


Government of the District of Columbia  
Office of the Chief Financial Officer



**Glen Lee**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Glen Lee  
Chief Financial Officer 

**DATE:** October 16, 2023

**SUBJECT:** Fiscal Impact Statement – Motor Vehicle and Homeowner Insurance  
Prior Approval Rate Filing Amendment Act of 2023

**REFERENCE:** Draft bill as provided to the Office of Revenue Analysis on October 10,  
2023

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**Conclusion**

Funds are sufficient in the fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill.

**Background**

The Department of Insurance, Securities and Banking (DISB) approves rate adjustments from insurers to ensure they are adequate, not excessive, and not unfairly discriminatory. For motor vehicle insurance, DISB allows an insurer to file their new rates and then begin charging those rates prior to DISB approval.

The bill changes that process and expands it to cover homeowner insurers as well. Both motor vehicle and homeowner insurance companies will need to file new rates and wait up to 90 days for DISB to approve or deny the rates. If DISB does not decide on the rates within that time, then the rates are deemed to be approved. An insurer can appeal a DISB decision that rates are excessive or discriminatory.

**Financial Plan Impact**

There is no fiscal impact of the bill on the fiscal year 2024 through fiscal year 2027 financial plan. DISB currently holds hearings for adverse rulings and can absorb any costs associated with holding these hearings prior to authorizing an insurer to impose new rates.