



2017 SEP 18 AM 9:01
OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

September 18, 2017

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, DC 20004

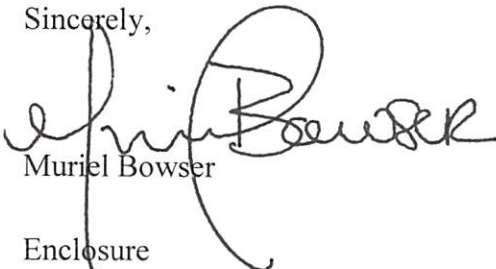
Dear Chairman Mendelson:

Enclosed for consideration by the Council of the District of Columbia is the "Captive Insurance Agency Amendment Act of 2017". The proposed bill would authorize the Captive Insurance Agency to procure liability insurance; define the terms "liability insurance", "personal property insurance", "personal property asset" and; amends the definition of "real property insurance".


The proposed bill also provides that it shall not, in any way, be construed to limit or constitute a waiver of the District's sovereign immunity or common-law defenses to litigation or claims that may be covered by insurance.

In order to facilitate a response to any questions you may have regarding this proposed legislation, please have your staff contact Jed I. Ross, Chief Risk Officer, Office of Risk Management, 441 4th Street, NW, Suite 800 South, Washington, DC 20001, at (202) 727-3475. I look forward to a favorable consideration of this Bill.

Sincerely,


Muriel Bowser

Enclosure


Chairman Phil Mendelson
at the request of the Mayor

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A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Medical Liability Captive Insurance Agency Establishment Act of 2008 to authorize the Captive Insurance Agency to procure liability, personal property and other policies of insurance for the District in order to reduce the risk of loss.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,
That this act may be cited as the “Captive Insurance Agency Amendment Act of 2017”.

Sec. 2. The Medical Liability Captive Insurance Agency Establishment Act of 2008, effective July 18, 2008 (D.C. Law 17-196; D.C. Official Code § 1-307.81 *et seq.*) is amended as follows:

(a) Section (2) (D.C. Official Code § 1-307.81) is amended as follows:

(1) Paragraph 4A) is redesignated as paragraph (4B).

(2) A new paragraph (4A) is added to read as follows:

“(4A) “District personal property asset” means any property that is owned by the District that is not a District real property asset.”.

(3) Paragraph (8A) is redesignated as paragraph (8B).

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

“(8A) “Liability insurance” means insurance paying, or rendering a service on behalf of, an insured for loss arising out of a legal liability to others.”.

(5) Paragraph (9A) is redesignated as paragraph (9B) and amended to read as follows:

“(9B) “Real property insurance” means an insurance policy that protects against risks to real property such as earthquakes, floods, acts of terrorism, fire, boiler or machinery failures, business interruptions, pollution, debris removal, and weather damage.”.

(6) A new paragraph (9A) is added to read as follows:

32 “(9A) “Personal property insurance” means an insurance policy that protects against risks to
33 personal property.”

34 (b) Section 3(b)(2) (D.C. Official Code § 1-307.82(b)(2)) is amended to read as follows:

35 “(2) Procure real property insurance for District real property assets, personal property
36 insurance for District personal property assets, liability insurance to protect the District against loss arising
37 out of a legal liability, and such other insurance as the Risk Officer determines necessary to minimize risk of
38 loss to the District.”

39 (c) Section 4 (D.C. Official Code § 1-307.83) is amended as follows:

40 (1) Subsection (a)(1)(4A) is amended to read as follows:

41 “(4A) Procure policies of real property insurance, personal property insurance, and
42 liability insurance to reduce the risk of loss to the District.”.

43 (2) New subsection (c) is added to read as follows:

44 “(c) Nothing in this act shall be construed to limit or constitute a
45 waiver of the District’s sovereign immunity or common-law defenses to litigation or claims that may be
46 covered by insurance.”.

47 (d) Section 6(i)(2A) (D.C. Official Code § 1-307.85(i)(2A)) is amended
48 to read as follows:

49 “(2A) Assess the needs and interests of the District with respect to procuring insurance
50 through the Agency.”.

51 (e) Section 8(b)(4A) (D.C. Official Code § 1-307.87(b)(4A)) is repealed.

52 (f) Section 11(a) (D.C. Official Code § 1-307.90(a)) is amended to read as follows:

53 “(a) The Agency shall offer health centers medical malpractice insurance that is
54 consistent with coverage offered in the market.”.

55 (g) The heading of section 12 (D.C. Official Code § 1-307.91) is amended to read as follows:

56 “Sec.12. Establishment of the Captive Trust Fund.”

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

58 The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement
59 required by section 4a of the District of the General Procedures Act of 1975, approved October 16, 2006
60 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

61 **Sec. 4. Effective Date.**

62 This Act shall take effect following approval of the Mayor (or in the event of a veto by the Mayor,
63 action by the Council to override the veto), and a 30-day period of congressional review as provided in
64 section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813;
65 D.C. Official Code § 1-206.02(c)(1), and 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: September 11, 2017

SUBJECT: Fiscal Impact Statement – Captive Insurance Agency Amendment Act of 2017

REFERENCE: Draft bill provided to the Office of Revenue Analysis on August 29, 2017

Conclusion

Funds are sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the proposed bill.

Background

The bill expands the insurance products that may be purchased through the Captive Insurance Agency by the Chief Risk Officer (CRO) to include general liability insurance and other insurance the CRO determines is necessary to minimize risk of loss to the District. Currently, the law only specifically authorizes medical malpractice insurance, real property insurance and personal property insurance.

Financial Plan Impact

Funds are sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the proposed bill. Expanding the type of insurance that may be purchased does not have a fiscal impact as the agency's purchase of the insurance is limited to funding available in the Captive Trust Fund.¹

¹ Section 1032 of the Captive Insurance Agency Amendment Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 1-307.82(c)).

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General

ATTORNEY GENERAL
KARL A. RACINE



Legal Counsel Division

MEMORANDUM

TO: Lolita S. Alston
Deputy Director
Office of Legislative Support

FROM: Janet M. Robins
Deputy Attorney General
Legal Counsel Division

DATE: August 29, 2017

SUBJECT: Draft Legislation, the "Captive Insurance Agency Amendment Act of 2017"
(AE-17-011-E)

This is to Certify that this Office has reviewed the above-referenced draft legislation and found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-5524.


Janet M. Robins