


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:** January 31, 2012

**SUBJECT:** Fiscal Impact Statement – “Title Insurance Clarification Amendment Act of 2012”

**REFERENCE:** Draft Bill shared with OCFO on January 25, 2012

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**Conclusion**

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

**Background**

The bill would amend multiple sections of the D.C. Official Code regarding the regulation of title insurance and health management organizations (“HMOs”) in the District to define the terms “Business entity” and “Individual” and to make clarifications and technical changes. Section 2 of the bill would amend the Title Insurance Producer Act of 2010<sup>1</sup> to establish minimum levels of insurance that title insurance producers must carry. Section 3 of the bill would amend the Title Insurance Insurer Act of 2010<sup>2</sup> to give the Commissioner of Insurance approval authority over policy forms filed with the Commissioner. Section 4 of the bill would amend the Producer Licensing Act of 2002<sup>3</sup> to change licensing and continuing education requirements. Section 5 of the bill would amend the Health Maintenance Organization Act of 1996<sup>4</sup> to change net worth standards for HMOs operating in the District.

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<sup>1</sup> D.C. Law 18-223; D.C. Official Code § 31-5041.01 *et seq.*, effective September 24, 2010.

<sup>2</sup> D.C. Law 18-223; D.C. Official Code § 31-5031.01 *et seq.*, effective September 24, 2010.

<sup>3</sup> D.C. Law 14-264; D.C. Official Code § 31-1131.01 *et seq.*, effective March 27, 2003.

<sup>4</sup> D.C. Law 11-235; D.C. Official Code § 31-3412, effective April 9, 1997.

The Honorable Kwame R. Brown

FIS: "Title Insurance Clarification Amendment Act of 2012," as shared with the OCFO on January 25, 2012.

### **Financial Plan Impact**

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation does not have an impact on the District's budget and financial plan. The Department of Insurance, Securities and Banking can absorb any costs associated with implementation of these changes.