

COUNCIL OF THE DISTRICT OF COLUMBIA


NOTICE

D. C. LAW 2-123

"Fire and Casualty Act Amendments of 1978"

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 2-252, on first and second readings, June 27, 1978 and July 11, 1978 respectively. Following the signature of the Mayor on August 2, 1978, this legislation was assigned Act 2-254, published in the August 25, 1978, edition of the D.C. Register, (Vol. 25 page 2006) and transmitted to Congress on January 18, 1979 for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and, therefore, cites the following legislation as D.C. Law 2-123, effective March 3, 1979.


ARRINGTON DIXON
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

January	18, 19, 22, 23, 24, 25, 26, 29, 30, 31
February	1, 2, 5, 6, 7, 8, 9, 13, 14, 15, 16, 20, 21, 22, 23, 26, 27, 28
March	1, 2

AN ACT

2-254

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

AUGUST 2, 1978

To provide for priorities of distribution of general assets and to provide for early access to the assets of an insolvent insurer for the benefit of the guaranty associations.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Fire and Casualty Act Amendments of 1978".

Sec. 2. Section 5 of Chapter II of the Fire and Casualty Act (54 Stat. 1067; D.C. Code, sec. 35-1308) is amended as follows:

(a) by inserting the subsection designation "(a)" immediately preceding the words "The superintendent";

(b) by redesignating subsections (a), (b), (c), (d), (e) and (f) in such redesignated subsection (a) as paragraphs (1), (2), (3), (4), (5) and (6), respectively; and

(c) by adding the following new subsections (b) and (c) to read as follows:

"(b) The priorities of distribution of the general assets of an insurer to be liquidated under the

provisions of subsection (a) of this section shall be as follows:

"(1) expenses of administration;

"(2) compensation of employees, other than officers of the insurer, for services rendered within three (3) months prior to the commencement of a proceeding under subsection (a) of this section and not exceeding three hundred dollars (\$300) for each such employee;

"(3) claims for federal and local taxes which are secured by lien perfected prior to the commencement of delinquency proceedings;

"(4) claims by policyholders, beneficiaries and insureds, and liability claims against insureds which claims are arising from, within the coverage of and not in excess of the applicable limits of insurance policies and insurance contracts issued by the company, and claims of the District of Columbia Insurance Guaranty Association and any similar organization in any state;

"(5) all claims not falling within any other priority under this section including unsecured claims of the federal or of any state or local government;

-3-

"(6) claims of guarantee fund certificate holders, guarantee capital shareholders and surplus note holders; and

"(7) proprietary claims of shareholders, members or other owners.

"(c)(1) Within one hundred twenty (120) days of a final determination of insolvency and order of liquidation by a court of competent jurisdiction, the superintendent shall make application to the court for approval of a proposal to disburse assets out of such company's marshalled assets, from time to time as such assets become available, to the District of Columbia Insurance Guaranty Association and any similar organization in any state (hereinafter referred to as 'Associations').

"(2) Such proposal shall at least include provisions for: (A) reserving amounts for the payment of expenses of administration and claims falling within the priorities established in paragraphs (1), (2) and (3) of subsection (b) of this section; (B) disbursement of the assets marshalled to date and subsequent disbursements of assets as they become available; (C) equitable allocation of disbursement to each of the

-4-

Associations entitled thereto; (D) the securing by the receiver from each of the Associations entitled to disbursements pursuant to this subsection of an agreement to return to the superintendent such assets previously disbursed as may be required to pay claims of secured creditors and claims falling within the priorities established in subsection (b) of this section in accordance with such priorities, and no bond shall be required of any such Associations; and (E) a full report to be made by the Associations to the superintendent accounting for all assets so disbursed to the Associations, all disbursements made therefrom, any interest earned by the Associations on such assets and any other matter as the court may direct.

"(3) The superintendent's proposal shall provide for disbursements to the Associations in amounts at least equal to the payments made or to be made thereby for which such Associations could assert a claim against the receiver and shall further provide that if the assets available for disbursement from time to time do not equal or exceed the amount of such payments made or to be

made by the Associations, disbursements shall be in the amount of available assets.

