

FY2017 Performance Accountability Report

The Performance Accountability Report (PAR) measures each agency's performance for the fiscal year against the agency's performance plan and includes major accomplishments, updates on initiatives, and key performance indicators (KPIs).

Mission

The mission of the Department of Insurance, Securities and Banking is twofold: 1) protect consumers by providing equitable, thorough, efficient, and prompt regulatory supervision of the financial services companies, firms, and individuals operating in the District of Columbia, and 2) develop and improve market conditions to attract and retain financial services firms to the District of Columbia.

Summary of Services

DISB regulates several financial services entities: (1) insurance companies, insurance producers, health maintenance organizations, captive insurance companies and risk retention groups; (2) investment advisors, investment advisor representatives, broker-dealers, broker-dealer agents, securities offerings and issuers and agents of issuers and (3) District and state-chartered banks, mortgage lenders and brokers, mortgage loan originators, check cashers, money transmitters, consumer-sales-finance companies, money lenders, and consumer-credit-service organizations.

FY17 Top Accomplishments

Accomplishment	Impact on Agency	Impact on Residents
1. Implemented the the Student Loan Ombudsman Establishment and Servicing Regulation Amendment Act of 2016.	The Department recruited an Ombudsman to administer the new law. DISB also prepared implementing regulations, a Student Loan Borrower's Bill of Rights, and a public outreach workplan. The implementation of this new program involved input from the following divisions within the Department: Banking, Consumer Services, Legal and the Office of the Commissioner.	The District will license and regulate student loan servicers operating in the District. District student loan borrowers can file complaints with the Department, and the Ombudsman has the authority to investigate such complaints and, if necessary, refer servicers to the Office of the Attorney General for enforcement. The Ombudsman will also engage in extensive community outreach activities with students and parents that will enable them to make better choices regarding financing the cost of higher education.
The Department completed the establishment and implementation of the Department-wide Senior Financial Fraud Abuse Prevention Program. The program focuses on two primary components: (1) increase the number of outreach events to educate seniors on how to avoid financial scams; (2) enhance	Accomplishments during FY 2017 included: the hiring of new Director of Enforcement, who has significant experience in enforcement and consumer protection. The Director developed an internet enforcement/surveillance strategy, which will improve the Department's ability to identify trends and increase its enforcement activities against individuals and firms that target seniors. DISB also created an agency-wide Senior Financial Fraud Prevention Committee, which is chaired by the Director of the Department's Securities Bureau. Representatives from all of the Department's operating divisions: insurance, securities, banking, enforcement, consumer services, enforcement, and communications are on the committee and meet regularly to monitor and evaluate the effectiveness of the Department	DISB's Senior Financial Fraud Abuse Prevention Program enables District seniors to identify and avoid financial scams, and deter unscrupulous individuals and firms from preying on this vulnerable segment of the population.

DISB's consumer protection and enforcement activities by targeting firms and individuals who prey on District seniors.

enforcement and outreach efforts. The Committee also worked on legislation in FY17 that will provide enhanced protections for firms and individuals who prey on seniors.

2017 Strategic Objectives

Objective Number	Strategic Objective
1	Provide high quality and efficient consumer protection services to District residents and businesses.
2	Provide high quality and cost effective regulation of financial services providers to ensure compliance with District laws.
3	Establish the District as a premier destination for financial services firms by coordinating with other agencies to increase the number of financial services industry jobs available for District residents, and to generate additional revenue for the District.
4	Provide high quality services to financially empower residents and create pathways to the middle class.
5	Provide valuable assistance and support to District based small businesses and entrepreneurs that will create or retain jobs.
6	Create and maintain a highly efficient, transparent and responsive District government. **

