

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: February 17, 2026

SUBJECT: Fiscal Impact Statement – Holding Company System Amendment Act of 2026

REFERENCE: Bill 26-426, as Introduced on October 8, 2025

Conclusion

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill.

Background

The Department of Insurance, Securities, and Banking (DISB) regulates the District's financial services environment, including insurance companies, investment advisors, broker-dealers, District-chartered banks, lenders, and other financial services institutions engaging with District consumers. In its role as the District's insurance commissioner, DISB often adopts model insurance legislation developed by the National Association of Insurance Commissioners (NAIC) to support state insurance commissioners and ensure insurance companies are not burdened by inconsistent laws and regulations when operating in different states and jurisdictions. In 2020, NAIC adopted changes to Holding Company laws¹ to establish group capital calculation filing requirements and liquidity stress test reporting. These changes are required to maintain NAIC accreditation as of January 1, 2026.

The bill adopts the 2020 NAIC updates into District law. The bill, and the NAIC model law, also include amendments to District laws around receiverships. The amendments ensure that an insurer's

¹ Holding Company System Act of 1993, effective October 21, 1993 (D.C. Law 10-44; D.C. Official Code § 31-701 et seq.).

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integral or essential affiliate service providers are also covered by a rehabilitator, conservator, or liquidator when the primary insurer is under their control or supervision.

Financial Plan Impact

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. DISB can implement the bill's changes within the agency's existing budgeted resources. The group capital calculation filing and liquidity stress test reporting requirements are necessary for DISB to maintain NAIC accreditation.