

AN ACT

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To amend An Act to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes, to change the private passenger or non-commercial motor vehicle and homeowner insurance rate filing standard from file and use to prior approval with a 90-day review period, to require notice and opportunity for a hearing before a rate filing is determined to be excessive or unfairly discriminatory, and, beginning on September 1, 2023, to require an insurer to provide an insured written notice before renewal of a policy.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Motor Vehicle and Homeowner Insurance Prior Approval Rate Filing Amendment Act of 2023”.

Sec. 2. An Act To provide for regulation of certain insurance rates in the District of Columbia, and for other purposes, approved May 20, 1948 (62 Stat. 243; D.C. Official Code §§ 31-2701 *et seq.*), is amended follows:

(a) Section 3(f)(2) (D.C. Official Code § 31-2703(f)(2)) is amended to read as follows:

“(2)(A)(i) Every final rate or premium charge proposed to be used by any private passenger or non-commercial motor vehicle insurer or homeowner insurer shall be filed with the Commissioner and shall be adequate, not excessive, and not unfairly discriminatory. Before a private passenger or non-commercial motor vehicle or homeowner rate filing shall become effective, the Commissioner shall have the authority to determine within 90 days after the filing date that a rate is excessive if the rate is unreasonably high for the insurance provided and is not actuarially justified based on commonly accepted actuarial principles.

“(ii) In determining whether a rate complies with the standards under this subsection, due consideration shall be given to past and prospective loss experience within and outside the District, a reasonable margin for underwriting profit and contingencies, dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders or members or subscribers, past and prospective expenses, both nationwide and in the District, and investment income earned or realized by insurers both from their unearned premiums and from their loss reserve funds.

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“(B)(i) If the Commissioner does not make a determination on a proposed rate within the 90-day period, the rate shall be deemed approved.

“(ii) If the Commissioner determines, within the 90-day review period, that a private passenger or non-commercial motor vehicle or homeowner rate may be excessive or unfairly discriminatory, the Commissioner shall provide the insurer with notice of the determination and the reasons for the determination and an opportunity for a hearing.

“(iii) A hearing must be requested by the insurer within 15 days after the notice is provided to the insurer by the Commissioner. A hearing shall be held by the Commissioner within 60 days after a written request is timely received from the insurer and the Commissioner shall issue a final order within 30 days after the close of the hearing record.

“(iv) The cost of the hearing shall be borne by the insurer requesting the rate increase.

“(C) Beginning on September 1, 2023, or such later date as determined by the Commissioner, the private passenger or non-commercial motor vehicle insurer or homeowner insurer shall provide the insured written notice at least 45 days, and not more than 90 days, before renewal of the policy. If the insurer fails to provide written notice at least 45 days before the end of the current term of the policyholder’s policy, the insurer shall wait until the end of the subsequent term of the policyholder’s policy to implement the rate or premium increase.”

(b) Section 4(c)(2)(A)(ii) (D.C. Official Code § 31-2704(c)(2)(A)(ii)) is amended to read as follows:

“(ii) The order is made after the prescribed investigation and hearing and within 30 days after the filing of rates affected, except as otherwise permitted by section 3(f)(2).”

**Sec. 3. Fiscal impact statement.**

The Council adopts the fiscal impact statement in the committee report 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).

**Sec. 4. Effective date.**

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

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December 24, 1973 (87 Stat. 813; D.C. Code § 1-206(c)(1)), and publication in the District of Columbia Register.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia