

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 12, 2001

SUBJECT: Fiscal Impact Statement: "Producer Licensing Act of 2001"

REFERENCE: Bill 14-223 as Introduced

Conclusion

Funds are sufficient in the District's FY 2001 budget and the FY 2002 through FY 2005 proposed budget and financial plan to support the changes proposed by this legislation. This legislation imposes no additional costs on the District and will generate no immediate savings.

Background

This bill repeals and supplants the Insurance Agents and Brokers Licensing Revision Act of 1996 to streamline the approval process for insurance producers' licenses by adopting application forms and procedures that comply with national norms and standards. The updated legislation facilitates the adoption of new technology for insurance licensing, reduces the costs associated with issuing and renewing those licenses, and simplifies and organizes the statutory language of the original bill. The bill also requires that insurers issue a report to the Commissioner indicating the termination of a producer by an insurer, whether with or without cause.

This bill is necessary to comply with the provisions of the Financial Services Modernization Act of 1999 (Gramm-Leach-Bliley) which requires states to provide reciprocity treatment to non-resident agents and brokers.

Financial Plan Impact

Funds are sufficient in the FY 2001 budget and the FY 2002 through FY 2005 proposed budget and financial plan because the proposed legislation does not create any additional costs or generate immediate savings. Additional staff and resources will not be needed to implement the provisions of the proposed legislation.