

DISTRICT OF COLUMBIA
OFFICIAL CODE

TITLE 31.
INSURANCE AND SECURITIES.

CHAPTER 2A.
UNAUTHORIZED ENTRIES.

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CHAPTER 2A. UNAUTHORIZED ENTRIES.

§ 31-231. UNAUTHORIZED ENTITIES.

No person shall act as an insurer, or engage in any other activity, directly or indirectly, which is regulated in acts codified in Chapters 1 through 55 of this title unless performed within the scope of a certificate of authority issued by the Commissioner as provided by this chapter. The prohibitions in this chapter shall not apply to persons or entities engaging in activity pursuant to §§ 31-2502.39 and 31-2502.40.

(Mar. 8, 2007, D.C. Law 16-232, § 102, 54 DCR 368.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

Law 16-232, the "Department of Insurance, Securities and Banking Omnibus Amendment Act of 2006", was introduced in Council and assigned Bill No. 16-350, which was referred to Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on November 14, 2006, and December 5, 2006, respectively. Signed by the Mayor on December 28, 2006, it was assigned Act No. 16-588 and transmitted to both Houses of Congress for its review. D.C. Law 16-232 became effective on March 8, 2007.

§ 31-232. AIDING OR ASSISTING.

No person shall aid or assist another person in unauthorized activity proscribed by § 31-231, including selling, soliciting, or negotiating for applications, policies, memberships, or other business.

(Mar. 8, 2007, D.C. Law 16-232, § 103, 54 DCR 368.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

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

§ 31-233. INVESTIGATIONS AND ADMINISTRATIVE AND JUDICIAL ENFORCEMENT.

(a) The Commissioner may make public or private investigations inside or outside of the District as he considers necessary to determine whether a person has violated, or is about to violate, any provision of this chapter, or any rule or order hereunder, to aid in the enforcement of this chapter, or to aid in the prescribing of rules and forms to implement this chapter.

(b) If the Commissioner determines that a person has engaged, is engaging, or is about to engage in any activity prohibited by this chapter or any rule or order adopted under this chapter, and that immediate action against such person is in the public interest, the Commissioner may issue a summary order directing the person to cease and desist from engaging in such activity; provided, that the summary cease and desist order shall give the person:

(1) Notice of the opportunity for a hearing before the Commissioner to determine whether the summary cease and desist order should be vacated, modified, or entered as final, and that the hearing shall be conducted according to the rules for contested cases set forth in Chapter 38 of Title 26 of the District of Columbia Municipal Regulations; and

(2) Notice that the summary cease and desist order will be entered as final if the person does not request a hearing within 15 days of service of the order as provided in Chapter 5 of Title 2.

(c) If the Commissioner determines after a hearing, unless the right to a hearing is waived, that a person has engaged in any activity prohibited by this title or any rule or order adopted under this chapter, the Commissioner may, in addition to any other action in which he is authorized:

(1) Issue a cease and desist order against the person;

- (2) Bar the person from engaging in the business of insurance;
- (3) Issue an order against the person imposing a civil fine not exceeding the greater of \$10,000 per day of violation or twice the amount of money received by reason of the violation;
- (4) Issue an order for restitution and any other actual loss or damage incurred by other persons; and
- (5) Issue an order for payment of costs of the proceedings and reasonable expenses of any investigation.

(d) A person aggrieved by the Commissioner's order may appeal to the District of Columbia Court of Appeals pursuant to Chapter 5 of Title 2.

(e) The Commissioner may request the Office of the Attorney General to seek judicial enforcement of any Commissioner's Order entered against such person as provided in this chapter.

(f) Administrative and judicial enforcement instituted by the Commissioner or the Office of the Attorney General under this chapter shall not bar governmental actions pursuant to other provisions of law, including criminal investigation and prosecution.

(g) For purposes of an investigation or proceeding under this chapter, the Commissioner may administer oaths and affirmations, subpoena witnesses and compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the Commissioner deems relevant or material to the inquiry.

(h) In case of contumacy by, or refusal to obey a subpoena issued to, a person, the Superior Court of the District of Columbia, upon application by the Commissioner, may issue to the person an order requiring the person to appear before the Commissioner to produce documentary evidence, or to give evidence touching the matter under investigation or in question. Failure to obey the order of the court may be punished as a contempt of court.

(i) Persons damaged by any activity prohibited by this chapter shall have a private cause of action for damages, including attorneys' fees, and any other remedies provided by law.

(Mar. 8, 2007, D.C. Law 16-232, § 104, 54 DCR 368.)

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