, through the Commissioner, on February 1st and August 1st of each year, a sum equal to 2 per centum of the amount of the gross premiums upon all kinds of policies procured by him during the immediately preceding 6 months' period ending December 31st and June 30th, respectively, and, in default of such payment, the Commissioner, through the Corporation Counsel, may bring suit to recover the same. Each agent or broker so licensed to procure policies from unauthorized companies shall execute and file with the Department on or before the 10th day of each month an affidavit covering the transactions of the previous calendar month, setting forth:

- (1) The description and location of the insured property or risk, and the name of the assured;
- (2) The amount insured in the policy or contract;
- (3) The gross premiums charged thereon;
- (4) The name of the company whose policy or contract is issued, and the kind or kinds of business effected; and
- (5) That said agent or broker after diligent effort was unable to procure the policies or contracts required to protect the property or risk described in the affidavit from companies duly authorized to transact business in the District.

(b) Each agent or broker so licensed to procure policies from unauthorized companies shall keep a separate account of the business transacted thereunder, which shall be open at all times to the inspection of the Commissioner. The license provided for in this section may be revoked or renewal thereof refused for failure to pay the tax or to file the affidavit specified herein, or if the agent or broker procured policies from unauthorized companies without exercising diligent effort to secure the required business in duly authorized companies, or if the agent or broker procured policies from unauthorized companies whose standards of solvency and management do not meet the requirements necessary for the protection of the policyholders, or if the agent or broker has placed with any unauthorized company any risk which could be placed with an authorized company except for abnormal provisions of the policy, or if the agent or broker has procured from an unauthorized company any policy which covers a risk of a class generally covered in the District by authorized companies and which authorized companies would cover at a rate not higher than that charged by authorized companies on other District risks of the same class.

(Oct. 9, 1940, 54 Stat. 1080, ch. 972, ch. II, § 40; Apr. 22, 1944, 58 Stat. 192, ch. 173, § 4; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730; May 13, 2008, D.C. Law 17-155, § 3, 55 DCR 3683.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1544.

1973 Ed., § 35-1344.

Effect of Amendments

D.C. Law 17-155, in subsec. (a), substituted "A person may be licensed as a surplus lines insurance producer under Chapter 11A of this title," for "Any agent or broker licensed in the District may, upon payment of a license fee, as provided under § 31-2502.41, be licensed".

Legislative History of Laws

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

For Law 17-155, see notes following § 31-1131.02.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

Office of Collector of Taxes abolished: See Historical and Statutory Notes following § 31-2502.03.

§ 31-2502.41. LICENSE FEES.

(a) Annual fees to be paid through the Commissioner to the District of Columbia for licenses issued under this chapter shall include a \$250 annual renewal fee for registration and certification for Risk Retention and Purchasing Groups and any other fee established pursuant to subsection (e) of this section.

(b) Repealed.

(c) Repealed.

(d) Repealed.

(e) The Commissioner may promulgate rules to establish and amend all producer and license fees.

(Oct. 9, 1940, 54 Stat. 1081, ch. 792, ch. II, § 41; Feb. 23, 1980, D.C. Law 3-52, § 6, 27 DCR 26; June 14, 1994, D.C. Law 10-128, § 403(a), 41 DCR 2096; Apr. 18, 1996, D.C. Law 11-110, § 61(a), 43 DCR 530; May 21, 1997, D.C. Law 11-268, § 10(r)(2), 44 DCR 1730; Mar. 24, 1998, D.C. Law 12- 81, § 29(c), 45 DCR 745; Mar. 8, 2007, D.C. Law 16-232, § 202(c), 54 DCR 368.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1545.

1973 Ed., § 35-1345.

Effect of Amendments

D.C. Law 16-232 rewrote subsecs. (a) and (e), and repealed subsec. (b) to (d). Prior to amendment, this section read as follows:

"(a) Annual fees to be paid through the Commissioner to the District of Columbia for licenses issued under this chapter shall be as follows:

"(1) For policy-writing agent or for firms, partnerships, or corporations licensed as such, \$100, renewal fee, \$100, without regard to the number of companies represented; provided, that, in the case of firms, partnerships, and corporations, an additional fee of \$10 shall be charged for each person in excess of 2 who is named in such license as required under 31-2502.32;

"(2) For soliciting agent, \$50 for each company, renewal fee, \$50 represented by such soliciting agent, or for each company represented by any policy-writing agent through which such soliciting agent solicits; provided, that no soliciting agent shall be required to pay for soliciting agents' licenses a sum in excess of \$100 for any 1 licensing year;

"(3) For salaried company employee authorized to sign policies and to solicit insurance, \$75, without regard to the number of companies represented by such salaried company employee;

"(4) For salaried company employee authorized to solicit but not authorized to sign policies, \$50 for each company represented by said employee; provided, that the aggregation of such fees shall not exceed \$100 for any 1 license year;

"(5) For nonresident or resident brokers, \$100, with an annual fee of \$100, except that the fee shall be \$10 in case the applicant for a resident broker's license is subject also to the fee prescribed under paragraph (1) or (3) of this subsection;

"(6) For license to procure lines in unauthorized companies, \$100, with an annual renewal fee of \$100;

"(7) For new appointment fees, salaried company employees without broker privileges, a fee of \$75; salaried company employees with broker privileges, a fee of \$85, annual renewal fee of \$85;

"(8) For rule filings or change, \$25 fee; and

"(9) For registration and certification for Risk Retention and Purchasing Groups, \$250 annual renewal fee.