"(4) Notice of such application shall be given by certified mail to the Associations in and to the Commissioners of Insurance of each of the states. Any such notice shall be deemed to have been given when deposited in a depository of the United States Postal Service, postage prepaid, at least thirty (30) days prior to submission of such application to the court."

Sec. 3. This act shall take effect as provided for acts of the Council of the District of Columbia in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act.

RECORD OF OFFICIAL COUNCIL ACTION

Docket No: Bill No. 2-252

First Reading Action: June 27, 1978

☒ VOICE VOTE: Adopted Unanimously (2abs) Dixon, J Moore

Patricia S. Miller
Secretary to the Council

☐ ROLL CALL VOTE:

COUNCIL MEMBER	DATE	NAT	NY	AL	COUNCIL MEMBER	DATE	NAT	NY	AL	COUNCIL MEMBER	DATE	NAT	NY	AL
TUCKER					MASON					SPATULING				
HARDY					MOORE, D.					WILSON				
BARRY					MOORE, J.					WINTER				
CLARKE					ROLARK									
DIXON					SHAKLETON									
Emancipation Vote A. Emancipation M. T. Miller Votes														

Secretary to the Council

Amended First Reading Action: _____

☐ VOICE VOTE: _____

Secretary to the Council

☐ ROLL CALL VOTE:

COUNCIL MEMBER	DATE	NAT	NY	AL	COUNCIL MEMBER	DATE	NAT	NY	AL	COUNCIL MEMBER	DATE	NAT	NY	AL
TUCKER					MASON					SPATULING				
HARDY					MOORE, D.					WILSON				
BARRY					MOORE, J.					WINTER				
CLARKE					ROLARK									
DIXON					SHAKLETON									
Emancipation Vote A. Emancipation M. T. Miller Votes														

Secretary to the Council

Final Reading or Emergency Action: July 11, 1978

☒ VOICE VOTE: Adopted Unanimously (labs) Hardy

Patricia S. Miller
Secretary to the Council

☐ ROLL CALL VOTE:

COUNCIL MEMBER	DATE	NAT	NY	AL	COUNCIL MEMBER	DATE	NAT	NY	AL	COUNCIL MEMBER	DATE	NAT	NY	AL
TUCKER					MASON					SPATULING				
HARDY					MOORE, D.					WILSON				
BARRY					MOORE, J.					WINTER				
CLARKE					ROLARK									
DIXON					SHAKLETON									
Emancipation Vote A. Emancipation M. T. Miller Votes														

Secretary to the Council

RECORD OF OFFICIAL COUNCIL ACTION (Page 2)

Docket No: Bill No. 2-252

Presented to the Mayor: JUL 19 1978

Robert M. ...
Secretary to the Council

Action of the Mayor: 2 AUG 1978

☒ Approved: ☐ Disapproved:
☐ Disapproved in part -- "Reference Document:
*Budget Actions.

Robert M. ... 2 AUG 1978
Mayor of the District of Columbia

☐ Returned Without Action

Executive Secretary, D. C.

Enacted without Mayor's Signature

Secretary to the Council

Council Reenactment:

☐ VOICE VOTE:

Secretary to the Council

☐ ROLL CALL VOTE:

EDMUND MEMBER	AYE	NAY	AB.	EDMUND MEMBER	AYE	NAY	AB.	COUNCIL MEMBER	AYE	NAY	AB.	AD.
TYGIER				MASON				SPALDING				
MARCY				MOORE, D.				WILSON				
BARRY				MOORE, L.				WINTER				
CLARKE				ROLMAN								
DEION				SHAKETON								
D. C. Council Vote				A. Enacted	H. Council Vote							

Secretary to the Council

Presented to the President:

Secretary to the Council

Action of the President:

☐ Reenactment Approved
☐ Mayor's Veto Sustained

President of the U. S.

Submitted to the Congress: AUG 18 1978

Philip ...
Secretary to the Council

Senate Action:
Resolution Number:

House Action:
Resolution Number:

Secretary of the Senate

Clerk of the House

Enacted Without Congressional Action:

D. C. Law No. Effective Date

Secretary to the Council