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WEEKLY SUMMARY REPORT

District of Columbia Pending Legislative and Regulatory Activities

Week of: March 4, 2002

Volume 11, Issue No. 9

DC Council Activities

• **DC Council debates DC Budget deficit; enacts health and insurance bills:**

On Tuesday, March 5th, the Council met in both the Committee of the Whole and Legislative Session. The Council is wrestling with the District's deteriorating budget situation. The District faces a \$200+ million deficit. The Council must decide whether to delay implementation of tax deductions under the Tax Parity Act or make spending cuts. The Mayor wants to delay the tax reductions, while the Council wants to move forward with the phased tax reductions. The Council voted to implement the tax reductions. Stay tuned.

► The Council enacted the *Department of Insurance and Securities Regulation Procurement Emergency Act of 2002*. This legislation was needed to give DISR authority to engage consultants to assist DISR in reviewing the CareFirst non-profit conversation and acquisition proposal. This proposal is also being considered by the Maryland and Delaware Insurance Commissioners.

► In the Legislative Session, the Council approved the *Continuation of Health Coverage Act of 2002* (B14-235) and *Insurance Economic Development Amendment Act of 2002* (B14-309). (Both bills were enacted on an emergency basis last December.) These bills go to Second Reading on April 9th. Passage is virtually assured. The Council also adopted the *Securities Amendment Act of 2002*. Councilmember **David Catania** (R, At Large) said DISR's license fees are too much. He claims DISR collects nearly \$8.5 million in fees, far more than the costs incurred by the Securities Bureau to regulate. Surplus fees are paid into the DC General Fund whereas any surplus in the Insurance Trust Fund is applied against future assessments.

► **Mark-up of Prompt Pay:** The Committee on Consumer and Regulatory Affairs will mark-up Bill 14-166, *The Prompt Pay Act of 2002* on Wednesday, March 13th at 10am. Enactment is expected.

• **DCIF gears up for lobbying campaign on Bill 14-209, Uniform Arbitration**

Amendment Act: DC Bill 14-209 comes up for First Reading on April 9th. The bill must be agendized at the March 19th meeting of the Committee of the Whole (COW). DCIF hopes amendments striking the sections on punitive damages and attorney's fees will be introduced at the COW meeting.

End Notes

• **Marion Barry officially enters 2002 election:** Former DC Mayor **Marion Barry** officially announced his plans to run against Councilmember **Phil Mendelson (D)** for an At-large position on the DC Council Barry claims. Mendelson's leadership is "woefully lacking."

• **First Captive Conference held in DC:** The DC Captive Insurance Council held a 1½ day conference on March 7-8. **Commissioner Mirel** gave the keynote address. He welcomed the attendees and described how the District's captive law will promote DC as both a national and world financial services center. DCIF's **Art Perschetz** gave the presentation describing the District's Captive Insurance Law. Attendees came from all parts of the country. For further information on the conference, contact Art at (202) 686-8624) or the DCCIC at (202) 463-8163.

Next Week at a Glance

► **March 12, 10 am – Tort Reform Task Force:** Monthly meeting of Tort Reform Task Force. Agenda includes Bill 14-209, Arbitration Amendment Act and other matters. NCRIC Group, 1115 30th St. NW, Washington DC. Contact Ray Pate, (202) 969-1866.

► **March 12, Capital "I" Day program:** **am:** Key Bridge Marriott, Roslyn Va. Meeting begins at 7:45 am; luncheon and sessions throughout the day.

► **March 13, 10 am – Mark up of Prompt Pay Bill:** DC Council Committee on Consumer and Regulatory Affairs, Room 123, Wilson Building.

► **March 15, 10 am: DCIF Membership Meeting:** The DCIF Membership will meet at Reinsurance Association of America (RAA), 1301 Pennsylvania Ave. NW, Suite 900 (Metro: METRO CENTER). Make sure to RSVP with Larry Berman.

NEXT ISSUE: Week of March 11, 2002.