

**Council of the District of Columbia
Committee on Business, Consumer, and Regulatory Affairs
Agenda and Witness List**

John A. Wilson Building 1350 Pennsylvania Avenue, NW - Suite G6 Washington, DC 20004

**COUNCILMEMBER VINCENT B. ORANGE, SR., CHAIR
COMMITTEE ON BUSINESS, CONSUMER, AND REGULATORY
AFFAIRS
PUBLIC HEARING**

ON

B20-170, THE “FIREARM INSURANCE AMENDMENT ACT OF 2013”

**THURSDAY, MAY 16, 2013, 10:00 A.M.
JOHN A. WILSON BUILDING, ROOM 500
1350 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, DC 20004**

- I. CALL TO ORDER**
- II. OPENING REMARKS**
- III. WITNESS LIST**
 - A. Public Witnesses**

Panel 1

- 1. Eric Goldberg, Vice President American Insurance Association
- 2. Tom Harvey, Gun Insurance Blog
- 3. Erin Collins, National Assoc. of Mutual Insurance Company (NAMIC)
- 4. Dan Gross, President of the Brady Campaign to Prevent Gun Violence

Panel 2

- 1. Kris Hammond, Resident, Ward 5
- 2. Chris Zarconi, Resident, Ward 6
- 3. Roscoe Evans, Resident, Ward 4
- 4. Lenwood Johnson, Resident , Ward (1), At-Large Member DC Democratic State Committee

B. Government Witnesses

1. Arthur J. Parker, Assistant Deputy Attorney General, Legal Counsel Division, Office of the Attorney General
2. Chester A. McPherson, Deputy Commissioner, Department of Insurance, Securities, and Banking

IV. ADJOURNMENT

Brady Campaign



To Prevent Gun Violence

SENSIBLE GUN LAWS SAVE LIVES

Brady Campaign President
Dan Gross

Personal Testimony to the
Council of the District of Columbia
Committee on Business, Consumer and
Regulatory Affairs

Dan Gross

President of the Brady Campaign and the Brady Center to Prevent Gun Violence

Good morning Chairperson Orange and members of the Committee on Business, Consumer and Regulatory Affairs. My name is Dan Gross. I am the President of the Brady Campaign and the Brady Center to Prevent Gun Violence. I want to thank Councilmember Cheh for taking the lead on this important legislation.

Let me first provide some background on how I came to dedicate my life to preventing gun deaths and injuries. My brother Matthew Gross was shot in the head in a 1997 attack on the Observation Deck of the Empire State Building. The shooter killed our dear friend and injured five other people. Matthew continues to inspire us with his amazing strength and courage, but our family was changed forever by this incident of gun violence.

After the shooting, I decided to leave my career as a partner at an advertising agency to work for a safer America. I founded PAX (now the Center to Prevent Youth Violence) to develop and implement educational programs to reduce gun violence. Last year I was honored to become the President of the Brady Campaign and Brady Center to Prevent Gun Violence.

At the Brady Campaign, we believe in a comprehensive approach to reducing gun violence in our nation, including policies to keep guns out of the hands of criminals and dangerous people, and public health and safety programs to inspire safer attitudes and behaviors around the 300 million guns in our homes and communities. We welcome all sensible solutions that can help reduce the unacceptable level of gun violence in this country.

This proposal is exactly such a sensible solution.

Every year about 100,000 people are shot in America, about 30,000 fatally. In addition to the one million Americans shot each decade, many others are affected by gun violence – mothers, fathers, sisters, brothers, children, friends, schoolmates, and colleagues at work. Tragically, for far too many families, the pain that follows the shooting of a loved one is not only emotional, but financial as well.

Let me illustrate this with an example. If a gun owner irresponsibly stores a gun, or leaves a gun accessible to a child—as we've seen happen repeatedly in the past few weeks alone—and that child takes the gun and shoots a friend, the victim's family is usually responsible for all of the costs. The main exception is in those cases where the gun owner has a homeowners' insurance policy that covers accidental gun injuries, and the shooting took place in their home or on their property. But there is no requirement that gun owners have such insurance, and even if they do, if the policy does not cover shootings, or incidents off of the policyholder's property—and they generally do not—then the gun owner has no insurance available to compensate victims and their families.

