


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:** January 29, 2018

**SUBJECT:** Fiscal Impact Statement – Risk Management and Own Risk and Solvency Assessment Act of 2018

**REFERENCE:** Draft Bill as Shared with the Office of Revenue Analysis on January 26, 2018

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**Conclusion**

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

**Background**

The bill requires certain insurance companies and insurance groups operating in the District to maintain a risk management framework and to annually submit to the Commissioner of the Department of Insurance, Securities and Banking (DISB) a summary of their Own Risk and Solvency Assessments (ORSA). The ORSA summary reports must follow the parameters in the ORSA Guidance Manual established and maintained by the National Association of Insurance Commissioners (NAIC). The DISB Commissioner must keep confidential any ORSA summary reports it receives and must ensure the confidentiality of any documents it subsequently shares with other domestic or foreign regulatory bodies, NAIC, or any associated third-party contractors. The bill, which is NAIC model legislation, provides limited exemptions from the mandatory filing requirement.

**Financial Plan Impact**

Funds are sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill imposes a new reporting requirement on insurance companies and groups in the District, but companies and groups are subject to this reporting in the forty-nine states that adopted the model legislation. The District must pass this legislation to maintain accreditation with NAIC, and DISB can absorb any oversight costs within its existing budget.