



2019 MAR 27 PM 3:45  
OFFICE OF THE  
SECRETARY

**MURIEL BOWSER**  
MAYOR

MAR 27 2019

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, DC 20004

Dear Chairman Mendelson:

I am transmitting to the Council of the District of Columbia for its consideration and enactment, the "Unfair Insurance Trade Practices Enhancement Amendment Act of 2019. The purpose of the Bill is to amend the Insurance Trade and Economic Development Amendment Act of 2000 to adopt an updated definition of the term "unfair trade practices" that incorporates actions committed in conscious disregard of the law.

This amendment will provide the Department of Insurance, Securities and Banking with increased ability to protect consumers from unfair or deceptive acts, and unfair methods of competition. The change is consistent with the National Association of Insurance Commissioners ("NAIC") unfair trade practices model act, which has been adopted by the District of Columbia, and more than 40 states across the country.

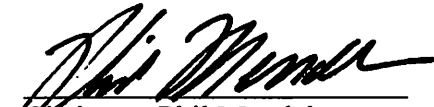
Accordingly, I urge the Council to act favorably and expeditiously on the proposed Bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser".

Muriel Bowser

Enclosures

  
Chairman Phil Mendelson  
at the request of the Mayor

A BILL

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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Chairman Phil Mendelson, at the request of the Mayor, introduced the following bill,  
which was referred to the Committee \_\_\_\_\_.

To amend the Insurance Trade and Economic Development Amendment Act of 2000 to  
adopt an updated definition of the term “unfair trade practices” that incorporates  
acts committed in conscious disregard of the act.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,  
That this Act may be cited as the “Unfair Insurance Trade Practices Enhancement  
Amendment Act of 2019”.

Sec. 2. The Insurance Trade and Economic Development Amendment Act of  
2000, effective April 3, 2001 (D.C. Law 13-265; D.C. Official Code § 31-2231.01 *et*  
*seq.*), is amended as follows:

(a) Section 101(9) (D.C. Official Code § 31-2231.01(9)), is amended to read as  
follows:

“(9) “Unfair trade practices” means the commission of any one or more of  
the acts prohibited by sections 102 through 121, if:

“(A) Such acts are committed flagrantly and in conscious disregard  
of this act or any rules promulgated hereunder; or

36                               “(B) Such acts are committed with such frequency to indicate a  
37 general business practice to engage in that type of conduct.”.

38               (b) Section 117 (D.C. Official Code § 31-2231.17), is amended as follows:

39                       (1) The lead-in language to subsection (a) is amended to read as follows:

40               “(a) Any of the following acts by an insurer, if committed flagrantly and in  
41 conscious disregard for the act or with such frequency to indicate a general business  
42 practice, shall constitute an unfair trade practice:”.

43                       (2) The lead-in language to subsection (b) is amended to read as follows:

44               “(b) Any of the following acts by an insurer, if committed flagrantly and in  
45 conscious disregard for the act or with such frequency to indicate a general business  
46 practice, shall constitute an unfair trade practice:”.

47               Sec. 3. Fiscal impact statement.

48               The Council adopts the fiscal impact statement in the committee report as the  
49 fiscal impact statement required by section 4a of the General Legislative Procedures Act  
50 of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

51               Sec. 4. Effective date.

52               This act shall take effect following approval by the Mayor (or in the event of veto  
53 by the Mayor, action by the Council to override the veto), a 30-day period of  
54 congressional review as provided in section 602(c)(1) of the District of Columbia Home  
55 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-206.02(c)(1)), and  
56 publication in the District of Columbia Register.

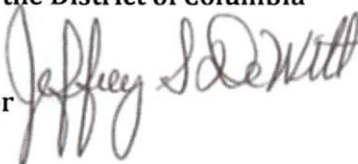
Government of the District of Columbia  
Office of the Chief Financial Officer



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** January 30, 2019

**SUBJECT:** Fiscal Impact Statement – Unfair Insurance Trade Practices  
Enhancement Amendment Act of 2019

**REFERENCE:** Draft Bill as shared with the Office of Revenue Analysis on January 24,  
2019

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**Conclusion**

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

**Background**

The bill clarifies the definition of an unfair trade practice to include flagrant and conscious disregard for laws and rules governing insurance trade practices. Unfair trade practices are currently defined as practices prohibited by Title II of the Insurance Trade and Economic Development Amendment Act<sup>1</sup> that occur with a level of frequency that indicate the illicit conduct is a general business practice.

**Financial Plan Impact**

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The bill enhances the Department of Insurance, Securities, and Banking's (DISB) efforts to enforce unfair insurance trade practices. DISB can absorb any additional enforcement activities within its existing budget.

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<sup>1</sup> Effective April 3, 2001 (D.C. Law 13-265; D.C. Official Code § 31-2231.01 et seq.).

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Attorney General



ATTORNEY GENERAL  
KARL A. RACINE

Legal Counsel Division

**MEMORANDUM**

**TO:** Alana Intrieri  
Executive Director  
Office of Policy & Legislative Affairs

**FROM:** Arthur J. Parker  
Acting Deputy Attorney General  
Legal Counsel Division

**DATE:** February 13, 2019

**SUBJECT:** Legal Sufficiency Review of Draft Bill, the “Unfair Insurance Trade Practices Enhancement Amendment Act of 2019”  
(AE-19-089)

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**This is to Certify that** this Office has reviewed the above-referenced draft bill and found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-5565.

A handwritten signature in black ink that reads "Arthur J. Parker". The signature is written in a cursive, flowing style.

Arthur J. Parker