


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



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Kwame R. Brown  
Chairman, Council of the District of Columbia

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

**DATE:** February 23, 2012

**SUBJECT:** Fiscal Impact Statement – “Insurance Holding Company Modernization Amendment Act of 2012”

**REFERENCE:** Draft Bill shared with ORA on February 16, 2012

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**Conclusion**

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the bill.

**Background**

The bill would amend the Holding Company System Act of 1993<sup>1</sup> to give the Commissioner of the Department of Insurance, Securities and Banking (“DISB”) additional authority to regulate insurance holding companies. The bill defines “enterprise risk” and requires insurance holding companies to file an annual report with the Commissioner detailing such risks. Owners of insurance companies would be required to provide notice of information pertaining to all mergers, acquisitions and divestments and to provide the companies’ financial statements and other requested information. The bill provides DISB the authority to collaborate with other regulatory agencies in cross-jurisdictional supervisory colleges to examine insurance companies and their holdings in order to understand the risk they pose to the industry.

**Financial Plan Impact**

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the bill. The proposed legislation does not have an impact on the District’s budget and financial plan, and can be implemented with existing resources. DISB does not anticipate an

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<sup>1</sup> Effective October 21, 1993 (D.C. Law 10-44; D.C. Official Code § 31-701 *et seq.*).

The Honorable Kwame R. Brown

FIS: Insurance Holding Company Modernization Amendment Act of 2012, draft bill shared with ORA on February 16, 2012.

increase in the volume of work associated with regulating insurance companies but expects to collect more information through the increased reporting requirements in the bill.