It is absolutely unfair to saddle innocent victims with all of the costs of a shooting, when someone else's actions or inaction helped cause the injury or death. We wouldn't tolerate such a system with automobiles—and we don't.

People would be rightly outraged to learn that a driver who caused an accident victim to incur hundreds of thousands of dollars in medical costs was not insured and had no money to contribute to the victim's financial losses.

Yet under current law, that is what happens with guns. One need only read the newspapers to know that some gun owners store guns in places accessible to children, or contribute to shootings in other ways. But gun owners are not required to have insurance that could cover those predictable losses, so they are borne by victims or by taxpayers.

That is wrong.

This bill would change this broken status quo in the District of Columbia. Mandatory gun owners' insurance would ensure that the survivors of gun violence tragedies aren't at risk of going broke because of the irresponsibility of others, and it would prevent the families of victims from being saddled with costs and bills that they should never have had to face.

What this bill would not do is infringe on the Second Amendment rights of legal gun owners. It would simply require them to take out an insurance policy, just as drivers are required to do, to ensure that economic costs in the event of an unforeseen incident are not borne entirely by the victims or taxpayers.

Does an insurance policy cost money? Of course it does. But so does buying a gun and ammunition in the first place. No one can seriously claim that you have a Constitutional right to avoid compensating someone who is injured by your property, whether that's your automobile, your firearm, or anything else.

In this country, we cherish our rights and freedoms, but we also understand that these rights come with responsibilities. Each of us has a personal responsibility not to injure others, and when we are responsible in some way, we should be responsible for the economic consequences too. There is no legitimate complaint that requiring someone to buy auto insurance infringes on their right to travel. It is similarly illegitimate to claim that a shooting is somehow only the financial responsibility of the victim or taxpayers. It should not fall solely to the victims of gun tragedies and society at large to bear the burdens that are the consequences of other people's irresponsibility.

This important bill will do a great deal to help ensure that victims of gun violence are fairly compensated. It will also increase public safety by encouraging safer gun storage practices. As with any kind of insurance, policyholders should be rewarded with lower premiums for demonstrating that they represent a lower risk. Insurance rates should be less for more careful gun owners, who can be expected to more safely store their guns to avoid claims that would increase premiums. Further, the bill will better educate and engage the American people in an honest discussion about the risks and benefits of gun ownership, which is an important part of Brady's comprehensive approach to preventing gun deaths and injuries.

This proposal would increase public safety, preserve Constitutional rights, and bring assurance to victims of gun violence and their families that they will not have to face the financial aftermath of a tragedy alone.

So long as there is insurance available that would enable residents to comply with this proposal, the Brady Campaign supports it, and would hope that it is enacted, becomes law, and is followed by similar legislation in other jurisdictions.

Thank you again for inviting me to testify today. I appreciate your time and would be happy to answer any questions.

**Testimony Before the Council of the District of Columbia
Concerning the Firearm Insurance Amendment Act of 2013**

Kris Hammond

May 16, 2013

(202) 302-7343 / kristofor1787@yahoo.com

My name is Kris Hammond. I am a Ward Five resident and registered handgun owner in the District of Columbia. Let me start by thanking the Council for voting last year to streamline the District's Byzantine handgun registration process. That legislative action was a common sense step forward. Unfortunately, the Firearm Insurance Amendment Act of 2013 would be a big step backwards. That proposed law would require all gun owners in the District of Columbia to obtain a \$250,000 liability insurance policy that specifically covers negligent or willful acts committed with the registered firearm.

The first issue is: Do the harms supposedly remedied by the proposed legislation exist? During the nearly five years since the Supreme Court in 2008 forced the District to permit handgun possession by residents, how many times have lawfully registered firearms been used to negligently or intentionally harm other individuals?

The second issue is: Do the insurance policies envisioned by this bill exist? Many homeowner and renters insurance policies already cover liability to third parties for negligent acts and do not specifically exclude gun-related incidents. Therefore, with respect to negligent acts, the proposed bill likely requires needlessly duplicative insurance. As for intentional acts, it is likely that no insurance coverage for intentional acts presently exists in the marketplace.

