

**DISTRICT OF COLUMBIA GUARANTY ASSOCIATION ACT  
DISTRICT OF COLUMBIA LIFE & HEALTH INSURANCE GUARANTY ASSOCIATION ACT OF 1992**

**SUMMARY OF GENERAL PURPOSES AND CURRENT LIMITATIONS OF COVERAGE**

Residents of the District of Columbia who purchase health insurance, life insurance, and annuities should know that the insurance companies licensed in the District of Columbia to write these types of insurance are members of the District of Columbia Life and Health Insurance Guaranty Association. The purpose of this Guaranty Association is to assure that Policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in the District of Columbia and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Guaranty Association is not unlimited, however.

**DISTRICT OF COLUMBIA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION  
DISCLAIMER**

The District of Columbia Life and Health Insurance Guaranty Association provides coverage of claims under some types of Policies if the insurer becomes impaired or insolvent. **COVERAGE MAY NOT BE AVAILABLE FOR YOUR POLICY.** Even if coverage is provided, there are significant limits and exclusions. Coverage is generally conditioned on residence in the District of Columbia. Other conditions may also preclude coverage.

The District of Columbia Life and Health Insurance Guaranty Association or the District of Columbia Superintendent of Insurance will respond to any questions you may have which are not answered by this document. Your insurer and agent are prohibited by law from using the existence of the association or its coverage to sell you an insurance Policy.

You should not rely on availability of coverage under the Life and Health Insurance Guaranty Association Act of 1992 when selecting an insurer.

Policyholders with additional questions may contact:

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The District of Columbia Life and Health Insurance  
Guaranty Association  
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Washington, D.C. 20036

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District of Columbia Department of Consumer &  
Regulatory Affairs Insurance Administration  
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The District of Columbia law that provides for this safety-net coverage is called the Life and Health Insurance Guaranty Association Act of 1992. Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the act or the rights or obligations of the Guaranty Association. If you have obtained this document from an agent in connection with the purchase of a Policy, you should be aware that its delivery to you does not guarantee that your Policy is covered by the Guaranty Association.

**COVERAGE**

Generally, individuals will be protected by the District of Columbia Life and Health Insurance Guaranty Association if they live in the District of Columbia and are insured under a health insurance, life insurance, or annuity Contract, issued by a member insurer, or if they are insured under a group insurance Contract issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

**EXCLUSIONS FROM COVERAGE**

However, persons holding such Policies are not protected by this Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state of incorporation);
- their insurer was not authorized to do business in the District of Columbia; or
- their Policy was issued by a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, a non-profit hospital service plan, a health maintenance organization, or a risk retention group.

The Guaranty Association also does not provide coverage for:

- any Policy or portion of a Policy which is not guaranteed by the insurer or for which the individual has assumed the risk;
- any Policy of reinsurance (unless an assumption certificate was issued);
- any plan or program of an employer or association that provides life, health, or annuity benefits to its employees or members to the extent the plan is self-funded or uninsured;
- interest rate guarantees which exceed certain statutory limitations;
- dividends, experience rating credits, or fees for services in connection with a Policy;
- credits given in connection with the administration of a Policy by a group Contractholder; or for
- unallocated annuity Contracts.

### **LIMITS ON AMOUNT OF COVERAGE**

The Act also limits the amount the Guaranty Association is obligated to pay. The benefits for which the Guaranty Association may become liable shall be limited to the lesser of either the contractual obligations for which the insurer is liable or for which the insurer would have been liable if it were not an impaired or insolvent insurer, or with respect any one life, regardless of the number of Policies, Contracts, or certificates, in the case of life insurance, \$300,000 in death benefits but not more than \$100,000 in cash surrender or withdrawal values; in the case of health insurance, \$100,000 in health insurance benefits; and, with respect to annuities, \$300,000 in the present value of annuity benefits. Finally, in no event is the Guaranty Association liable for more than \$300,000 with respect to any one individual.