financial back-up to accomplish the purposes of this Act. The fund shall be used to make payments as may be required of the District of Columbia to any federal reinsurance entity, or to an insurer or the Association for losses sustained in excess of the amount of retention of such losses as shall be provided for by the Commissioner; except that the amount of such payments or reimbursement in any one year shall not exceed five percent of the insruance premiums written on all lines of property insurance in the District of Columbia in the most recent full calendar year. The fund shall consist of all monies appropriated to the fund and securities acquired by and through the use of monies belonging to the fund, together with interest and accretions earned thereon. The fund shall be administered by the Superintendent.

SEC. 10. In addition to any powers conferred upon him by this or any other law, the Superintendent is authorized to do all things necessary to enable the District of Columbia and any insurer participating in any program approved by the Superintendent to fully participate in any federal program of reinsurance which may be hereafter enacted for purposes similar to the purposes of this Act.

SEC. 11. The Superintendent may require such reports from insurers concerning risks insured under any program approved pursuant to this Act as he shall deem necessary.

SEC. 12. This Act shall be and become effective upon the effective date of the National Insurance Development Corporation Act of 1968 or any other Act of the Congress of the United States which will similarly provide reinsurance or financial back-up to accomplish the purposes of this Act, and shall cease to be of any force or effect upon the termination of said act except that obligations incurred by the Association established pursuant to the provisions of this Act shall not be impaired by the expiration of this Act and such Association shall be continued for the purpose of performing such obligations.

(H.R. 17647 90th Cong., second sess., by Mr. Diggs on June 4, 1968)

A BILL To establish a basic property insurance placement plan and joint underwriting association to improve the availability of basic insurance protection for residential and business properties against fire and other perils through the cooperative efforts of the District of Columbia and the private property insurance industry; to authorize the District of Columbia to assume a portion of insurance losses resulting from riots and other civil disorders; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "District of Columbia Insurance Placement Act".

DECLARATION OF PURPOSE

SEC. 2. The purposes of this Act are—

(1) to assure stability in the property insurance market for property located in the District of Columbia;

(2) to assure the availability of basic property insurance as defined by this Act;

(3) to encourage maximum use, in obtaining basic property insurance, of the normal insurance market provided by authorized insurers; and

(4) to provide for the equitable distribution among insurers of the responsibility for insuring qualified property for which basic property insurance cannot be obtained through the normal insurance market by authorizing the establishment of a joint underwriting association.

DEFINITIONS

SEC. 3. As used in this Act, unless the context otherwise requires—

(a) "Commissioner" means the Commissioner of the District of Columbia or his designated agent.

(b) "Basic property insurance" means insurance against direct loss to property caused by perils as defined and limited in the standard fire policy and extended coverage endorsement thereon as approved by the Commissioner, and such other property insurance coverages for such types, classes, and locations of property as may be designated by the Commissioner, but shall not include insurance on automobiles.

(c) "Environment hazard" means any hazardous condition that might give rise to loss under an insurance contract, but which is beyond the control of the property owner.