2017 Key Performance Indicators

Measure	Freq	Target	Q1	Q2	Q3	Q4	FY 2017	KPI Status	Explanation
1 - Provide high quality and efficient consumer protection services to District residents and businesses. (4 Measures)									
Percentage of Insurance, Securities and Banking consumer complaints resolved within 45 days of receipt.	Quarterly	95%	89.1%	99%	100%	95.8%	96.1%	Met	
Number of residents who receive in-person fraud abuse prevention, financial literacy training and/or consumer protection information.	Quarterly	7000	2989	2394	6952	5600	17935	Met	
Percentage increase in the number of fraud alerts from the previous fiscal year developed and available on the Department's website and other media.	Quarterly	10%	0%	25%	200%	200%	50%	Met	
Percentage of scheduled risk retention groups examined during the fiscal year.	Quarterly	100%	No applicable incidents	100%	100%	100%	100%	Met	
2 - Provide high quality and cost effective regulation of financial services providers to ensure compliance with District laws. (4 Measures)									
Percentage of scheduled non-depository financial institutions examined during the fiscal year.	Quarterly	100%	85.7%	92.9%	125%	175%	119.6%	Met	
Percentage of scheduled domestic insurance	Quarterly	100	0	17	34	50	100	Met	

companies examined during the fiscal year.									
Percentage of scheduled District-based investment firms examined during the fiscal year.	Quarterly	100%	100%	100%	100%	100%	100%	Met	
Number of financial education offerings targeted for the District's Hispanic population, including in-person outreach events and the availability of resources in English and Spanish.	Annually	4	Annual Measure	Annual Measure	Annual Measure	Annual Measure	5	Met	Annual Measure
3 - Establish the District as a premier destination for financial services firms by coordinating with other agencies to increase the number of financial services industry jobs available for District residents, and to generate additional revenue for the District. (1 Measure)									
Number of amendments to existing financial services laws or regulations, or proposed new laws or regulations drafted during the fiscal year.	Quarterly	4	3	2	2	0	7	Met	
4 - Provide high quality services to financially empower residents and create pathways to the middle class. (3 Measures)									
Number of new bank accounts opened through the Bank on DC program.	Quarterly	750	103	134	102	446	785	Met	
Percentage of increase in the number of regulatory enforcement cases initiated.	Quarterly	10%	26.1%	17.4%	333.3%	340%	82.5%	Met	
Percentage of increase in the number of fraud alerts issued.	Quarterly	10%	0%	25%	200%	200%	50%	Met	
5 - Provide valuable assistance and support to District based small businesses and entrepreneurs that will create or retain jobs. (2 Measures)									
Percentage of State Small Business Credit Initiative applications processed within 30 days of receipt.	Quarterly	95%	No applicable incidents	100%	100%	100%	100%	Met	
Percentage increase in outreach events for small businesses, financial institutions or business organizations.	Quarterly	100%	50%	50%	275%	175%	137.5%	Met	

We've revisited a project to standardize District wide measures for the Objective "Create and maintain a highly efficient, transparent and responsive District government." New measures will be tracked in FY18 and FY19 and published starting in the FY19 Performance Plan.

2017 Workload Measures

Measure	Freq	Q1	Q2	Q3	Q4	FY 2017
1 - Consumer alerts (1 Measure)						
Number of consumer guides and alerts issued to consumers.	Quarterly	0	1	4	4	9
1 - Outreach campaigns (1 Measure)						
Number of District residents receiving financial literacy training and consumer	Quarterly	2989	2394	6952	5600	17935

protection information.						
2 - Domestic insurance company exams (1 Measure)						
Number of domestic insurance company examinations completed during the fiscal year.	Quarterly	0	1	2	3	6
2 - Investment adviser firm exams (1 Measure)						
Number of District-based investment advisers examinations completed during the fiscal year.	Quarterly	2	8	7	5	22
2 - Non-depository exams (1 Measure)						
Number of non-depository financial institutions examinations completed during the fiscal year.	Quarterly	24	26	35	49	134
3 - Review laws (2 Measures)						
Number of recommendations prepared by the Department that address the benefits to the District of creating new legislation or amending existing legislation or regulations.	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	21
Number of bills or rulemakings developed by the Department to make the District more attractive for financial services business.	Quarterly	3	1	0	0	4
4 - Bank on DC program (1 Measure)						
Number of Bank on DC or other Financially Fit DC events held.	Quarterly	10	29	33	68	140
4 - Financial services curriculum (1 Measure)						
Number of consumers receiving financial literacy training and/or consumer protection information.	Quarterly	2989	2394	6952	5600	17935
4 - Seminars and educational events (1 Measure)						
Number of events held where residents were provided with financial literacy training and/or consumer protection information.	Quarterly	10	42	77	97	226
5 - SSBCI program partnerships (1 Measure)						
Number of small business assistance clinics, seminars, or other events provided.	Quarterly	1	1	9	7	18
5 - SSBCI program promotion (1 Measure)						
Number of jobs created or retained in the District with SSBCI funds.	Quarterly	0	0	0	0	0