The third issue is: What is the likely cost of the mandatory insurance policies, if they exist or can be created? If, by enacting this law, the Council were to artificially create a market for insurance covering intentional acts committed with a firearm, the insurance premiums would likely be astronomically high. If the Council finds that harmful, intentional acts by registered gun owners in D.C. are extremely rare, then the insurance premiums would also represent an egregious waste of money with little benefit to anyone (except the insurance companies). Furthermore, given the high cost of insurance premiums, mandatory insurance would likely violate the Second Amendment to the United States Constitution.

Finally, there is an overarching issue: the issue of trust. Why doesn't the District of Columbia trust law-abiding gun owners? We aren't the people committing gun crimes or otherwise using guns unsafely. Rather than enact the Firearm Insurance Amendment Act, which would do little to advance the safety of D.C. residents, the Council should recognize that citizens can be trusted to carry firearms for self protection and the protection of others. Such rights are already enjoyed by the vast majority of citizens living in other states. Thank you for giving me the opportunity to speak to you today.

**HEARING ON
BILL 20-170,
THE FIREARM INSURANCE AMENDMENT ACT OF 2013**

**BEFORE THE COMMITTEE ON
BUSINESS, CONSUMER, AND REGULATORY AFFAIRS**

**VINCENT B. ORANGE, SR.
CHAIRMAN**



**TESTIMONY OF CHESTER A. MCPHERSON
DEPUTY COMMISSIONER OF THE DEPARTMENT OF
INSURANCE, SECURITIES AND BANKING**

MAY 16, 2013

Good morning Chairman Orange and members of the Committee on Business, Consumer and Regulatory Affairs. I am Chester A. McPherson, Deputy Commissioner of the Department of Insurance, Securities and Banking (“Department”), and I will be providing testimony on behalf of the Executive on Bill 20-170, the “Firearm Insurance Amendment Act of 2013.”

The Administration is committed to the Second Amendment rights of our residents and protecting the safety of everyone in the District. However, the Executive is not convinced that there is currently a persuasive argument to support the need for insurance for firearms in the home. Representatives of the Office of the Attorney General and Metropolitan Police Department are available for questions regarding those aspects of the bill.

Bill 20-170 requires persons owning firearms in the District to obtain and continuously maintain a policy of liability insurance in the amount of no less than \$250,000. The liability insurance required by the Bill must cover “any damage resulting from negligent acts, or willful acts that are not undertaken in self-defense, involving the use of the insured’s firearm while it is owned by the policy holder.” As a consequence, any failure to maintain insurance coverage for a firearm will result in the “immediate revocation of a firearm owner’s registration, license and any other privileges to own a firearm.”

Further, the Bill imposes a rebuttable presumption of ownership if the firearm is lost or stolen until the loss or theft is reported to the Metropolitan Police Department. Finally, the Bill allows firearm owners 30 days from the effective date of the act to obtain insurance, and is made inapplicable to peace officers authorized to carry firearms.

As you know, the Department is responsible for, among other things, regulating persons and entities that engage in the business of insurance. With respect to the Bill, if enacted, the Department would be responsible for approving the policy forms that spell out the coverage for the firearms, and the premium rates which determine how much will be paid for the insurance coverage. As it relates to the insurance market in the District, the Department has not identified any plans that would provide the coverage contemplated by the Bill. However, most homeowners' policies cover injuries sustained as a result of negligence or the accidental discharge of a firearm. In this regard, homeowners' coverage, like virtually all property and casualty insurance, do not cover the intentional or criminal acts of the insured.

In terms of the contents of the Bill, the Department would suggest the applicability date be extended to at least 180 days to allow carriers sufficient time to have rates and forms filed and approved. Further, the Bill should

also require firearm owners to maintain proof of insurance in the event it becomes necessary to demonstrate compliance with the law.

Aside from these insurance market specific comments, the Department is aware that several other states have offered similar bills mandating insurance coverage for firearm owners. Among these states include California, Connecticut, Massachusetts, New York, Oregon, Pennsylvania and Maryland. However, to date, none of the bills have been enacted. Consequently, there is little experience – that is, there is no data – for either carriers or regulators to analyze and evaluate the underwriting and claims experience for this type of coverage.

With that, I thank you for the opportunity to present this testimony today, and am available for any questions you or any member of the Council may have.