

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** June 8, 2001

**SUBJECT:** Fiscal Impact Statement: “District of Columbia Homeowners’  
Insurance Availability Act of 2001”

**REFERENCE:** Bill Number 14-056 as Introduced

---

**Conclusion**

Funds are sufficient in the FY 2001 budget and the FY 2002 through FY 2005 budget and financial plan because no additional staff or resources will be required to implement the components of the proposed legislation and there will be no reduction in existing General Fund revenue.

The proposed legislation will result in increased insurance premiums for existing homeowners in the District of Columbia. By requiring the District’s insurance providers to accept and insure persons and properties of increased risk, costs for coverage will be globally increased as the underwriters pass all costs and risks on to the consumer.

**Background**

The proposed legislation amends the Insurance Placement Act of 1968 to require that standard homeowners insurance be offered to persons whose residential property is insured under the District’s Insurance Placement Facility. Under the provisions of the proposed legislation “homeowners insurance” is defined as an issued insurance policy that provides a combination of coverage that includes fire, extended coverage options, vandalism, malicious mischief, burglary, theft, and personal liability.

### **Financial Plan Impact**

Because this legislation institutes an internal policy change that has no material impact on the cost of services provided by the District of Columbia and has no effect on General Fund revenue, this provision has no fiscal impact. The proposed legislation will have economic impacts for the existing community of insured homeowners in the District of Columbia.