2017 Strategic Initiatives

Title	Description	Complete to Date	Status Update	Explanation
AGENCY MANAGEMENT (2 Strategic initiatives)				
Develop a public-private	Complete the establishment of the	50-74%	In FY17, DISB established a relationship with	The initiative

partnership where DISB and the financial services industry work with District universities and schools to train students to fill jobs in the financial services industry	Financial Services Academy to provide District residents with training for positions in the financial services industry.		Gallaudet University's Risk Management program, and provided internships for students with hearing impairments. DISB also met with representatives from George Washington University to discuss the creation of an internship program for students with disabilities. In FY18 DISB will complete the development of the Financial Services Academy by identifying and adding additional educational institutions and financial industry partners, and will finalize an initial curriculum for the Academy.	requires multi-year implementation.
Department-wide Senior Financial Fraud Abuse Prevention Program	Complete the establishment and implementation of the Department-wide Senior Financial Fraud Abuse Prevention Program. The program will focus on two primary components: (1) increase the number of outreach events to educate seniors on how to avoid financial scams; (2) enhance DISB's consumer enforcement program to protect District seniors.	Complete	In Q4, DISB reached 535 seniors through 13 events that specifically targeted seniors to educate them on how to avoid financial scams.	
BANKING (1 Strategic Initiative)				
Promote the Bank on DC program to reduce the number of unbanked and underbanked residents in the District.	The Bank on DC program will be expanded as part of the Financially Fit DC initiative. The Financial Fitness program will include an online financial educational curriculum, which will include components on retirement, credit, child savings, retirement and investments.	Complete	Online curriculum is complete. Topics covered: banking, budgeting, saving, retirement readiness, credit scores and reports, ID theft and fraud prevention, and alternative financial services. Enhancements to program may be considered, upon review of usage and data.	
BANKING EXAMS (1 Strategic Initiative)				
Conduct examinations of non-depository financial institutions scheduled during the fiscal year.	Develop a plan to streamline the examination process of non-depository financial institutions to improve the efficiency of the Banking Bureau staff without compromising the Department's consumer protection objectives.	Complete	New Examination procedures have been developed and are now being implemented.	
INSURANCE EXAMS (2 Strategic initiatives)				
Conduct examinations of domestic insurance companies scheduled during the fiscal year.	Develop and implement a plan in FY17 to increase the number of financial examinations handled by Department staff, and reduce the Department's use of contract examiners by 25% by the end of 2020.	Complete	The IB was successful in its goal of completing 6 exams during the fiscal year. Moreover, the IB utilized its in-house actuary to perform the actuarial review on two-thirds of these exams as planned. Similarly, IB exam staff was utilized in either a staff or supervisory role in performing each of the 6 exams, thus reducing the IB's reliance on	