"(b) Under the license issued to any policy-writing agent or salaried company employee, or in the name of any firm, partnership, or corporation as provided under 31-2502.32, and for which license a fee has been paid in accordance with paragraph (1) or (3) of subsection (a), there may be added names of persons who are employed in or who actively function through the District office of the policy-writing agent, salaried company employee, or firm, partnership, or corporation, and who have company authority to sign but not to solicit policies. For such persons there shall be charged a fee of \$2 per year for each company whose policies such person is authorized to sign.

"(c) Broker's licenses may be issued in the names of individuals, firms, partnerships, or corporations. In the case of firms, partnerships, or corporations, the authority to solicit shall extend only to the individuals who are designated in the license and in the application therefor as having authority to solicit, and there shall be charged for each such individual in excess of 2 an additional fee of \$10.

"(d) Licenses to procure lines in unauthorized companies shall be issued in the names of individuals only.

"(e) The Mayor has the authority to amend all fees referred to in this chapter by way of rulemaking. The proposed rules shall be submitted to the Council for a 45-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the proposed rules, in whole or in part, by resolution within the 45-day review period, the proposed rules shall be deemed approved. Nothing in this section shall affect any requirements imposed upon the Mayor by subchapter I of Chapter 5 of Title 2."

Legislative History of Laws

For legislative history of D.C. Law 3-52, see Historical and Statutory Notes following § 31-2502.14.

Law 10-128, the "Omnibus Budget Support Act of 1994," was introduced in Council and assigned Bill No. 10-575, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on March 22, 1994, and April 12, 1994, respectively. Signed by the Mayor on April 14, 1994, it was assigned Act No. 10-225 and transmitted to both Houses of Congress for its review. D.C. Law 10-128 became effective on June 14, 1994.

Law 11-110, the "Technical Amendments Act of 1996," was introduced in Council and assigned Bill No. 11-485, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on December 5, 1995, and January 4, 1996, respectively. Signed by the Mayor on January 26, 1996, it was assigned Act No. 11-199 and transmitted to both Houses of Congress for its review. D.C. Law 11-110 became effective on April 18, 1996.

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

For legislative history of D.C. Law 12-81, see Historical and Statutory Notes following § 31-2502.11.

For Law 16-232, see notes following § 31-231.

Miscellaneous Notes

Department of Insurance abolished: See Historical and Statutory Notes following § 31-2501.03.

§ 31-2502.42. VIOLATIONS OF PROVISIONS.

(a) Any person who violates any of the provisions of this chapter, or fails to comply with any duty imposed upon such person by any of the provisions of this chapter, for which violation or failure no penalty is elsewhere provided by this chapter, or by the laws of the District, shall, upon conviction thereof, be fined for each offense not exceeding \$1,000 or be imprisoned for not more than 12 months, or both. Prosecutions authorized by this section shall be upon information filed in the Superior Court of the District of Columbia by the Corporation Counsel or any of his assistants.

(b) Civil fines, penalties, and fees may be imposed as alternative sanctions for any infraction of the provisions of this chapter, or any rules or regulations issued under the authority of this chapter, pursuant to Chapter 18 of Title 2. Adjudication of any infraction of this chapter shall be pursuant to Chapter 18 of Title 2.

(Oct. 9, 1940, 54 Stat. 1082, ch. 792, ch. II, § 43; Apr. 1, 1942, 56 Stat. 190, ch. 207, § 1; July 8, 1963, 77 Stat. 77, Pub. L. 88-60, § 1; July 29, 1970, 84 Stat. 570, Pub. L. 91-358, title I, § 155(a); Oct. 5, 1985, D.C. Law 6-42, § 447(c), 32 DCR 4450; Mar. 8, 1991, D.C. Law 8-237, § 2(r)(3), 38 DCR 314.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-1546.

1973 Ed., § 35-1347.

For legislative history of D.C. Law 8-237, see Historical and Statutory Notes following § 31-2502.03.

**§§ 31-2502.43 TO 31-2502.45. APPEALS FROM COMMISSIONER TO MAYOR;
COURT PROCEEDINGS; SEVERABILITY.[REPEALED]**

(April 9, 1997, D.C. Law 11-227, § 16(c), 44 DCR 140.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., §§ 35-1547 to 35-1549.

Legislative History of Laws

For legislative history of D.C. Law 11-227, see Historical and Statutory Notes following § 31-2502.30.

For legislative history of D.C. Law 11-268, see Historical and Statutory Notes following § 31-2501.03.

Editor's Notes

Former § 35-1547 [1981 Ed.] was also amended by D.C. Law 11-268, § 10(r)(2), eff. May 21, 1997. D.C. Law 11-268 amended former § 35-1547 [1981 Ed.] by substituting "Commissioner" for "Superintendent" in the first sentence.

Miscellaneous Notes

D.C. Law 11-268, § 10(r)(2) (44 DCR 1730), eff. May 21, 1997, amends § 35-1547 [1981 Ed.] subsequent to repeal.