

A RESOLUTION

24-590

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

July 12, 2022

To declare the existence of an emergency with respect to the need to amend the Law on Credit for Reinsurance Act of 1993 to allow insurers to receive credit when reinsurance is ceded to an assuming insurer that meets certain requirements and grant the Commissioner of the Department of Insurance, Securities, and Banking additional rulemaking authority to implement the new requirements.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Credit for Reinsurance Emergency Declaration Resolution of 2022”.

Sec. 2. (a) The Credit for Reinsurance Amendment Act of 2022 amends the Credit for Reinsurance Amendment Act of 1993 to incorporate the most recent National Association of Insurance Commissioner accreditation requirements to allow insurers to receive credit when reinsurance is ceded to an assuming insurer under certain conditions and grant the Commissioner additional rulemaking authority. Maintaining accreditation with the National Association of Insurance Commissioners is critical for the District to maintain sovereignty of its insurance regulations and continue to protect the District from potentially dangerous insurance practices. The District Council has until September 1 to adopt this legislation; otherwise, the District will lose its accreditation and its ability to create and enforce its own insurance regulations. The District would be at the mercy of the federal government to create timely, adaptable federal regulations in an ever-changing insurance environment, forfeiting sovereignty over insurance issues and damaging the District’s ability to tailor insurance regulations to specific District-related concerns. It is critical emergency legislation be passed to protect District residents.

(b) The Credit for Reinsurance Amendment Act of 2022, as approved by the Committee on Business and Economic Development on July 6, 2022 (Committee print of Bill 24-441) (“Bill 24-441”), which is scheduled for its first reading on July 12, 2022, needs to complete the legislative process, including the 30-day review period required by 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 will not be law by September 1.

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(c) It is important that the provisions of Bill 24-441 be in effect on September 1, 2022.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Credit for Reinsurance Emergency Amendment Act of 2022 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.