			contracted services.	
Department-wide Market Conduct examinations	Establish a market conduct examination unit in DISB to review the activities of the insurance industry in the District to ensure insurers are complying with the District's consumer protection laws and regulations.	Complete	Of the 12 draft NAIC standards, DISB now meets standard 2, 3, 4, 5, 7, 9, 10 and 12 for a total of 8 standards met. 8 standards is 66.6% of 12 therefore our goal of meeting 60% compliance with the standards in FY2017 is achieved.	
PUBLIC AFFAIRS (5 Strategic initiatives)				
Engage in comprehensive efforts to provide financial literacy to all residents of the District.	Launch the Financial Fitness initiative in FY17, and make available a comprehensive online curriculum to District residents.	Complete	In January, DISB launched the Financial Fitness initiative with Mayor Bowser to encourage residents to take control of their financial wellbeing. DISB has completed this initiative.	
Conduct outreach campaigns to provide residents with information that will help them make informed choices about financial services offerings (e.g., DC Saves Week, Financial Literacy Month, DASH for the STASH and the Financial Fitness Challenge).	Launch a comprehensive marketing campaign in FY17 to encourage District residents to participate in the Financial Fitness initiative, which will increase knowledge and awareness of financial concepts, products and services.	Complete	In Q3, DISB reached 6,952 residents. This brings the FY17 total to 12,335 and exceeds the 7K target. DISB held a financial services clinic for students at UDC's Community College, shared info on DC BizCAP at 11 small business-related events, increased its outreach to the District's Hispanic population and ran ads in local newspapers on protecting your home and belongings, and Financially Fit DC.	
Publish and distribute consumer alerts, guides and articles to inform consumers about financial services issues and to help prevent them from becoming victims of scams and abuses.	Develop a customer satisfaction survey to measure the effectiveness of the Office of Communications outreach education programs by the end of the fiscal year.	Complete	In Q3, DISB issued 2 articles that were picked up by The Washington Informer. "Now is the Time to Develop Health Habits" was issued on April 13. "Make the pledge to Protect Your Finances" was issued on June 7. DISB issued 4 alerts: Unlicensed Financial Advisers (April 11), Hurricane Prep (June 9), Counterfeit Check Scam (June 12) and Public Insurance Adjuster (June 21). They are linked to @DCDISB.	
Deliver financial services curriculum that contains topics of interest and importance to all population segments in the District.	Develop an innovative and effective financial literacy and fraud prevention curriculum that contains topics of interest and importance to all population segments in the District, with particular focus on low income residents, seniors, youth and ex-offenders.	Complete	This initiative was completed as of January 9, 2017. In Q2, DISB launched Financially Fit DC, a comprehensive financial literacy program designed to empower all District residents to take control of their financial health. Financially Fit DC is driven by a web-based financial assessment tool that guides participants through the process of creating a workable budget, checking their credit, purchasing a home, and planning for retirement. In Q2, roughly 196 residents signed up for the program.	

Conduct seminars and educational events to provide residents with information on financial services.	Initiate a new financial education youth program by working with OSSE. DISB will conduct at least 3 Financial Literacy Days, Financial Summits or Reality Fairs during FY17.	Complete	In Q4, DISB participated in 77 events where residents were provided with financial literacy training and/or consumer protection information. The events focused on a variety of topics (e.g. DC BizCAP, Bank on DC, Financially Fit DC, reverse mortgages, business insurance, financial scams, renters insurance, elder abuse, etc.)
REGULATORY REVIEW AND LICENSING (1 Strategic Initiative)			
Review the District's financial services laws and regulations to identify the areas where legislation and regulations should be revised or repealed.	Conduct ongoing review of the insurance, securities and banking laws and regulations in the District and other jurisdictions to identify those that are the most modern and business friendly. Based upon the findings and/or outcomes, DISB will draft legislative recommendations and/or regulations to ensure the District's laws and regulations are fair, efficient, and up-to-date.	Complete	DISB participated in EOM's annual Leg Fest, with four legislative proposals selected by the Mayor for drafting and introduction. To date, three of those proposals have been introduced in the Council and are under Council review.
SECURITIES EXAMS (1 Strategic Initiative)			
Conduct examinations of investment adviser firms scheduled during the fiscal year.	Develop a customer satisfaction survey to measure the effectiveness of the Department's examinations operations by 09/30/2017.	Complete	In Q2, the Securities Bureau developed a Customer Satisfaction Survey form, and the Examinations Division began including it in closing letters to firms. We have received two completed survey forms from firms during Q2, and both rated the Examination process highly. The Examinations Division will continue to distribute the Survey Form during the remainder of FY 2017. We will report on the survey results to date by April 10, 2017.