

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on a temporary basis, the Universal Paid Leave Amendment Act of 2016 to prohibit insurers, other than self-insured employers and insurers acting as third-party administrators for self-insured employers, from reducing short-term disability benefits based on actual or estimated paid leave benefits, and to authorize administrative and civil enforcement against insurers, other than self-insured employers and insurers acting as third-party administrators for self-insured employers, that violate the prohibition; and to amend Title I of the Insurance Trade and Economic Development Amendment Act of 2000 to make offsetting or reducing benefits under a short-term disability insurance policy based on estimated or actual benefits received under the Universal Paid Leave Amendment Act of 2016 enforceable under that law.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Short-term Disability Insurance Benefit Protection Temporary Amendment Act of 2021”.

Sec. 2. The Universal Paid Leave Amendment Act of 2016, effective April 7, 2017 (D.C. Law 21-264; D.C. Official Code § 32-541.01 *et seq.*), is amended as follows:

(a) Section 101 (D.C. Official Code § 32-541.01) is amended as follows:

(1) A new paragraph (8A) is added to read as follows:

“(8A) “Insurer” shall have the same meaning as provided in section 101(7) of the Insurance Trade and Economic Development Amendment Act of 2000, effective April 2, 2001 (D.C. Law 13-265; D.C. Official Code § 31-2231.01(7)).”.

(2) A new paragraph (19A) is added to read as follows:

“(19A) “Self-insured employer” means an employer that uses its own resources, rather than providing benefits directly through an insurance contract with a third-party insurer, to pay its employees’ family, medical, short-term disability, or related leave benefits (“leave benefits”) and includes an employer that contracts with a third-party insurer to administer its leave benefits program.”.

(b) Section 107 (D.C. Official Code § 32-541.07) is amended by adding a new subsection (j) to read as follows:

“(j)(1) An insurer may not offset or reduce benefits or income available to an eligible individual under a temporary or short-term disability insurance policy or contract-provided by an insurer based on estimated or actual payment of benefits under this act.

“(2) Paragraph (1) of this subsection shall not apply to the actions of a self-insured employer or to the actions of an insurer to the extent the insurer is acting on behalf of a self-insured employer as a third-party administrator for the self-insured employer.”.

(c) Section 108(e) (D.C. Official Code § 32-541.08(e)) is amended by striking the period and inserting the phrase “; except, that complaints arising from a violation of section 107(j) shall be filed with the Department of Insurance, Securities, and Banking for resolution pursuant to Title I of 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.*)” in its place.

(d) Section 112(a) (D.C. Official Code § 32-541.12(a)) is amended to read as follows:

“(a) Subject to the provisions in subsection (b) of this section, an eligible individual, the Attorney General for the District of Columbia, or the Mayor may bring a civil action against an employer to enforce the provisions of this act in a court of competent jurisdiction; except, that a civil action for a violation of section 107(j) may only be brought against an insurer and may not be brought against an employer or self-insured employer.”.

Sec. 3. Title I of the Insurance Trade and Economic Development Amendment Act of 2000, effective April 2, 2001 (D.C. Law 13-265; D.C. Official Code § 31-2231.01 *et seq.*), is amended by adding a new section 120a to read as follows:

“Sec. 120a. Prohibition on offsetting short-term disability benefits.

“(a) No insurer may offset or reduce benefits or income available to an individual under a temporary or short-term disability insurance policy based on estimated or actual benefits the individual may or does receive under the Universal Paid Leave Amendment Act of 2016, effective April 7, 2017 (D.C. Law 21-264; D.C. Official Code § 32-541.01 *et seq.*)”.

“(b) Subsection (a) of this section shall not apply to the actions of a self-insured employer or to the actions of an insurer to the extent the insurer is acting on behalf of a self-insured employer as a third-party administrator for the self-insured employer.

“(c) For the purposes of this section, the term “self-insured employer” shall have the same meaning as provided in section 101(19A) of the Universal Paid Leave Amendment Act of 2016 effective April 7, 2017 (D.C. Law 21-264; D.C. Official Code § 32-541.01 *et seq.*)”.

Sec. 4. Fiscal impact statement.

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

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Sec. 5. Effective date.

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

(b) This act shall expire after 225 days of its having taken effect.

Chairman
Council of the District of Columbia

Mayor
District of Columbia